Audit & Assurance Committee (Open)

Wed 21 July 2021, 12:20 - 14:20

Zoom

Agenda

12:20 - 12:30
10 min

1. PRELIMINARY MATTERS

00 - Agenda AAC 210721 (Open).pdf (2 pages)

1.1 Welcome and Introductions

Presenter: Chair/Oral

1.2 Apologies for Absence

Presenter: Chair/Oral

1.3 Declarations of Interest

Presenter: Chair/Oral

1.4 Draft Minutes of the Audit and Assurance Committee meeting held on 9 June 2021

Presenter: Chair/Oral

1.4 - Unconfirmed Minutes AAC 090621 (Open).pdf (5 pages)

1.5 Action Log from the Audit and Assurance Committee meeting held on 9 June 2021

Presenter: Chair/Oral

1.5 - Action Log AAC 090621 (Open).pdf (3 pages)

1.6 Matters Arising

Presenter: Chair/Oral

12:30 - 14:00
90 min

2. MATTERS FOR CONSIDERATION

2.1 Information Governance Toolkit Submission and Information Governance Delivery and Implementation Plan 2021/2022

Presenter: Director of Digital/Attachments

2.1a - Information Governance Toolkit Submission and Toolkit Plan_final(tracked).pdf (8 pages)
2.1b - Information Governance Delivery and Implementation Plan 21-22 Q1 final.pdf (35 pages)

2.2 HEIW Procurement Process Improvement Report

Presenter: Director of Finance/Attachments

2.2a - HEIW Procurement Process Improvement Report D2.2(F)docx.pdf (4 pages)
2.2b - Appendix 1 - Process Review Actions v2.pdf (2 pages)

2.3 Procurement Compliance Reporting

Presenter: Director of Finance/Attachments

- 2.3a - Procurement Compliance Report (Cover Paper).pdf (3 pages)
- 2.3b - Procurement Compliance Appendix 1.pdf (2 pages)

2.4 Internal Audit Progress Report

Presenter: Internal Audit/Attachments

- 2.4a - Internal Audit Progress Report (CP)(F).pdf (2 pages)
- 2.4b - Internal Audit Progress Report (July 21).pdf (4 pages)
- 2.4d - Governance Arrangements Internal Audit Report.pdf (16 pages)
- 2.4c - Pharmacy Pre-Registration Review Final Report (1).pdf (14 pages)
- 2.4e - Information Governance Toolkit IA Report - Final.pdf (14 pages)

2.5 Audit Wales

Presenter: Audit Wales/Attachments

2.5.1 Audit Wales Progress Report

- 2.5.1a - Audit Wales Progress Report (Cover Paper).pdf (1 pages)
- 2.5.1b - Audit Wales Progress Report (July 21).pdf (10 pages)

2.5.2 Structured Assessment Phase 1 Report

- 2.5.2a - Audit Wales Stuctured Assessment Phase 1 Report (Cover Paper).pdf (1 pages)
- 2.5.2b - Structured_Assessment_Phase 1 Report (English).pdf (10 pages)

2.6 Counter Fraud

Presenter: Counter Fraud/Attachments

2.6.1 Progress Report including an update on the National Fraud Initiative 2020/21

- 2.6.1a - Counter Fraud Progress Report (Cover Paper).pdf (4 pages)
- 2.6.1b - Counter Fraud Progress Report (July 21).pdf (5 pages)

2.6.2 Annual Report 2020/21

- 2.6.2a - Counter Fraud Annual Report 2020 2021 (Cover Paper).pdf (4 pages)
- 2.6.2b - CF Annual Report AAC 210721.pdf (10 pages)

2.7 Update to Standing Financial Instructions

Presenter: Director of Finance/Attachment

- 2.7a - Update to Standing Financial Instructions (Cover Paper).pdf (3 pages)
- 2.7b - Appendix 1 - HEIW Model SFIs 25 March 2021 v2 Final 12.5.5. amended.pdf (81 pages)
- 2.7c - Appendix 2 - Model SFIs - Table of Amendments.pdf (7 pages)

2.8 Updated Standing Orders

Presenter: Board Secretary/Attachment

- 2.8a - Amended Standing Orders (AAC210721)(CP F 14.7.21).pdf (8 pages)
- 2.8b - Appendix 1 - Revised HEIW Standing Orders JULY 2021.(tracked)(F)doc.pdf (77 pages)

2.9 Proposed Amendments to Delegated Financial Limits

Presenter: Director of Finance/Attachment

- 2.9 - Proposed Amendments to Delegated Financial Limits.pdf (7 pages)

2.10 Review of Audit and Assurance Committee Terms of Reference

Presenter: Board Secretary/Attachment

- 2.10a - Annual Review of AAC Terms of Reference.pdf (3 pages)
- 2.10b - Appendix 1 - Terms of Reference AAC.pdf (6 pages)

2.11 Information Governance and Information Management Report

Presenter: Board Secretary/Attachment

- 2.11 - Information Governance and Information Management Report (July 2021).pdf (5 pages)

2.12 Board Assurance Framework (Mitigation of Strategic Risks)

Presenter: Board Secretary/Attachment

- 2.12a - Cover paper BAF - Strategic Risks Control Framework(F).pdf (4 pages)
- 2.12b - Appendix 1 - HEIW Strategic Risks Control Framework 2021(Clean)(13.07.21) (F).pdf (7 pages)

2.13 Corporate Risk Register

Presenter: Board Secretary/Attachment

- 2.13a - Corporate Risk Register (Cover paper).pdf (6 pages)
- 2.13b - Appendix 1 - Corporate Risk Register.pdf (11 pages)

2.14 Audit Recommendations Tracker

Presenter: Board Secretary/Attachment

- 2.14a - Audit Reccomendations Tracker (July 21).pdf (6 pages)
- 2.14b - Appendix 1 - Audit Reccomendations Tracker (July 21).pdf (8 pages)

2.15 Ministry of Defence (MoD) Memorandum of Understanding (MOU) with HEIW for Postgraduate Specialty Trainees

Presenter: Medical Director/Attachment

- 2.15 - MOD MOU Secondary Care for Post Grad Specialty Trainees.pdf (14 pages)

14:00 - 14:05
5 min

3. FOR INFORMATION

3.1 Education Commissioning and Quality Committee Annual Report 2020/21

Presenter: Board Secretary/Attachment

- 3.1a - ECQC Annual Report (AAC210721).pdf (3 pages)
- 3.1b - ECQC Annual Report 2020 2021 (AAC210721).pdf (6 pages)

14:05 - 14:05
0 min

PART 4: CLOSE

4.1 Any Other Business

Chair/Oral

4.2 Date of Next Meeting

Thursday 21 October 2021 at 10am TBC eithervia Microsoft Team or HEIW Meeting Room 1, Ty Dysgu

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

COMMITTEE MEMBERS PRIVATE DISCUSSIONS WITH COUNTER FRAUD, INTERNAL AND EXTERNAL AUDITORS
12:00 – 12:20

FULL AUDIT AND ASSURANCE COMMITTEE

Thursday, 21 July 2021 at 12:20pm
Via Zoom

AGENDA

PART 1	**PRELIMINARY MATTERS**	**12:20 – 12:30**
1.1	Welcome and Introductions	Chair/ Oral
1.2	Apologies for Absence	Chair/ Oral
1.3	Declarations of Interest	Chair/ Oral
1.4	Draft Minutes of the Audit and Assurance Committee meeting held on 9 June 2021	Chair/ Attachment
1.5	Action Log from the Audit and Assurance Committee meeting held on the 9 June 2021	Chair/ Attachment
1.6	Matters Arising	Chair/ Attachment
PART 2	**MATTERS FOR CONSIDERATION**	**12:30 – 14:05**
2.1	Information Governance Toolkit Submission and Information Governance Delivery and Implementation Plan 2021/2022	Director of Digital/ Attachment
2.2	HEIW Procurement Process Improvement Report	Director of Finance/ Procurement Head (NWSSP)/ Attachment
2.3	Procurement Compliance Reporting	Director of Finance/ Attachment
2.4	Internal Audit Progress Report • Progress Report • Pre-registration Pharmacy Internal Audit Report • Governance Arrangements Internal Audit Report • Information Governance Toolkit Internal Audit Report	Internal Audit/ Attachments
2.5	Audit Wales • 2.5.1 - Progress Report • 2.5.2 - Structural Assessment Phase 1 Report	Audit Wales/ Attachments
2.6	Counter Fraud • 2.6.1 - Progress Report including an update on National Fraud Initiative 2020/21 • 2.6.2 - Annual Report 2020/21	Counter Fraud Manager/ Attachments/

2.7	Update to Standing Financial Instructions	Director of Finance/Attachment
2.8	Updated Standing Orders	Board Secretary/Attachment
2.9	Proposed Amendments to Delegated Financial Limits	Director of Finance/Attachment
2.10	Review of Audit and Assurance Committee Terms of Reference	Board Secretary/ Attachment
2.11	Information Governance and Information Management Report	Board Secretary/ Attachment
2.12	Board Assurance Framework (Mitigation of Strategic Risks)	Board Secretary/ Attachments
2.13	Corporate Risk Register	Board Secretary/ Attachment
2.14	Audit Recommendations Tracker	Board Secretary/ Attachment
2.15	Ministry of Defence (MoD) Memorandum of Understanding (MOU) with HEIW for Postgraduate Specialty Trainees	Medical Director/ Attachments
PART 3	**FOR INFORMATION**	**14:05-14:15**
3.1	Education Commissioning and Quality Committee Annual Report 2020/21	Board Secretary/ Attachment
PART 4	**CLOSE**	**14:15 – 14:20**
4.1	Any Other Business	Chair/ Oral
4.2	Date of Next Meeting: • Thursday 21 October 2021 at 10am TBC either via Microsoft Team or HEIW Meeting Room 1, Ty Dysgu	Chair/ Oral

In accordance with the provision of Section 1(2) of the Public Bodies (Admissions to Meetings) Act 1960 it shall be resolved that representatives of the press and other members of the public be excluded from the latter part of the meeting on the grounds that it would be prejudicial to the public interest due to the confidential nature of the business transacted. This section of the meeting is to be held in private session.

DRAFT Unconfirmed Minutes of the Audit and Assurance Committee held on 9 June 2021 at 13:00 – 14:30
Via Microsoft Teams/Teleconference (through Ty Dysgu)

Present:

Gill Lewis	Independent Member (Chair)
John Hill Tout	Independent Member (Vice Chair)
Dr Ruth Hall	Independent Member
Dr Heidi Phillips	Independent Member

In Attendance:

Dafydd Bebb	Board Secretary
Alex Howells	Chief Executive
Eifion Williams	Director of Finance
Martyn Pennell	Head of Financial Accounting
Paul Dalton	Head of Internal Audit (NWSSP)
Helen Goddard	Audit Manager (Audit Wales)
Helen Williams	Audit Lead (Audit Wales)
Clare James	Audit Wales
Elizabeth Tomkinson	Welsh Language and Corporate Governance Admin Officer
Catherine English	Corporate Governance Manager (Secretariat)

PART 1	PRELIMINARY MATTERS	Action
AAC: 0906/1.1	**Welcome and Introductions**	
	The Chair welcomed everyone, and the meeting was confirmed as quorate.	
AAC: 0906/1.2	**Apologies for Absence**	
	Apologies were received from Paul Thomas Procurement Business Manager (NWSSP).	
AAC: 0906/1.3	**Declarations of Interest**	
	There were no declarations of interest.	
AAC: 0906/1.4	**Minutes of the Meeting held on 6 May 2021**	
	The minutes of the meeting held on 6 May 2021 were **received** and **approved** as an accurate record of the meeting.	
AAC: 0906/1.5	**Action Log from the Meeting held on 6 May 2021**	
	The Committee **received** the action log and **noted** the actions were either complete, matters for consideration on today's agenda or scheduled for the Committee meeting in July. Those items that	

	remained outstanding would be kept on the action log until they had been completed. The Committee received the following updates: • **2710/2.10 – Declarations of Interest – Review of Practices within other organisations –**Martyn Pennell confirmed that having reviewed the register of interest, there were no conflicts for those items highlighted. The Committee requested the action log be updated to clearly explain the work taking place and the progress being made. • **0104/3.1 – Welsh Government Grip and Control Expectations –** It was confirmed that HEIW were still working through the suggestions highlighted by the document and a further update would be provided at the Committee meeting in July. • **0704/2.1.1 - Counter Fraud Progress Report** – Martyn Pennell confirmed that he had spoken with Counter Fraud and most of the matches had now been investigated. A further update would be provided at the Committee meeting in July.	
Resolved	The Committee: • **noted** the Action Log and the updates received. • **Requested** the Action Log be updated to clearly demonstrate progress made in relation to action 2710/2.10 (Declarations of Interest – Review of Practices within other organisations).	**Director of Finance**
AAC: 0906/1.6	**Matters Arising**	
	There were no matters arising.	
PART 2	**MATTERS FOR CONSIDERATION**	
AAC: 0906/2.1	**Presentation of the Annual Accounts 2020/21**	
AAC: 0906/2.1.1	**Financial Statements 2020/21**	
	The Committee received the Final Annual Accounts for 2020/21. In presenting the Final Accounts, Eifion Williams advised that HEIW had kept to the original Welsh Government Accounts submission timetable noting: • Operating costs in 2021 were £254.7m, an increase of £21.7m on the previous year. The largest increase was in Medical, Dental and Pharmacy training expenditure as detailed in note 3.2 of the Accounts. • GP Registrar spend increased by £7.2m and trainee doctor spending increased by £2.1m. • Dental training was included in the Accounts for the first time having been transferred from Welsh Government funding and increased HEIW's spend by £4.3m. It was highlighted that HEIW had met its statutory duties in 2020/21 by:	

	• breaking even against the Revenue Resource Limit for the period with an underspend of £95,000, • breaking even against the Capital Resources Limit for the accounting period with an underspend of £21,000; and • settling 95.9% of non-NHS invoices within thirty days of receipt against the target of 95%. The Committee congratulated the Finance Team and Audit Wales for delivering an excellent set of final accounts and delivering to the agreed Welsh Government timetable during a challenging time. The Committee deferred resolution to receive the Accountability Report 2020/21 and Performance Report 2020/21.	
	The Committee: • **Noted** the audited accounts 2020/21;	
AAC: 0906/2.1.2	**Audit of Financial Statements Report (ISA 260) and Letter of Representation**	
	The Committee received the report. In presenting the ISA 260, Helen Goddard confirmed that the audit of the financial statements had run smoothly despite challenges associated with the COVID-19 pandemic and that Audit Wales intend to issue an unqualified audit opinion on the 2020/21 accounts. On behalf of Audit Wales, she formally thanked all staff involved for their professionalism and the promptness with which they answered queries. Helen Goddard provided a brief summary of the salient points within the ISA 260, which also incorporated the draft Letter of Representation. She explained the impact of COVID 19 on this year's audit work and confirmed that Audit Wales had substantially completed the audit. The Committee noted that there were no non-trivial misstatements identified in the accounts which remained uncorrected, and there were no corrections to the Financial Statements only disclosure amendments as detailed in Appendix 3. It was explained that during the course of the audit, Audit Wales considered a number of matters relating to the accounts with a view to reporting any significant issues arising. One issue identified related to the Ministerial Direction relating to Clinicians' Pension Tax Liabilities, the implications of which were summarised in Exhibit 2 of the report. It was clarified that unless evidence was provided confirming there were no eligible clinicians within HEIW who may apply for relief under the Ministerial Direction, the existence of an unquantified contingent liability must be disclosed in section 21.1 of the Financial Statements. Clare James confirmed the Ministerial Direction was not expected to impact HEIW and there was nothing NHS bodies could have done to prevent the inclusion of a contingent liability of matter and report on their accounts this year.	

	Concluding, Helen Goddard confirmed Audit Wales made no recommendations this year. The accounts team produced a high-quality draft account and Audit Wales identified no significant weakness within the systems and controls that produce the financial information. The Committee was pleased to receive the overall unqualified opinion and thanked Audit Wales for their support in this achievement.	
Resolved	The Committee: • **noted** the report; • **recommended** the ISA 260 and final Letter of Representation be considered by the Board on 10 June 2021.	
AAC: 0906/2.2	**Accountability Report 2020/21**	
	The Committee **received** the report. In presenting the report Dafydd Bebb explained the Accountability Report provided an outline of HIEW's programme in relation to the Board's governance arrangements and included three key documents: the Annual Governance Statement, the Remuneration and Staff Report and the National Assembly of Wales Accountability and Audit Report. A draft version of the Annual Governance Statement was considered by the Committee on 7 April 2021 and the final document was developed following receipt of comments from committee members, Welsh Government, Wales Audit, and Internal Auditors. In relation to the Remuneration Staff Report, the Chair queried the significance of staff years and Martyn Pennell agreed to provide an explanation outside of the meeting. The Chair also noted the significant difference in pensions year on year and asked HEIW to consider whether this required further explanation. The Committee noted the report would be fully formatted ahead of publishing and suggested the Annual Governance Statement be amended to include the Corporate Governance Review recently undertaken.	
Resolved	The Committee: • **noted** the report; • **recommended,** subject to the comments made, the Annual Accountability Report 2020/21 is approved by Board for submission to Welsh Government by 11 June.	
AAC: 0906/2.3	**Performance Report 2020/21**	
	The Committee received the report, In presenting the report, Dafydd Bebb explained the purpose of the Performance Report was to provide an update on the organisation's performance in 2020/21, including progress on delivery against our Strategic Aims and performance of our business activities.	

	He explained the Annual Report including the Performance Report, Accountability Report and the Financial Statements (Annual Accounts) must be completed and submitted to Welsh Government as a single unified PDF document by 11 June. The Committee noted the PADR compliance rate on page nine of the report should be amended to the correct rate of 61.8%.	
Resolved	The Committee: • **noted** the report; • **recommended,** subject to the comments made, the Performance Report 2020/21 is approved by Board for submission to Welsh Government by 11 June.	
AAC: 0906/2.4	**Internal Audit**	
AAC: 0906/2.4.1	**Internal Audit Progress Report**	
Resolved	The Committee received the report and **noted** the update on Internal Audit activity for **information**.	
AAC: 0906/2.4.2	**Head of Internal Audit Opinion and Annual Report 2020/21**	
	The Committee **received** the final report and formally thanked all staff involved for assisting in HEIW achieving reasonable assurance for its Internal Audit Plan for 2020/21.	
Resolved	The Committee: • **noted** the Internal Audit Annual Report and Head of Internal Audit Opinion for **assurance**.	
2.5	**Final Annual Accounts for 2020/21**	
Resolved	The Committee: • **recommended** the audited accounts for 2020/21 be approved by Board on 10 June 2021.	
PART 3	**CLOSE**	
AAC: 0906/3.1	**Any Other Business**	
	There was no other urgent business.	
AAC: 0906/3.2	**Date of Next Meeting**	
	The date of the next meeting to be held on Thursday 1st July 2021 at 10am via Microsoft Teams/HEIW Meeting Room 1, Ty Dysgu, Nantgarw.	

....

Gill Lewis (Chair) **Date:**

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

Agenda Item: 1.5

Audit and Assurance Committee (Open)
9 June 2021
Action Log

(The Action Sheet also includes actions agreed at previous meetings of the Audit and Assurance Committee and are awaiting completion or are timetabled for future consideration for the Committee. These are shaded in the first section. When signed off by the Audit and Assurance Committee these actions will be taken off the rolling action sheet.)

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 27/10/2.10	**Declarations of Interest – Review of Practices within other organisations**			
	• The Committee to receive feedback from the 'retrospective' review of those items reported in the Procurement Compliance Report as 'not endorsed' in relation to any conflicts of interest.	**Head of Procurement**	July	In light of the Coronavirus Pandemic, this review will be undertaken once 'business as usual' has resumed. The Committee to receive an update at its meeting in July.
AAC: 01/04/3.1	**Welsh Government Grip and Control Expectations**			
	• Any good practice proposals for adoption by HEIW be presented at a future Committee meeting.	**Director of Finance**	TBC	The Good Practice Proposals are under review. Any requiring adoption will be added to the Committee Forward Work Programme as required for consideration.
AAC: 0704/2.1.1	**Counter Fraud Progress Report**			
English Catherine 07/20/2021 14:52:54	• The Committee to receive an update on the timescales for, and barriers to, completing the 2020/21 priority data matches.	**Director of Finance/ Counter Fraud Manager**	July 2021	18 of the 26 high-risk matches for HEIW have now been closed and 8 are waiting for responses from 3rd parties. A verbal update will be provided to the Committee at its meeting in July.

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 0704/2.3.1	**Audit Wales Progress Report**			
	• Committee to receive a report outlining the findings of Phase 1 of the Structure Assessments 2021 at its next meeting.	**Audit Wales**	July 2021	Completed. On agenda for Committee meeting of the 1 July.
AAC: 0605/2.1.1	**Head of Internal Audit Opinion and Annual Report 2020/21**			
	• The audit recommendations tracker to be considered by the Committee at their meeting in July to ensure any outstanding recommendations are being progressed.	**Board Secretary**	July 2021	Completed. On agenda for Committee meeting of the 1 July.
AAC: 0605/2.5	**Information Governance Toolkit**			
	• Committee to receive action plan relating to the Information Governance Toolkit at its meeting on 1 July.	**Director of Digital**	July 2021	Completed. On the agenda for Committee meeting on the 1 July.
AAC: 0605/2.7	**Review of HEIW Procurement Systems and Processes**			
	• Committee to **receive** the procurement action plan at its meeting in July.	**Director of Finance/ Procurement Head (NWSSP)**	July 2021	Completed. On the agenda for Committee meeting on the 1 July.
AAC 0906/2.1.1	**Financial Statements 2020/21**			

	The Financial Statements 2020/21 to be submitted to the Board for approval on 10 June 2021.	**Director of Finance**	June 2021	Completed
Minute Reference	**Agreed Action**	**Lead**	**Target Date**	**Progress/ Completed**
AAC 0906/2.1.2	**Audit of Financial Statements Report (ISA 260) and Letter of Representation**			
	The ISA 260 and final Letter of Representation be considered by the Board on 10 June 2021.	**Director of Finance**	June 2021	Completed
AAC 0906/2.2	**Accountability Report 2020/21**			
	Subject to the comments made by the Committee, the Annual Accountability Report 2020/21 to be submitted to the Board for consideration on 10th June 2021 with the recommendation it is submitted to Welsh Government by 11 June.	**Board Secretary**	June 2021	Completed
AAC 0906/2/3	**Performance Report 2020/21**			
	Subject to the comments made by the Committee, the Performance Report 2020/21 to be submitted to the Board for consideration on 10th June 2021 with the recommendation it is submitted to Welsh Government by 11 June.	**Board Secretary**	June 2021	Completed

Meeting Date	**21 July 2021**	**Agenda Item**	**2.1**
Report Title	**HEIW Information Governance Toolkit Submission and Information Governance Delivery and Implementation Plan 2021/2022**		
Report Author	Emma Garland, Information Governance Officer		
Report Sponsor	Sian Richards, Director of Digital Development		
Presented by	Sian Richards, Director of Digital Development		
Freedom of Information	Open		
Purpose of the Report	To update the Committee on the Information Governance (IG) Toolkit submission and the IG delivery plan. The aim of the plan is to achieve improved compliance against the Information Governance Toolkit when a mandatory return is submitted in March 2022.		
Key Issues	NHS Wales have adopted the Welsh Information Governance Toolkit for NHS Organisations. The Toolkit is a robust and comprehensive online system which includes a self-assessment and reporting tool to enable organisations to measure their compliance against the law, recognised standards and policies, and to ascertain whether information is handled appropriately and protected from unauthorised access, loss, damage and destruction. Following a low-level compliance score in the voluntary submission in March 2021, an improvement delivery plan has been developed. It is a plan that sets out the work programme for the year ahead. The plan is designed so that when the Toolkit submission is completed in March 2022, a significant amount of work will be completed towards achieving Level 2, therefore increasing the compliance score. The actions are focussed on the development of comprehensive documentation and the creation of processes to support the information governance function. There is a significant amount of work required. The delivery plan has been agreed by the Executive Team the plan will be monitored by the Information Governance and Information Management Group (IGIMG) and updates will be provided to the Audit and Assurance Committee.		

	An internal audit of the IG Toolkit process and the development of the implementation plan has found the level of assurance to be substantial assurance.			
Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
			✓	
Recommendations	Members are asked to: • **Note** that the submission of the IG Toolkit to Digital Health Care Wales. • **Note** that the organisation has been identified as working towards Level One compliance. • **Note** the content of the extensive delivery and implementation plan and the large volume of work that is required across a number of subject areas. • **Note** the IG Toolkit Audit Report.			

HEIW IG TOOLKIT SUBMISSION AND INFORMATION GOVERNANCE DELIVERY PLAN

1. INTRODUCTION

This paper is to update the Committee on the voluntary submission to the Information Governance Toolkit and the Information Governance and Delivery Plan.

2. BACKGROUND

Information Governance (IG) is about setting a high standard for the handling of information and giving organisations the tools to achieve that standard. The ultimate aim is to demonstrate that an organisation can be relied upon to maintain the confidentiality and security of personal information, by helping individuals to practice good information governance and to be consistent in the way they handle both personal and corporate information.

To assess and improve IG compliance, NHS Wales have adopted the Welsh Information Governance Toolkit for NHS Organisations. The Toolkit is a robust and comprehensive online system which includes a self-assessment and reporting tool to enable organisations to measure their compliance against the law, recognised standards and policies, and to ascertain whether information is handled appropriately and protected from unauthorised access, loss, damage and destruction. In 2021 the assessments are voluntary assessment to baseline assess areas for improvement. The assessment will become mandatory in 2022/23. Completed assessments are submitted to NWIS for review and acceptance.

The Toolkit highlights the close alignment between the IG and Cyber security. There are several requirements that fall under the information governance agenda that are already assessed in the mandatory Welsh Cyber Assessment Process (WCAP) and therefore are not completed again in the Toolkit to avoid duplication. Completing both assessments allows NHS organisations to input their level of compliance and provide evidence to support the assessment requirements. This will also enable the organisation to plan improvement activities.

HEIW completed a voluntary submission to the IG Toolkit in March 2021, following initial work from the Information Governance Officer and approval from the Director of Digital and the Executive team. Following a low-level compliance score in this submission, an improvement delivery plan has been developed. It is a plan that sets out the work programme for the year ahead.

3. Information Governance Toolkit Submission

The Toolkit is made up of eight sections. The attainment for sections is scored between Level 0 and Level 3. A Level 1 would indicate a more basic level of compliance, whereas a Level 3 would indicate a more mature culture of data protection and information governance practice within the organisation.

The toolkit has a possible 84 areas of compliance (excluding WCAP), Due to the nature of HEIWs business there are some areas of compliance that are not applicable e.g. management of acute records. When these are removed, there are 66 areas applicable to HEIW. Of these 66 areas this year's self-assessment has identified completion of 18 which is a **compliance rate of 32% as the score is weighted.** The breakdown of that score is detailed in table 1. It is noted that this is a self-assessment and may be subject to change following submission and review.

The table below shows the levels achieved in each section.

Table 1 – IG Toolkit- Self assessment scores HEIW 2021/22

Section 1 this is the front sheet for who is completing the assessment.	
Section 2 – Business Responsibilities	
2.1 - Information Governance Management Structure:	**Level 3**
2.2 - Policies and Procedures:	**Level 2**
2.3 – Information Sharing:	**Level 0**
2.4 – Contracts and Agreements:	**Level 2**
2.5 – Data Protection Impact Assessments:	**Level 1**
2.6 - Freedom of Information Act and Environmental Information Regulations:	**Level 3**
2.7 - Privacy Electronic Communications Regulations:	**Level 0**
Section 3 – Business Management	
3.1 – Business Continuity Plan:	**WCAP**
3.2 – IG Risk Register:	**Level 1**
3.3 – Auditing:	**Level 0**
Section 4 – Individual's Rights	
4.1 – Right of Access:	**Level 0**
4.2 – Right to be Informed:	**Level 1**
4.3 – Right to object, to erasure, to rectification and portability:	**Level 0**
4.4 – Rights related to profiling and automated decision making:	**Level 0**
Section 5 – Managing and Securing Records	
5.1 – Management of Records	
5.1.1 – Health Records	
5.1.1.1 – Acute Records:	**N/A to HEIW**
5.1.1.2 – Community Records:	**N/A to HEIW**
5.1.1.3 – Mental Health Records:	**N/A to HEIW**
5.1.2 – Corporate Records:	**Level 1**
5.2 – Information Asset Register:	**Level 1**
5.3 – Data Accuracy	
5.3.1 – Health Records	
5.3.1.1 – Acute Records:	**N/A to HEIW**

5.3.1.2 – Community Records:	**N/A to HEIW**
5.3.1.3 – Mental Health Records:	**N/A to HEIW**
5.3.2 – Corporate Records:	**Level 1**
5.4 – Retention Schedules, Secure Destruction and Disposal:	**Level 1**
Section 6 – Technical Security, Physical Security and Organisational Measures	
6.1 – Physical Security Measures:	**Level 0**
6.2 - Technical Security Measures:	**Level 0**
6.3 – Organisational Measures (Training and Awareness):	**Level 0**
6.4 – Mobile Working and Remote Access:	**WCAP**
6.5 – Secure Destruction and Disposal of IT equipment:	**WCAP**
6.6 - Surveillance Systems:	**Level 0**
Section 7 – Cyber Security	
7.1 – Cyber Security:	**WCAP**
Section 8 – Information Governance Incident Management	
8.1 – Reporting Data Breaches:	**Level 1**

** Expressed as a score, we have attained **18** out of a possible **66** (excluding WCAP), which works out as a percentage score of **27%**.

4. IG Implementation and Delivery Plan

Following the completion of the Toolkit submission, an implementation and delivery plan was devised in order enable the organisation to work towards a higher level of compliance.

The plan is designed that when the Toolkit submission is completed in March 2022, a significant amount of work will be completed towards achieving Level 2, therefore increasing the compliance score. The actions are focussed on development of comprehensive documentation and the creation of processes to support the information governance function. There is a significant amount of work required.

Performance of the deliverables in this plan will be monitored by the Director for Digital Development, and the Executive Team, and also reported to IGIMG and the Audit and Assurance Committee.

5. IG Toolkit Internal Audit

In line with the 2021/22 Internal Audit Plan for Health Education and Improvement Wales a review of the arrangements in place for the completion of the Information Governance (IG) Toolkit was undertaken.

It was identified that although initial compliance levels are low, a robust process has been developed for the completion of the self-assessment toolkit, and this has ensured that overall the toolkit scores accurately reflect the current position in respect of Information Governance, compliance against National Information Governance Standards, and data protection legislation. A judgement of Substantial Assurance was therefore given.

The Audit Identified that improvements could be made by ensuring that the Data Protection Officer (DPO), Senior Information Risk Owner (SIRO) and Caldicott Guardian roles and responsibilities are clearly documented, and the incumbents are provided with appropriate training. Improvements could also be made to the use of privacy notices, and the reporting of progress against Level 3 actions within the IG delivery and implementation plan.

The Implementation Plan has been updated to include actions which were identified during the IG Toolkit Audit.

6. GOVERNANCE RISK AND FINANCIAL ISSUES

Under Data Protection Act the Information Commissioners Office (ICO) has the power to issue a monetary penalty for an infringement of its provisions. The higher maximum amount is £17.5 million or 4% of the total annual worldwide turnover in the preceding financial year, whichever is higher. Whilst HEIW is unlikely to receive a financial penalty in the first instance, the reputational damages of poor IG practices can be very damaging. It is also noted that an internal audit is planned in 2021/22 to review IG standards, and an external view of the progress and plans will also be provided.

It was recognised that the IG function has a single person to carry out all the tasks in the plan and continue to provide the business as usual function for HEIW. Given this level of resource there are red areas of work identified within the plan, these include establishing an audit function, the right to be informed and the right to erasure and portability.

When the plan was presented to the Executive Team, it was highlighted that additional resource would be a mitigation against some of the areas highlighted as red. It was therefore approved to employ an agency band 5 support post until the end of the financial year. The support role will have dedicated deliverables in the plan and also provide general administrative support. This will mitigate some of the risk of non-delivery in key areas. This resource is currently being recruited.

Additionally, since the move into the Digital Directorate the role and responsibilities of the IG officer have changed. Following a review of the job description there are significant examples where the IG officer is now required to act above the band 6 role, to support the development and delivery of the plan and to provide the IG service. As a result, an updated job description has been drafted and is likely to result in a revised banding from a band 6 to a band 7. It is important that fair pay is provided for the work that is being carried out, and therefore support was given for this by the Executive Team.

7. RECOMMENDATION

Members are asked to:

- **Note** that the submission of the IG Toolkit to Digital Health Care Wales.
- **Note** that the organisation has been identified as working towards Level One compliance.
- **Note** the content of the extensive delivery and implementation plan and the large volume of work that is required across a number of subject areas.
- **Note** the IG Toolkit Audit Report.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
		✓	✓

Quality, Safety and Patient Experience
N/A
Financial Implications
One agency Band 5 post has been approved by exec.
Legal Implications (including equality and diversity assessment)
• Compliance with General Data Protection Regulation (2016) • Data Protection Act (2018) • Public Records Act (1958) • Access to Health Records Act (1990) • Freedom of Information Act (2000) • Computer Misuse Act (2000) • Environmental Information Regulations (2004) • Common Law Duty of Confidentiality • Wales Accord on the Sharing of Personal Information (WASPI) • Data Quality Standards and WHC • Information Security Assurance - ISO 27001:2005 & 2013 Information security management (formerly BS7799) • Networks and Information Systems (NIS) Directive • Records Management, NHS Code of Practice • Other appropriate legislation
Staffing Implications
Increase from a band 6 to a band 7 following banding of JD Agency support of a band 5 officer.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
N/A

Report History	This follows the IG toolkit paper presented to Executive Team in February 2021, and the subsequent paper presenting the IG delivery plan in May 2021.
Appendices	Appendix 1 – IG Delivery and Implementation Plan Delivery

Information Governance Delivery & Implementation Plan 2021-2022

Executive Sponsor & Function:

Director for Digital Development

Document Author:

Information Governance Officer

Approved by:

Executive Team

Approval Date:

19th May

Review Date:

TBD

Contents

1. Introduction

Information Governance (IG) is a series of best practice guidelines and principles of law to be followed by NHS organisations and their employees in relation to the handling of information; it applies to sensitive and personal data of both employees and patients and corporate information. It is the framework within which accountability, standards, policies, and procedures are developed and implemented, to ensure all information created, obtained or received is held and used appropriately.

The General Data Protection Regulation came into effect on 25 May 2018. Since then, organisations have embarked on journeys to compliance with data protection legislation (Data Protection Act 2018, GDPR). Primarily this is done to facilitate best practice and to enable organisations to use personal data lawfully.

In the two years since its inception, HEIW has grown significantly, and the volume of personal and corporate data that is processed has also grown. The completion of the GDPR workplan ensured that HEIW made good first foundation steps in ensuring good information governance, further work is now required to embed and standardise practice across the organisation. This plan will set out the direction and deliverables for 2021-2022, in order to ensure the processes and culture of data protection continues to mature. HEIW has made significant progress regarding GDPR compliance, and this plan will allow this progress to continue.

2. HEIW's Plan

In March 2021, HEIW submitted a voluntary assessment of the Welsh Information Governance Toolkit. The submission for 2020/21 was voluntary and provided a good baseline assessment for HIEW. The organisation achieved 66% of Level One compliance. The submission will become compulsory in March 2022. The actions in this plan are designed that when the Toolkit submission is completed ready for March 2022, a significant of work will be completed towards achieving Level 2.

This plan has been developed based on the areas for improvement identified in the 2021 toolkit submission. Reference and areas of work have also been taken from the ICO's Accountability Framework. Discussions have occurred to ensure that the plan meets the organisational and business needs of HEIW. The workplan is detailed in appendix A. The plan is organised into sections with specified deliverables by quarters.

When the plan was developed, 85 actions were identified, some of which require multiple activities to complete. Only 6 of were categorised as green. There were 50 actions highlighted as Amber, and 10 Red. The actions that are white are related to Level 3 compliance and out of scope for this year's plan. It is recognised that completion of the actions to get to level 1 and 2 is the priority before these can be addressed.

Good progress has occurred in quarter one, which has resulted in 8 of the red actions now being Amber, this has been enabled as a result of the support of additional resources in the IG department. A change to the plan has occurred, in relation to the

actions under 2.1 Level One which was amended to Amber and two actions added, as the Information Governance Toolkit Internal Audit highlighted more work required around the role descriptions and training for SIRO, DPO and Caldicott Guardian roles.. The workplan in Appendix 2 shows the detailed progress in each activity. a fuller progress report will be presented for Q2.

In addition, there are 21 areas of activity highlighted of routine information governance work. It is acknowledged that completion of this workplan will need to be done alongside routine activity. Therefore, if any high priority activity occurs, such as reporting and investigating a data breach, this will impact on the delivery of the plan.

There is a significant amount of work identified which will require support from across the organisation to complete. In order to deliver the plan within the timeframe required, a small allocation of additional resources is being requested to be approved by the Executive Team.

3. Conclusion

This plan has identified the key areas for development within Information Governance, to achieve an improved compliance with the IG Toolkit. The actions are focussed on development of comprehensive documentation and the creation of processes to support the information governance function. There is a significant amount of work required.

Performance of the deliverables in this plan will be monitored by the Director for Digital Development, and the Executive Team, and also reported to IGIMG and the Audit and Assurance Committee.

4. Appendix A – The summary of the key themes of the plan.

The summary of the key themes of activity detailed in the plan are as follows

- **Leadership and Oversight**

This section of the plan is designed to ensure that there is clarity in HEIW in relation to the roles and responsibilities for data protection and information governance.

HEIW has appointed a Data Protection Officer (The Director of Digital Development) in line with its obligations. Information Governance is part of the Digital directorate, with the Information Governance Officer reporting to the Director of Digital Development. The Director for Digital Development has responsibility for the Information Governance function within the executive. HEIW has established an information Governance and Information Management (IGIM) group. The group is accountable to the Audit and Assurance Committee as a subgroup. Its purpose is to support and drive the broader Information Governance agenda and provide the Audit & Assurance Committee with the assurance that effective Information Governance best practice mechanisms are in place within the organisation. Attendance at this meeting allows the Data Protection Officer to also perform relevant monitoring functions.

In order to enhance the function of IGIM, standard reporting items will be added to the agenda for IGIM group. This will enhance IGIM's function to monitor compliance with information governance processes and provide suitable escalation mechanisms for matters requiring wider discussion across the organisation. In addition, work will commence to define and report standard IG KPIs.

For HEIW to achieve a strong culture of data protection, it is important that there is an awareness within the organisation of who holds which roles, what responsibilities staff hold and how information governance queries should be raised, managed, escalated and reported.

By March 2022, the monitoring functions of IGIM will be enhanced which will ensure that the organisation has an overarching view of key information governance activity roles and responsibilities across the organisation.

- **Policies and procedures**

Having robust policies and procedures forms a significant part of ensuring the organisation remains compliant with GDPR. HEIW has demonstrated good governance in adopting the All Wales policies (Information Governance, Information Security, Internet Use). An exercise is required to ensure that all local policies are relevant and appropriate. This will also identify any policy gaps and policies and guidelines will be drafted as required.

This will include but is not limited to, the Physical Security Policy, and the Information Asset Policy/ Records Management Policy. By March 2022, it is anticipated that HEIW will have a full suite of information governance policies, which will be available to staff.

- **Training and awareness**

The Information Commissioner Office requires organisations have an all-staff data protection and information governance training programme. This makes sure that all staff receive appropriate training about information governance and privacy. The training must be relevant, accurate and up to date. Training and awareness is key to putting into practice policies and procedures. In line with ICO requirements, at least 95% of all staff, including new starters, locums, temporary, students and staff contracted to work in the organisation must have completed their annual IG training.

As well as induction modules, successful training is based around all staff being able to access guidance when they need it.

The priority this year is to increase the percentage of those who have completed mandatory training, as this figure was 59% in March 2021. This will require support and leadership team from the senior leadership team to ensure improvement in their department's compliance. Training figures by department will be reported to every IGIM meeting. The plan will also ensure the completion of training guidance and staff resources.

- **Individuals' rights**

Any individual has the right to make a subject access request or SAR. They have the right to ask HEIW whether or not they are using or storing their personal information. They can also ask them for copies of your personal information, verbally or in writing. There is a legal requirement to respond to that request within 30 days. The organisation may also receive a request to be forgotten, information deleted and requests for restrictions of processing.

It is therefore important that all staff are able to recognise a request if they receive one, including Data Subject Access Requests, requests to be forgotten and requests for restrictions on processing. The Information Governance Officer will develop and implement guidance and processes to support HEIW staff in carrying out these legal requirements and ensuring they are correctly recoded and reported.

- **Transparency**

HEIW is a public authority and has responsibility for publishing information which describes the organisation's function, the money it spends and how decisions are made. HEIW has adopted the ICO's model publication scheme, which is published on the website. Internal procedures should ensure that documents are published in a timely, accessible format. The IG officer will review the current publications and ensure processes are in place to keep these updated regularly.

Additionally, under articles 13 and 14 of the UK GDPR, organisations must inform individuals of how their information is used, including the lawful basis it has for doing so. This year there will be a review of privacy notices to ensure compliance.

- **Information Asset Register and lawful basis**

Information Asset Register (IAR) is a database which holds details of all the information assets within the organisation. This can include listing physical assets such as paper files, computer systems and even people as well as,

importantly, the data itself, and how it is stored, processed and shared. This is a legal requirement under GDPR.

The use of personal data is instrumental in allowing HEIW to deliver its functions. Therefore, the Information Asset Register (IAR) must contain all of the personal information that is used by HEIW. This ensures that there is oversight of the information, and Information Asset Owners can carry out their role.

There is further work required to identify all information systems (paper and electronic). The IAR will be updated to include the legal basis for processing personal data. This information is a legal requirement and currently not documented.

The Information Asset Register is a key activity for Q1 of 21/22. Engagement across the organisation will be necessary to achieve success.

- **Contracts and data sharing**

HEIW is an organisation with significant commissioning and joint working responsibility. As such, it is imperative that data controller and data processor relationships are established at the earliest opportunity so that appropriate documentation can be put in place. HEIW will review the data sharing which occurs with partner organisations and or suppliers and ensure suitable documentation is developed to reflect these relationships. This will include the creation of sharing agreements with health boards and Higher Education Institutions and a review of supplier contracts.

- **Risks and DPIAs**

HEIW will establish clear lines of accountability for information risk management that lead directly to the Board through SIRO, Information Asset Owners (IAOs) and the development and maintenance of the IAR. The SIRO and IAOs will be accountable for the management and mitigation of information risks and will provide assurance to that effect for the Annual Report and SIRO Report and Statement of Internal Control.

A robust IG risk register will be developed with reporting and escalation to the corporate risk register where appropriate. This will ensure that HEIW has a fuller evaluation of the information risks that the organisation faces and where possible mitigations can be implemented. IGIM will also be utilised as a forum to escalate any high unmitigated risks as appropriate.

Data Protection Impact Assessments (DPIAs) are currently undertaken where necessary. A DPIA is a key risk management tool, and an important part of integrating 'data protection by design and by default' across the organisation. It is used to identify, record and minimise the data protection risks associated with new data processing. A DPIA log has been created, and updates on DPIA activity are provided to IGIM. A guidance and authorisation procedure will be produced to ensure that there is a consistent process across the organisation for completion of DPIAs.

It is also recognised as a high volume activity that requires significant information governance support. As the process develops, it is anticipated that more activities will need DPIAs to be completed, and this could be a resource constraint.

- **Records management and security**

Records Management ensures that information is not stored for longer than necessary, and that it is stored and used appropriately. Retention schedules should be conformed with and documented within the Information Asset Register.

In order to fulfil its responsibilities in relation to corporate records, work will be completed to ensure there is greater awareness of the life cycle of records. This includes the creation, usage, retention and destruction of physical and electronic records. The IG Officer will also work with the Head of Cyber Security and the Facilities and Compliance Manager to review the current ways of working and policy and identify any further actions required for improvement and communication.

- **Breach response**

Data protection legislation defines a personal data breach as “a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure, or access to personal data transmitted, stored or otherwise processed”. The three types of breaches are commonly identified:

- Confidentiality - an unauthorised or accidental disclosure of, or access to, personal data
- Integrity - unauthorised or accidental alteration of personal data
- Availability - an accidental or unauthorised loss of access to, or destruction of, personal data

In the case of a serious data breach, HEIW must notify the Information Commissioner within 72 hours so it is vital that staff can confidently identify data breaches and are aware of the action they should take.

A robust breach reporting process will be developed. This will ensure that breaches can be reported and investigated swiftly. Breach figures and trends will be reported to IGIMG group which will allow for trends to be highlighted and mitigations to be considered by the DPO, SIRO and Head of Cyber Security to reduce the chance of data breaches occurring.

- **Audit**

In order to measure the compliance and effectiveness of processes and procedures in place, spot checks or audits should be established. Under the 7th principle of GDPR, there is a statutory need for organisations to provide reassurance that it is actively evaluating its data protection compliance throughout the organisation with evidence. Suitable information governance audits do not currently exist in HEIW.

There is a need to establish the resources and processes to undertake regular reviews, assessments, and audits of how information is recorded, held and used. This resource is currently not available within the IG function. Therefore, HEIW is unlikely to achieve Level One compliance with the IG Toolkit in this area without additional resources. This could be mitigated with the request for additional resources.

5. Appendix B - Detailed Information Governance Work Plan (March 2021 to March 2022)

- The plan is divided into the sections of the Toolkit.
- Numbering corresponds to the Toolkit sections.
- Section 1 is the organisation details, and
- section 7 is Cyber Security based and this is manged by the participation in the Welsh Cyber Assurance Process outside of this plan

RAG RATING	
On track	Work relating to these milestones is on track or completed.
Early warning	The milestone is currently ongoing and active but it is expected I still be completed in line with the timescales agreed.
Behind schedule	The milestone is behind schedule or is unlikely to be completed within the agreed timescales, (in some cases this can be rectified with mitigation)
Out of scope for this year	White actions are considered out of scope for the current year, as these are mainly around achieving Level 3 which is unlikely to be achievable this year

IG Toolkit Section and Requirement Level	Requirement Summary	RAG Status	Action(s) Required by end of Q2	Action(s) Required by end of Q4	Responsible Person:	Actioned By:	Progress Made Q1
Information Governance Management and Responsibilities							
2.1 Information Governance Management** **Level 1**	**Responsibility for driving improved information governance has been assigned to appropriate individuals within the organisation. This forms part of their job description and daily duties**		A document to be drafted that sets out roles and responsibilities and approved by IGIM. Standard IGIM agenda to be created to enhance the monitoring function of IGIM Terms of reference to be updated for IGIM. Job descriptions to be drawn up for the SIRO, DPO and Caldicott Guardian roles that clearly define the roles and their detailed responsibilities, and incorporated into their existing job descriptions. Appropriate training to be identified for the SIRO, DPO and Caldicott Guardian roles.		IG Officer IG Officer/ DPO IG Officer	IG Officer IG Officer /DPO IG Officer/ DPO	 Standard IGIM agenda has been created. IGIM terms of reference drafted. This section has been updated to amber with new actions included from IG Toolkit audit.

Level 2	**Responsible individuals have received appropriate training to take ownership of the information governance agenda and identified improvements from previous IG Toolkit(s). These have formally been documented to from an action plan/improvements plan**		Full IG Delivery plan to be developed, approved by Exec and reported to audit committee. Internal folder to be created to ensure other teams can maintain evidence for Toolkit.		IG Officer IG Officer	IG Officer IG Officer	IG Plan approve by exec May 2021 and presented at audit committee July 2021.
Level 3	**IG arrangements and the progress against the IG Toolkit Improvement plan is regularly reviewed and reported to the Board/Committee/Management Team, as appropriate, by the DPO**				IG Officer	IG Officer Director of Digital Development	TBA for 2022/23.
2.2 Policies and Procedures **Level 1**	**The organisation has a number of policies and procedures in the context of IG. National policies such as Information Security, IG and Email Use policy have been adopted and made available to staff**		Ensure national policies are adopted by the organisation. Ensure national policies are available to staff on the intranet.		IG Officer	IG Officer Corporate Governance Manager	National policies have been adopted by the organisation. Currently on internet, publishing policy docs on intranet currently being considered.

			Conduct a gap analysis to identify where further policies are required, included Physical security and Records Management. Work to ensure Information Governance is referenced in appropriate policies. Develop IG guidelines, procedures and resources, such as - DPIA completion, IAR guidance, SAR guidance, retention and destruction incident reporting guidance.				Work to continue to develop records management policies and processes. Guidance is a priority for quarter 2.
Level 2	**There is a review process in place for all policies and procedures and any changes are communicated to staff**		Policy Review process to be confirmed, and work with corporate governance to use policy digest.		IG Officer	Corporate Governance Manager Board Secretary	Policy work ongoing.
Level 3	**Compliance with policies and procedures are regularly monitored to ensure they have been adopted in practice throughout the organisation**				IG Officer	Corporate Governance Manager	This will be achieved in 2022/2023.

2.3 Information Sharing **Level 1**	**Personal information is used and shared lawfully and relevant sharing principles of the Wales Accord on the Sharing of Personal Information (WASPI) and the common standards of the Welsh Control Standard for Electronic Health and Care Records have been adopted. All sharing is carried out in compliance with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA)**		The organisation is signed up to WASPI.		IG Officer	IG Officer	
Level 2	**Where appropriate Information Sharing Protocols (ISPs) or Data Disclosure Agreements are recorded in the form of an agreement register. National systems such as NIIAS and AC3 are used to demonstrate the adoption of the Welsh Control Standard for Electronic Health and Care Records**			Information Sharing Agreement Register to be developed and maintained. Overarching information sharing agreements to developed and approved for • Healthboards • HEIs • Providers	IG Officer	IG Officer	Sharing agreement with healthboards is in draft. Draft sharing agreement with four nations and royal colleges in final stages.

				Other sharing agreements where necessary eg Nurse Staffing Programme.			Ongoing work on sharing agreements where required.
Level 3	**There is a review process in place to ensure agreements are kept up to date. Any changes or updates are reflected in the Information Sharing Register**			Review process developed for register, allowing IGIM and DPO to monitor where necessary.	IG Officer	IG Officer	This activity is out of scope for 2021/2022.
2.4 Contracts and Agreements **Level 1**	**Data protection and IG contracts and agreements are in place with all suppliers, contractors, third parties and staff, who have access to/process personal data, which include data protection /IG requirements**		NHS standard terms and conditions are used where appropriate		IG Officer	Corporate Governance Manager	
Level 2	**All contracts and agreements are documented to allow easier assessment of current contracts/agreements already in place and due diligence checks are carried out on all potential suppliers, contractors, data processors and third parties**		Contracts Register is already in place	Due diligence documentation to be developed in relation to procurement under £5000 and SLAs.	IG Officer	Corporate Governance Manager	

Level 3	**A review process is in place to ensure that all contracts and agreements are regularly reviewed and any changes are communicated appropriately**		Corporate Governance to confirm the review process is in place.		IG Officer	Corporate Governance Manager	This activity is out of scope for 21/22.
2.5 Data Protection Impact Assessments **Level 1**	**A process to facilitate completion of Data Protection Impact Assessments (DPIAs) is in place to highlight potential risks for new projects/services. All DPIAs are collated to form a register and this is regularly maintained**		Process for DPIA completion and approval to be documented, including reporting to board and committee. DPIA register to be maintained and reported to IGIM.		IG Officer	IG Officer	DPIA process and guidance is a priority for q2. DPIA log is maintained and was presented to IGIM in Q1.
Level 2	**A DPIA process is recognised and embedded throughout the organisation for existing processing of personal data and is formally signed off by the organisation's nominated officer**			Process for DPIA completion and approval to be documented, including reporting to board and committee. Departments to have a mechanism to ensure DPIAs are undertaken and approved before new initiatives are	IG Officer	IG Officer SLT Exec team	

				agreed and approved.			
Level 3	**DPIA documentation is regularly reviewed and compliance with the process is reported to the Board/Committee**		Process to be documented, including reporting to board and committee.		IG Officer	IG Officer	This activity is out of scope for 21/22.
2.6 Freedom of Information Act and Environmental Information Regulations **Level 1**	**There are documented policies and procedures for the Freedom of Information Act (FOIA) 2000 compliance and for the Environmental Information Regulations (EIR) 2004 which sets out clear responsibilities for responding and dealing with information requests efficiently and in accordance with the law. Requests are documented and the organisation has adopted the ICO Model Publication Scheme. Procedures and Policies are made available to staff**		Disclosure log to continue to be maintained.		Board Secretary	Corporate Governance Manager	Disclosure log is up to date.
Level 2	**The organisation proactively publishes additional information as good practice and this is communicated to and is easily accessible by members of the public**				Board Secretary	Corporate Governance Manager	

Level 3	**There is a review process in place for FOIA and EIR processes and compliance with the procedures is regularly monitored**		Performance to continue to be monitored at IGIM and audit committee.		Board Secretary	Corporate Governance Manager	Performance is monitored at IGIM and AAC.
2.7 Privacy Electronic Communications Regulations **Level 1**	**There are documented policies and procedures for the Privacy Electronic Communications Regulations (PECR) for all electronic marketing messages (by phone, email, text, etc.) and for the management of websites. The policies and procedures set out clear responsibilities and these are made available to staff**			Comms policy and documentation to be developed and adopted.	IG Officer	Comms team	
Level 2	**Consent processes for electronic marketing and cookies are actively managed. Policies and procedures are regularly reviewed, and any changes communicated to staff**			Processes to be developed to ensure cookies are managed on systems.	IG Officer	Comms Digital Manager	
Level 3	**Compliance with PECR policies and procedures is regularly reviewed and reported as appropriate to the relevant Board/Committee**		Reporting ability to be established.		IG Officer	Comms	This activity is out of scope for 21/22.
Business Management, risk and audit							

3.1 Business Continuity Plan	**This should be assessed in the organisation's individual Welsh Cyber Assurance Process (WCAP)**				Head of Cyber Security	Head of Cyber Security	
3.2 IG Risk Register **Level 1**	**The organisation analyses IG risks regularly and documents in a formal IG risk register**		Risk register to be reported to IGIM, with escalation where necessary. Board Secretary to rewrite the risk policy to reflect that IG risks need to registered centrally.		IG Officer	IG Officer Board Secretary Data Protection Officer	Risk register is now standard item on IGIM agenda, with process for escalation. Board secretary to confirm the process for IG risk register to be referenced in the risk policy.
Level 2	**There is a clear understanding and management of the identified IG risks**		Risk register monitoring to be established.		IG Officer	IG Officer	Risk register is now presented to IGIM and monitored.
Level 3	**Regular review of processes and the IG risk register are undertaken to ensure they remain up to date, with mitigations regularly checked to ensure they remain effective**				IG Officer	IG Officer	Further development to be established in 2022-2023.
3.3 Auditing **Level 1**	**Organisations have audit processes in place to oversee all aspects of the Information Governance agenda**			Audit capability to be explored and researched	IG Officer	IG Officer	This is still in consideration. The activity is highlighted for Q3/4.

Level 2	**Audit processes are used to regularly monitor appropriate use of personal information**				IG Officer	IG Officer	
Level 3	**There is a review process on all the auditing programmes the organisation undertakes to ensure it remains relevant and feedback is acted on**				IG Officer	IG Officer	Further development to be established in 2022-2023.
Individuals Rights							
4.1 Right of access **Level 1**	**There is a documented procedure and guidance in place for Subject Access Requests (SARs) that sets out clear responsibilities for responding to information requests efficiently and in accordance with the law**			All templates and process docs to be developed and approved. Then placed on intranet, as a resource for staff.	IG Officer	IG Officer	Access to information procedure is currently in draft. The actions around the Access to Information Protocol have been downgraded to amber as the document is in draft, and activities are for Q3/4.
Level 2	**Staff members who manage requests have been appropriately trained.**			Provide staff with relevant documentation	IG Officer	IG Officer	

	A register of requests is maintained			Identify relevant staff who process this information through the Information Asset Register process.			
Level 3	**There is a robust review process in place in the event of appeals, internal reviews and complaints. Performance figures in relation to SARs are regularly reported to the Board/Committee/Management Team, as appropriate**		Complaints, reviews and monitoring to be included in the documentation		IG Officer	IG Officer	These processes to be established in 2022/23.
4.2 Right to be informed ** **Level 1**	**The organisation has developed and made available privacy information to respect individuals rights to comply with the General Data Protection Regulation and the Data Protection Act**			Corporate privacy notice to be reviewed. Then further privacy notice needs to be identified. All systems and functions that use personal information must be covered by a privacy notice, as a legal requirement. To do this,		SLT	Corporate privacy notice has been reviewed and update. Staff privacy notice currently in development. Further work required to ensure a layered approach to privacy notices is adopted.

				engagement is required across HEIW is ensure compliance. Privacy notice register to be developed and maintained. Ensure privacy information is in place for staff.			
Level 2	**Privacy information accommodates a diversity of individuals and is made available and accessible by varied means e.g. health board website etc.**			Opportunities for further accessibility within privacy notices within systems to be explored	IG Officer	Digital Accessibility Officer Digital Manager	
Level 3	**All privacy information is regularly reviewed to ensure they remain fit for purpose to reflect the current nature of all the processing undertaken by the organisation Privacy information is approved by the relevant person with responsibility, IG team/department and documented and linked to the Information Asset Register**			Privacy notices fully linked to IAR assets Review schedules to be confirmed.	IG Officer	IG Officer	Action for delivery in 2022/23.

4.3 Right to object, erasure, rectification and portability **Level 1**	**There are documented procedures and guidance in place to manage objections and requests for rectification, erasure and portability that sets out clear responsibilities for responding to information requests efficiently and in accordance with the law**		Documentation on subjects' rights requests to be developed as part of the Subject Access documentation		IG Officer	IG Officer	Access to information procedure is currently in draft.
Level 2	**Procedures have been implemented by all staff members and those who manage requests have been appropriately trained. A register of requests is maintained**			Staff training to be developed on the management of requests. Register of requests to be created and maintained.	IG Officer	IG Officer	
Level 3	**There is a review process in place for all requests in relation to erasure, rectification, portability and the objection to processing including a robust process for internal reviews, complaints and appeals. Performance figures in relation to submitted requests are regularly reported to the Board/Committee/**		Review processes to be included within SAR documentation		IG Officer	IG Officer	

	Management team, as appropriate						
Rights related to profiling and automated decision making that has a significant impact on the data subject **Level 1**	**The organisation has identified any solely or partly automated decision making / profiling that has a significant impact on data subjects and has relevant policies and procedures in place to protect data subject's rights in relation to that processing. Appropriate lawful bases have been identified and care is taken to ensure the rights of children and vulnerable people are protected**		Identify where automated decision making or profiling is occurring within the organisation. Profiling and automated decision making highlighted during DPIA process		IG Officer	IG Officer	This will be established within ongoing IAR completion.
Level 2	**Individuals are made aware that data protection rights apply to automated decision making. Staff involved in procuring, managing and operating relevant systems are appropriately trained in data protection. DPIAs have been undertaken on any automated decision making that has a**		Any automated decision making to be included within the privacy notice to inform data subjects		IG Officer	IG Officer	

	significant impact on data subjects						
Level 3	**Automated decision making systems are regularly reviewed, including for accuracy and bias. Identified staff are authorised to undertake reviews, investigate complaints and where necessary change decisions as a result of their findings. The use of all forms of automated decision making is overseen by the appropriate Board / Committee / Management Team, as appropriate**		Opportunities for Board/committee oversight identified as appropriate.		IG Officer	IG Officer	To be established in 2022/2023.
Managing and Securing Records							

5.1 Management of Records 5.1.2 Corporate Records **Level 1**	**There are processes and procedures for staff to follow for the creation, management, retention, and archiving of records**			Documentation to be developed to ensure there is guidance on the creation, usage and destruction of records.			
Level 2	**Procedures have been embedded within the organisation and all staff have been informed**			Increased awareness of staff of records management and retention through further guidance.	IG Officer	IG Officer	
Level 3	**Procedures are regularly reviewed and maintained and spot checks are made to ensure the procedures are enforced across the organisation**			Records management action included within the audit programme	IG Officer	IG Officer	To be established in 2022/2023.
5.2 Information Asset Register** **Level 1**	**The organisation has an extensive Information Asset Register (IAR)**		Whilst there is a current draft of the IAR, significant work is required to enhance the current content by further engagement with Information Asset Owners. Every department to identify Information Assets and Owners and		IG Officer	IG Officer Support from all directorates is required. SLT	This continues to be a priority. Further engagement work has occurred, with an IAR plan presented to IGIM. Work to continue to engage with teams and identify information assets.

			to take responsibility for their items. This can then be monitored by IGIM. Mechanisms to be developed so that IAOs are accountable to IGIM. Information Asset Register Plan to be developed.				
Level 2	**There is a reporting procedure available to notify the responsible department of any new/changes with the processing activities and to highlight any areas of non compliance**			Process to be developed to ensure that IAOs can maintain and update the IAR as necessary. Launch the IAR on Sharepoint.	IG Officer	IG Officer Support from all directorates	
Level 3	**The IAR is a working document and the reporting procedure is regularly reviewed to ensure it remains effective and up to date**			Draft to be made available for staff to update as appropriate with review processes as necessary.	IG Officer	IG Officer	

5.3 Data Accuracy **5.3.2 Corporate Records** **Level 1**	**The importance of data accuracy is recognised by the organisation and there is supporting guidance and procedures in place to ensure information is updated when necessary**		Identify any data accuracy or validation rules in place		IG Officer	Head of Digital Head of Workforce Analytics	Data quality policy is already in place.
Level 2	**System validation processes exist within the organisation, active steps are taken to address any systems lacking validation**			Align to the creation of the service catalogue and the digital strategy.	IG Officer	Head of Digital Director for Digital	
Level 3	**All procedures are regularly reviewed and where available spot checks are made to ensure the procedures are enforced across the organisation**				Head of Digital	Head of Digital	
5.4 Retention Schedules, Secure Destruction and Disposal **Level 1**	**The organisation holds retention schedules for the processing and disposal of personal data which outline different retention periods dependent on the categories of personal information**			Policies and guidance to be created in relation to creation, usage and destruction of records. Awareness work needed across the organisation to ensure departments take		SLT	

				responsibility for their own records management.			
Level 2	**Management of organisational records is embedded within the organisation**			Work to embed records management within the organisation	IG Officer	SLT	
Level 3	**Such policies and guidance are regularly reviewed and regular audits are conducted to ensure the organisation is keeping to the retention periods in practice**				IG Officer	IG Officer	2022/2023
Technical, Physical and Organisational Security Measures							
6.1 Physical Security Measures **Level 1**	**The organisation has policies and procedures in place addressing security of the premises and has undertaken a risk assessment on its premises to identify**			Security to review existing policy arrangements. Then any further requirements can be identified.	IG Officer	Security Manager Head of Cyber security	

	privacy and confidentiality risks						
Level 2	**Improvements identified by the risk assessment are being made to secure the premises, equipment, records and other assets including staff. Staff are actively made aware of the policies and procedures and any updates made**			Process for identification of risks to be identified	IG Officer	Security Manager	
Level 3	**All reasonable steps have been taken to ensure the premises, equipment, records and other assets are physically secured. Physical security measures are subject to regular risk assessment. Supplementary policies and procedures are regularly reviewed and approved**			Ensure physical security measures are all in place as required.	IG Officer	Security Manager	
6.2 Technical Security Measures **Level 1**	**An Information Security Policy must be approved by the Practice Management Team and communicated to all staff. A process for user registration and de-**		Starters, movers and leavers processes review, particularly around access to information and systems.		Head of IM&T	Head of IM&T	This is a q2 activity.

	registration across all systems must be in place, whether electronic or manual systems. This is linked to the Starters, Movers and Leavers process(es)						
Level 2	**Staff roles are linked to IT accounts and any changes to their roles are reflected by an IT account administration process. Policy and controls are in place for Corporately Owned and Personally Enabled devices**		Role based access and document lists to be collated.		IG Officer	Head of Digital Head of IM&T	
Level 3	**All reasonable steps have been taken to ensure technical measures provide sufficient security by undertaking regular risk assessment. Any improvements are considered and implemented where necessary. The Practice carry out regular auditing of their IT systems to monitor activity. All staff are informed that their activities on IT systems will be monitored**			Users are aware that activity is monitored, Audit capability.	IG Officer	IG Officer Head of Digital IM&T	

6.3 Organisational Measures (Training and Awareness) **Level 1**	**There are appropriate measures in place which consists of relevant policies and procedures to ensure the secure destruction and disposal of records and disposal of IT equipment**		Consider requirements for guidance for disposal of records. Mandatory training figure to be increased with support from all directorate. Intranet guidance to be developed for staff on a broad range of IG matters.		IG Officer	Head of IM&T IG Officer	To be established with records management guidance. Training figure has been reported to IGIM and ways to increase this are being explored. Guidance has been issued on relevant matters and this continue.
Level 2	**Guidance and procedures are made available to staff to ensure there is a consistent approach in dealing with destruction of records and the disposal of IT equipment**			Guidance for disposal of physical and electronic records	IG Officer	Head of IM&T Facilities Manager	
Level 3	**Policies and Procedures are regularly reviewed to incorporate any changes and routine checks are made to ensure the organisation remains compliant**			Consider appropriate spot checks for compliance	IG Officer	Head of IM&T	Action for 2022/2023
6.6 Surveillance Systems **Level 1**	**The organisation has defined policies and procedures around the use of surveillance systems in use, including CCTV on the premises, body worn recording devices and any**		Requirements for a CCTV DPIA to be explored		IG Officer	Facilities Manager	CCTV will be explored in q2.

	other surveillance systems in use within the organisation						
Level 2	**Training has been provided to all staff who manage or operate recording devices. Identified risks are highlighted with current and new recording equipment**		Any remaining CCTV risks identified		IG Officer	Facilities Manager	
Level 3	**There is an effective review process and audit mechanisms are in place to ensure legal requirements, policies and standards are complied with in practice. Compliance reports and issues of concern are reported to the appropriate forum**			CCTV requirements to be included within the IG audit programme.	IG Officer	Facilities Manager	This activity is out of scope for 21/22.
Incident Management							
8.1 Reporting Data Breaches** **Level 1**	**There are supporting policies and procedures available to inform individuals of the reporting structure of any Information Governance related incidents. Such policies and procedures also detail the**		Breach processes to be revised in line with all Wales guidance. Guidance to be created to ensure staff can identify and reporting incidents and escalation including		IG Officer	IG Officer	Breach process currently in development as breach reporting system is currently not live.

	requirements around the reporting of data breaches to the ICO, data subjects and Welsh Government (when required). These are made easily available to staff so they are aware of their responsibilities		Exec, Welsh Govt and the ICO where necessary. Alignment with cybersecurity reporting procedures to be considered. Ensure breach figures are monitored, reported to IGIM and exec. Develop and maintain an incident log.				Breach figures are reported to IGIM. Incident log is maintained.
Level 2	**A confidential system for reporting security breaches internally is actively used and appropriate communication is had with external contacts by the IG Leads/Team to manage the effects of data breaches. IG incidents and near misses are appropriately documented and managed**		Breach log and DATIX arrangements to be confirmed	Establish audit process after a breach occurs to ensure good compliance with IG procedures and policies.	IG Officer	IG Officer	Incident procedure to be developed in q2.

Level 3	**Improvements are made to reduce the chance of re-occurrence and are reported to the Board. A review process is in place to ensure the notification procedure remains relevant and works in practice**			IGIM and trend monitoring to be established.	IG Officer	IG Officer	To be completed in 2022/2023
Ongoing Information Governance Tasks**	While the document details HEIW's Plan for 2021-2022, it is important to note that the capability of the IG Officer to meet completion target dates will be influenced by the operational day-to-day tasks that the IG Officer facilitates.		A non-exhaustive list of these tasks is available below; • Support the Director for Digital Development to raise the profile of Information Governance on the executive. • Breach management – internal • Breach management – external • Liaise with ICO on serious incidents • Project support and guidance • SIRO and Caldicott Guardian support • Data sharing support • SARs support • Preparation for IGIM • Risk review and management • Annual submission of Toolkit assessment • Provide support and guidance to the digital team, and the wider				

			organisation with use of information in systems. • Privacy notice support • DPIA completion support and advice • DPO duties and support • National IG input, through representation at IGMAG • General advice and queries • General team admin • Keep IG knowledge up-to-date • Support for data mapping • Stakeholder engagement to continue to raise the profile of information governance.			

Meeting Date	**21 July 2021**	**Agenda Item**	**X.X**
Report Title	**HEIW Procurement Process Improvement Report**		
Report Author	Rhian Sadler, Procurement Business Manager, NWSSP		
Report Sponsor	Eifion Williams		
Presented by	Paul Thomas, NWSSP – Procurement Services & Martyn Pennell, HEIW		
Freedom of Information	Open		
Purpose of the Report	The purpose of this report is to provide an update on the HEIW procurement process review and to outline the agreed Action Plan arising from the recommendations within the review.		
Key Issues	An Action Plan to implement the findings within the procurement process review has been prepared and all actions will be completed by the end of September 2021. The key elements of the Action Plan are included within Appendix 1 for information.		
Specific Action Required ***(please ✓ one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
	✓			
Recommendations	Members are asked to: • Note the report for information.			

HEIW PROCUREMENT PROCESS IMPROVEMENT REPORT

1. INTRODUCTION

The purpose of this report is to provide an update on the HEIW procurement process review and to outline the Agreed Action Plan in respect of the recommendation arising from the review.

2. BACKGROUND

On 7th April 2021 the Audit & Assurance Committee (closed session) received a report entitled 'Independent Review of HEIW's Procurement Systems and Processes'. This review was conducted to analyse the procurement processes, systems, training, and adherence/compliance within HEIW since its formation in 2018.

The report identified a number of key review objectives on which to evaluate the service provided, these being:

- Staff and Management Arrangements
- Current Approach with Requisitions and Approvals
- Ordering Efficiencies via Catalogue
- Quotation Process
- Single Quotation Action/Single Tender Action Approval Process
- Customer Service Perception/Feedback.

3. PROPOSAL

Procurement Services have internally reviewed the report findings and have prepared future actions along with timescales as to when each action needs to be achieved. Key areas of focus being;

- Procurement Management, to ensure a bespoke structure is in place, understanding the needs of the customer and ensuring there is appropriate capacity available to support the organisation.
- Procurement resource to be accessible and visible, a training guide developed which will deliver key areas and allow customer a better understanding on 'how to'.
- Timely delivery, ensuring all expectations are met within a timely manner and all needs are fulfilled following an efficient and effective process whilst ensuring continued and sustainable value for money.

A meeting was held on 25th May 2021 between HEIW and Procurement Services to discuss the recommendations and the proposed actions. These agreed and prioritised actions, along with the proposed deadlines are included within the Action Plan at Appendix 1. Both teams are working together to complete the actions, with all due by the end of September. It should be noted that whilst all the actions will be complete by this point, it will take longer for the changes to have an impact and become embedded in the organisation.

In order to monitor on-going progress a monthly highlight report will be prepared by the Procurement Team highlighting the key performance indicators along with any exceptions that need to be considered. In addition, a bi-monthly meeting will be held with both teams and regular feedback will be provided to the Audit & Assurance Committee.

4. GOVERNANCE AND RISK ISSUES

There are no direct governance issues as a result of this paper. Implementing the Action Plan will help HEIW meet the requirements set out in its Standing Orders and Standing Financial Instructions.

5. FINANCIAL IMPLICATIONS

The are no direct financial implications as a result of this paper.

6. RECOMMENDATION

Members are asked to:

- Note the paper for information.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader

Quality, Safety and Patient Experience
There is no impact on quality, safety and patient experience.
Financial Implications
There are no direct financial implication. .
Legal Implications (including equality and diversity assessment)
There are no legal implications.
Staffing Implications
There are no direct staffing implications.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
There are no long-term implications.

Report History	
Appendices	Appendix 1 – Process Review Actions

No.	Action	Proposed Deadline	Responsible Area
1	Internal Procurement refresher training for purchase order processing.	16.08.2021	NWSSP Procurement
2	Increase site presence at Ty Dysgu	Complete	NWSSP Procurement
3	Understanding of HEIW colleagues actual expectations from procurement services and senior management engagement.	Complete	NWSSP Procurement & HEIW Finance
4	Procurement Business Manager to be added to finance attendance sheet for office rota.	Complete	HEIW Finance
5	Share Performance Data from Procurement Process Presentation	30.07.2021	NWSSP Procurement
6	Reinstate highlight report, format to be agreed HEIW to ensure relevant detail covered	Complete - Ongoing review of content & requriements	NWSSP Procurement
7	List of Finance Business Partners required along with their designated areas.	15.07.2021	HEIW Finance
8	Procurement Dashboard to be presented within P2P meetings	Ongoing	NWSSP Procurement
9	Analysis of data to be completed to understand orders raised and where catalogues can be established. However, noted and agreed due to HEIW being a Special Health Authority and due to the requirements, it will be difficult to achieve a high volume of items onto a catalogue.	17.09.2021	NWSSP Procurement
10	Share performance data and undertake quarterly reviews	30.07.2021	NWSSP Procurement
11	Review of approval mechanism to ensure correct approvals in place before proceeding with tender activity.	31.08.2021	NWSSP Procurement & HEIW Finance
12	Procurement Manual Seminar (Lunch & Learn session 22.06.21 - Recording available)	Complete	NWSSP Procurement
13	Engagement required before submission of single tender requirements and before detail submitted to service desk. Agreed the service desk focus on completion of transactional process and not the provision of professional procurement advice.	16.08.2021	HEIW Finance
14	Share data of single tenders and file notes per department within HEIW.	06.08.2021	NWSSP Procurement
15	Create Procurement awareness sessions for HEIW colleagues	31.08.2021	NWSSP Procurement
16	Procurement workplan to be shared with Executive Team to help with planning and prioritising of work; to be discussed in bimonthly IMTP Integration group. Confirm if Procurement representative is needed at this meeting.	30.09.2021	HEIW Finance & NWSSP Procurement
17	NWSSP Procurement services to provide a full level of service and will continue to do so.	Complete	NWSSP Procurement

18	Introduction of advice shop where member of HEIW can 'drop in' and speak with procurement	16.08.2021	NWSSP Procurement
19	Implement savings activity and high level procurement dashboard to audit committee paper to share positive activity	Available for next meeting	NWSSP Procurement

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

Meeting Date	**21 July 2021**	**Agenda Item**	**2.3**
Report Title	**HEIW Procurement Compliance Report**		
Report Author	Rhian Sadler, Procurement Business Manager, NWSSP		
Report Sponsor	Eifion Williams, Director of Finance		
Presented by	Eifion Williams, Director of Finance		
Freedom of Information	Open		
Purpose of the Report	The purpose of this report is to provide the Audit & Assurance Committee with an update in relation to procurement activity undertaken during the period 1st April to 15th June and in accordance with reference 1.2 (Schedule 2.1.2 Procurement and Contracts Code for Building and Engineering Works) of the Standing Financial Instructions.		
Key Issues	An explanation of the reasons, circumstances and details of any further action taken is also included in the appendices to the report.		

Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
			√	

Recommendations	The Committee is asked to **note** the Procurement Compliance Report for **assurance.**

HEIW PROCUREMENT PROCESS IMPROVEMENT REPORT

1. INTRODUCTION

It is a requirement of HEIW's Standing Financial Instructions that all requests for Single Quotation Actions (SQA), Single Tender Actions (STA), Single Tenders for consideration following a call for an OJEU Competition, Contract Extensions and the Award of additional funding outside the terms of the contract (executed via Contract Change Note (CCN) or Variation of Terms), be reported to the Audit and Assurance Committee.

2. BACKGROUND

The purpose of this report is to provide the Audit Committee with an update in relation to procurement activity undertaken during the period 1st April 2021 – 15th June 2021 and in accordance with reference 1.2 (Schedule 2.1.2 Procurement and Contracts Code for Building and Engineering Works) of the Standing Financial Instructions.

An explanation of the reasons, circumstances and details of any further action taken is also included.

SFI Reference	Description	Items
3.5	Single Quotation Actions	1
4.2	Single Tender Actions	1
5.3	Single Tenders for consideration following a call for an OJEU Competition	0
10.8	Contract Extensions	0
14.2	Award of additional funding outside the terms of the contract (executed via Contract Change Note (CCN) or Variation of Terms)	1

3. GOVERNANCE AND FINANCIAL IMPLICATIONS

The Audit & Assurance Committee should note the detail of the attached Appendices and monitor the number and value of business that is being submitted for a Single Tender or Single Quotation approval. The overarching guidelines on the spending of public money are that it should be carried out in a fair, transparent and open manner, ensuring that competition is sought wherever possible. Therefore, the number of single action requests should be kept to a minimum.

4. RECOMMENDATION

The Committee is asked to:

- **note** the report for assurance.

Governance and Assurance				
Link to corporate objectives ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader	**Strategic Aim 4:** To develop the workforce to support the delivery of safety and quality

Quality, Safety and Patient Experience
There are no specific quality and safety implications related to the activity outlined in this report.
Financial Implications
SFIs, SOs, Financial controls and accounting systems and processes form the basis of many organisational controls which form part of the delivery of financial targets and good governance. The overarching guidelines on the spending of public money are that it should be carried out in a fair, transparent and open manner, ensuring that competition is sought wherever possible. Therefore, the number of single action requests should be kept to a minimum.
Legal Implications (including equality and diversity assessment)
There are no specific legal implications related to the activity outlined in this report.
Staffing Implications
There are no specific staffing implications related to the activity outlined in this report.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
Not applicable to this report

Report History	
Appendices	Appendix 1 Summary Information

Health Education Improvement Wales - Audit Committee Report – July 2021

Appendix 1 – Summary Information

Trust	Division	Procurement Ref No	Period of Agreement/Delivery Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue	Compliance Comment	Procurement Action Required	First Submission or repeat
HEIW	Organisational Development	HEIW-SQA-572	01/08/2021 – 31/08/2023	Single Quotation	Introductory course for the Pre-Hospital Emergency Medicine Sub-Specialty Training Programme	The Royal College of Surgeons of Edinburgh	£17,500	Supplier only provider to deliver course which is a mandatory requirement for trainees.	Endorsed	No further action required as unique requirement which can only be fulfilled by single tender process.	First Submission
HEIW	Workforce and Organisational Development	HEIW-STA-574	17/05/2021 – 16/05/2022	Single Tender Action	Support of the Compassionate Leadership Principles for Health and Social Care	Michael West and Associates	£30,000	Co-founder of the Compassionate and Inclusive Leadership and previous work conducted which will a cost and time saving.	Endorsed	Procurement exercise needed before proceeding with new compassionate leadership requirement.	Repeat submission 2 pervious file notes.

Health Education Improvement Wales - Audit Committee Report – March 2021

Trust	Division	Procurement Ref No	Period	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue	Compliance Comment	Procurement Action Required	First Submission or repeat
HEIW	Workforce and Organisational Developmen 0074	HEIW-FN-089	N/A	File Note	Michael West Book Fees	Michael West and Associates	£8,000	Delivery of book not in scope of original requirements.	Endorsed	All requirements need to be captured within original procurement process. Meeting has been held to understand requirements within workforce to ensure all future needs are captured appropriately.	Repeat Submission 1 Single Tender Action & 1 File Note

Meeting Date	21 July 2021	**Agenda Item**	**2.4**
Report Title	Internal Audit – Progress Report		
Report Author	Internal Audit		
Report Sponsor	Head of Internal Audit		
Presented by	Internal Audit		
Freedom of Information	Open		
Purpose of the Report	The purpose of the Internal Audit Progress Report is to provide the Audit and Assurance Committee with the current position regarding the work undertaken by Internal Audit as at 18 June 2021. The report provides information on the status of progress of Internal Audit reviews.		
Key Issues	• The current position of Internal Audit against its annual plan is outlined in the Internal Audit Progress Report. • Since the last meeting of the Audit Committee Internal Audit has completed three Internal Audit Reports which provided the following level of assurance: ○ Pharmacy Pre- Registration Internal Audit Report (Reasonable Assurance) ○ Governance Arrangements Internal Audit Report (Reasonable Assurance) ○ Information Governance Toolkit Internal Audit Report (Substantial Assurance)		
Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance** / ✓ / **Approval**
Recommendations	The Committee is asked to: **note** the Internal Audit Progress Report for assurance and **note** the Internal Audit Reports on: ○ Pharmacy Pre- Registration Internal Audit Report (Reasonable Assurance) ○ Governance Arrangements Internal Audit Report (Reasonable Assurance) ○ Information Governance Toolkit Internal Audit Report (Substantial Assurance) .		
Appendices	1. Internal Audit Progress Report July 2021 2. Pharmacy Pre-Registration Internal Audit Report 3. Governance Arrangements Internal Audit Report 4. Information Governance Toolkit Internal Audit Report		

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

Health Education and Improvement Wales

Audit & Assurance Committee Internal Audit Progress Report

July 2021

NWSSP Audit and Assurance Services

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

Contents

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

Acknowledgement

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

Disclaimer notice - please note

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

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of Health Education and Improvement Wales and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1 Introduction

1.1 This progress report provides the Audit & Assurance Committee (the 'Committee') with the current position regarding the work undertaken by Internal Audit as at **14 July 2021**. This report provides information on the status of progress of our reviews.

1.2 We report the progress made to date against individual assignments along with details regarding the delivery of the plans and any required updates.

2 Reports Issued

2.1 Since the June meeting of the Committee one report has been finalised, one remains in draft, and we have ongoing fieldwork in one area. A summary of these reviews is provided below in Table 1.

Table 1 – Summary of reports issued

Assignment	Assurance rating	High	Medium	Low	Total recommendations
Pharmacy pre-registration 20/21	Reasonable	-	2	1	3
Governance arrangements 20/21	Reasonable	-	2	1	3
Information Governance Toolkit	Substantial	-	2	1	3

3 Delivering the Plans

3.1 We have completed our programme of work for 2020/21 and have ongoing work for the 2021/22 plan. The detail of the scheduling and progress of the audit work is outlined in the assignment status schedule, which is included at Appendix A.

Table 2 – Plan 2021-22

Assignment	Status	Assurance	Timing	Notes
Annual Governance Statement	Complete	N/A	Q1	-
IG Toolkit	Final	Substantial	Q1	-
Recruitment	WIP	-	Q1	Met with Executive lead and terms of reference issued on 11.06.21. Fieldwork ongoing.
Integrated planning arrangements	Planning	-	Q2	Planning meeting held with Director of planning, performance and corporate services on 24.06.21.
MARS Appraisal system	Planning	-	Q2	Initial planning meeting with Medical Director held on 11.06.21 and second planning meeting on 23.06.21. Drafting brief.
Financial planning within the IMTP	Planning	-	Q2	Planning meeting held with Director of Finance on 01.07.21. Drafting brief.

Governance Arrangements

Internal Audit Report

July 2021

Health Education and Improvement Wales

NWSSP Audit and Assurance Services

Contents

Review reference:	HEIW-2020/21-03
Report status:	Internal Audit Report
Fieldwork commencement:	6 April 2021
Fieldwork completion:	13 May 2021
Draft report issued:	17 May 2021
Management response received:	2 July 2021
Approval and final report issued:	5 July 2021
Auditors:	Kenneth Hughes, Audit Manager, Cara Vernon, Internal Auditor
Executive sign off:	Dafydd Bebb, Board Secretary
Distribution:	Catherine English, Corporate Governance Manager
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 Service Strategy and Terms of Reference, 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 Health Education and Improvement Wales 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.

1. Introduction and Background

In line with the 2020/21 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of the organisation's governance arrangements was undertaken. The review sought to provide assurance to the HEIW Audit and Assurance Committee that there are effective arrangements and processes in place to manage the associated risks.

HEIW was established in October 2018, bringing together three key organisations for health: the Wales Deanery; NHS Wales's Workforce Education and Development Services (WEDS); and the Wales Centre for Pharmacy Professional Education (WCPPE). In our previous years' audit plans we have reviewed the governance arrangements the organisation established, maintaining a high-level focus on the Board and its committees. Our previous audit findings have established that those arrangements are becoming well embedded.

A paper prepared by the Board Secretary in February 2021 was presented to the HEIW Executive team. This lists 36 of the organisation's key groups and committees, mapped them against the eight key functions of the organisation, and outlined the reporting arrangements that each group has into the Executive team. The paper recommended changes to the reporting arrangements. As some of these groups reflected historical arrangements, a second piece of work was commissioned by the CEO to refresh and reshape the committee and meetings structure as part of the governance arrangements.

This second paper prepared by the CEO, assigned each group and committee to one of five broad categories. This year, our review took a more in-depth look at the governance arrangements in place within a sample of those groups and committees categorised as 'Group A'. This category is made up of groups that support Executive Directors to discharge their individual responsibilities and accountabilities. A total of 15 of the 36 listed groups are categorised as Group A.

It is anticipated that our review will sit alongside the Board Secretary's report and the subsequent review by the CEO, and will help inform the organisation on future changes needed to the governance arrangements that are currently in place within the organisation.

The relevant lead for the review is the Board Secretary.

2. Scope and Objectives

The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place in relation to the organisation's governance arrangements. The review sought to provide assurance to the Audit and Assurance Committee that risks material to the system's objectives are managed appropriately.

For a sample of eight of the groups that sit within category A, our review sought to provide assurance on:

- Terms of Reference (ToR) for the group are up to date, with the purpose of the group clearly defined including links to strategic aims and functions of the organisation.
- Meetings are taking place in line with regularity stated in the ToR.
- Attendees and quoracy are in line with the ToR.
- Meetings cover the areas of responsibility outlined in their ToR.
- Adequate meeting notes or minutes are maintained that provide a record of the key discussions and decisions made during the meetings.
- The functioning reporting lines of the group are included in the ToR.

3. Associated Risks

The potential risks considered in the review were as follows:

- The objectives of group or committee and ultimately HEIW are not achieved where there are gaps in coverage.
- Issues arise if governance arrangements are not effectively identifying and escalating concerns and if arrangements are not properly discharged.
- Areas of poor performance are not identified and addressed.
- A lack of clear, consistent direction, accountability and leadership with governance arrangements not properly discharged.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

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

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

Our testing of the eight selected Category A groups established that there was a Terms of Reference in place for each group that clearly defined the group's function and outlined their areas of responsibility.

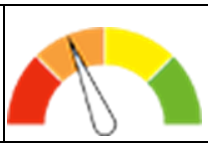
However, the control environment could be improved by including a clear link to the organisation's strategic aims and functions in each of the group's Terms of Reference. We also note that Terms of Reference were not dated for all the groups tested, and the review period, reporting lines and quoracy requirements were not always stated.

There were meeting notes for all of the groups that we tested which covered key discussions and decisions in line with the group's outlined responsibilities. However, one of the groups that we tested had not been quorate for any of the four meetings that we looked at, and a further two groups had not been holding meetings in line with their Terms of Reference.

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

5. Assurance Summary

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

Assurance Summary					
1	Terms of Reference			✓	
2	Meetings frequency			✓	
3	Attendees and quoracy			✓	
4	Meetings cover areas of responsibilities				✓
5	Meeting notes and minutes				✓
6	Reporting lines of group			✓	

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

Design of System/Controls

The findings from the review have not highlighted any issues that are classified as a weakness in the system design / controls.

Operation of System/Controls

The findings from the review have highlighted three issues that are classified as weaknesses in the operation of the designed system / controls.

6. Summary of Audit Findings

In this section, we highlight areas of good practice that we identified during our review. We also summarise the findings made during our audit fieldwork. The detailed findings are reported in the Management Action Plan (Appendix A).

Objective 1 - Terms of Reference (ToR) for the group are up to date, with the purpose of the group clearly defined including links to strategic aims and functions of the organisation.

We note the following areas of good practice:

- There was a ToR in place for the sample of groups that we reviewed.
- All ToR were found to have their purpose clearly defined.
- All ToR stated the group's required attendees / membership.

We identified the following finding:

- Whilst all of the ToRs outlined the group's purpose, not all had a clear link included to the organisation's strategic aims and functions.

  For a number of groups, their ToRs were not dated or, the review period was not stated so we could not determine if they were in date or when they were due for review.

  The ToR for the majority of groups did not state quoracy requirements (Finding 1 - Medium).

Objective 2 - Meetings are taking place in line with the regularity stated in the ToR.

We identified the following finding:

- Meetings had not been held in line with their ToR for a small number of the groups tested, and the regularity of meetings was not included in one ToR (Finding 2 - Medium).

Objective 3 - Attendees and quoracy are in line with the ToR.

We identified the following finding:

- Meetings for one of the groups had not been quorate for any of the four meetings that we reviewed (Finding 2 - Medium).

Objective 4 - Meetings cover the areas of responsibility outlined in their ToR.

We note the following areas of good practice:

- Areas of responsibility were outlined in all the ToR provided.
- Discussions held during meetings were found to be in line with outlined responsibilities.

We did not identify any findings under this objective.

Objective 5 - Adequate meeting notes or minutes are maintained that provide a record of the key discussions and decisions made during the meetings.

We note the following area of good practice:

- All of the groups that we tested kept meeting notes or minutes which appeared to be detailed, covering key discussions and decisions. Actions arising from meetings were being recorded in the meeting notes.

We identified the following finding:

- Actions arising from meetings were not always monitored in subsequent meetings (Finding 3 - Low).

Objective 6 - The functioning reporting lines of the group are included in the ToR.

We identified the following finding:

- The ToR for half of the group did not include the reporting lines of the group (Finding 1 - Medium).

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	High	Medium	Low	Total
Number of recommendations	0	2	1	3

Appendix A: Management Action Plan

Finding 1 - Terms of Reference (Operating effectiveness)	Risk
Category A groups are defined as those that are required to be in place to support Executive Directors discharge their individual responsibilities and accountabilities. We tested the Terms of Reference (ToR) for a sample of 8 category A groups. Although each group had a documented ToR in place, we note the following: • All the ToR reviewed had included the group's purpose, but for 6/8 there was no clear link to the organisation's strategic aims and functions. • The ToR were not dated for 3/8 groups, and the review period was not stated for 6/8 groups. Consequently, for these groups it was not clear whether the ToR were in date or due for review. • The ToR for 5/8 groups did not state quoracy requirements. • The ToR for 4/8 groups did not include the groups reporting lines. • All ToR were in different formats with inconsistent information outlined.	Groups do not have a clearly defined purpose.
Recommendation	**Priority level**
Whilst we acknowledge that there are wide differences between each group's remit, their Terms of Reference should be in a set format that can be tailored to suit their needs, as a minimum should include: • The group's overall objective and purpose. • Their links to the organisation's strategic aims and functions. • The group's quorum. • The frequency of meetings. • The reporting hierarchy. • The approval date and frequency of review.	**Medium**

Management Response	Responsible Officer/ Deadline
The Terms of Reference for Category A Groups will be amended to include the following: • The group's overall objective and purpose. • Their links to the organisation's strategic aims and functions. • The group's quorum. • The frequency of meetings. • The reporting hierarchy. • The approval date and frequency of review.	Board Secretary August 2021

Finding 2 - Group meetings (Operating effectiveness)	Risk

Category A groups support Executive Directors to discharge their individual responsibilities and accountabilities. We reviewed the last four meetings for each of our sample of eight Category A groups to ascertain whether meetings were quorate and were being held in line with the frequency set out in their ToR. We identified the following:
• None of the meetings held by the Medical Deanery Workforce Group were quorate. The quorum is four members, but the four meetings reviewed were attended by only two or three members. It is unclear what decision-making authority the group has when operating below quoracy levels.
• Two groups had not held meetings in line with their ToR:
  ○ The Pharmacy Technicians Workstream should meet quarterly, but this was not happening.
  ○ The Pharmacy Workforce should meet every 4-6 weeks, but the minutes show that seven months had passed between the third and fourth meeting.
• The Dental Management Executive Team ToR did not state the regularity of meetings, although the minutes provided showed that meetings had been held regularly throughout 2021.
	Meetings are not held as required, and this impacts on the effectiveness of the group.

Recommendation	**Priority level**
If appropriate, meetings that are not quorate should be rescheduled until such time that sufficient members can attend. Groups should ensure that meetings are held in line with their ToR. Where the actual frequency of meetings is no longer aligned to that recorded in the ToR, the ToR should be reviewed and updated. The Dental Management Executive Group should determine how often meetings should be held and update their ToR accordingly.	**Medium**

Management Response	Responsible Officer/ Deadline
We will engage with the Groups to ensure that: • meetings which are not quorate are re-scheduled • meetings are held in line with terms of reference and that frequency of meeting reflects current requirements and are captured within all terms of reference going forward (including the Dental Management Executive Group).	Board Secretary August 2021

Finding 3 - Meeting notes (Operating effectiveness)	Risk
We reviewed the last four sets of minutes and meeting notes for each of our sampled Category A Groups, to assess whether meeting notes or minutes that were being maintained appeared detailed enough to provide a record of the key discussions and decisions made during the meetings. Whilst the minutes provided appeared to record sufficient and relevant information, we identified the following issues: • Actions arising from meetings were not always being monitored in subsequent meetings. • Apologies for absence were not always being recorded in the meeting notes for one group.	Decisions and actions arising from meetings are not implemented.
Recommendation	**Priority level**
Meeting notes should include the names of all attendees and should be an accurate record of discussions held. They should clearly document any decisions made, any actions arising, the name of the officer responsible for undertaking the action and an indicative date for completion. We would also recommend that an Action Log be completed after every meeting to monitor the progress of actions between meetings.	**Low**
Management Response	**Responsible Officer/ Deadline**
We will engage with the Groups to ensure that minutes include the following (and that the terms of reference be updated to reflect the same): • Record attendees and apologies • Record of actions, action owner and action deadline • Action log to monitor progress.	Board Secretary August 2021

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

Substantial assurance

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

Reasonable assurance

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

Limited assurance

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

No assurance

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

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** but which are relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

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

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

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

Pharmacy Pre-Registration Review

Internal Audit Report

HEIW 2020/21

June 2021

NHS Wales Shared Services Partnership

Audit and Assurance Services

Contents **Page**

Review reference:	HEIW-2021-10
Report status:	Internal Audit Report
Fieldwork commencement:	22 April 2021
Fieldwork completion:	20 May 2021
Draft report issued:	27 May 2021
Management response received:	15 June 2021
Final report issued:	16 June 2021
Auditors:	Ken Hughes, Audit Manager Emma Samways, Deputy Head of Internal Audit
Executive sign off:	Pushpinder Mangat, Medical Director
Distribution:	Margaret Allen, Pharmacy Dean Laura Doyle, Head of Undergraduate & Pre-Foundation Christian Favager, Project Manager, Pharmacy
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 and 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 and Assurance Services reports are prepared, in accordance with the Internal Audit Charter and the Annual Plan, approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership - Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of Health Education and Improvement Wales, no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. Introduction and Background

In line with the 2020/21 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of the implementation of the Pharmacy Pre-Registration business case was undertaken. The review sought to provide assurance to the Audit and Assurance Committee that there are effective processes in place to manage any implementation risks.

The pharmacy pre-registration scheme is a training placement whereby trainees, under the supervision of a tutor, spend at least 52 weeks at an approved training site, developing their skills to meet a range of performance standards.

In 2019 the Welsh Government (WG) announced funding and plans to transform the training it offered to pre-registration pharmacists boosting the number of pre-registration places in Wales to almost double the existing levels. The plans also sought to place trainees in a wider range of settings, with placements in GP practices and other areas in addition to hospital and community pharmacies.

HEIW prepared a business case setting out a number of options for WG to consider. The approved proposal described plans to move at pace to implement a previously piloted and evaluated transformational model for a centralised pre-registration pharmacy training programme in Wales.

The agreed business case option aimed to deliver the vision for a one-year pre-registration pharmacy training programme with meaningful multi-sector experience delivered through quality assured training sites. Key changes included the introduction of a centralised recruitment process, central employment of trainees, a centralised training programme and enhanced quality management processes. This was the first phase of a change strategy to move towards a five-year integrated MPharm undergraduate degree programme designed to transform the pharmacy workforce in Wales.

HEIW engaged a project manager to oversee the implementation of the business case and the first cohort of students took up their roles in August 2020. Our audit sought to provide assurance that the benefits as described in the business case have been realised.

The relevant lead for the review is the Medical Director.

2. Scope and Objectives

The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place in relation to the organisation's implementation of the approved option from the pharmacy pre-registration business case. The review sought to provide assurance to the Audit and Assurance Committee that risks material to the system's objectives are managed appropriately.

The areas that the review sought to provide assurance on were:

- Appropriate governance arrangements were put in place for the project.
- The project budget was appropriately managed with projected costs brought into HEIWs' budgeting and reporting processes.
- There is evidence that the objectives of the project and its anticipated short-term benefits, as set out in section 3.4 of the business case have been realised, with mechanisms in place to measure the success of the project in the longer term.
- New work streams arising from the project have been agreed and taken forward as new projects.
- An appropriate post implementation review of the project has been undertaken, including a review of the development of the project and capturing and reporting lessons learned.

3. Associated Risks

The potential risks considered in the review were as follows:

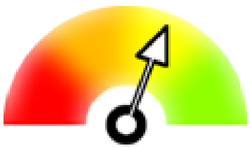
- Failure to achieve the benefits detailed with the business case.
- The cost of the change outweighs the benefits.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with established controls within the **Pharmacy Pre-Registration Review** is Reasonable Assurance.

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

The pharmacy pre-registration project represents a significant investment by the Welsh Government in pre-registration training for pharmacists in Wales, providing an additional £3.6m in 2020/21, rising to £4.9m in 2023/24.

Our review of the project, which was described by the Project Manager as "*a complex programme of change with numerous workstreams that iterated throughout the delivery cycle*" has concluded that the project successfully delivered the benefits set out in the business case, despite HEIW not having an established project management framework or defined project management processes in place at the start of the project.

A Project Initiation Document (PID) had been drawn up prior to the commencement of the project in June 2019, and this set out the project's objectives, risk assessment scoring matrix, key deliverables and workstreams. Regular progress reports were provided to the Project Management Board throughout the life of the project, and a number of new workstreams arising from the project were taken forward within the Pre-Registration team as part of their 'business as usual'.

While the project has achieved its objectives, the PID was brief and lacked detail, and some key elements were missing. In particular, it did not include clearly defined project roles and responsibilities or the project review and

decision-making process. Consequently, the project lacked a structured approach to the design and implementation of its governance framework, resulting in inadequate project governance practices that could be used for future projects needing similar management arrangements.

In October 2020, a 'gateway' review meeting was held between the Pharmacy Dean, the Head of Undergraduate and Pre-Registration Pharmacist, the project manager and the administration co-ordinator. This was to assess the progress of each workstream and to determine whether it should be closed down or carried forward, and to reflect on the lessons learned from the project. However, the output from the 'gateway' review meeting was brief and lacked substance and did not clearly capture if there were any lessons to be learnt for future projects.

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

5. Assurance Summary

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

Assurance Summary					
1	Project governance arrangements			✓	
2	Project budget management				✓
3	Realisation of project objectives				✓
4	Agreed new work streams				✓
5	Post implementation review			✓	

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

Design of Systems/Controls

The findings from the review did not highlight any issues that are classified as weaknesses in the system control / design for Pharmacy Pre-Registration.

Operation of System/Controls

The findings from the review have highlighted three issues that are classified as weaknesses in the operation of the designed system / control for Pharmacy Pre-Registration.

6. Summary of Audit Findings

In this section, we highlight areas of good practice that we identified during our review. We also summarise the findings made during our audit fieldwork. The detailed findings are reported in the Management Action Plan (Appendix A).

Objective 1: Appropriate governance arrangements were put in place for the project.

We note the following areas of good practice:

- A Project Initiation Document (PID) had been drawn up prior to the commencement of the project in June 2019.
- A project risk register was drawn up and maintained through the life of the project.
- A People Change Brief had been drawn up to identify the additional posts that HEIW would require to support the new Pharmacy Pre-Registration Programme.
- Regular progress reports were provided to the Project Management Board throughout the life of the project.

We identified the following findings:

- The PID for this project was brief, lacked detail, and some key elements were missing. For future projects more developed PIDs should be in place. (Finding 1 - Medium)
- Membership of the project board was restricted to the Pharmacy Dean and the Head of Undergraduate and Pre-Registration Pharmacist. (Finding 3 - Low)

Objective 2: The project budget was appropriately managed with projected costs brought into HEIWs budgeting and reporting processes.

We noted the following areas of good practice:

- Costs were assessed prior to the start of the project and were limited to the project manager's salary costs which were included in HEIWs' departmental salary budgets.

We did not identify any findings under this objective.

Objective 3: There is evidence that the objectives of the project and its anticipated short-term benefits, as set out in section 3.4 of the business case have been realised, with mechanisms in place to measure the success of the project in the longer term.

We note the following areas of good practice:

- The successful completion of the project has resulted in the benefits identified in the business case being realised.
- HEIW has well established quality monitoring processes in place to monitor the long-term success of the project.

We did not identify any findings under this objective.

Objective 4: New work streams arising from the project have been agreed and taken forward as new projects.

We note the following areas of good practice:

- New workstreams arising from the project were taken forward within the pre-registration team as part of their 'business as usual'.

We did not identify any findings under this objective.

Objective 5: An appropriate post implementation review of the project has been undertaken, including a review of the development of the project and capturing and reporting lessons learned.

We identified the following findings:

- The output from the 'Gateway' review meeting was brief and lacked substance and did not clearly detail the lessons learned (Finding 2 - Medium).

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	**0**	**2**	**1**	**3**

Finding 1 - Project Initiation Document (Operating effectiveness)	Risk
We were provided with a Project Initiation Document (PID) for the project that had been prepared by the project manager in June 2019. We note that this contained elements that we would expect to see in a PID, such as: the project context and background in the introduction; the project definition and content set out the scope; constraints, relationships, key deliverables and timescales for each workstream; the project organisation structure set out the project structure; and a risk assessment matrix, although no risks were included. However, overall, the document was brief and lacked detail and some key elements were missing. In particular, the PID did not include clearly defined project roles and responsibilities or, the project review and decision-making process.	Failure to achieve all the benefits detailed with the business case.
Recommendation	**Priority level**
1. A standardised PID should be developed for future projects that includes the requirement to include clearly defined project roles and responsibilities and the project review and decision-making process. 2. Guidance on how to complete a PID should also be drawn up and made available to all staff.	**Medium**

Management Response	Responsible Officer/ Deadline
We accept these findings. Our planning functions have matured since this business case was developed, with the appointment of a Director of Planning and we have an improved approach – an example is the Pharmacy IETP programme which has a programme board, steering group, and 7 workstreams. A Project Management Framework will be agreed by the Executive team which will include a standardised PID template.	Director of Planning – End of August 2021

Finding 2 - Gateway Review (Operating effectiveness)	Risk
A 'gateway' review is a process undertaken at key points during, and at the end of a project to give assurance that the project is achieving its objectives. A gateway review was undertaken in October 2020 and does not appear to follow the format of a best practice post project or gateway reviews. The review document provided was brief and lacked substance, did not clearly highlight good practices or lessons learned, did not accurately record the status of workstreams to be taken forward from the project, did not reference risk and where any residual risks should be recorded.	Failure to accurately identify and document all the lessons learned leads to lack of learning and repeated errors being made in future projects.
Recommendation	**Priority level**
Management should establish a clear process for conducting and documenting post project or gateway reviews that are in line with best practice. Guidance on undertaking such reviews should be made available to all relevant staff.	**Medium**
Management Response	**Responsible Officer/ Deadline**
Again, we recognise this issue and will adopt NHS best practice for Gateway Review processes.	Medical Director / Director of Planning – End of August 2021

Finding 3 – Governance Arrangements (Operating effectiveness)	Risk
The PID indicates that there are only two members on the Project Board, namely the Pharmacy Dean and the Head of Undergraduate and Pre-Foundation Pharmacist. Given the importance and complexity of the project, and value of funding, we would have expected to see a wider Board membership that included other key internal stakeholders involved in the project such as finance and IT colleagues.	Failure to achieve all the benefits detailed with the business case.
Recommendation	**Priority level**
To strengthen governance arrangements in future projects, consideration should be given to having wider project board membership.	**Low**
Management Response	**Responsible Officer/ Deadline**
We recognise this recommendation and have already implemented this in our revised IETP programme management arrangements.	Medical Director Complete

Appendix B - Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

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

 **No assurance** - The Board can take **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

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

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

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

IG Toolkit

Final Internal Audit Report

July 2021

Health Education and Improvement Wales

NWSSP Audit and Assurance Services

Contents

Review reference:	HEIW-2122-07
Report status:	Final Internal Audit Report
Fieldwork commencement:	17 May 2021
Fieldwork completion:	24 June 2021
Draft report issued:	30 June 2021
Management response received:	6 July 2021
Approval and final report issued:	14 July 2021
Auditors:	Ken Hughes, Audit Manager Martyn Lewis, IT Audit Manager
Executive sign off:	Sian Richards, Director of Digital Development
Distribution:	Emma Garland, Information Governance Officer
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 Service Strategy and Terms of Reference, 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 Health Education and Improvement Wales 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.

1. Introduction and Background

In line with the 2021/22 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of the arrangements in place for the completion of the Information Governance (IG) Toolkit was undertaken.

The IG Toolkit for health boards and trusts is a self-assessment process that enables organisations to measure their level of compliance against National Information Governance Standards and data protection legislation to ascertain whether information is handled and protected appropriately.

The toolkit is made up of eight sections, and the attainment for each section is scored between Level 0 and Level 3, where Level 3 would indicate the highest level of compliance.

The relevant lead for the review is the Director of Digital.

2. Scope and Objectives

The overall objective was to review the organisation's processes for completion of the IG Toolkit and the collation and submission of appropriate evidence to support the assessed score in order to provide assurance to the Audit & Assurance Committee that risks material to the objectives of the areas of coverage are appropriately managed.

The main areas that the review sought to provide assurance on were:

- a process exists for completion of the toolkit and maintenance of appropriate evidence;
- the self-assessed scores are supported by evidence and are appropriate; and
- an improvement plan is in place to improve the information governance controls within the organisation.

3. Associated Risks

The potential risk considered in this review was as follows:

- Non-compliance with key information governance legislation.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the **IG Toolkit** review is substantial assurance.

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

We identified that although initial compliance levels are low, a robust process has been developed for the completion of the self-assessment toolkit, and this has ensured that overall the toolkit scores accurately reflect the current position in respect of Information Governance, compliance against National Information Governance Standards, and data protection legislation.

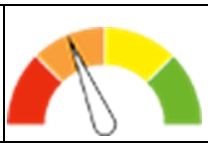
The toolkit submission scores were backed up by appropriate evidence and where applicable supporting documentation, and a comprehensive information governance delivery and implementation plan for 2021/22 has been developed that covers all areas of non-compliance. Implementation of this plan should help ensure that the organisation is fully compliant with Level 2 requirements when the toolkit becomes mandatory in 2022/23.

Improvements to the above arrangements could be made by ensuring that the Data Protection Officer (DPO), Senior Information Risk Owner (SIRO) and Caldicott Guardian roles and responsibilities are clearly documented, and the incumbents are provided with appropriate training. Improvements could also be made to the use of privacy notices, and the reporting of progress against Level 3 actions within the IG delivery and implementation plan.

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

5. Assurance Summary

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

Assurance Summary					
1	Process for completion of toolkit				✓
2	Evidence to support scores				✓
3	Improvement Plan				✓

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

Design of Systems / Controls

The findings from the review have highlighted one issue that is classified as a weakness in the system control / design for the IG Toolkit.

Operation of System / Controls

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

6. Summary of Audit Findings

In this section we highlight areas of good practice that we identified during our review. We also summarise the findings made during our audit fieldwork. The detailed findings are reported in the Management Action Plan (Appendix A).

Objective 1: A process exists for completion of the toolkit and maintenance of appropriate evidence:

We note the following areas of good practice:

- The submission has been completed on a voluntary basis for 2020/21 to establish a baseline position.
- Responsibility for completing the toolkit assessment was specifically assigned to the Information Governance Officer.
- An IG Improvement Plan has been developed to improve compliance by the time the submission becomes mandatory in 2022/23.
- All supporting evidence is uploaded to the Welsh Government's IG portal.
- The process for completion of the toolkit includes a detailed review of the draft submission and supporting evidence by the Director of Digital Development.
- The draft submission is reviewed by the Executive Management Team and approved by Digital Health & Care Wales (DHCW) prior to finalisation.

Our audit identified the following finding:

- All supporting evidence for the IG Toolkit is currently collated, stored and updated by the IG Officer, rather than via departmental leads and a centralised shared file system (Finding 3 - Low).

Objective 2: The self-assessed scores are supported by evidence and are appropriate:

We note the following area of good practice:

- Where applicable, relevant supporting evidence had been uploaded to the HEIW Toolkit Submission Report 2020/21 to support the self-assessed scores.

Our audit identified the following findings:

- Our testing of the evidence provided to support the self-assessed scores in the 2020/21 toolkit submission identified some areas where the evidence was not fully available:
    - There was no evidence that the DPO, SIRO and Caldicott Guardian had been provided with detailed responsibilities or that sufficient training had been provided to the DPO, SIRO or Caldicott Guardian to enable them to carry out their roles; and
    - Privacy information should be provided to individuals which is clear and informative and reflects all statutory requirements. A layered approach should be used with short notices containing key privacy information and additional layers of more detailed information. However, no evidence was

provided that short privacy notices were being used. (Finding 1 - Medium).

Objective 3: An improvement plan is in place to improve the information governance controls within the organisation:

We note the following areas of good practice:

- An Information Governance Delivery and Improvement Plan has been drawn up for 2021/22.
- The plan covers all the areas from the toolkit where the organisation had been scored as 'non-compliant'.
- The plan is focussed on implementing all outstanding Level 1 and Level 2 requirements by the end of 2021/22.
- Responsibility for implementing all the outstanding actions has been assigned to a designated Responsible Officer on the plan.
- Progress on implementing the plan is reported to the Executive Team and the Audit & Assurance Committee.

Our audit identified the following findings:

- Some of the Level 1 requirements that have been signed off as 'complete' or 'in place' in the original toolkit submission have outstanding actions to be completed in 2021/22. In addition, compliance with Level 3 requirements has been deemed 'outside scope' for 2021/22 by HEIW. However, the improvement plan includes a number of Level 3 actions, but where these have been included a RAG rating for progress has not been assigned as is the case for Levels 1 and 2 (Finding 2 - Medium).

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	High	Medium	Low	Total
Number of recommendations	0	2	1	3

Appendix A: Management Action Plan

Finding 1 - Evidence to support self-assessed scores (Operating Effectiveness)	Risk
Our testing of the evidence provided to support the self-assessed scores in the 2020/21 toolkit submission identified the following: • The IG & IM group minutes recording the appointment of the Board Secretary as the SIRO and the Director of Digital Development as DPO was submitted as evidence of these officers being provided with detailed responsibilities as part of their role in the toolkit submission (Section 2.1). However, this does not detail the SIRO or DPO responsibilities. We note that the Job Description for the Director of Digital Development included detailed responsibilities for the SIRO role, although this role has been actually assigned to the Board Secretary. • The toolkit submission (Section 2.1) states that the Caldicott Guardian is aware of their role and responsibilities, but no evidence was provided of this. • There was a lack of evidence of training for those staff appointed to the SIRO, DPO and Caldicott Guardian roles (Section 2.1). • Privacy information should be provided to individuals which is clear and informative and reflects all statutory requirements. A layered approach should be used with short notices containing key privacy information and additional layers of more detailed information. However, the only evidence provided was an eight-page detailed privacy notice covering Consultations & Surveys. No evidence was provided that short privacy notices containing key privacy information were being used. (Section 4.2).	Non-compliance with key information governance legislation.
Recommendation	**Priority level**
1. Separate job descriptions should be drawn up for the SIRO, DPO and Caldicott Guardian roles that clearly define the roles and their detailed responsibilities, or alternatively these should be incorporated into their existing job descriptions.	**Medium**

2. Appropriate training should be provided for the SIRO, DPO and Caldicott Guardian roles. 3. A 'layered approach' should be used for privacy notices using a combination of short notices and additional layers of more detailed information, as required by the toolkit. 4. The above requirements should be added to the IG Delivery and Implementation Plan and the toolkit self-assessed scores adjusted until such time as the above requirements have been met.	
Management Response	**Responsible Officer/ Deadline**
Accept the recommendation and action will be taken to update job descriptions, provide training, review and update privacy notices and these actions will be added to the delivery plan	Sian Richards By August 2021

Appendix A: Management Action Plan

Finding 2 - Delivery & Implementation Plan (Operating Effectiveness)	Risk
Our testing of the Delivery and Implementation Plan identified: • Some of the Level 1 requirements that have been signed off as being 'completed' or 'in place' in the original Toolkit submission have outstanding actions to be completed in 2021/22. • Compliance with Level 3 requirements has been deemed 'outside scope' by HEIW for 2021/22, yet the improvement plan includes a number of Level 3 actions. Where this has been done a RAG rating for progress has not been assigned as is the case for Levels 1 and 2.	Non-compliance with key information governance legislation.
Recommendation	**Priority level**
1. The original Level 1 self-assessment scores should be adjusted where outstanding requirements have been identified in the Delivery and Implementation Plan. 2. Progress in the form of a RAG rating should be recorded where Level 3 requirements have been included in the Delivery and Implementation Plan for 2021/22.	**Medium**
Management Response	**Responsible Officer/ Deadline**
Agreed the plan will be updated. The self-assessment scores will be refined in next years submission	Sian Richards August 2021

Appendix A: Management Action Plan

Finding 3 - File Sharing & Area Leads (Control Design)	Risk
We note that all supporting documentation underpinning the self-assessment scores is collated and held by the Information Governance Officer. There is a significant amount of work to be undertaken to maintain existing evidence up to date for 2022/23 when the toolkit submission becomes mandatory, and also to deliver the Information Governance Delivery & Implementation Plan 2021/22. It has been highlighted within the Information Governance Delivery & Implementation Plan 2021/22 that there are 21 areas of activity of routine information governance work. However, there is only one IGO. Consequently, any high priority activity such as the reporting and investigation of a data breach would adversely impact on the delivery of the IG Delivery and Implementation Plan. This would also impact on the routine updating of documentary evidence already collected.	Non-compliance with key information governance legislation.
Recommendation	**Priority level**
The organisation should consider whether it may be beneficial to set up a centralised, shared folder to store the toolkit evidence already collected, and to assign responsibilities for updating the documentation to nominated area leads across the organisation to help ensure documentation is updated in year as necessary. The nominated leads could also assist the IGO in delivering the IG Delivery & Implementation Plan. For example, by obtaining new supporting documentation. The involvement of area leads would also help raise the profile of Information Governance and help embed good practice across the organisation.	**Low**
Management Response	**Responsible Officer/ Deadline**
Agreed – shared folder to be created	Sian Richards – December 2021

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

	**Substantial assurance**	The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.
	**Reasonable assurance**	The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to **moderate impact on residual risk** exposure until resolved.
	**Limited assurance**	The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.
	**No assurance**	The Board can take **no assurance** that arrangements in place to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.
	**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** but which are relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

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

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

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

Meeting Date	21 July 2021	**Agenda Item**	**2.5.1**
Report Title	Audit Wales – Progress Report		
Report Author	Audit Wales		
Report Sponsor	Audit Wales		
Presented by	Audit Wales		
Freedom of Information	Open		
Purpose of the Report	The purpose of the Audit Wales Progress Report is to provide the Audit and Assurance 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).		
Key Issues	• The Progress Report summarises the status of Audit Wales' key accounts audit work which is to be reported during 2021. • The Progress Report also sets out the performance audit work included in current and previous Audit Plans, summarising work that is currently underway and planned work not yet started.		

Specific Action Required ***(please ✓ one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
			✓	

Recommendations	The Committee is asked to **note** the Audit Wales Progress Report for assurance.
Appendices	Audit Wales Progress Report (Update)

Archwilio Cymru
Audit Wales

Audit and Assurance Committee Update – Health Education and Improvement Wales

Date issued: July 2021

Document reference: HEIWAACU202103

This document has been prepared for the internal use of Health education and Improvement Wales as part of work performed/to be performed in accordance with statutory functions.

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

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

Contents

Audit and Assurance Committee Update

About this document

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

Accounts audit update

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

Exhibit 1 – Accounts audit work

Area of work	Current status
Annual Accounts 2020-21	**Ongoing liaison** Quarterly meetings with the Chair, Chief Executive and Chair of the Audit and Assurance Committee have continued throughout the period. **Accounts work** High quality draft accounts received 30 April. Audit work undertaken during May with reporting to the Audit and Assurance Committee on 9 June. Key conclusions: - no non-trivial misstatements identified; - no corrections for misstatements, only disclosure amendments processed; and - no recommendations for improvement made. Board approval 10 June. Audited submission of full Annual Report and Accounts and associated financial returns to Welsh Government 11 June. AGW certification 15 June, unqualified audit opinion with emphasis of matter paragraph and substantive report to draw the attention of the reader of the accounts to Note 21.1 which describes the impact of a Ministerial Direction regarding clinicians' pension tax liabilities. Accounts laid at Senedd 16 June.

Area of work	Current status
	Whole of Government Accounts return complete and submitted to central Audit Wales team.

Performance audit update

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

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

Exhibit 2 – Work currently underway

Topic and relevant Executive Lead	Focus of the work	Current status and Audit and Assurance Committee consideration
Structured Assessment 2021 Executive Lead: Dafydd Bebb	Structured Assessment continues to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. This year, the work is in two phases. • Phase 1 – examined the effectiveness of operational planning arrangements whilst NHS bodies continued to respond to the pandemic and recover and restart services. • Phase 2 – examines how well NHS bodies are embedding sound arrangements for corporate governance and financial management, as well as drawing on lessons learnt	Phase 1 – final report issued on 18 May 2021. It is being considered by Audit Committee on 21 July 2021 and will be published on the Audit Wales website shortly after. Phase 2 – set-up meeting held with Board Secretary on 25 June 2021.Fieldwork will take place over the summer months. Aiming to issue the draft report in September.

Topic and relevant Executive Lead	Focus of the work	Current status and Audit and Assurance Committee consideration
	from the initial response to the pandemic.	
2020 Local Project: Review of Annual Commissioning Arrangements.	Commissioning is HEIW's core function and its biggest investment. This piece of work looks to review its annual commissioning arrangements to ensure they are effective and helping to meet the wider needs of the NHS in Wales in terms of education and training.	Project brief was issued on 21 May 2021. Set-up meeting with Director of Nursing & Health Professional Education and Head of Education, Commissioning & Quality arranged for 26 July 2021. Fieldwork will take place during the summer and early autumn. Aiming to issue the draft report in October/November.

Exhibit 3 – Planned work not yet started

Topic and relevant Executive Lead	Focus of the work	Current status and Audit and Assurance Committee consideration
2021 Local Project	To be confirmed	Not yet started

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 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 help prompt some thinking, and hopefully support the exchange of practice. We have produced a number of

outputs as part of the project which are relevant to the NHS, the details of which are available here.

6 **Exhibit 4** outlines the Good Practice Exchange (GPX) events which have been held since the Committee last met. Materials are available via the links below. Details of future events are available on the GPX website

Exhibit 4 – Good practice events and products

Event	Details
Your Town, Your Future	At a webinar in May 2021, Audit Wales and guest speakers shared they views on town centre regeneration, what works and why.
Dynamic Strategy	A webinar held in March 2021 discussed how leaders from across all parts of public services have had to make fast and difficult decisions in a rapidly changing situation throughout the COVID-19 pandemic.

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 Accounts Committee at the Senedd to support its scrutiny of public expenditure.

8 We have published one NHS-related data tool and three relevant national studies reports since we last provided the Committee with an update. **Exhibit 5** provides information on these reports.

Exhibit 5 – NHS-related or relevant national studies reports

Title	Publication Date
NHS Wales Finances Data Tool – up to March 2021	June 2021
Rollout of the COVID-19 vaccination programme in Wales | Audit Wales	June 2021
An overview of Quality Governance Arrangements at Cwm Taf Morgannwg University Health Board: A Summary of progress made against recommendations | Audit Wales	May 2021
Procuring and Supplying PPE for the COVID-19 Pandemic | Audit Wales	April 2021

Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

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

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

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

Meeting Date	21 July 2021	**Agenda Item**	**2.5.2**
Report Title	Audit Wales – Structured Assessment Phase 1 Report		
Report Author	Audit Wales		
Report Sponsor	Audit Wales		
Presented by	Audit Wales		
Freedom of Information	Open		
Purpose of the Report	The report sets out the findings from phase one of the Auditor General's 2021 Structured Assessment on the operational planning arrangements at HEIW. The Structured Assessment is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2014.		
Key Issues	• Overall, HEIW's arrangements for preparing operational plans and monitoring their delivery are robust. • HEIW submitted its Quarters 3-4 Plan and relevant Minimum Data Set to the Welsh Government within the specified timeframe. • HEIW's planning arrangements are robust. There was far-reaching engagement with stakeholders despite the time constraints. • HEIW has effective arrangements to oversee delivery of its operational plans, which are now embedded in its recently approved Performance Framework. • Audit Wales have not made any new recommendations based on the 2021 Structured Assessment phase one work.		
Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance** / ✓ / **Approval**
Recommendations	The Committee is asked to **note** the Audit Wales Structure Assessment Phase 1 Report for assurance.		
Appendices	Structured Assessment 2021 Phase 1 Report		

Archwilio Cymru
Audit Wales

Structured Assessment 2021 (Phase One) – Operational Planning Arrangements Health Education and Improvement Wales

Audit year: 2021

Date issued: May 2021

Document reference: 2340A2021-22

This document has been prepared for the internal use of Health Education and Improvement Wales as part of work performed in accordance with statutory functions.

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

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

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

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

Mae’r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

Summary report

About this report

1 This report sets out the findings from phase one of the Auditor General's 2021 Structured Assessment on the operational planning arrangements at Health Education and Improvement Wales (HEIW). Our Structured Assessment is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2014.

2 Health bodies are required to submit a three-year Integrated Medium Term Plan (IMTP) to the Welsh Government on an annual basis. In January 2020, health bodies submitted IMTPs, covering the period 2020-2023, for approval. However, the Welsh Government suspended the process for approving IMTPs to allow health bodies to focus on responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic.

3 The Minister for Health, Social Services and Sport set out shorter planning cycles for health bodies covering 2020-21. Guidance set out key considerations for planning, with the requirement for health bodies to produce a quarter one plan by 18 May 2020, a quarter two plan by 3 July 2020, and a combined plan covering quarters three and four by 19 October 2020.

4 The planning framework for quarters three and four 2020-21 covers the maintenance of effective and efficient operational planning arrangements in health bodies to guide their continuing response to the pandemic as well as responding to winter pressures and the implications of EU transition. Health bodies also need to continue to lay the foundations for effective recovery beyond 2020-21.

5 In our 2020 Structured Assessment report we considered HEIW's planning arrangements for developing the quarters one and two plans. This report considers the planning arrangements underpinning the development of the operational plan for quarters three and four of 2020-21.

Key messages

6 Overall, we found that **HEIW's arrangements for preparing operational plans and monitoring their delivery are robust.**

7 HEIW submitted its Quarters 3-4 Plan and relevant Minimum Data Set to the Welsh Government within the specified timeframe. The plan was approved via Chair's action following Board engagement and executive level endorsement. Whilst much of the Welsh Government operating framework does not directly apply to HEIW, it responded positively by converting the framework to fit the organisation's remit and strategic objectives and by setting out its contribution to the COVID-19 response and recovery, and winter planning.

8 HEIW's planning arrangements are robust. There was far-reaching engagement with stakeholders despite the time constraints, and a review of strategic objectives in the context of immediate requirements and available resources was undertaken. HEIW has maintained a focus on learning, staff wellbeing and partnership working. HEIW is reviewing planning resource levels as its current capacity is insufficient to deliver its ambition of functioning as a programme management office.

9 HEIW has effective arrangements to oversee delivery of its operational plans, which are now embedded in its recently approved Performance Framework. In accordance with that Framework, the Board receives performance reports quarterly.

10 We have not made any new recommendations based on our 2021 Structured Assessment phase one work.

Detailed report

Scope and coverage of the 2020-21 Quarters Three-Four Plan

11 Our work considered the scope and coverage of HEIW's 2020-21 Quarters Three-Four Plan (the Quarters 3-4 Plan) in line with Welsh Government planning guidance.

12 We found that **HEIW's Quarters 3-4 Plan satisfied Welsh Government requirements and was submitted within the required timescale following engagement with Independent Members.**

13 HEIW submitted its Quarters 3-4 Plan and relevant Minimum Data Set to the Welsh Government by 19 October 2020. Due to the scheduling of meetings, the plan could not be discussed and approved at a public Board meeting within the required timescale. Instead, it was approved via Chair's action. However, the draft plan was circulated to Independent Members for comment and endorsed by the executive team prior to approval and submission. The Board received the final plan for noting at its November 2020 meeting, with papers available on HEIW's public website.

14 The organisation does not deliver frontline NHS services, so much of the Welsh Government's operating framework does not directly apply to HEIW. However, it continued to respond positively to the requirements by converting the framework to fit the organisation's remit and strategic objectives and by setting out its contribution to the COVID-19 response and recovery, and winter planning. For example, it outlines plans to deliver rehabilitation training, improve infection, prevention and control training and its ongoing work to support critical care. HEIW has reviewed the resources needed to deliver the Quarters 3-4 Plan and has also completed the applicable metrics in the supporting Minimum Data Set.

Arrangements for developing operational plans

15 Our work considered HEIW's arrangements for developing the Quarters 3-4 Plan to support its ongoing response to COVID-19, maintain essential services and resume more routine services.

16 We found that **HEIW's planning arrangements are robust, flexible and underpinned by good stakeholder engagement.**

17 The Quarters 3-4 Plan is a continuation of the quarters 1 and 2 operational plans. All three plans are rooted in HEIW's approvable 2020-2023 Integrated Medium Term Plan (IMTP). The plan incorporates the Welsh Government's feedback on the previous plan, which was largely positive and provided suggestions on additional ways HEIW could aid the wider NHS.

18 HEIW's planning approach for developing the Quarters 3-4 Plan has not fundamentally changed. Despite the time constraints, stakeholder engagement in developing the plan was extensive, building on the comprehensive stakeholder engagement undertaken as part of the process of developing the 2020-2023 IMTP. The Chief Executive and Director of Workforce engaged early with partners to

discuss priorities, including the chief executives and directors of workforce of all health bodies, Social Care Wales, several Royal Colleges, and the Council of Deans. This was seen as key to sustaining stakeholder confidence in the base-level of engagement. Due to the short turnaround time for the Quarters 3-4 Plan, HEIW staff were not involved in its development. But engagement in developing the 2021-22 annual plan has been more extensive, including wider staff involvement. HEIW is also clear about ongoing stakeholder management such as representation on and chairing national groups, maintaining dialogue and agreements with home nation counterparts, holding online showcase events for partners and keeping HEIW's external website updated for students, trainees, education providers and employers.

19 HEIW reviewed its strategic objectives and deliverables in the context of available capacity and additional resources needed to support the Winter Protection Plan. As a result, seven of the original IMTP objectives were deferred and three new objectives added. The new objectives have been developed to help monitor the additional requirements of the Winter Protection Plan and strategic development around healthcare sciences. In addition, the planning process took account of performance against the quarters 1 and 2 operational plans, though this was not reported in the Quarters 3-4 Plan.

20 HEIW has ensured flexibility in its Quarters 3-4 Plan by developing separate milestones for quarters 3 and 4. This allows the organisation to be more responsive to changing circumstances and risks, taking remedial action as necessary. The Crisis Management Team (CMT), which meets weekly, uses performance updates and wider information about the NHS response to make decisions about how to respond to current pressures. HEIW has reviewed its CMT membership, which in 2020, was perhaps too large for swift decision making. Positively, HEIW has reflected on this and reconstituted its CMT, establishing two cells to support it.

21 As stated above, HEIW's quarterly plans are rooted its 2020-2023 IMTP, which is based on extensive research and engagement. Types of information feeding HEIW's planning assumptions include workforce and student data and trends, health policies, research, and partner engagement.

22 The Quarters 3-4 Plan was developed by the Planning, Performance and Corporate Services Team, with executive, senior leadership, and Board support and involvement. The Planning, Performance and Corporate Services Team comprises three officers with a planning remit, including the new director. The team is effective, and roles and responsibilities are clear. However, HEIW is of the view that the current level of resource is insufficient to support its ambition of also functioning as a programme management office. The team's capacity and capability are being reviewed as part of the annual planning process for 2021-22.

23 The Quarters 3-4 Plan is explicit about how HEIW will work with its partners and the wider NHS system to deliver its objectives. For example, HEIW has jointly produced a plan with Social Care Wales to maintain a focus on delivering the 2019

Workforce Strategy for Health and Social Care. It also sets out actions for working with Social Care Wales to improve winter resilience in care homes and with the Welsh Ambulance Services Trust to develop an all Wales education and training framework for telephone triage.

24 HEIW has maintained a focus on continuous learning and has reviewed new ways of working introduced during the pandemic. Appended to the Quarters 3-4 Plan is a briefing paper highlighting the positive learning from COVID-19, with a focus on what this means for health education and training in Wales. HEIW staff have been consulted about the current working arrangements.

Arrangements for monitoring delivery of operational plans

25 Our work considered HEIW's arrangements for monitoring and reporting on the delivery of the Quarters 3-4 Plan.

26 We found that **HEIW has effective arrangements to oversee delivery of its operational plans which are now embedded in its recently approved Performance Framework.**

27 As stated above, HEIW's Quarters 3-4 Plan sets out separate milestones for quarters 3 and 4, and those to be deferred to the 2021-22 Annual Plan. The milestones are mapped against the organisation's strategic aims and objectives, providing a clear link to the approvable 2020-2023 IMTP.

28 In 2020, we found that the quarter 1 operating plan was regularly reviewed by senior leaders and the Board. For the quarter 2 operating plan, HEIW developed a framework to monitor and track delivery. The same framework has been used to monitor the Quarters 3-4 Plan. In practice, the framework is an operational spreadsheet that the planning team keeps updated in liaison with the relevant senior responsible officers.

29 In January 2021, the Board approved HEIW's Performance Framework. This outlines a quarterly cycle for Board reporting, which is better aligned to the annual plan and IMTP milestones. Accordingly, the Board received the quarter 3 performance report in March 2021, which consisted of a narrative report and an accompanying performance dashboard. Following the review of its strategic objectives, HEIW identified which of its strategic objectives to deliver against during quarters 3-4. The performance report shows that at the end of quarter 3, overall, performance is on track. The Board is due to receive the quarter 4/year-end performance report in May 2021.

Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

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

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

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

Meeting Date	21 July 2021	**Agenda Item**	**2.6.1**
Report Title	Counter Fraud Progress Report – for the period 1st April 2021 to 30th June 2021		
Report Author	Nigel Price– LCFS		
Report Sponsor	Director of Finance		
Presented by	Nigel Price - LCFS		
Freedom of Information	Closed		
Purpose of the Report	The purpose of the Counter Fraud Progress Report is to provide the Audit and Assurance Committee with an updated report of all NHS Counter Fraud work undertaken, for HEIW between 1st April 2021 and 30th June 2021. The report's style has been adopted, in consultation with the Finance Director, with the prime objective of informing, and updating the Audit and Assurance Committee members of the outline detail of significant changes in cases that have been worked on during the period, in addition to any current operational issues.		
Key Issues	In compliance with the Secretary of State for Health's Directions on Countering Fraud in the NHS, regular progress update reports are required to be presented to Health Bodies' Audit and Assurance Committees, which should outline the current standing of any Counter Fraud and Corruption work carried out within the Health Body as at the date of the Audit and Assurance Committee meeting.		

Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
	✓			

Recommendations	The Audit and Assurance Committee is asked to: • **Receive** and **discuss** the Counter Fraud Progress Report; and • **Note** the progress made to date.

COUNTER FRAUD PROGRESS REPORT – 1 APRIL TO 30 JUNE 2021

1. INTRODUCTION

The purpose of the Counter Fraud Progress Report is to provide the Audit and Assurance Committee with an update report of all NHS Counter Fraud work undertaken, for the period from 1 April to 30th June 2021, within the Health Body.

The report's style has been adopted, in consultation with the Director of Finance, with the prime objective of informing, and updating, the Audit and Assurance Committee members of the outline detail of significant changes in cases that have been worked on during the period, in addition to any current operational issues.

2. BACKGROUND

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

The Local Counter Fraud Specialist (LCFS) is required to plan and agree, with the Director of Finance, an Annual Work-Plan containing a suggested number of days that is a framework on which to build and develop robust Counter Fraud arrangements. The Plan also recommends, to the Health Bodies' Audit and Assurance Committee, the resources necessary to undertake work effectively across the areas of action outlined in the NHS Counter Fraud Policy and Procedures.

3. GOVERNANCE AND RISK ISSUES

By adopting a strong governance structure, the focus of the Health Body should be on effective processes for fraud risk assessment which, in turn, must be followed by a focus on fraud prevention, fraud detection and fraud investigation. Fraud risk assessments must be considered and the three key elements being:

- Identifying inherent fraud risk (the risk of frauds)
- Assessing the likelihood and significance of each inherent fraud risk
- Responding to likely and/or significant inherent risks

In order to assess the risk issues, HEIW staff must understand that the majority of fraud issues relate to false documents, forged signatures, fraudulent reporting, misappropriation or corruption.

When looking at such areas, the following should be considered:

- Incentives, pressures and opportunities due to system weaknesses
- The risk of Senior Management not adhering to policy or overriding controls
- Information Technology
- Regulatory, legal or reputational fraud risks

When assessing the likelihood and significance of any fraud risks, any assessment should consider the following:

- The past history of fraud in the organisation
- The incidence of the fraud within the NHS with any similar cases
- The complexity of the risk
- The risks for particular individuals or departments
- The number of people or transactions involved

When assessing the significance of a fraud, consideration should be given to the organisation's operations, reputation, and legal liability (criminal, civil and regulatory).

The Health Bodies' fraud risk assessment should also be documented using a structured framework and any findings reported to the Audit and Assurance Committee.

The entire process should be a "living" document and ongoing with the main focus being on continuous improvement. This can be taken forward by ensuring, through the various fraud awareness sessions, events and publications, that all levels of management and staff within HEIW are made aware of and have the following:

- read the Health Bodies' Counter Fraud policy and procedure and have an understanding of their responsibilities
- an understanding of fraud and identified any areas of concern
- an understanding of their individual roles and responsibilities in the internal control framework and especially in relation to any potential system weaknesses
- created an anti-fraud culture by ensuring a strong control environment
- reported any suspicions or alleged incidences of fraud
- A full co-operation in any fraud related investigation

4. FINANCIAL IMPLICATIONS

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

The work of the Health Body's staff in respect of counter fraud is undertaken in order to attempt to reduce the level of fraud or corruption within HEIW to a minimum and keep it at that level in order to free up resources for education and training to support patient care.

5. RECOMMENDATION

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

The Committee is asked to:

- **Receive** and **discuss** the Counter Fraud Progress Report; and

- **Note** the progress made to date

Governance and Assurance				
Link to corporate objectives ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader	**Strategic Aim 4:** To develop the workforce to support the delivery of safety and quality

Quality, Safety and Patient Experience
None identified
Financial Implications
Fraud committed against the NHS has a financial impact, since the Health Body would have suffered an initial financial loss as a result of the subject's actions. The work of Counter Fraud staff is undertaken in order to attempt to reduce the level of fraud or corruption within HEIW to a minimum and keep it at that level in order to free up resources for education and training to support patient care.
Legal Implications (including equality and diversity assessment)
Where there is any evidence of prima facie fraud identified then advice as to how best to proceed and whether there is sufficient evidence to support a criminal prosecution is sought from the CPS Specialist Fraud Division.
Staffing Implications
None
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
None

Report History	None
Appendices	Counter Fraud Progress Report 1 April 2021 to 30 June 2021

NHS WALES
Health Education & Improvement Wales

Audit & Assurance Committee 21st July 2021
Counter Fraud Update

Nigel Price
Counter Fraud Investigator
Cardiff and Vale University Health Board

AUDIT AND ASSURANCE COMMITTEE 21st JULY 2021

COUNTER FRAUD UPDATE

1. **Introduction**
2. **Current Case Update**
3. **Progress and General Issues**
4. **Appendix 1 – Plan Summary**

Mission Statement

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

1. INTRODUCTION

In compliance with the Directions on Countering Fraud in the NHS, Counter Fraud is required to provide updates to the Audit and Assurance Committee on the work that has been carried out against the agreed work-plan.

This report provides the Audit and Assurance Committee with an update for the period 1st April 2021 to 30th June 2021.

2. CURRENT CASE UPDATE

There are no current investigations linked to HEIW.

3. PROGRESS AND GENERAL ISSUES

During this reporting period, 16 days have been spent on counter fraud work for HEIW which are detailed in **Appendix 1**. The days have been used to investigate the organisation's high-risk matches on the National Fraud Initiative database; preparing, delivering and analysing the feedback from the fraud awareness presentations; completing the Government Functional Standard Return which replaced the Organisation's annual Self Review Tool; preparing reports for, and attending the organisation's audit committees and reviewing policies.

3.1. Fraud Awareness Presentations

Face-to-face fraud awareness sessions for HEIW staff have been cancelled due to COVID-19 restrictions but in this reporting period four sessions have been conducted through 'Teams' to 41 delegates. Feedback from those presentations shows that 100% of the delegates "strongly agreed" the session improved their knowledge of how a counter fraud referral is investigated, the potential outcomes of committing fraud but most importantly how to report any concerns they may have. Throughout 2021 there are 'Teams' awareness sessions booked for HEIW each month until December.

3.2. System Weaknesses and Lessons Learn from Investigations

Nothing to report for this quarter.

3.3. National Fraud Initiative 2020/21

Following enquiries that have been made with the Auditor General for Wales as to whether HEIW was required to be involved and take part in the NFI 2020-21 process, this has since been confirmed and an individual NFI account for HEIW has now been set up.

The NFI is designed to help Public Bodies build their fraud detection capability through data matching at a national level because fraud is a diverse and evolving crime. To comply with that the requirement for HEIW to submit the required data, arrangements have been made with NWSSP colleagues (i.e. Procurement and Payroll) for the data to be made available to meet the deadlines. In addition, Fair

Processing Notices have also been included on staff payslips to make HEIW staff aware, as is required, that their personal data is being shared in this format.

The data was released on the 31st January 2021. There are 26 Matches linked to HEIW which are considered to be a priority and an additional 96 matches which are considered low risk. All the priority matches and about 10% of the other matches will be reviewed. If any appear to be a cause for concern further inquiries will be made. A verbal update about the NFI inquiries will be given at the meeting.

APPENDIX 1

COUNTER FRAUD SUMMARY PLAN ANALYSIS 2021/22

AREA OF WORK	Planned Days	Days to Date
General Requirements		
LCFS Attendance at All Wales Meetings	1	0
Planning/Preparation of Annual Report and Work Programme	1	3
Production of Reports and attendance at Audit & Assurance	4	2
Liaison with the DoF, NHS CFA, Welsh Government	0	1
Self Review Tool (SRT) and QA Assessment	1	4
Annual Activity		
Create an Anti-Fraud Culture	2	0.5
Presentations, Briefings, Newsletters etc.	15	2
Fraud Awareness Events	0	0
Deterrence		
Review/develop Policies/Strategies	2	0.5
Prevention		
The reduction of opportunities for Fraud and Corruption to occur.	0	0
Detection		
National Pro-Active Exercises (e.g. Procurement)	2	0
National Fraud Initiative 2020/21	4	3
Investigation, Sanctions and Redress		
The investigation of any alleged instances of fraud	15	0
Ensure that Sanctions are applied to cases as appropriate	1	0
Seek redress, where fraud has been proven to have taken place	2	0
TOTAL HEALTH EDUCATION IMPROVEMENT WALES	**50**	**16**

Meeting Date	21 July 2021	**Agenda Item**	**2.6.2**
Report Title	Counter Fraud Annual Report 2020/21		
Report Author	Nigel Price– Local Counter Fraud Specialist		
Report Sponsor	Director of Finance		
Presented by	Nigel Price - Local Counter Fraud Specialist		
Freedom of Information	Closed		
Purpose of the Report	The purpose of the Counter Fraud Annual Report is to provide the Audit and Assurance Committee with a report of all NHS Counter Fraud work undertaken, for HEIW between 1st April 2020 and 31st March 2021.		
Key Issues	In compliance with the Secretary of State for Health's Directions on Countering Fraud in the NHS, a Counter Fraud Annual Reports is required to be presented to HEIW's and Assurance Committee, which should outline the Counter Fraud and Corruption work carried out over the past year.		

Specific Action Required ***(please ✓ one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
	✓			

Recommendations	The Committee is asked to: • **receive** and **discuss** the Counter Fraud Annual Report 2020/21

COUNTER FRAUD ANNUAL REPORT 2020/21

1. INTRODUCTION

The purpose of the Counter Fraud Annual Report is to provide the Audit and Assurance Committee with a report of all NHS Counter Fraud work undertaken within HEIW, for the year from 1 April 2020 to 31st March 2021.

The report's style has been adopted, in consultation with the Director of Finance, with the prime objective of informing, and updating, the Audit and Assurance Committee members of the outline detail of significant changes in cases that have been worked on during the period.

2. BACKGROUND

The Counter Fraud Annual Report has been written in accordance with the provisions of the Welsh Government Directions on fraud and corruption, which require Local Counter Fraud Specialists (LCFS) to provide an annual written report. The Annual Report outlines the counter fraud work undertaken on behalf of the Special Health Authority during 2020/21.

3. GOVERNANCE AND RISK ISSUES

By adopting a strong governance structure, the focus of the Health Body should be on effective processes for fraud risk assessment which, in turn, must be followed by a focus on fraud prevention, fraud detection and fraud investigation. Fraud risk assessments must be considered and the three key elements being:

- identifying inherent fraud risk (the risk of frauds)
- assessing the likelihood and significance of each inherent fraud risk
- responding to likely and/or significant inherent risks

In order to assess the risk issues, HEIW staff must understand that the majority relate to false documents, forged signatures, fraudulent reporting, misappropriation or corruption.

When looking at such areas, the following should be considered:

- Incentives, pressures and opportunities due to system weaknesses
- The risk of Senior Management not adhering to policy or overriding controls
- Information Technology
- Regulatory, legal or reputational fraud risks

When assessing the likelihood and significance of any fraud risks, any assessment should consider the following:

- The past history of fraud in the organisation
- The incidence of the fraud within the NHS with any similar cases
- The complexity of the risk
- The risks for particular individuals or departments

- The number of people or transactions involved

When estimating the significance of a fraud, consideration should be given to the organisation's operations, reputation and legal liability (criminal, civil and regulatory).

The Health Bodies' fraud risk assessment should also be documented using a structured framework and any findings reported to the Audit and Assurance Committee.

The entire process should be a "living" document and ongoing with the main focus being on continuous improvement. This can be taken forward by ensuring, through the various fraud awareness sessions, events and publications, that all levels of management and staff within HEIW are made aware of and have the following:

- read and understood their responsibilities, as outlined in the Health Bodies' Counter Fraud policy and procedure
- an understanding of fraud and identifying any areas of concern
- an understanding of their individual roles and responsibilities in the internal control framework and especially in relation to any potential system weaknesses
- creating an anti-fraud culture by ensuring a strong control environment
- reporting any suspicions or alleged incidences of fraud
- of full co-operation in any fraud related investigation

4. FINANCIAL IMPLICATIONS

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

The work of the Counter Fraud staff is undertaken in order to attempt to reduce the level of fraud or corruption to a minimum and keep it at that level in order to free up resources for education and training which ultimately supports patient care.

5. RECOMMENDATION

Any negative publicity received as a result of media reports may affect the reputation of the Health Body. However, by publicising any action taken against the individual(s) who commit fraud it also shows that fraud committed against the NHS will not be tolerated and this may also serve as a deterrent to others.

The Committee is asked to:

- **receive** and **discuss** the Counter Fraud Annual Report 2020/21

Governance and Assurance				
Link to corporate objectives ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent,	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent,

	sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	healthcare staff ensuring that it meets future needs	compassionate and collective leadership capacity at all levels	sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader	**Strategic Aim 4:** To develop the workforce to support the delivery of safety and quality

Quality, Safety and Patient Experience	
None identified	
Financial Implications	
Fraud committed against the NHS has a financial impact, since the Health Body would have suffered an initial financial loss as a result of the fraud. The work of the Counter Fraud staff is undertaken in order to attempt to reduce the level of fraud or corruption within the Health Body to a minimum and keep it at that level in order to free up resources for education and training which supports patient care.	
Legal Implications (including equality and diversity assessment)	
Where there is any evidence of prima facie fraud identified, advice as to how best to proceed and whether there is sufficient evidence to support a criminal prosecution is sought from the CPS Specialist Fraud Division.	
Staffing Implications	
None	
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)	
None	
Report History	None
Appendices	Counter Fraud Annual Report 2020/21

COUNTER FRAUD & CORRUPTION

ANNUAL REPORT 2020/21

Nigel Price
Cardiff and Vale University Health Board Counter Fraud

CONTENTS

1. Management Summary

1.1 This Annual Report has been written in accordance with the provisions of the Welsh Government Directions on fraud and corruption, which require Local Counter Fraud Specialists (LCFS) to provide an annual written report. The Annual Report outlines the counter fraud work undertaken on behalf of the Special Health Authority during 2020/21.

1.2 Established on 1 October 2018, Health Education and Improvement Wales (HEIW) is a Special Health Authority in NHS Wales. It sits alongside Welsh Health Boards and Trusts and has a leading role in the education, training, development, and shaping of the healthcare workforce in Wales to ensure high-quality care for the people of Wales.

1.3 The HEIW's Nominated Lead Local Counter Fraud Specialist (LCFS), Craig Greenstock, was nominated to the post with effect from 1st April 2012. He completed his Counter Fraud training in December 2000 and was accredited in January 2001. Since 1st January 2021 due to long-term sickness his role is being covered by Nigel Price an accredited LCFS.

1.4 During 2020/21 no referrals have been made to Counter Fraud for further investigation. Presentations will be carried out during 2021/22 to ensure all staff are aware of the reporting procedures.

1.5 During 2020/21 one case was closed. This case was opened during the previous financial year. Details of this case can be found under Section 6 - Hold to Account.

1.6 Advice and guidance about investigations is sought from the NHS Counter Fraud Service (Wales) based in Mamhilad Pontypool. When an investigation is concluded the case file and evidence is submitted to the Specialist Fraud Division Crown Prosecution Service (CPS) for legal advice. Progress reports are regularly submitted to the Audit and Assurance Committee.

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

2.1 The LCFS agreed a work programme with the Director of Finance to develop an anti-fraud culture in the NHS.

2.2 Covid-19 restrictions stopped face-to-face fraud awareness presentations. However, during 2020-21, 19 presentations to 232 delegates were delivered through Microsoft Teams. The feedback showed that 92% of the delegates agreed that the presentations had improved their knowledge of the counter fraud service.

2.3 Further presentations will be arranged as part of the counter fraud work plan for 2021/22.

2.4 In accordance with the Welsh Government Directions, as in **Appendix 1**, in 2021/22 the LCFS will continue to:

- Proactively seek and report to the NHS Counter Fraud Authority opportunities where details of Counter Fraud work (involving action on prevention, detection, investigation, sanction or redress) can be used within presentations or publicity in order to deter Fraud and Corruption in the NHS.
- Report all allegations of fraud to the NHS Counter Fraud Authority
- Share information with other Local Counter Fraud Specialists throughout the NHS in order to build on good practice and identify areas where fraud may be prevented.

3. Prevent and Deter Fraud

3.1 The Counter Fraud Authority send Fraud Prevention Notices (FPNs) to Local Counter Fraud Specialists to assist with fraud prevention. The FPNs are circulated to Directors of Finance for their information. For example, a notice about mandate fraud was issued on 14th October 2020 and a notice about the private purchase of Covid-19 vaccines was issued on 20th January 2021.

3.2 The LCFS has regularly liaised with HEIW Managers and NHS staff on all fraud matters which have been referred to the department. This has been essential work to ensure that the LCFS has a positive impact to assist the organization to identify and report fraudulent activity.

3.3 It is difficult to measure the deterrence effect, as fraud can be hidden. As a result of fraud awareness presentations to staff groups, a better understanding of the role of the LCFS has been established. The LCFS will continue to deliver presentations with the aim of increasing fraud referrals.

3.4 It is important that staff are aware that the organisation will take necessary action against those who commit fraud. For any future referrals, the LCFS will make decisions on how best to proceed and will liaise with the relevant managers for cases that may be more suited to be taken forward under HEIW'S Disciplinary Policy

3.5 During 2020/21, the LCFS team commenced fraud proofing of various HEIW policies. This work will be reported on during 2021/22.

3.6 During 2020/21 the LCFS circulated one Counter Fraud Newsletter, which included details of cases that have been investigated locally and nationally. Work will be carried out in 2021/22 to ensure that any future successful prosecutions will be reported on the local Counter Fraud intranet pages.

3.7 The LCFS is responsible for providing reports about any system weaknesses in each case, where fraud is established to the:

- NHS Counter Fraud Authority
- NWSSP Internal Audit
- Audit and Assurance Committee
- External Audit

This will be achieved by:

- Submitting new case notifications and intelligence reports via the NHS Counter Fraud Authority CLUE Case Management System. System weaknesses identified during an investigation are recorded on CLUE and provided to NWSSP Internal Audit.

- Providing regular reports and presentations to the Special Health Authority's Audit and Assurance Committee.

- Regular liaison with NWSSP Internal Audit and the Special Health Authority's External Auditors with reference to investigations for assistance and any previous reports held by them.

- Producing investigation reports highlighting any system weaknesses and recommendations on how to mitigate the fraud risks identified.

5. Hold to Account (Detection)

5.1 The LCFS will take account of:

- Information from the NWSSP Internal Audit and the Special Health Authority's External Audit functions regarding system weaknesses
- NHS Counter Fraud Authority analysis of data, reports and trends in order to prioritise any area of detection work
- The LCFS own enquiries and analysis of data, reports (including Whistle Blowing) and trends.

6. Hold to Account (Investigation)

6.1 During 2020/21 one investigation was closed. The investigation started in October 20219 after an allegation was received that an employee of HEIW had obtained employment by stating they had qualifications which they did not have. After a full investigation was conducted a case file was submitted to the Crown Prosecution Service for advice. After reviewing the evidence, the CPS reviewing lawyer decided that it was not in the public interest to proceed with a prosecution.

6.2 The LCFS will investigate cases in accordance with the Welsh Government Directions. All investigations have, therefore, been carried out in accordance with the directives outlined in **Appendix 1**.

6.3 The LCFS will refer cases to NHS Counter Fraud Service (Wales) in accordance with the Welsh Government Directions and all cases will be reported using the Fraud Information Reporting System Tool (FIRST) and CLUE Case Management System.

6.4 The LCFS has will record information regarding all investigations onto the CLUE Case Management System, which is securely held on the NHS Counter Fraud Authority's investigations database.

6.5 The LCFS provides NHS Counter Fraud Authority, NWSSP Internal Audit, and HEIW Finance Director with regular update reports which are also submitted to the Audit and Assurance Committee on significant case developments and progress.

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

7.1 The LCFS will consider the sanctions available with regard to the "Triple Track" approach to investigations, i.e. Criminal, Civil and Disciplinary action. To ensure that correct, prompt action is taken in each case, a close working relationship has been developed with the relevant Workforce & OD Managers.

7.2 The LCFS will supply the organisation with information where fraud is established to enable them to recover the lost resources. A full file is maintained on each of the investigations carried out to provide information to assist the recovery of funds.

8. Annual Assessment Declaration

8.1 Each Health Body is required to undertake its own Self Risk evaluation and submit a report to the NHS Counter Fraud Authority. The 2021/21 report for HEIW has been submitted.

Appendix 1

WELSH GOVERNMENT DIRECTIONS

The following grid identifies the key requirements under Welsh Government Revised Directions to NHS Bodies on Counter Fraud Measures (WHC (2005) 095) issued 19/12/2005

Paragraph	Instruction	Action by HEIW
2 (1)	Each NHS body must take all necessary steps to counter fraud in the NHS in accordance with: • These Directions • The NHS Counter Fraud and Corruption Manual • NHS Counter Fraud Authority policy statement applying appropriate sanctions consistently.	Counter Fraud arrangements have been put into place including the nomination of a lead LCFS. Where possible the Manual has been referred to for guidance and appropriate action taken. An updated Manual has now been issued following a revision, by the Welsh Government, after considering changes in legislation within the NHS in England.
2 (2)	Each health body must require its Chief Executive and Director of Finance to monitor and ensure compliance with these Directions.	Regular meetings are held between the Finance Director and Nominated Lead LCFS.
3 (1) to (6)	Co-operation with NHS Counter Fraud Authority	Arrangements have been put in place via NHS CFS Wales for appropriate working practices to be established with NHS Counter Fraud Authority.
4 (1) to (2)	Co-operation with NHS CFS (Wales)	An effective working relationship has been developed with NHS CFS Wales. To date there has been no issue with regards to this arrangement and full co-operation between the LCFS and NHS CFS Wales and vice versa is in place
5 (1) to (8)	Appointment of Local Counter Fraud Specialists	HEIW's Nominated Lead LCFS is Craig Greenstock. Since January 2021 due to long-term sickness his role is being covered by Nigel Price an accredited Local Counter Fraud Investigator
6 (1) to (3)	Responsibilities and functions of the LCFS	A job description has been produced for the LCFS role. The Nominated Lead LCFS reports directly to Finance Director, informs him/her of all cases as they are received, and keeps him/her updated on any progress/closures.

7 (1)	Responsibilities of NHS bodies in relation to the LCFS	A signed work plan is in place, in line with the NHS Counter Fraud Standards and general areas of counter fraud activity. The lead LCFS or delegated LCFS, has attended, when required, the relevant Audit Committees that have been held during the year. The Lead LCFS has access to all Audit Committee members, staff, systems and records. The Lead LCFS has the support of HEIW to ensure that the LCFS can operate effectively and efficiently.

Appendix 2

Further Information

Reporting lines

Chief Executive	Alex Howells Health Education and Improvement Wales Tŷ Dysgu Cefn Coed Nantgarw CF15 7QQ Email: Alex.Howells@wales.nhs.uk
Director of Finance	Eifion Williams Health Education and Improvement Wales Tŷ Dysgu Cefn Coed Nantgarw CF15 7QQ Email: Eifion.Williams6@wales.nhs.uk
Nominated Lead Local Counter Fraud Specialist	Nigel Price Counter Fraud Manager 2nd Floor, Monmouth House University Hospital of Wales, Heath Park Cardiff CF14 4XW Email: nigel.price@wales.nhs.uk

Appendix 3

1. **Case Information**

Number of cases in 2020/21, including those brought forward from previous years:

Area (based on initial reported category)	Number of cases	Closed	Ongoing
Recruitment Fraud Case	0	1	0
Total	**0**	**1**	**0**

2. **NHS Counter Fraud Authority Website**

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

3. **Counter Fraud days completed**

AREA OF ACTIVITY	DAYS USED
STRATEGIC GOVERNANCE	**12**
INFORM AND INVOLVE	**13**
PREVENT AND DETER	**14**
HOLD TO ACCOUNT	**0**
TOTAL DAYS USED	**39**

4. **Cost of services provided**

COST OF ANTI-FRAUD, BRIBERY AND CORRUPTION WORK	
PROACTIVE COSTS	£6,814.53
REACTIVE COSTS	£3,028.68
TOTAL COSTS	£9,843,21

Declaration

I declare that the Anti-Fraud, Bribery and Corruption work carried out during the financial year 2020/21, for HEIW, has been self-reviewed against the NHS Counter Fraud Authority Standards for Providers - Fraud, Bribery and Corruption/NHS Standard Contract and the information has been sent to the Counter Fraud Authority.

Organisation Name

Health Education and Improvement Wales

Director of Finance

Eifion Williams

Date

21st July 2021

Meeting Date	**21 July 2021**	**Agenda Item**	**2.7**
Report Title	**Update to Standing Financial Instructions**		
Report Author	Martyn Pennell		
Report Sponsor	Eifion Williams		
Presented by	Eifion Williams		
Freedom of Information	Open		
Purpose of the Report	To request that the Audit and Assurance Committee considers and recommends that the Board approves the updated Standing Financial Instructions for HEIW.		
Key Issues	Following an all-Wales review Welsh Government have issued HEIW with updated model Standing Financial Instructions. These need to be considered and adopted by HEIW.		

Specific Action Required *(please ✓ one only)*	**Information**	**Discussion**	**Assurance**	**Approval**
				✓

Recommendations	Members are asked to: • **Consider** the revised Standing Financial Instructions and • **recommend** they are approved by the Board.

UPDATE TO STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

There is a requirement to keep Model Standing Orders and Standing Financial Instructions (SFIs) under review to ensure they meet the on-going governance requirements of the organisation. This report sets out the proposed amendments to the Standing Financial Instructions for HEIW.

2. BACKGROUND

The SFIs for HEIW were approved and adopted at the first Board meeting held on 2nd October 2018. An initial review of the document had been planned for October 2019, however due to an all-Wales review being carried out by the Directors of Finance (DoF) group this was delayed. The Audit & Assurance Committee was given an update on progress at the meeting on 1st April 2020.

The DoF group has now completed its work and the model SFIs have been reviewed by Welsh Government officials and the Board Secretaries peer group. The SFIs have subsequently been issued to all NHS Wales organisations in Wales for adoption. The model Standing Financial Instructions are issued by Welsh Ministers to Health Education and Improvement Wales using powers of direction provided in section 23 (1) of the National Health Service (Wales) Act 2006.

The following appendices are included with this report:

- **Appendix 1** – Model Standing Financial Instructions for Health Education and Improvement Wales;
- **Appendix 2** – Table of amendments made to the original SFIs.

Due to the significant amendments made in the document, particularly in the moving of chapters and sections, it is not possible to show the tracked changes.

The annual review of the Financial Control Procedures will be completed and brought to the October 2021 Audit & Assurance Committee for consideration and approval. This review will take account of the requirements of the updated SFIs.

3. GOVERNANCE AND RISK ISSUES

HEIW would be operating at risk and outside the legislative framework if it fails to adopt the updated SFIs.

4. FINANCIAL IMPLICATIONS

The financial implications are identified in section 3 above.

5. RECOMMENDATION

Members are asked to:

- **Consider** the revised Standing Financial Instructions and **recommend** they are approved by Board.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
There is no impact on quality, safety and patient experience.			
Financial Implications			
The financial implications are identified in section 3 above. .			
Legal Implications (including equality and diversity assessment)			
There are no legal implications.			
Staffing Implications			
There are no direct staffing implications.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
There are no long-term implications.			

Report History	The original SFIs were considered at Board on 02/10/18. An update on the review position was brought to the Audit 7 Assurance Committee on 1st April 2020.
Appendices	• **Appendix 1** – Model Standing Financial Instructions for Health Education and Improvement Wales; • **Appendix 2** – Table of amendments made to the original SFIs.

Schedule 2.1

MODEL STANDING FINANCIAL INSTRUCTIONS FOR HEALTH EDUCATION AND IMPROVEMENT WALES

This Schedule forms part of, and shall have effect as if incorporated in the Health Education and Improvement Wales Standing Orders (incorporated as Schedule 2.1 of SOs).

Foreword

These Model Standing Financial Instructions are issued by Welsh Ministers to Health Education and Improvement Wales "HEIW" using powers of direction provided in section 23 (1) of the National Health Service (Wales) Act 2006. HEIW must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. Designed to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability in the conduct of business, they translate statutory and Welsh Government financial requirements for the NHS in Wales into day to day operating practice. Together with the adoption of Standing Orders (SOs), a Scheme of decisions reserved to the Board and a scheme of delegations to officers and others, they provide the regulatory framework for the business conduct of HEIW.

These documents form the basis upon which HEIW's governance and accountability framework is developed and, together with the adoption of HEIW's Values and Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

All HEIW Board members and officers must be made aware of these Standing Financial Instructions and, where appropriate, should be familiar with their detailed content. The Director of Finance will be able to provide further advice and guidance on any aspect of the Standing Financial Instructions. The Board Secretary will be able to provide further advice and guidance on the wider governance arrangements within HEIW. Further information on governance in the NHS in Wales may be accessed at https://nwssp.nhs.wales/all-wales-programmes/governance-e-manual/

Contents

SCHEDULE 1 - REVISED GENERAL CONSENT TO ENTER INDIVIDUAL CONTRACTS

Health Education and Improvement Wales

1. INTRODUCTION

1.1 General

1.1.1 These Model Standing Financial Instructions are issued by Welsh Ministers to Health Education and Improvement Wales “HEIW” using powers of direction provided in section 23(1) of the National Health Service (Wales) Act 2006 “NHS (Wales) Act 2006”. HEIW must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. They shall have effect as if incorporated in the Standing Orders (SOs) (incorporated as Schedule 2.1 of SOs).

1.1.2 These SFIs detail the financial responsibilities, policies and procedures adopted by HEIW. They are designed to ensure that HEIW's financial transactions are carried out in accordance with the law and with Welsh Government policy in order to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability. They should be used in conjunction with the Schedule of decisions reserved to the Board and the Scheme of delegation adopted by HEIW.

1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for HEIW. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial control procedure notes. All financial procedures must be approved by the Director of Finance and Audit and Assurance Committee.

1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Board Secretary or Director of Finance must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of HEIW’s Standing Orders “SOs”.

1.2 Overriding Standing Financial Instructions

1.2.1 Full details of any non compliance with these SFIs, including an explanation of the reasons and circumstances must be reported in the first instance to the Director of Finance and the Board Secretary, who will ask the Audit and Assurance Committee “Audit Committee” to formally consider the matter and make proposals to the Board on any action to be taken. All Board members and HEIW officers have a duty to report any non compliance to the Director of Finance and Board

Secretary as soon as they are aware of any circumstances that has not previously been reported.

1.2.2 **Ultimately, the failure to comply with SFIs and SOs is a disciplinary matter that could result in an individual's dismissal from employment or removal from the Board.**

1.3 Financial provisions and obligations of HEIW

1.3.1 The financial provisions and obligations for Special Health Authorities, which relate to HEIW are set out under Sections 171, 172 and 173 of the NHS (Wales) Act 2006. The Board as a whole and the Chief Executive in particular, in their role as the Accountable Officer for the organisation, must ensure HEIW meets its statutory obligation to perform its functions within the available financial resources.

2. RESPONSIBILITIES AND DELEGATION

2.1 The Board

2.1.1 The Board exercises financial supervision and control by:

a) Formulating and approving the Medium Term Financial Plan (MTFP) as part of the developing and approving medium term plan, reflecting longer-term planning and delivery objectives;

b) Requiring the submission and approval of balanced annual budgets within approved allocations/resource limits

c) Defining and approving essential features in respect of important financial policies, systems and financial controls (including the need to obtain value for money and sustainability); and

d) Defining specific responsibilities placed on Board members and HEIW officers, and HEIW committees and Advisory Groups as indicated in the 'Scheme of delegation' document.

2.1.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Schedule of matters reserved to the Board' document. The Board, subject to any directions that may be made by Welsh Ministers, shall make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of HEIW may be carried out effectively, and in a manner that secures the achievement of the organisations aims and objectives. This will be via powers and authority delegated to committees, sub-committees, joint committees or joint sub-committees that HEIW has established or to an officer of HEIW in accordance with the 'Scheme of delegation' document adopted by HEIW.

2.2 The Chief Executive and Director of Finance

2.2.1 The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

2.2.2 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Welsh Government, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for HEIW's activities; is

responsible to the Chair and the Board for ensuring that financial provisions, obligations and targets are met; and has overall responsibility for HEIW's system of internal control.

2.2.3 It is a duty of the Chief Executive to ensure that Board members and HEIW officers, and all new appointees are notified of, and put in a position to understand their responsibilities within these SFIs.

2.3 The Director of Finance

2.3.1 The Director of Finance is responsible for:

a) Implementing HEIW's financial policies and for co-coordinating any corrective action necessary to further these policies;

b) Maintaining an effective system of internal financial control including ensuring that detailed financial control procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

c) Ensuring that sufficient records are maintained to show and explain HEIW's transactions, in order to disclose, with reasonable accuracy, the financial position of HEIW at any time; and

d) Without prejudice to any other functions of HEIW, and Board members and HEIW officers, the duties of the Director of Finance include:

(i) the provision of financial advice to other Board members and HEIW officers, and HEIW Committees and Advisory Groups,

(ii) the design, implementation and supervision of systems of internal financial control, and

(iii) the preparation and maintenance of such accounts, certificates, estimates, records and reports as HEIW may require for the purpose of carrying out its statutory duties.

2.3.2 The Director of Finance is responsible for ensuring an ongoing training and communication programme is in place to effect these SFIs.

2.4 Board members and HEIW officers, and HEIW Committees and Advisory Groups

2.4.1 All Board members and HEIW officers, and HEIW Committees and

Advisory Groups, severally and collectively, are responsible for:

a) The security of the property of HEIW;

b) Avoiding loss;

c) Exercising economy, efficiency and sustainability in the use of resources; and

d) Conforming to the requirements of SOs, SFIs, Financial Control Procedures and the Scheme of delegation.

2.4.2 For all Board members and HEIW officers, and HEIW Committees and Advisory Groups who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board, Committees, Advisory Groups and employees discharge their duties must be to the satisfaction of the Director of Finance.

2.5 Contractors and their employees

2.5.1 Any contractor or employee of a contractor who is empowered by HEIW to commit HEIW to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

3. AUDIT, FRAUD AND CORRUPTION, AND SECURITY MANAGEMENT

3.1 Audit Committee

3.1.1 An independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. In accordance with SOs the Board shall formally establish an Audit Committee with clearly defined terms of reference. Detailed terms of reference and operating arrangements for the Audit Committee are set out in Schedule 3 to the SOs. This committee will follow the guidance set out in the NHS Wales Audit Committee Handbook.

http://www.wales.nhs.uk/sitesplus/documents/1064/NHS%20Wales%20Audit%20Committee%20Handbook%20%28June%202012%29.pdf

3.2 Chief Executive

3.2.1 The Chief Executive is responsible for:

a) Ensuring there are arrangements in place to review, evaluate and report on the effectiveness of internal control including the establishment of an effective Internal Audit function;

b) Ensuring that the Internal Audit function meets the Public Sector Internal Audit Standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/641252/PSAIS_1_April_2017.pdf

c) Deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;

d) Ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:

- a clear opinion on the effectiveness of internal control in accordance with the requirements of the Public Sector Internal Audit Standards.

- major internal control weaknesses discovered,
- progress on the implementation of Internal Audit recommendations,
- progress against plan over the previous year, and
- a detailed plan for the coming year.

3.2.2 The designated internal and external audit representatives are entitled (subject to provisions in the Data Protection Act 2018 and the UK General Data Protection Legislation) without necessarily giving prior notice to require and receive:

a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;

b) Access at all reasonable times to any land or property owned or leased by the HEIW;

c) Access at all reasonable times to Board members and HEIW officers;

d) The production of any cash, stores or other property of the HEIW under a Board member or a HEIW official's control; and

e) Explanations concerning any matter under investigation.

3.3 Internal Audit

3.3.1 The Accountable Officer Memorandum requires the Chief Executive to have an internal audit function that operates in accordance with the standards and framework set for the provision of Internal Audit in the NHS in Wales. This framework is defined within an Internal Audit Charter that incorporates a definition of internal audit, a code of ethics and Public Sector Internal Audit Standards. Standing Order 8.1 details the relationship between the Head of Internal Audit and the Board. The role of the Audit Committee in relation to Internal Audit is set out within its Terms of Reference, incorporated in Schedule 3 of the SOs, and the NHS Wales Audit Committee Handbook.

3.4 External Audit

3.4.1 Pursuant to the Public Audit (Wales) Act 2004 (c. 23), the Auditor General for Wales (Auditor General) is the external auditor of HEIW. The Auditor General may nominate his representative to represent him and to undertake the required audit work. The cost of the audit is paid for by HEIW. HEIW's Audit Committee should assure itself that a cost-efficient external audit service is delivered. If there are any problems relating to the service provided, this should be raised with the Auditor General's representative and referred on to the Auditor General if the issue cannot be resolved.

3.4.2 The objectives of the external audit fall under three broad headings, to review and report on:

a) Whether the expenditure to which the financial statements relate has been incurred lawfully and in accordance with the authority that governs it;

b) The audited body's financial statements, and on its Annual Governance Statement and remuneration report;

c) Whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

3.4.3 The Auditor General's representatives will prepare a risk-based annual audit plan, designed to deliver the Auditor General's objectives, for consideration by the Audit Committee. The Audit Committee should formally consider and review the plan. The plan will set out details of the work to be carried out, providing sufficient detail for the Audit Committee and other recipients to understand the purpose and scope of the defined work and their level of priority. The Audit Committee should review the plan and the associated fees, although in so doing it needs to recognise the statutory duties of the Auditor General. The Audit Committee should consider material changes to the plan.

3.4.4 The Auditor General's representative should be invited to attend every Audit Committee meeting. The cycle of approving and monitoring the progress of external audit plans and reports, culminating in the opinion on the annual report and accounts, is central to the core work of the Audit Committee.

3.4.5 The Auditor General's representatives will liaise with Internal Audit when developing the external audit plan. The Auditor General's representative will ensure that planned external audit work takes into

account the work of Internal Audit to avoid duplication wherever possible and considers where Internal Audit work can be relied upon for opinion purposes.

3.4.6 The Auditor General and his representatives shall have a right of access to the Chair of the Audit Committee at any time.

3.4.7 The Government of Wales Act 2006 provides that the Auditor General has statutory rights of access to all documents and information, as set out in paragraph 3.2.2a of these SFIs, that relate to the exercise of many of his core functions, including his statutory audits of accounts, value for money examinations and improvement studies. The rights of access include access to confidential information; personal information as defined by the Data Protection Act 2018 and the UK General Data Protection Legislation; information subject to legal privilege; personal information and sensitive personal information that may otherwise be subject to protection under the European Convention of Human Rights; information held by third parties; and electronic files and IT systems. Paragraph 17 of Schedule 8 to GOWA operates to provide the Auditor General with a right of access to every document relating to the Trust that appears to him to be necessary for the discharge of any of these functions. Paragraph 17(3) of Schedule 8 also requires any person that the Auditor General thinks has information related to the discharge of his functions to give any assistance, information and explanation that he thinks necessary. It also requires such persons to attend before the Auditor General and to provide any facility that he and his representatives may reasonably require, such as audit accommodation and access to IT facilities. The rights apply not just to HEIW and its officers and staff, but also to, among others, suppliers to HEIW.

3.4.8 The Auditor General's independence in the exercise of his audit functions is protected by statute (section 8 of the Public Audit (Wales) Act 2013), and audit independence is required by professional and ethical standards. Accordingly, HEIW (including its Audit Committee) must be careful not to seek to fetter the Auditor General's discretion in the exercise of his functions. While HEIW may offer comments on the plans and outputs of the Auditor General, it must not seek to direct the Auditor General.

3.4.9 The Auditor General will issue a number of reports over the year, some of which are specified in the Auditor General's Code of Audit and Inspection Practice and International Standards on Auditing. Other reports will depend on the contents of the audit plan.

The main mandatory reports are:

- Report to those charged with governance (incorporating the report required under ISA 260) that sets out the main issues arising from the audit of the financial statements and use of resources work

- Statutory report and opinion on the financial statements

- Annual audit report.

In addition to these reports, the Auditor General may prepare a report on a matter the Auditor General considers would be in the public interest to bring to the public's attention; or make a referral to the Welsh Ministers if significant breaches occur.

3.4.10 The Auditor General also has statutory powers to undertake Value for Money Examinations and Improvement Studies within HEIW and other public sector bodies. At HEIW he also undertakes a Structured Assessment to help him assess whether there are proper arrangements for securing economy, efficiency and effectiveness in the use of resources. The Auditor General will take account of audit work when planning and undertaking such examinations and studies. The Auditor General and his representatives have the same access rights in relation to these examinations and studies as they do in relation to annual audit work.

3.5 Fraud and Corruption

3.5.1 In line with their responsibilities, HEIW Chief Executive and Director of Finance shall monitor and ensure compliance with Directions issued by the Welsh Ministers on fraud and corruption.

3.5.2 HEIW shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by Directions to NHS bodies on Counter Fraud Measures 2005.

http://www.wales.nhs.uk/sitesplus/documents/1064/WHC%282005%2995%20%28Revised%29%20Directions%20to%20National%20Health%20Service%20bodies%20on%20Counter%20Fraud%20Measures%202005.pdf

3.5.3 The LCFS shall report to the HEIW Director of Finance and the LCFS must work with NHS Counter Fraud Authority (NHSCFA) and the NHS Counter Fraud Service Wales (CFSW) Team in accordance with the Directions to NHS bodies on Counter Fraud Measures 2005.

3.5.4 The LCFS will provide a written report to the Director of Finance and Audit Committee, at least annually, on proactive and reactive counter

fraud work within HEIW.

3.5.5 HEIW must participate in the annual National Fraud Initiative (NFI), which in Wales is led by Audit Wales and HEIW and must provide the necessary data for the mandatory element of the initiative by the due dates. The HEIW should participate in appropriate risk measurement or additional dataset matching exercise in order to support the detection of fraud across the whole public sector.

3.6 Security Management

3.6.1 In line with their responsibilities, HEIW Chief Executive will monitor and ensure compliance with Directions issued by the Welsh Ministers on NHS security management.

3.6.2 The Chief Executive has overall responsibility for controlling and coordinating security.

4. ALLOCATIONS AND FINANCIAL DUTY

4.1 Revenue and Capital allocations are determined by the Welsh Ministers in accordance with its allotted health budget and distribution policy.

4.2 The Director of Finance of HEIW will:

a) Prior to the start of each financial year submit to the Board for approval a report showing the total allocations received, assumed in-year allocations and other adjustments and their proposed distribution to delegated budgets, including any sums to be held in reserve;

b) Ensure that any ring-fenced or non-discretionary allocations are disbursed in accordance with Welsh Ministers' requirements;

c) Periodically review any assumed in-year allocations to ensure that these are reasonable and realistic; and

d) Regularly update the Board on significant changes to the initial allocation and the application of such funds.

4.3 HEIW is required by statutory provision not to breach its financial duty to secure that its expenditure does not exceed the aggregate of its resource allocations and income received. This duty applies separately to capital and revenue resource allocations. The Chief Executive has overall executive responsibility for HEIW's activities and is responsible to the Board for ensuring that it meets its financial duties as set out in section 172 of the National Health Service (Wales) Act 2006.

5. INTEGRATED PLANNING

5.1 HEIW will prepare appropriate plans as required by legislation and the Welsh Government.

5.2 An annual business plan will be submitted to the Welsh Government setting out how the organisation will meet the requirements of the Minister's Remit Letter.

5.3 In addition, HEIW will prepare a medium term plan based over a period of three years. This plan must reflect longer-term planning and delivery objectives and should be continually reviewed based on latest Welsh Government policy and local priority requirements.

5.4 The Chief Executive will compile and submit to the Board, on an annual basis, the rolling 3 year plan. The Board approved plan will be submitted to Welsh Government in line with the requirements it has set out.

5.5 The remit letter, approved business plan and three year plan will form the basis of the accountability arrangements between HEIW and Welsh Government.

5.6 The Board will:

a) Approve the annual business plan and medium term plan prior to the beginning of the financial year of implementation and in accordance with the guidance issued annually by Welsh Government. Following Board approval the Plan will be submitted to Welsh Government.

b) Approve a balanced annual budget as part of the annual business plan, which meets all statutory financial duties, probity and value for money requirements; and

c) Prepare and agree with the Welsh Government a robust and sustainable recovery plan in accordance with Welsh Ministers' guidance where HEIW plan is not in place or in balance.

5.7 The first full annual business plan and three year plan will be required from the start of 2019/20 financial year.

6. FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

6.1 Budget Setting

6.1.1 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval and delegation by the Board. Such budgets will:

a) Include an annual budget for achieving compliance with HEIWs statutory financial balance to operate within its allocated resources

b) Be in accordance with the aims and objectives set out in the Board approved annual business plan, medium term plan and Medium Term Financial Plan,

c) Accord with Commissioning, Activity, Quality, Performance, Capital and Workforce plans contained within the Board approved plan;

d) Take account of approved business cases and associated revenue costs and funding

e) Be produced following discussion with appropriate Directors and budget holders;

f) Be prepared within the limits of available funds;

g) Take account of ring-fenced, specified and non recurring allocations and funding;

h) Include both financial budgets (£) and workforce establishment budgets (budgeted whole time equivalents)

i) Be within the scope of activities and authority defined by the National Health Service (Wales) Act 2006, including pooled budget arrangements;

j) Take account of the principles of Well-being of Future Generations (Wales) Act 2015 including the seven Well-being Goals and the five ways of working; and

k) Identify potential risks and opportunities.

6.2 Budgetary Delegation

6.2.1 The Chief Executive may delegate, via the Director of Finance, the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under Regulations made in accordance with section 33 of the National Health Service (Wales) Act 2006 (c. 42). This delegation must be in writing, in the form of a letter of accountability, and be accompanied by a clear definition of:

a) The amount of the budget;
b) The purpose(s) of each budget heading;
c) Individual or committee responsibilities;
d) Arrangements during periods of absence;
e) Authority to exercise virement;
f) Achievement of planned levels of service; and
g) The provision of regular reports.

The budget holder must sign the accountability letter formally delegating the budget.

6.2.2 The Chief Executive, Director of Finance and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

6.2.3 Budgets must only be used for the purposes designated, and any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

6.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.

6.2.5 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled and managed appropriately.

6.2.6 All budget holders will sign up to their allocated budgets at the commencement of the financial year.

6.2.7 The Director of Finance has a responsibility to ensure that appropriate and timely financial information is provided to budget holders and that adequate training is delivered on an on-going basis to assist budget holders managing their budgets successfully.

6.3 Financial Management, Reporting and Budgetary Control

6.3.1 The Director of Finance shall monitor financial performance against budget and plans and report the current and forecast position on a monthly basis and at every Board meeting. Any significant variances should be reported to HEIW Board as soon as they come to light and the Board shall be advised on any action to be taken in respect of such variances.

6.3.2 The Director of Finance will devise and maintain systems of financial management performance reporting and budgetary control. These will include:

a) Regular financial reports, for revenue and capital, to the Board in a form approved by the Board containing sufficient information for the Board to:

- Understand the current and forecast financial position;
- Evaluate risks and opportunities;
- Use insight to make informed decisions;
- Be consistent with other Board reports, which as a minimum will cover:
    i. Current and forecast year end position on statutory financial duties;
    ii. Actual income and expenditure to date compared to budget and showing trends and run rates;
    iii. Forecast year end positions;
    iv. A statement of assets and liabilities, including analysis of cash flow and movements in working capital;
    v. Explanations of material variances from plan;
    vi. Capital expenditure and projected outturn against plan;
    vii. Investigations and reporting of variances from financial, activity and workforce budgets;
    viii. Details of corrective actions being taken, as advised by the relevant budget holder and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
    ix. Statement of performance against savings targets
    x. Key workforce and other cost drivers;
    xi. Income and expenditure run rates, historic trends, extrapolation and explanations; and
    xii. Clear assessment of risks and opportunities; and
- Provide a rounded and holistic view of financial and wider organisational performance.

b) The issue of regular, timely, accurate and comprehensible advice and financial reports to each delegated budget holder, covering the areas for which they are responsible;

c) An accountability and escalation framework to be established for the organisation to formally address material budget variances

d) Investigation and reporting of variances from financial, activity and workforce budgets;

e) Monitoring of management action to correct variances;

f) Arrangements for the authorisation of budget transfers and virements.

6.3.3 Each Budget Holder will:

- be held to account for managing services within the delegated budget
- investigate causes of expenditure and budget variances using information from activity, workforce and other relevant sources
- develop plans to address adverse budget variances.

6.3.4 Each Budget Holder is responsible for ensuring that:

a) Any likely overspending or reduction of income that cannot be met by virement is not incurred without the prior consent of the Chief Executive and Director of Finance subject to the Board's scheme of delegation;

b) The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;

c) No permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board.

6.3.5 The Chief Executive is responsible for identifying and implementing cost and efficiency improvements and income generation initiatives in accordance with the requirements of the Annual and Medium Term Financial Plans and SFI 10.1.

6.4 Capital Financial Management, Reporting and Budgetary Control

6.4.1 The general rules applying to revenue Financial Management,

Reporting and Budgetary Control delegation and reporting shall also apply to capital plans, budgets and expenditure subject to any specific reporting requirements required by the Welsh Ministers.

6.5 Reporting to Welsh Government - Monitoring Returns

6.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring returns are submitted to the Welsh Ministers in accordance with published guidance and timescales.

6.5.2 All monitoring returns must be supported by a detailed commentary signed by the Director of Finance and Chief Executive. This commentary should also highlight and quantify any significant risks with an assessment of the impact and likelihood of these risks maturing.

6.5.3 All information made available to the Welsh Ministers should also be made available to the Board. There must be consistency between the, Annual Plan, Medium Term Financial Plan, budgets, expenditure, forecast position and risks as reported in the monitoring returns and monthly Board reports.

7. ANNUAL ACCOUNTS AND REPORTS

7.1 The Board must approve HEIW's annual accounts prior to submission to the Welsh Ministers and the Auditor General for Wales in accordance with the annual timetable.

7.2 The Chair and the Chief Executive (as Accountable Officer for HEIW) have responsibility for signing the accounts on behalf of HEIW. The Chief Executive has responsibility for signing the Annual Governance Statement and the Annual Quality Statement.

7.3 The Director of Finance, on behalf of HEIW is responsible for ensuring that financial reports and returns are prepared in accordance with the accounting policies, guidance and timetable determined by the Welsh Ministers, as per Welsh Government's Manual for Accounts, and consistent with Financial Reporting Manual (FReM) and International Financial Reporting Standards.

7.4 HEIW's audited annual accounts must be adopted by the Board at a public meeting and made available to the public.

7.5 HEIW must publish an Annual Report, and present it at its Annual General Meeting. The Board Secretary will ensure that the Annual Report is prepared in line with the Welsh Government's NHS Manual for Accounts. The Annual Report will include

- The Accountability Report containing:
    - Corporate Governance Report
    - Remuneration Report and Staff Report
    - Accountability and Audit Report

- The Performance Report, which must include:
    - An overview
    - A performance Analysis

8. BANKING ARRANGEMENTS

8.1 General

8.1.1 The Director of Finance is responsible for managing HEIW's banking arrangements and for advising the Board on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Welsh Ministers. HEIW is expected to use the Government Banking Service (GBS) for its banking services unless there is sound reasoning and value for money considerations to justify the use of commercial accounts.

8.1.2 The Board shall approve the banking arrangements.

8.2 Bank Accounts

8.2.1 The Director of Finance is responsible for:

a) Establishing bank accounts and ensuring that the Government Banking Service is utilised for main Health Board business transactions;

b) Establishing additional commercial accounts only exceptionally and where there is a clear rationale for not utilising the Government Banking Service;

c) Establishing separate bank accounts for HEIW's non-exchequer funds;

d) Ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;

e) Ensuring accounts are not overdrawn except in exceptional and planned situations.

f) Reporting to the Board all arrangements made with HEIW's bankers for accounts to be overdrawn;

g) Monitoring compliance with Welsh Ministers' guidance on the level of cleared funds.

8.2.2 With the exception of Project Bank Accounts, all bank accounts should be held in the name of HEIW. No officer other than the Director of Finance shall open any account in the name of HEIW or for the purposes of furthering HEIW activities.

8.2.3 Any Project Bank Account that is required may be held jointly in the name of HEIW and the relevant third party contractor.

8.3 Banking Procedures

8.3.1 The Director of Finance will prepare detailed instructions on the operation of bank accounts, that ensure there are sound controls over the day-to-day operation of bank accounts, which must include:

a) The conditions under which each bank account is to be operated;

b) Those authorised to sign payable orders or other orders drawn on HEIW's accounts.

c) Effective divisions of duty for employees working within the banking and treasury management function to minimise the risk of fraud and error.

d) Authorised signatories are identified with sufficient seniority, and in the case of e banking approvers, together with an appropriate payment approval hierarchy.

e) Procedures are in place for prompt banking of money received.

f) Ensure there are physical security arrangements in place for cheque stationery, e banking access devices and payment cards.

g) Cheques and payable orders are treated as controlled stationery with management responsibility given to a duly designated employee.

h) Frequent reconciliations are undertaken between cash books, bank statements and the general ledger so that all differences are fully understood and accounted appropriately.

i) Commercial bank accounts should only be used exceptionally where there is a sound rationale and demonstrates value for money. Commercial accounts should be procured through a tendering exercise and the outcome reported to the Audit Committee on behalf of the Board.

8.3.2 The Director of Finance must advise HEIW's bankers in writing of the conditions under which each account will be operated.

8.3.3 The Director of Finance shall approve security procedures for any

payable orders issued without a hand-written signature e.g. automatically printed. All Payable Orders shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.

8.4 Review

8.4.1 The Director of Finance will review banking arrangements of HEIW at regular intervals to ensure they reflect best practice and represent best value for money. The results of the review should be reported to the Audit Committee.

9. CASH, CHEQUES, PAYMENT CARDS AND OTHER NEGOTIABLE INSTRUMENTS

9.1 General

9.1.1 The Director of Finance is responsible for:

a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;

b) Ordering and securely controlling any such stationery; ensuring all cash related stationery treated as controlled stationery with management responsibility given to a duly designated employee;

c) The provision of adequate facilities and systems for officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and

d) Establishing systems and procedures for handling cash and negotiable securities on behalf of HEIW.

e) Ensuring effective control systems are in place for the use of payment cards,

f) Ensuring that there are adequate control systems in place to minimise the risk of cash/card misappropriation.

9.1.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs (informal documents acknowledging debt).

9.1.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.

9.1.4 The holders of safe/cash box combinations/keys shall not accept unofficial funds for depositing in their safe/cash box unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that HEIW is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving HEIW from responsibility for any loss.

9.1.5 The opening of coin operated machines (including telephone, if applicable) and the counting and recording of takings shall be undertaken by two officers together, except as may be authorised in writing by the Director of Finance and the coin box keys shall be held by a nominated officer.

9.1.6 During the absence (for example, on holiday) of the holder of a safe/cash box combination/key, the officer who acts in their place shall be subject to the same controls as the normal holder of the combination/key. There shall be written discharge for the safe and/or cash box contents on the transfer of responsibilities and the discharge document must be retained for inspection.

9.2 **Petty Cash**

9.2.1 The Director of Finance will issue instructions restricting the use and value of petty cash purchases.

9.2.2 Petty cash use should be minimised and be subject to regular cash balance reviews in order to minimise cash levels held.

9.2.3 Petty cash should be operated under an imprest system and be subject to regular checks to ensure physical and book cash levels are consistent.

10. INCOME, FEES AND CHARGES

10.1 Income Generation and Participation in/Formation of Companies

10.1.1 HEIW shall only generate income for those goods and services that are approved by the Welsh Ministers. Any income generating activities must be complementary to the provision of NHS services and must be in accordance with the Welsh Ministers' policy and powers to raise money as set out in section 169 of the National Health Service (Wales) Act 2006 (c. 42).

10.1.2 HEIW can only form or participate in a company for income generation, improving health, healthcare care and health services, purposes with the consent and/or direction of Welsh Ministers. HEIW should obtain advice from Welsh Government officials prior to undertaking substantive work on formation or participation in any company.

10.2 Income Systems

10.2.1 The Director of Finance is responsible for designing and maintaining procedures to ensure compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.

10.2.2 The Director of Finance is also responsible for ensuring that systems are in place for the prompt banking of all monies received.

10.3 Fees and Charges

10.3.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Welsh Ministers or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

10.3.2 All officers must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements and other transactions.

10.4 Income Due and Debt Recovery

10.4.1 Delegated budget holders and managers are responsible for informing the Director of Finance of any income due that arises from any contracts, service levels agreements, leases, activities such a private patients or other transactions.

10.4.2 Delegated budget holders and managers must inform the Director of

Finance when overpayment of salary or expenses have been made, in order that recovery can be made.

10.4.3 The Director of Finance is responsible for recovering income due and for ensuring debt recovery procedures are in place to secure early payment and minimise bad debt risk on all outstanding debts.

10.4.4 Income not received should be dealt with in accordance with losses procedures.

10.4.5 Overpayments should be detected (or preferably prevented) and recovery initiated.

10.4.6 The Chief Executive and the Director of Finance are responsible for ensuring the Welsh Ministers' guidance on disputed debt arbitration is strictly adhered to.

11. NON PAY EXPENDITURE

11.1 Scheme of Delegation, Non Pay Expenditure Limits and Accountability

11.1.1. The Board must agree a Scheme of Delegation in line with that set out in its Standing Orders Scheme of Reservation and Delegation of Powers.

11.1.2. The Chief Executive will approve the level of non-pay expenditure and the operational scheme of delegation and authorisation to budget holders and managers within the parameters set out in the HEIW scheme of delegation.

11.1.3. The Chief Executive will set out in the operational scheme of delegation and authorisation:

- The list of managers who are authorised to place requisitions for the supply of goods, services and works and for the awarding of contracts; and
- The maximum level of each requisition and the system for authorisation above that level.

11.2 The Director of Finance's responsibilities

11.2.1 The Director of Finance will:

a) Advise the Board regarding the NHS Wales national procurement and payment systems thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in SOs and SFIs;

b) Prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services;

c) Ensure systems are in place for the authorisation of all accounts and claims;

d) Ensure Directors and officers strictly follow NHS Wales system and procedures of verification, recording and payment of all amounts payable.

e) Maintain a list of Executive Directors and officers (including specimens of their signatures) authorised to certify invoices.

f) Be responsible for ensuring compliance with the Public Sector Payment policy ensuring that a minimum of 95 percent of creditors are paid within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed.

g) Ensure that where consultancy advice is being obtained, the procurement of such advice must be in accordance with applicable procurement legislation, guidance issued by the Welsh Ministers and SFIs;

h) Be responsible for Petty Cash system, procedures, authorisation and record keeping, and ensure purchases from petty cash are restricted in value and by type of purchase in accordance with procedures

11.3 Duties of Budget Holders and Managers

11.3.1 Budget holders and managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of both any commitment being made and NWSSP Procurement Services being engaged;

b) Contracts above specified thresholds are advertised and awarded, through NWSSP Procurement Services, in accordance with EU and HM Treasury rules on public procurement;

c) Contracts above specified thresholds are approved by the Welsh Ministers prior to any commitment being made;

d) goods have been duly received, examined and are in accordance with specification and order,

e) work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct,

f) No requisition/order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Board members or HEIW officers, other than:

(i) Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars,

(ii) Conventional hospitality, such as lunches in the course of working visits;

This provision needs to be read in conjunction with Standing Order 6.5. and 6.6.

g) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;

h) All goods, services, or works are ordered on official orders

i) Requisitions are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

j) Goods are not taken on trial or loan in circumstances that could commit the HEIW to a future uncompetitive purchase;

11.3.2 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance issued by the Welsh Ministers. The technical audit of these contracts shall be the responsibility of the relevant Director as set out in the HEIW's scheme of delegation.

11.4 Departures from SFI's

11.4.1 Departing from the application of Chapters 11 and 12 of these SFI's is only possible in very exceptional circumstances. HEIW must consult with NWSSP Procurement Services, Director of Finance and Board Secretary prior to any such action undertaken. Any expenditure committed under these departures must receive prior approval in accordance with the HEIW Scheme of Delegation.

11.5 Accounts Payable

11.5.1 NWSSP Finance, shall on behalf of the HEIW, maintain and deliver detailed policies, procedures systems and processes for all aspects of accounts payable

11.6 Prepayments

11.6.1 Prepayment should be exceptional, and should only be considered if a good value for money case can be made for them (i.e. that "need" can be demonstrated). Prepayments are only permitted where either:

- The financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to Net Present Value (NPV) using the National Loans Fund (NLF) rate plus 2%);
- It is the industry norm e.g. courses and conferences;
- In line with requirements of Managing Welsh Public Money
- There is specific Welsh Ministers' approval to do so e.g. voluntary services compact.

11.6.2 In **exceptional** circumstances prepayments can be made subject to:

a) The appropriate Executive Director providing, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the HEIW if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;

b) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the Public Contracts Regulations 2015 where the contract is above a stipulated financial threshold); and

c) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

12. PROCUREMENT AND CONTRACTING FOR GOODS AND SERVICES

General Information

12.1 Procurement Services

12.1.1 While the Chief Executive is ultimately responsible for procurement the service is delivered by NWSSP Procurement Services.

12.1.2 Procurement staff are employed by NHS Wales Shared Services Partnership (NWSSP) and provide a procurement support function to all health organisations in NHS Wales. Although NWSSP is responsible for the provision of a Procure to Pay service and provision of appropriate professional procurement and commercial advice, ultimate responsibility for compliance with legislation and policy guidelines remains with HEIW. Where the term Procurement staff or department is used in this chapter it should be read as equally applying to those departments where the procurement function is undertaken locally and outside of NWSSP Procurement Department, for example pharmacy and works who undertake procurement on a devolved basis.

12.2 Policies and Procedures

12.2.1 NWSSP Procurement Services shall, on behalf of HEIW, maintain detailed policies and procedures for all aspects of procurement including tendering and contracting processes. The policies and procedures shall comply with these SFIs, Procurement Manual, and Revised General Consent to enter Individual Contracts, included as **Schedule 1** of these SFIs.

12.2.2 The Chief Executive is ultimately responsible for ensuring that HEIW's Executive Directors, Independent Members and officers within the organisation strictly follow procurement, tendering and contracting procedures.

12.2.3 NWSSP Director of Procurement Services is responsible for ensuring that procurement, tendering and contracting policies and procedures:

- Are kept up to date;
- Conform to statutory requirements and regulations;
- Adhere to guidance issued by the Welsh Ministers;
- Are consistent with the principles of sustainable development;

12.2.4 All procurement guidance issued by the Welsh Ministers should have the effect as if incorporated in these SFIs.

12.3 Procurement Principles

12.3.1 The term "procurement" embraces the complete process from planning, sourcing to taking delivery of all works, goods and services required by HEIW to perform its functions, and furthermore embrace all building, equipment, consumables and services including health services. Procurement further embraces contract and/or supplier management, including market engagement and industry monitoring.

12.3.2 The main legal and governing principles guiding public procurement and which are incorporated into these SFIs are:

- Transparency: public bodies should ensure that there is openness and clarity on procurement processes and how they are implemented;
- Non-discrimination: public bodies may not discriminate between suppliers or products on grounds of their origin;
- Equal treatment: suppliers should be treated fairly and without discrimination, including in particular equality of opportunity and access to information;
- Proportionality: requirements and conditions in the procurement should be reasonable in proportion to the object of procurement and measures taken should not go beyond what is necessary;
- Legality: public bodies must conform to European Community and other legal requirements;
- Integrity: there should be no corruption or collusion with suppliers or others;
- Effectiveness and efficiency: public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement;
- Efficiency: procurement processes should be carried out as cost effectively as possible and secure value for money.

12.4 Legislation Governing Public Procurement

12.4.1 There are a range of EU Directives which set out the EU legal framework for public procurement. These EU Directives have been implemented into UK law by statutory regulations which govern public sector procurement, the primary statutory regulations in Wales being 'The Public Contracts Regulations 2015 No. 102.' From 1 January 2021, all aspects of EU law in respect of the EU Directives relating to public procurement, except where expressly stated otherwise by domestic legislation, will continue to govern public sector procurement,

although further amendments or developments of EU related procurement law following this will not be incorporated into domestic law. The Welsh Government policy framework and the Wales Procurement Policy Statement (WPPS) also govern this area. One of the key objectives of governing legislation is to ensure public procurement markets are open and that there is free movement of supplies, services and works. Legislation, policy and guidance setting out procedures for awarding all forms of regulated contracts shall have effect as if incorporated in HEIW's SFIs.

12.4.2 The main Regulations (the Public Contracts Regulations 2015 No. 102) cover the whole field of procurement, including thresholds above which special and demanding procurement protocols and legal requirements apply. All Directors and their staff are responsible for seeing that those Regulations are understood and fully implemented. The protocols set out in the Regulations, and any Procurement Policy Notices, are the model upon which all formal procurement shall be based.

12.4.3 Procurement advice should be sought in the first instance from Procurement Services. The commissioning of further specialist advice shall be jointly agreed between HEIW and Procurement Services e.g. Engagement of NWSSP Legal and Risk Services prior to 3rd party Legal Service providers.

12.4.4 Other relevant legislation and policy include:

- The Well-being of Future Generations (Wales) Act 2015
- Welsh Language (Wales) Measure 2011
- Modern Slavery Act 2015
- Bribery Act 2010
- Equality Act 2010
- Welsh Government's Code of Practice for Ethical Employment in Supply Chains.
- The Producer Responsibility Obligations (Packaging Waste) Regulations 2007
- Welsh Government 'Towards zero waste: our waste strategy'
- The Welsh Government Policy Framework
- The Wales Procurement Policy Statement (WPPS)

12.5 Procurement Procedures

12.5.1 To ensure that HEIW is fully compliant with UK Procurement Regulations, EU Procurement Directives, UK and Welsh Ministers' guidance and policy, HEIW shall, through NWSSP Procurement Services, ensure that it shall have procedures that set out:

a) Requirements and exceptions to formal competitive tendering requirements;
b) Tendering processes including post tender discussions;
c) Requirements and exceptions to obtaining quotations;
d) Evaluation and scoring methodologies
e) Approval of firms for providing goods and services.

12.5.2 All procedures shall reflect the Welsh Ministers' guidance and HEIW's delegation arrangements and approval processes.

12.6 Procurement Consent/Notification

12.6.1 As a Special Health Authority, HEIW may:

- Acquire and dispose of property;
- Enter into contracts; and
- Accept gifts of property (including property to be held on trust, either for the general or any specific purposes of the Special Health Authority or for any purposes relating to the health service).

12.6.2 Contracts exceeding the value of £1 million in each case, with the exception of those contracts specified in SFI 12.6.4, all acquisitions and disposals of land of any limit, and the acceptance of gifts of property, must be notified to the Welsh Ministers before being entered into.

12.6.3 The guidance process for HEIW to notify their intent to enter into contracts exceeding £1 million is at **Schedule 1**. This requirement also applies to contracts that are to be let through a mini-competition under a public sector contract framework, such as National Procurement Service, NHS Supply Chain or Crown Commercial Services. The use of suitable Welsh frameworks where access is permissible shall take precedence over frameworks led by Public Sector Bodies outside of Wales. Further detailed guidance is incorporated within the Procurement Procedures.

12.6.4 The requirement for notification does not apply to any contracts entered into pursuant to a specific statutory power, and therefore does not apply to:

i) Contracts of employment between HEIW and their staff;
ii) Transfers of land or contracts effected by Statutory Instrument following the creation of HEIW;
iii) All NHS contracts, that is where one health service body contracts with another health service body.

12.6.5 The process of notification of contracts to the Welsh Ministers does not

remove the requirement for HEIW to comply with SOs, SFIs or to obtain any other consents or approvals required by law for the transactions concerned.

12.6.6 Further detail in relation to fair and adequate competition is set out in the Procurement Manual.

Planning

12.7 Sustainable Procurement

12.7.1 To further nurture the Welsh economy, in support of social, environmental and economic regeneration, HEIW must also be mindful to structure requirements ensuring Welsh companies have the opportunity to transparently and fairly compete to deliver services regionally or across Wales where possible. The principles of the Well-being of Future Generations Act 2015 should be adopted at the earliest stage of planning. Procurement solutions must be developed embracing the five ways of working described within the Act and capture how they will deliver against the seven goals set out in the Act.

12.7.2 The Well-being of Future Generations Act 2015 requires that bodies listed under the Act must operate in a manner that embraces sustainability. The Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other,and to prevent persistent problems such as poverty, health inequalities and climate change.

12.7.3 The 7 Wellbeing goals are:

- a prosperous Wales;
- a resilient Wales;
- a healthier Wales;
- a more equal Wales;
- a Wales of cohesive communities;
- a Wales of vibrant culture and thriving Welsh language; and
- a globally responsible Wales.

These goals have been put in place to improve the social, economic, environmental, and cultural well-being of Wales.

12.7.4 Public sector organisations in Wales not listed in the act are expected to operate to those principles. HEIW is not specifically listed in the Act.

12.7.5 Public bodies need to make sure that when making their decisions they

take into account the impact they could have on people living their lives in Wales in the future. The Act expects them to:

- work together better
- involve people reflecting the diversity of our communities
- look to the long term as well as focusing on now
- take action to try and stop problems getting worse - or even stop them happening in the first place.

12.7.6 HEIW is required to consider the Welsh Government Guidance on Ethical Procurement and the new Code of Practice on ethical employment in supply chains which commits public, private and third sector organisations to a set of actions that tackle illegal and unfair employment practices including blacklisting, modern slavery and living wage.

12.7.7 HEIW shall make use of the tools developed by Value Wales in implementing the principles of the WBFGA 2015. HEIW shall benchmark its performance. For all contracts over £25,000, HEIW shall take account of social, economic and environmental issues when making procurement decisions using the Sustainable Risk Assessment Template (SRA).

12.8 Small and Medium Sized Enterprises (SMEs), Third Sector Organisations (TSOs) and Supported Factories and Businesses (SFBs)

12.8.1 In accordance with Welsh Government commitments policy set out in the current Wales Procurement Policy Statement (WPPS) and subsequent versions of this statement HEIW shall ensure that it provides opportunities for these organisations to quote or tender for its business.

12.9 Planning Procurements

12.9.1 HEIW must ensure that all staff with delegated budgetary responsibility or who are part of the procurement process for goods, services and works are aware of the legislative and policy frameworks governing public procurement and the requirement of open competition.

12.9.2 Depending on the value of the procurement, a process of planning the procurement must be undertaken with the Procurement Services and appropriate representative from the service and other appropriate stakeholders. The purpose of a planning phase is to determine:

- the likely financial value of the procurement, including whole life cost

- the likely 'route to market' which will consider the legislative and policy framework set out above.
- The availability of funding to be able to award a contract following a successful procurement process.
- That the procurement follows current legislative and policy frameworks including Value Based Procurement.

12.9.3 The procurement specification should factor in the 4 principles of prudent healthcare

- Equal partners through co-production
- Care for those with the greatest health need first
- Do only what is needed
- Reduce inappropriate variation

Value based outcome/experience/delivery principles must also be included where appropriate ensuring best value for money, sustainability of services and the future financial position. Value for money is defined as the optimum combination of whole-life cost and quality to meet the requirement**.**

12.9.4 Where free of charge services are made available to HEIW, NWSSP Procurement Services must be consulted to ensure that any competition requirements are not breached, particularly in the case of pilot activity to ensure that HEIW does not unintentionally commit itself to a single provider or longer term commitment. Regular reports on free of charge services provided to HEIW should be submitted by Board Secretary to Audit Committee.

12.9.5 HEIW is required to participate in all-Wales collaborative planning activity where the potential to do so is identified by the procurement professional involved in the planning process. Cross sector collaboration may also be required.

Joint or Collaborative Initiatives

12.9.6 Specialist advice should be obtained from Welsh Government and the opinions of NWSSP Procurement Services and NWSSP Legal and Risk prior to external opinion being sought where there is an undertaking to commence joint or collaborative initiatives which may be deemed as novel or contentious.

12.10 **Procurement Process**

12.10.1 Where there is a requirement for goods or services, the manager

must source those goods or services from HEIW's approved catalogue. Where a required item is not included within the catalogue, advice must be sought from the Procurement Services on opportunities to source those goods or services through public sector contract framework, such as National Procurement Service, NHS Supply Chain or Crown Commercial Services. The use of suitable Welsh frameworks where access is permissible shall take precedence over frameworks led by Public Sector Bodies outside of Wales.

12.10.2 In the absence of an existing suitable procurement framework to source the required item, a competition must be run in accordance with the table below. HEIW must ensure the value of their requirement considers cumulative spend across HEIW for like requirements and opportunity for collaboration with other Health Boards and Trusts:

12.10.3 Agreements awarded are required to deliver best value for money over the whole life of the agreement. Value for money is defined as the optimum combination of whole-life cost and quality to meet the requirement.

Competition Requirements

12.11 Procurement Thresholds

12.11.1 The following table summarises the minimum thresholds for quotes and competitive tendering arrangements. The total value of the contract, whole life cost, over its entire period is the qualifying sum that should be applied (except in specific circumstances relating to aggregation and contracts of an indeterminate duration) as set out below, and in UK Procurement Regulations and EU Procurement Directives and UK Regulations.

Goods/Services/Works Whole Life Cost Contract value (excl. VAT)	Minimum competition[1]	Form of Contract
<£5,000	Evidence of value for money has been achieved	Purchase Order
>£5,000 - <£25,000	Evidence of 3 written quotations	Simple Form of Contract/Purchase Order
>£25,000 – Prevailing OJEU threshold	Advertised open call for competition. Minimum of 4 tenders received if available.	Formal contract and Purchase Order
>OJEU threshold	Advertised open call for competition. Minimum of 5	Formal contract and Purchase Order

Goods/Services/Works Whole Life Cost Contract value (excl. VAT)	Minimum competition[1]	Form of Contract
	tenders received if available or appropriate to the procurement route.	
Contracts above £1 million	Welsh Government approval required[2]	Formal contract and Purchase Order

[1] subject to the existence of suitable suppliers
[2] in accordance with the requirements set out in SFI 12.6.3.

12.11.2 Advice from the Procurement Services must be sought for all requirements in excess of £5,000.

12.11.3 The deliberate sub-dividing of contracts to fall below a specific threshold is strictly prohibited. Any attempt to avoid these limits may expose the Board to risk of legal challenge and could result in disciplinary action against an individual[s].

12.11.4 Deliberate re-engagement of a supplier, where the value of the individual engagement is less than £5,000, must not be undertaken where the total value of engagements taken as a whole would exceed £5,000 and require competition.

12.11.5 The approval of award of contracts must follow the Board's Scheme of Delegation.

12.12 Designing Competitions

12.12.1 The budget holder or manager responsible for the procurement is required to engage with the Procurement team to ensure:

- Required timescales are achievable
- Specifications are drafted which:
  - are fit for inclusion in competition documents;
  - are drafted in a manner encouraging innovation by the market;
  - are capable of being responded to and do not narrow competition;
  - deliver in line with legislative and policy frameworks;
  - include robust performance measures to effectively measure

and manage supplier performance; and
- consider the ability of the market to deliver.

12.12.2 Appropriate performance measures are included in agreements awarded, thus ensuring best value for money decisions taken that return maximum benefit for the organisation and ultimately the improvement of patient outcomes and wider health and social care communities.

12.12.3 Criteria for selecting suppliers and achieving an award recommendation must:

- be appropriately weighted in consideration of quality/price;
- consider cost of change where relevant;
- be transparent and proportionate;
- deliver value for money outcomes;
- fully explore complexity/risk; and
- consider whole life cost.

12.13 Single Quotation Application or Single Tender Application

12.13.1 In exceptional circumstances, there may be a need to secure goods/services/works from a single supplier. This may concern securing requirements from a single supplier, due to a special character of the firm, or a proprietary item or service of a special character. Such circumstances may include:

- Follow-up work where a provider has already undertaken initial work in the same area (and where the initial work was awarded from open competition);
- A technical compatibility issue which needs to be met e.g. specific equipment required, or compliance with a warranty cover clause;
- a need to retain a particular contractor for genuine business continuity issues (not just preferences); or
- When joining collaborative agreements where there is no formal agreement in place. Request for such a departure must be supported by written evidence from the Procurement Service confirming local agreements will be replaced by an all Wales competition/National strategy

12.13.2 Procurement Services must be consulted prior to any such application being submitted for approval. The Director of Finance must approve such applications up to £25,000, the Chief Executive or designated deputy, and Director of Finance, are required to approve applications exceeding £25,000. A register must be kept for

monitoring purposes and all single tender actions must be reported to the Audit Committee.

12.13.3 In all applications, through Single Quotation Application or Single Tender Application (SQA or STA) forms, the applicant must demonstrate adequate consideration to the Chief Executive and Director of Finance, as advised by the Head of Procurement, that securing best value for money is a priority. The Head of Procurement will scrutinise and endorse each request to ensure:

- Robust justification is provided;
- A value for money test has been undertaken;
- No bias towards a particular supplier;
- Future competitive processes are not adversely affected;
- No distortion of the market is intended;
- An acceptable level of assurance is available before presentation for approval in line with HEIW Scheme of Delegation; and
- An “or equivalent” test has been considered proving the request is justified.

12.13.4 Under no circumstances will Procurement Services endorse a retrospective SQA/STA, where the HEIW has already entered into an arrangement directly.

12.13.5 As SQA/STAs are only used in exceptional circumstances HEIW, through the Chief Executive, must report each, including the specifics of the exceptional circumstances and the total financial commitment, in sufficient detail to its Audit Committee. The report will include any corrective action/advice provided by the Chief Executive, Director of Finance or NWSSP Director of Procurement Services to prevent recurrence by HEIW.

12.13.6 The Audit Committee may consider further steps to be appropriate, such as:

- Instruct a representative of HEIW to attend Audit Committee;
- Escalate to the Board;
- Request an internal Audit Review;
- Request further training; or
- Take internal disciplinary action.

12.13.7 No SQA/STA is required where the seeking of competition is not possible, nor would the application of the SQA/STA procedure add value to the process/aid the delivery of a value for money outcome. Procurement Manual details schedule of departures from SQA/STA

where competition not possible.

12.13.8 For performance monitoring purposes, the NWSSP Procurement Service will retain a central register of all such activity including SQA/STA's not endorsed by Procurement or any exceptional matters.

12.14 Disposals

12.14.1 Disposal of surplus, obsolete equipment/consumables is also subject to the competition rules.

12.14.2 Obsolete or condemned articles and stores, which may be disposed of in accordance with applicable regulations and law at the prevailing time (e.g. Waste Electrical and Electronic Equipment (WEEE)) and the procedures of HEIW making use of any agreements covering the disposal of such items.

12.14.3 HEIW must obtain the best possible market price.

Approval & Award

12.15 Evaluation, Approval and Award

12.15.1 The evaluation of competitions via quotation or tender, must be undertaken by a minimum of 2 evaluators from within the operational service of HEIW. Evaluation Teams for competitions of greater complexity and value must be multi-disciplinary and reach a consensus recommendation for internal approval.

12.15.2 The internal approval of any recommendation to award a competition must follow the Board's Scheme of Delegation.

12.15.3 The communication of the external notification to the market to award the contract must be managed by the Procurement Service.

12.15.4 Information throughout the process must be handled and retained as 'commercial in confidence' and not shared outside of staff directly involved in the competition process.

12.15.5 All associated communication throughout the competition process must also be managed by the Procurement Service.

Implementation & Contract Management

12.16 Contract Management

12.16.1 Contract Management is the process which ensures that both parties to a contract fully meet their respective obligations as effectively and efficiently as possible, in order to deliver the business and operational objectives required by the contract and in particular, to achieve value for money. The relevant budget holder shall oversee and manage each contract on behalf of HEIW so as to ensure that these implicit obligations are met. This contract management will include:

- Retaining accurate records
- Monitoring contract performance measures
- Engaging suppliers to ensure performance delivery
- Implementing contractual sanctions in the event of poor performance in conjunction with advice from Procurement Services; and
- Permitting stage payments as part of a formally agreed implementation/delivery plan which must be supported by written evidence issued by the budget holder.

12.16.2 Contract management on All Wales contracts will be provided by NWSSP Procurement Services

11.19 Advice on best practice on Contract Management is available from NWSSP Procurement Services.

12.17 Extending and Varying Contracts

12.17.1 Extending, modifying or varying the scope of an existing contract is possible, if the provision to do so was included as an option in the original awarded contract, e.g. scope of requirement, further expenditure due to unforeseen circumstances, change in regulatory requirements, etc.

12.17.2 If there is no such provision, the Public Contracts Regulations 2015 defines such limitations.

12.17.3 The Public Contracts Regulations 2015 provide further constraints on this matter, under which modifications/variations/extensions are capped at 50% of the original award value.

12.17.4 Further approval is not required to extend an agreement beyond the original term/scope where prior approval was granted as part of the procurement process.

12.17.5 If there was no provision to extend, further approvals are required

from the HEIW budget holder and the local Head of Procurement. Budget holders must also be mindful of the threshold under which the original contract was awarded. Any increase in the contract value may require a more senior level of approval in line with the Scheme of Delegation.

12.17.6 This ensures an appropriate identification and assessment of potential risks to the HEIW compliance of approvals being granted within the Scheme of Delegation and assurance that value for money continues to be delivered from public funds.

12.17.7 The budget holder must seek advice from NWSSP Procurement Services in advance of committing further expenditure to ensure the contract is reflective of requirements. The budget holder must assess whether there is sufficient evidence to support the justification and whether the budget is available to support the additional requirements.

Transactional Processes

12.18 Requisitioning

12.18.1 The budget manager in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the HEIW. The budget holder will source those goods or services from the approved catalogue. Where a required item is not included within the catalogue, advice must be sought from the Procurement Services on opportunities to source those goods or services through public sector contract framework, such as National Procurement Service, NHS Supply Chain or Crown Commercial Services.

12.18.2 Where a required item is not on catalogue or on framework contract the budget manager shall request the NWSSP Procurement Services to undertake quotation / tendering exercises on their behalf in line with SFI 11.10 thresholds.

12.18.3 All orders for goods and services must be accompanied by an official order number, available from the Procurement Department. In no circumstances must a requisition number be used as an order number.

12.19 No Purchase Order, No Pay

12.19.1 HEIW will ensure compliance with 'No Purchase Order, No Pay' policy, the All Wales policy introduced to ensure that Procure to Pay continues to provide world-class services on a 'Once for Wales' basis.

12.19.2 The policy ensures that a purchase order is raised at the beginning of a purchase in circumstances where a purchase order is required under the policy. This follows industry standard best practice as it provides a commitment as to what is likely to be spent. The supplier must obtain a purchase order number for their invoice in order for it to be processed for payment.

12.20 Official orders

12.20.1 Official Orders, issued following approved requisition and sourcing, must:

a) Be consecutively numbered;
b) State the HEIWs terms and conditions of trade.

12.20.2 Official Orders will be issued on behalf of HEIW by NWSSP Procurement Services.

13 AGREEMENTS AND CONTRACTS FOR EDUCATION AND TRAINING

13.1 Education and Training Agreements

13.1.1 The Chief Executive is responsible for ensuring HEIW enters into suitable Education and Training Agreements for its provision of healthcare professionals education and training.

13.1.2 All Education and Training Agreements should aim to implement the agreed priorities contained within the agreed plans. In discharging this responsibility, the Chief Executive should take into account:

- The standards of service quality expected;
- The standards required to be achieved by health professionals' regulatory bodies;
- The provision of education and training for students and / or trainees based within Health Boards and NHS Trusts in a high quality, safe environment;
- The provision of reliable information on quality, volume and cost of service.

13.1.3 All agreements must be in accordance with the functions conferred on HEIW by the Welsh Ministers.

13.1.4 For all agreements entered into in the form of a contract, the process for notifying the Welsh Ministers of NHS contracts set out in section 12 and Schedule 2 of these SFIs must be followed.

13.1.5 For all agreements entered into they must be approved in accordance with delegations set out in Standing Orders:

- Schedule 1 Scheme of Reservation and Delegation of Powers – Schedule of Matters Reserved for Board.
- Schedule 1 Scheme of Reservation and Delegation of Powers – Scheme of Delegation to Executive Directors, Other Directors and Officers
- Schedule 1 Scheme of Reservation and Delegation of Powers – Delegated Financial Limits

13.2 Education and Training Agreements – Annual Commissioning and Variations

13.2.1 The Chief Executive is responsible for ensuring HEIW enters into suitable annual commissioning and contract variations for Education and Training Agreements for its provision of healthcare professionals

education and training.

13.2.2 All annual commissioning and contract variations within Education and Training Agreements should aim to implement the agreed priorities contained within the agreed plans. In discharging this responsibility, the Chief Executive should take into account:

- The standards of service quality expected;
- Current contract performance of suppliers regarding
  - Delivery against benchmarking standards
  - Course attrition rates
  - Quality indicators including student satisfaction surveys
  - Financial indicators performance
- Consultation with key stakeholders regarding requirements e.g. NHS Bodies, regulators and professional leads.

13.2.3 The Chief Executive is responsible for preparing a report to the Board recommending the annual commissioning and contract variations.

13.2.4 The Board is responsible for agreeing the proposed commissioning and contract variations, and for submission of recommendations to Welsh Government for Ministerial approval.

13.2.5 For all commissioning and contract variations entered into they must be approved in accordance with delegations set out in Standing Orders:
- Schedule 1 Scheme of Reservation and Delegation of Powers – Schedule of Matters Reserved for Board.
- Schedule 1 Scheme of Reservation and Delegation of Powers – Scheme of Delegation to Executive Directors, Other Directors and Officers
- Schedule 1 Scheme of Reservation and Delegation of Powers – Delegated Financial Limits

13.3 Statutory provisions

13.3.1 The Health Education and Improvement Wales (Establishment and Constitution) Order 2017 sets out the functions of HEIW.

13.3.2 Article 3 of the order requires HEIW to exercise such functions in relation to the planning, commissioning and delivery of education and training for persons who are employed, or who are considering becoming employed, in any activity which involves or is connected with the provision of health services, and such other functions as the Welsh Ministers may direct.

13.4 Reports to Board on Agreements and Contracts for Education and Training

13.4.1 The Chief Executive will need to ensure that regular reports are provided to the Board detailing performance, quality and associated financial implications of all education and training agreements.

14 GRANT FUNDING

It is a matter for HEIW to determine whether individual activities should be procured, or be eligible to receive grant funding, seeking legal advice as necessary. (Grants are defined as all non-procured payments to external bodies or individuals for activities which are linked to delivering policy objectives and statutory obligations. Payments are made to fund or reimburse expenditure on agreed items or functions in accordance with legally binding conditions.)

14.1 Legal Advice

14.1.1 Before the award of funding is made, legal advice where necessary must be sought to ensure that:

- The award does not breach HEIW's functions or its regularity of expenditure duty (that is, the activities for which the grant is made are within the scope of activities that the HEIW has a legal remit to undertake);
- The activities would not be deemed to be normally subject to procurement legislation and policy; and
- A legally binding agreement is made with all delivery organisations.

See attached toolkit for grants v procurement:

Grant v Procurement.doc

14.2 Policies and procedures

14.2.1 HEIW shall maintain detailed policies and procedures for all aspects of grant funding. The policies and procedures shall comply with these SFIs, and where appropriate the Welsh Minister's Code of Practice to funding the third sector:

https://gov.wales/sites/default/files/publications/2019-01/third-sector-scheme-2014.pdf

14.2.2 The Chief Executive is ultimately responsible for ensuring that HEIW's grant procedures:

- Are kept up to date;
- Conform to statutory requirements;
- Adhere to guidance issued by the Welsh Ministers;
- Are consistent with the principles of sustainable development; and

- Are strictly followed by all Executive Directors, Independent Members and staff within the organisation.

14.2.3 The award of grant funding must comply with the policy and principles set out in the Procurement section of these SFIs and ensure that the award meets the requirements of regularity, propriety and value for money.

14.2.4 All grant guidance issued by the Welsh Ministers should have the effect as if incorporated in these SFIs.

14.3 Corporate Principles underpinning Grants Management

14.3.1 While there is a need to make the financial arrangements for awarding funding as simple and streamlined as possible, HEIW should also ensure that taxpayers' money is spent appropriately and that it provides good value for money.

14.3.2 The overarching principles for managing public resources in Wales are set out in Managing Welsh Public Money .The document states that the award of funding should be made in accordance with the law and the requirements of propriety, regularity and value for money.

14.3.3 Regularity requires compliance with appropriate authorities, regulations and legislation. Propriety requires both public authorities and funded bodies to deliver appropriate standards of conduct, behaviour and corporate governance. In addition, the public expects official decisions to be made fairly and impartially with public money spent wisely and appropriately, delivering value for money and ensuring that best use is made of resources.

14.3.4 The **corporate principles** of grants management are:

- The development of grant management processes and procedures that are transparent, accountable, proportionate and consistent;
- The delivery of a high quality regulatory framework that responds to demands but does not place unnecessary administrative burdens on HEIW or funded bodies;
- A regulatory framework that will take into consideration the need for proportionality, balancing the need for governance with the burden of administration, thus striking an appropriate balance between accountability and simplicity;
- An effective grant management process to ensure funded bodies spend the funding efficiently, transparently and for the purpose intended, with a view to maximising the impact and outcome from budgets;

- An appropriate evidence-based approach to underpin the design and development of all new funding programmes to ensure efficient and effective use of public funds, ensuring that the funding programme is the optimal solution and that funding is targeted where it is most needed and where it can have most impact;
- A consistent framework that will reinforce respect and effectiveness of the rules for both administrators and funded bodies; and
- Compliance of the grant funding with State aid requirements in accordance with the State aid rules.

14.4 Grant Procedures

14.4.1 It is vital that money is put to use in a way that delivers the maximum benefit to the people of Wales. Grants funding programmes need to be managed as efficiently and cost effectively as possible to make sure that every penny is spent appropriately and in an accountable manner. When establishing grant funding programmes, HEIW should ensure principles of good practice available from a number of external sources are considered and reflected in grant programmes. Information on grants management is available on the Audit Wales website at:

https://www.audit.wales/good-practice/grants-management-miniguides

14.4.2 HEIW must agree a clear purpose for each grant and how it will measure the delivery organisation's success in delivering those purposes. It should also agree appropriate targets with the delivery organisation.

14.4.3 For grant programmes that span a number of financial years, HEIW is responsible for evaluating the programmes to ensure they are fit for purpose, are achieving required outcomes and continue to provide value for money.

14.4.4 HEIW is responsible for ensuring that appropriate procedures exist in relation to all the grants and funding for which they are accountable. **They are also responsible for ensuring that any grant provided to an entity that engages in economic activity complies with the State aid rules.**

14.4.5 HEIW is required to undertake due diligence checks on all potential delivery organisations to determine the economic and financial viability of any organisation(s) to administer public funds, and the reliability of the organisation(s). These checks are important in order to identify any risks or issues that could expose HEIW to potential financial loss, fraud

or reputational damage. A proportionate level of due diligence should be carried out, both prior to the award of any grant funding and throughout the life of the award.

14.4.6 HEIW must enter into legally binding funding agreements with all delivery organisations. When developing funding agreements, HEIW should ensure principles of good practice available from a number of external sources are considered and reflected.

14.4.7 HEIW is responsible for ensuring that all third party delivery organisations comply with and adhere to the terms and conditions of the Funding Agreement.

15. PAY EXPENDITURE

15.1 Remuneration and Terms of Service Committee

15.1.1 In accordance with SOs the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference and operating arrangements that specify which posts fall within its area of responsibility. This Standing Financial Instruction should be read in conjunction with Standing Order 3.3.

15.1.2 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Directors and other senior employees, in accordance with the framework set by the Welsh Ministers. Minutes of the Board's meetings should record such decisions.

15.1.3 The Board will, after due consideration and amendment if appropriate approve proposals presented by the Chief Executive for the setting of remuneration and terms of service for those employees and officers not covered by the Committee.

15.1.4 HEIW will remunerate the Chair, Chief Executive, Executive Directors and Independent Members of the Board in accordance with instructions issued by the Welsh Ministers. Welsh Ministers approval will be required in the exceptional event that remuneration needs to be above the maximum of the salary band range, administratively this approval will be exercised by the Director General HSSG.

15.1.5 The Remuneration and Terms of Service Committee will consider cases of redundancy and Voluntary Early Release applications. The Remuneration and Terms of Service Committee will consider any novel employment and pay cases, such as compromise agreements and non-disclosure agreements, ensuring Welsh Government advice has been sought and considered.

15.2 Funded Establishment

15.2.1 The workforce plans incorporated within agreed plans will form the funded establishment, i.e. the budget for all approved posts. (The financial budgets (£) and workforce establishment budgets (budgeted whole time equivalents) as per SFI 6.1.1 h)

15.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive as set out in the Scheme of Delegation contained within SO's.

15.3 Staff Appointments

15.3.1 Staff must only be engaged by authorised managers, in accordance with the Board's Scheme of Delegation. The engagement must be within the approved budget and funded establishment.

15.3.2 No Board member or HEIW official may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration outside the limit of their approved budget and funded establishment unless authorised to do so by the Chief Executive.

15.4 Pay Rates and Terms and Conditions

15.4.1 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees in accordance with pay, terms and conditions set out in contractual arrangements in Ministerial directions on Agenda for Change and Medical and Dental pay, and any staff with pre-existing terms and conditions of service, following a TUPE transfer into employment or ad hoc salaried staff.

15.4.2 The Remuneration Committee will determine pay rates and conditions of services for board members, and other senior employees, in accordance with ministerial instructions.

15.5 Payroll

15.5.1 The Director of Workforce and Organisational Development, has responsibility for securing an efficient, well-controlled payroll service from NHS Wales Shared Services Partnership that:

- pays the correct staff with the correct amount
- all payments are supported by properly authorised documentation

15.5.2 The Director of Workforce and Organisational Development is responsible for:

a) The control framework and detailed procedures which are in place to:
   - To ensure all payments comply with HMRC, Pensions Agency and other regulation in relation to the deduction and payment of

tax, national insurance, pension or other payments.
- reduce the risk of fraud and error within the payroll function

b) Specifying timetables for submission of properly authorised time records and other notifications;

c) The final determination of pay and allowances including verification that the rate of pay and relevant conditions of service are in accordance with current agreements;

d) Agreeing the timing and method of payment with the payroll service;

e) Authorising the release of payroll data where in accordance with the provisions of the applicable Data Protection Legislation (the Data Protection Act 2018 and the UK General Data Protection Legislation);

f) Verification and documentation of data;

g) The timetable for receipt and preparation of payroll data and the payment of employees and allowances;

h) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

i) Security and confidentiality of payroll information;

j) Checks to be applied to completed payroll before and after payment; and

k) A system to ensure the recovery from those leaving the employment of HEIW of sums of money and property due by them to HEIW.

15.5.3 The Chief Executive is responsible for:

a) Ensuring that arrangements for a payroll service from NHS Wales Shared Services Partnership (NWSSP) is supported by appropriate Service Level Agreements, terms and conditions, adequate internal controls and internal audit review procedures;

b) Ensuring a sound system of internal control and audit review of any internally provided payroll service; and

c) Maintenance and/or the authorisation of regular and independent

reconciliation of pay control accounts.

15.5.4 Appropriately nominated managers have delegated responsibility for:

a) Submitting time records, and other notifications in accordance with agreed timetables;

b) Completing time records and other notifications in accordance with the Service Level Agreements; and

c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Workforce and Organisational Development and/or Chief Executive must be informed immediately. In circumstances where fraud is suspected, this must be reported to the Director of Finance.

15.6 Contracts of Employment

15.6.1 The Director of Workforce and Organisational Development must:

a) Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and

b) Deal with variations to, or termination of, contracts of employment.

16. CAPITAL PLAN, CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

16.1 Capital Plan

16.1.1 Capital plans, and annual capital programmes, must be approved by the Board before the commencement of a financial year and should be in line with the objectives set out in the approved Plan for the organisation. The capital plan and programmes must be delivered within Welsh Government capital finance resource limits.

16.1.2 The Director of Planning (or nominated responsible director) will develop a capital plan, and detailed capital programme, for the organisation that sets out a detailed capital investment plan to support the objectives set out in the Plan. The capital programme must be affordable and within the capital allocations, as set out in the Welsh Government (WG) Capital Resource Limit for the year, and the HEIW must not exceed the allocation resource limit. There must be an approved revenue funding plan in place to support any revenue costs associated with the capital plan. Regular updates must be provided to the Board, and relevant Board Committees, during the financial year.

16.1.3 The Board must approve a three year Capital Plan, and an annual Capital Programme.

16.2 Capital Investment Decisions

16.2.1 Robust business case and capital investment appraisal must be undertaken prior to formal submission to Welsh Government, the level of detail within the appraisal commensurate with the value and risk of the investment. Capital investment decisions should be undertaken in line with Welsh Government requirements and guidance for the development of business cases as set out in

- NHS Wales Infrastructure Investment Guidance (Welsh Health Circular WHC (2018) 043) https://gov.wales/nhs-wales-infrastructure-investment-guidance
- Better business cases: investment decision-making framework https://gov.wales/better-business-cases-investment-decision-making-framework

16.2.2 The Director of Finance must provide a professional opinion on the financial elements of the business case. Capital investment decisions will be taken by the organisation in line with the financial thresholds specified by Welsh Government and in the Health Board's Scheme of

Delegation.

16.3 Capital Projects

16.3.1 The Chief Executive shall ensure that any capital investment above the Welsh Ministers' delegated limit is not undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received.

16.3.2 When capital investment decisions are taken and a Capital Programme approved the Project cannot be initiated until the authority to commit expenditure is formally delegated to a manager, in line with the organisation's Scheme of Delegation. The capital project must then be procured in line with normal procurement procedures or the Designed for Life or other approved procurement framework and in line with Welsh Government requirements and guidance and the applicable procurement legislation. Management control and financial reporting systems must be established to ensure that the project is:

- delivered on time
- on budget
- within contractual obligations.

16.3.3 Project management controls and financial reporting systems must be established to ensure these objectives are met. Reporting requirements to Welsh Government will be set out in the approval letter provided post Ministerial approval.

16.3.4 Regular updates must be provided to the Board, and relevant Board Committees, during the financial year

16.4 Capital Procedures and Responsibilities

16.4.1 The Chief Executive:

a) Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;

b) Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;

c) Shall ensure that any capital investment above the Welsh Ministers' delegated limit (i.e. other than discretionary capital) is not undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received;

d) Shall ensure that the three year Capital Plan, and detailed annual capital programme is approved by the Board, as part of the Plan, prior to the commencement of the financial year;

e) Shall ensure the availability of resources to finance all revenue consequences of the investment, including capital charges; and

f) Shall ensure that any 3rd party use of NHS estate is properly controlled, reimbursed and reported. This will include ensuring that appropriate security, insurance and indemnity arrangements are in place and that there is a written agreement as to each party's responsibilities and liabilities.

16.4.2 For every capital expenditure proposal the Chief Executive shall ensure:

a) That a business case is produced in line with Welsh Ministers' guidance and where appropriate the 5-case Model;

b) That the Director of Finance has sought appropriate professional advice from HEIW and external agencies in the preparation of capital expenditure costs, and on that basis professionally certifies the capital costs and revenue consequences detailed in the business case.

16.4.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management in accordance with the Welsh Ministers' guidance.

16.4.4 The approval of a capital programme by HEIW Board shall not constitute approval for the initiation of expenditure on any scheme.

16.4.5 The Chief Executive shall issue to the manager responsible for any scheme:

a) Specific authority to commit expenditure;

b) Authority to proceed to tender; and

c) Approval to accept a successful tender.

16.4.6 The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Welsh Ministers' guidance and HEIW's SOs.

16.4.7 The Director of Planning and Director of Finance shall issue detailed

procedures governing the project, financial and contractual management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the requirements and delegated limits for capital schemes set out in Welsh Ministers' guidance and approval letters. The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure – and where applicable, provide returns to the Welsh Government.

16.4.8 The Director of Finance shall ensure, for each capital project over £2m, that the Welsh Government Project Bank Accounts policy is applied unless there are compelling reasons not to do so. The Director of Finance should apply to Welsh Government officials for exemption from use of Project Bank Accounts, setting out the compelling reasons.

16.5 Capital Financing with the Private Sector

16.5.1 HEIW must not enter into any new capital financing arrangements with the private sector, including Private Financing Initiatives, Mutual Investment Model and 3rd Party Developments, without the consent of the Welsh Ministers.

16.6 Asset Registers

16.6.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Planning and Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted periodically.

16.6.2 HEIW shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be in accordance with the Welsh Ministers' guidance and to satisfy the financial disclosure requirements for the Annual Accounts.

16.6.3 Additions to the fixed asset register must be clearly identified to the operational or departmental manager or delegated budget holder and be validated by reference to appropriate documentation to provide evidence of the financial value recorded, including:

a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;

b) Stores, requisitions and wages records for own materials and labour including appropriate overheads; and

c) Lease agreements in respect of assets held under a finance lease and included on HEIW's balance sheet.

16.6.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). Disposal receipts are to be treated in accordance with the Welsh Ministers' guidance.

16.6.5 The Director of Finance shall apply accounting policies for fixed assets in line with Welsh Government guidance and accounting standards and values recorded in the asset register, including depreciation and revaluations. The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

16.6.6 The value, and depreciation, of each asset shall be considered annually in accordance with valuation guidance and methods specified by the Welsh Ministers. Assets should be considered for early revaluation where there is the likelihood of impairment as a result in a change of valuation or asset life.

16.7 Security of Assets

16.7.1 The overall control of fixed assets is the responsibility of the Chief Executive.

16.7.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:

a) Recording managerial responsibility for each asset;

b) Identification of additions and disposals;

c) Identification of all repairs and maintenance expenses;

d) Physical security of assets;

e) Regular verification of the existence of, condition of, and title to, assets recorded;

f) Identification and reporting of all costs associated with the retention

of an asset; and

g) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

16.7.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Planning and Director of Finance.

16.7.4 Whilst individual officers have a responsibility for the security of property of HEIW, it is the responsibility of Board members and senior HEIW officers in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.

16.7.5 Any damage to HEIW's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and HEIW officers in accordance with the procedure for reporting losses.

16.7.6 Where practical, assets should be marked as HEIW property.

17 STORES AND RECEIPT OF GOODS

17.1 General position

17.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

a) Kept to a minimum;
b) Subjected to annual stock take; and
c) Valued at the lower of cost and net realisable value.

17.2 Control of Stores, Stocktaking, condemnations and disposal

17.2.1 Subject to the responsibility of the Director of Finance for the systems of financial control, overall responsibility for the control of stores shall be delegated to a senior officer by the Chief Executive. The day-to-day responsibility may be delegated by them to departmental officers/managers and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any fuel oil and coal of a designated estates manager.

17.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager. Wherever practicable, stocks should be marked as health service property.

17.2.3 The Director of Finance is responsible for developing financial control systems and procedures for the regulation and operation of the stores, to include the accounting arrangements for receipt, issues, and returns of goods to stores and losses.

17.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.

17.2.5 Where a complete system of controlled stores is not justified, alternative stores arrangements shall require the approval of the Director of Finance.

17.2.6 The designated officer/manager shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated officer/manager shall report to the Director of Finance any evidence of significant overstocking and of

any negligence or malpractice (see also overlap with SFI 18, Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

17.3 Goods supplied by an NHS supplies agency

17.3.1 For goods supplied via NHS Wales Shared Services Partnership – Procurement Services (NWSSP-PS) or any other NHS purchasing and supplies agency central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance or authorised officer who shall satisfy himself that the goods have been received before accepting the recharge.

18. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

18.1 Disposals and Condemnations

18.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets and goods, including condemnations, and ensure that these are notified to managers.

18.1.2 When it is decided to dispose of a HEIW asset and goods, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

18.1.3 All unserviceable assets and goods shall be:

a) Condemned or otherwise disposed of by an officer, the Condemning Officer, authorised for that purpose by the Director of Finance;

b) Recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the asset and goods are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second officer authorised for the purpose by the Director of Finance.

18.1.4 The Condemning Officer shall satisfy themselves as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

18.2 Losses and Special Payments

18.2.1 Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for NHS Wales or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments, and special notation in the accounts to draw them to the attention of the Welsh Government.

18.2.2 The Director of Finance is responsible for ensuring procedural instructions on the recording of and accounting for losses and special payments are in place; and that all losses or special payments cases are properly managed in accordance with the guidance set out in the Welsh Government's Manual for Accounts.

18.2.3 Any officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and/or the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or the Chief Executive.

18.2.4 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the Local Counter Fraud Specialist (LCFS) and the CFS Wales Team accordance with Directions issued by the Welsh Ministers on fraud and corruption.

18.2.5 The Director of Finance or the LCFS must notify the Audit & Assurance Committee, the Auditor General's representative and the fraud liaison officer within the Welsh Government's Health and Social Services Group Finance Directorate of all frauds.

18.2.6 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must notify:

a) The Audit & Assurance Committee on behalf of the Board, and

b) An Auditor General's representative.

18.2.7 The Director of Finance shall be authorised to take any necessary steps to safeguard HEIW's interests in bankruptcies and company liquidations.

18.2.8 The Director of Finance shall ensure all financial aspects of losses and special payments cases are properly registered and maintained on the centralised Losses and Special Payments Register and that 'case write-off' action is recorded on the system (i.e. case closure date, case status, etc.).

18.2.9 The Audit Committee shall approve the writing-off of losses or the making of special payments within delegated limits determined by the Welsh Ministers and as set out by Welsh Government in its Losses and Special Payments guidance as detailed in Schedule 3 of the SOs.

18.2.10 For any loss or special payments, the Director of Finance should consider whether any reimbursement claim could be made from the Welsh Risk Pool or from other commercial insurance arrangements.

18.2.11 No losses or special payments exceeding delegated limits shall be authorised or made without the prior approval of the Health and Social Services Group Director of Finance.

18.2.12 All novel, contentious and repercussive cases must be referred to the Welsh Government's Health and Social Services Group – Finance Directorate, irrespective of the delegated limit.

18.2.13 The Director of Finance shall ensure all losses and special payments are reported to the Audit & Assurance Committee at every meeting.

18.2.14 HEIW must obtain the Health and Social Services Group Director General's approval for special severance payments.

19. DIGITAL, DATA and TECHNOLOGY

19.1 Digital Data and Technology Strategy

19.1.1 The Board shall approve a Digital Data and Technology Strategy which sets out the development needs of HEIW for the medium term based on an appropriate assessment of risk. The agreed plans shall include costed implementation plans of the strategy. The Board shall also ensure that a Director has responsibility for Digital Data and Technology.

19.1.2 HEIW shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about HEIW that are made publicly available.

19.2 Responsibilities and duties of the responsible Director

19.2.1 The responsible Director for Digital Data and Technology has responsibility for the accuracy, availability and security of HEIW digital systems and data and shall:

a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection and availability of HEIW's digital systems and data for which they are responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Network and Information Systems Regulations 2018, the UK General Data Protection Legislation and any relevant domestic law considerations via the Data Protection Act 2018;

b) Ensure that, following risk assessment of threats, adequate (reasonable) controls exist over access to systems, data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;

c) Ensure that an adequate management (audit) trail is maintained of access to digital systems and data and that such audit reviews as the Director may consider necessary to meet the organisational requirements under the Network and Information Systems Regulations 2018 are being carried out.

d) Shall ensure that policies, procedures and training arrangements

are in place to ensure compliance with information governance law and Network and Information Systems Regulations 2018; and

e) Shall ensure comprehensive incident reporting.

19.3 Responsibilities and duties of the Director of Finance

19.3.1 The Director of Finance shall need to ensure that new financial data and systems and amendments to current financial data and systems are developed in a controlled manner and thoroughly tested prior to implementation and business as usual phases. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation and business as usual phases.

19.4 Contracts for data and digital services with other health bodies or outside agencies

19.4.1 The responsible Director for Digital Data and Technology shall ensure that contracts for data and digital services for clinical, management and financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for

- the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage, and
- the availability of the service including the resilience required to maintain continuity of the service.

The contract should also ensure rights of access for audit purposes.

19.4.2 Where another health organisation or any other agency provides a data or digital service for clinical, management and financial applications, the responsible Director for Digital Data and Technology shall, to maintain the confidentiality, integrity and availability of the service provided, periodically seek assurances that adequate controls, based on risk assessment, are in operation.

19.5 Risk assurance

19.5.1 The responsible Director for Digital Data and Technology shall ensure that the risks to HEIW arising from the use of data, information and IT are effectively identified and considered and that appropriate action is taken to mitigate or control risk. This shall include the preparation and testing of appropriate resilience plans, including both a business continuity and disaster recovery plan.

20. FUNDS HELD ON TRUST (CHARITABLE FUNDS)

20.1 Corporate Trustee

20.1.1 Paragraph (iii) of Section A to the SOs refers to HEIW having specified powers to act as corporate trustee for the management of funds it holds on trust (charitable funds). SFI 20.2 defines the need for compliance with Charities Commission latest guidance and best practice.

20.1.2 The discharge of HEIW's corporate trustee responsibilities for funds held on trust are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

20.1.3 HEIW shall establish a Charitable Funds Committee as set out in Standing Order 3.4 to ensure that each fund held on trust which HEIW is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

20.2 Accountability to Charity Commission and the Welsh Ministers

20.2.1 The trustee responsibilities must be discharged separately and full recognition given to HEIWs dual accountabilities to the Charity Commission for charitable funds and to the Welsh Ministers for exchequer funds.

20.2.2 The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Board members and HEIW officers must take account of that guidance before taking action.

20.2.3 HEIW shall make appropriate arrangements for the Annual Accounts and audit of Funds held on Trust in accordance with Charity Commission requirements.

20.3 Applicability of Standing Financial Instructions to funds held on Trust

20.3.1 In so far as it is possible to do so, most of the sections of these SFIs will apply to the management of funds held on trust.

20.3.2 The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

21. RETENTION OF RECORDS

21.1 Responsibilities of the Chief Executive

21.1.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with the Welsh Ministers' guidance, the UK General Data Protection Legislation and any relevant domestic law considerations via the Data Protection Act 2018 and the Freedom of Information Act 2000 (c. 36).

21.1.2 The records held in archives shall be capable of retrieval by authorised persons.

21.1.3 Records held shall only be destroyed in accordance with the applicable data protection laws and at the express instigation of the Chief Executive. Details shall be maintained of records so destroyed.

REVISED GENERAL CONSENT TO ENTER INDIVIDUAL CONTRACTS

Y Grŵp Iechyd a Gwasanaethau Cymdeithasol
Health & Social Services Group

Llywodraeth Cymru
Welsh Government

Directors of Finance
Deputy Directors of Finance
Local Health Boards, NHS Trusts Wales & HEIW

Our Ref: SE&IG/

Date: 30 November, 2020

Dear All

RE: PROCESSES FOR LOCAL HEALTH BOARDS AND NHS TRUSTS CONTRACTS, AND INTERESTS IN PROPERTY EXCEEDING £0.5M

Paragraph 13(3) of Schedule 2 to the National Health Service (Wales) Act 2006 places a requirement on Local Health Boards (LHBs) to obtain the consent of Welsh Ministers before:
- Acquiring and disposing of property;
- Entering into contracts; and
- Accepting gifts of property (including property to be held on trust).

Acquiring and disposing of property

WHC (2018) 043 NHS Wales Infrastructure Investment Guidance issued 22 October 2018 sets out at section 10.1:

BUDDSODDWYR MEWN POBL | INVESTORS IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 03000 253245
Steve.elliot@wales.gov
Gwefan • website:
www.wales.gov.uk

LHBs and HEIW
Contract approvals over £1m for individual schemes will be sought as part of the normal business case submission process where funding from the NHS Capital Programme is required. For schemes funded via discretionary allocations, a request for approval will need to be submitted to Chief Executive NHS Wales, copying in the Deputy Director of Capital, Estates & Facilities Division.

Detailed arrangements in respect of approval process linked to the acquisition and disposal of leases, where consent does not form part of the business case process will be included in a Welsh Health Circular WHC(2015)031. Organisations should ensure that the monitoring arrangements and the requisite forms and returns are included as part of their own assurance arrangements.

NHS Trusts
Whilst formal Ministerial consent is not required for Trusts as detailed above, general consent arrangements are still applicable in terms of relevant transactions. Detailed requirements in terms of appropriate notifications were sent in the Welsh Health Circular referenced above.

Guidance on disposals is contained in Section 11

WHC (2015) 031 issued 22 June 2015 clarified the approval process linked to the acquisition or disposal of a lease, where approval does not form part of a business case process. A lease being a property right requires the consent of the Welsh Ministers in accordance with paragraph 13(2) (a). The WHC set out for NHS Trusts and LHBs a notification and consent process mirroring the contract processes noted below.

Entering into contracts
Guidance was issued to NHS Wales bodies on 27th January 2017 in a letter to Directors of Finance issued jointly by the Deputy Directors of Finance and Capital Estates and Facilities. This letter now updates that guidance to reconfirm to all NHS Wales bodies that the authorisation and consideration of notified contracts and applications for the acquisitions or disposals of a lease or any interest in property are delegated to the Director General, Health and Social Services Group.

The Director General may, as with any other matter relating to the operation of the NHS in Wales, brief the Minister for Health and Social Services on any arrangement of particular policy note, or with a novel, contentious or innovative nature.

Accordingly any issues relevant to the exercise of the Minister for Health and Social Service's consent will, as a matter of course, be drawn to his attention.

The process which NHS Wales bodies entering into contracts must follow is:

- All NHS contracts (unless exempt) >£1m in total to be notified to the Director General HSSG prior to tendering for the contract;
- All eligible LHB and HEIW contracts >£1m in total to be submitted to the Director General HSSG for consent prior to award;
- All eligible NHS Trust contracts >£1m in total to be submitted to the Director General HSSG for notification prior to award; and
- All eligible NHS contracts >£0.5m in total to be submitted to the Director General HSSG for notification prior to award.

The requirement for consent does not apply to any contracts entered into pursuant to a specific statutory power, and therefore does not apply to:

(i) Contracts of employment between LHBs and their staff;
(ii) Transfers of land or contracts effected by Statutory Instrument following the creation of LHBs;
(iii) Out of Hours contracts; and
(iv) All NHS contracts; that is where one health services body contracts with another health service body.

For non- capital contracts requiring DG approval, the request for approval or notification should be sent to Rob Eveleigh in the Financial Control and Governance team : Robert.Eveleigh@gov.wales

Kind regards,

Steve Elliot & Ian Gunney
Diprwy Cyfarwyddwr Cyllid - Deputy Director of Finance
Dirprwy Gyfarwyddwr, Cyfalaf Ystadau a Cyfleusterau - Deputy Director Capital Estates & Facilities
Finance Directorate / Cyfarwyddiaeth Cyllid
Y Grwp Iechyd a Gwasanaethau/Health and Social Services Group

HEIW - SHA

Review of NHS Wales HEIW Model Standing Financial Instructions –
Table of Amendments, Cross Reference to Legislation and Confirmation of Sections which are not for variation by NHS Body

HEIW - SHA

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
1.1.1	1.1.1	Introduction - General	explicit cross reference to Schedule 2.1 of SOs	N/A
2.1.1	2.1.1	The Board	Wording expanded to be more explicit about approving plans etc.	N/A
2.1.2	2.1.2	The Board	Clarifying arrangements for delegation, that is those matters not reserved to Board	N/A
3.1.1	3.1.1	Audit Committee	Hyperlink to NHS Wales Audit Committee Handbook inserted	N/A
3.2.1	3.2.1	Chief Executive	Section updated to latest Public Sector Internal Audit Standards & hyperlink inserted	N/A
3.3.1	3.3.1	Internal Audit	Section updated to latest Public Sector Internal Audit Standards	N/A
3.4.4	3.4.3	External Audit	Section deleted as Audit Wales produce an annual audit plan for audited bodies, an audit strategy is not used.	N/A
	3.4.8 & 3.4.9	External Audit	New paragraphs added to LHB & Trust SFIs - from the 2018 HEIW SFI. To ensure consistency, where appropriate, across LHB, NHS Trusts and HEIW SFIs	N/A
3.4.10	3.4.11	External Audit	reference included for "Structured Assessments"	N/A
3.5.2	3.5.2	Fraud and Corruption	Section corrected to link Local Counter Fraud Specialist (LCFS) requirement to Directions to NHS bodies on Counter Fraud Measures 2005 - not Counter Fraud manual	N/A
3.5.3	3.5.3	Fraud and Corruption	Section updated to latest name for NHS Counter Fraud Authority NHSCFA	N/A

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
3.5.4	3.5.4	Fraud and Corruption	explicit reference to "proactive and reactive" counter fraud work	N/A
3.5.5	3.5.5	Fraud and Corruption	section updated to latest requirement to participate in National Fraud Initiative(NFI)	N/A
4 & 5	4	Alloctions & Financial Duty & Integrated Planning Chapters	Section added for HEIW	N/A
6	6	Financial Management & Budgetary Control	Chapter heading and contents updated in language to be consistent with that used in NHS financial management and reporting. "Budgetary Control" in the way wording was used and structured was more 1980s and 1990s style.	N/A
	6.1	Budget Setting	Section updated and enhanced to include specific reference to Board approved plans and business cases, Well-being of Future Generations Act etc.	Well Being and Future Generations Act (2015)
	6.2	Budgetary Delegation	Tidy up of section to include relevant delegation requirements from Chief Executive to budget holders & letters of accountability	N/A
	6.3	Financial Management, Reporting and Budgetary Control	Section updated and enhanced to reflect current Financial Management rather than just Budgetary Control. The section has more details on financial management reporting including NHS Finance Academy best practice guide to Board financial reporting	N/A
	6.5	Reporting to Welsh Government - Monitoring Returns	Hyperlink to financial monitoring returns circular inserted	
7	7	Annual Accounts	Minor changes to chapter - mainly cross referencing Welsh Government's Manual for Accounts requirements	N/A
8		Shared and Hosted Services Arrangements	Chapter deleted as this is fully covered in Standing Orders Chapter 4 "NHS Wales Shared Services Partnership"	N/A
9	8	Banking Arrangements	Chapter updated to reflect requirement, not option, to use Government Banking Service and also to update to reflect best banking arrangements practice	N/A

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
10	9 & 10	Income, Fees and Charges and Security of Cash, Cheques and other Negotiable Instruments	Chapter split into two for clarity - one on **cash, and handling of cash**, and one on **income and debt recovery**. Previous chapter too mixed up.	N/A
	9.1	General	Section has been updated and enhanced - specifically around use of payment cards	N/A
	10.4	Income Due and Debt Recovery	Explicit reference now included for role of budget holders to inform on income due and on any salary & expenses overpayments	N/A
14	11	Non-Pay Expenditure	Non-Pay Expenditure chapter brought forward to chapter 10 (just before the Procurement chapter). This aligns with Procure To Pay (P2P) process for non pay goods and services - that is the authority to initiate expenditure just before the requisitioning & procuring of those goods and service.	N/A
	11.2	Director of Finance's responsibilities	Elements of responsibility taken out as responsibilities for national systems & national processes now lie with NWSSP	N/A
	11.4	Departures from SFI's	New section - similar section applies in WG SFIs	N/A
11	12 & 14	Grant Funding, Procurement and Contracting for Goods and Services	Grant Funding section transferred to its own separate chapter 14	N/A
11.1, 11.2 & 11.3	14.2, 14.3 & 14.4	Grant Funding	Grant Funding paragraph transfers from Chapter 11 to 14	N/A

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
11	12	Procurement and Contracting for Goods and Services	Chapter rewritten to align with the arrangements in NHS Wales, including clarifying responsibilities of both LHBs and also NWSSP Procurement. Procurement chapter has been reordered so that sections are in line with Procurement Manual, specifically the Procure To Pay (P2P) process.	N/A
	12.1	Procurement Services	New section to clarify responsibilities of both LHBs and also NWSSP Procurement. Also noting that "procurement" also refers to local procurement - for example pharmacy and works who undertake procurement on a devolved basis	N/A
	12.2	Policies and procedures	Reference to Procurement Manual included. **Procurement Manual now replaces Supplementary Guidance as Schedule 1 of the SFIs - thereby formally adopted and incorporated within the SFIs.** Further specific clarification of responsibilities of both LHBs and also NWSSP Procurement	N/A
	12.3	Procurement Principles	Reference made to the primary regulations/guidance the updated - "The Public Contract Regulations (2015, No. 102) and Wales Procurement Policy Statement (WPPS)	The Public Contract Regulations (2015, No. 102)
	12.4	Procurement Regulations and Legislation Governing Public Procurement	Reference made to latest relevant legislation & regulations - "The Public Contract Regulations (2015, No. 102), Well Being and Future Generations Act (2015) as well as other relevant legislation and regulation, e.g. Welsh lanuage (Wales) Measure 2011. Reference to EU Directives removed, focus on PCR (adopted in UK Law)	The Public Contract Regulations (2015, No. 102) and Well Being and Future Generations Act (2015)
	12.5	Procurement Procedures	Responsibility for setting and maintaining and making procedures available with NWSSP. Responsibility for following with HEIW.	N/A
	12.6	Procurement Consent / Notification	Reference to Procurement Manual added and to requirements for HEIW to notify Welsh Government for contracts £1 million, and above, prior to the contract being let. Additional sentence to note notification requirements apply to goods and services procured through public sector contract frameworks.	N/A

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
	12.7	Sustainable Development	Section inserted to emphasise requirement for Sustainable Development & Wellbeing goals. New paragraph detailing requirement to consider the Welsh Government Guidance on Ethical Procurement and the new Code of Practice on ethical employment in supply chains	N/A
	12.9 & 12.10	Planning Procurements & Procurement Process	Procurement Procedures section improved, updated and enhanced into two sections Planning Procurements & Procurement Process - as recommended by NWSSP Procurement professional colleagues	N/A
	12.11	Procurement Thresholds	Additional narrative on application of thresholds now included	N/A
	12.12	Designing Competitions	New section - as recommended by NWSSP Procurement. Details on budget holder responsibilities, performance measures and criteria	N/A
	12.13	Single Quotation or Single Tender Application	New section - as recommended by NWSSP Procurement. Detailing the exceptionality, steps required ,authoristion and reporting requirements etc.	N/A
	12.14	Disposals	New small section - as recommended by NWSSP Procurement.	N/A
	12.15	Evaluation, Approval and Award	New section on Evaluation, Approval and Award which is aligned with detail contained in Procurement Manual.	N/A
	12.16	Contract Management	Additional bullet points added on obligations/actions	N/A
	12.17	Extending & Varying Contracts	New section - as recommended by NWSSP Procurement. Detailing when varying is applicable, limits, process and risks etc.	N/A
	12.18	Transactional Processes - Requisitioning	Clarified as part of the core transactional processes and separated to provide greater emphasis i.e. supportive of No PO No Pay Policy. Also supported by Finance Academy Transactional Process Manual	N/A
	12.19	No Purchase Order, No Pay	New section to ensure compliance with 'No Purchase Order, No Pay' policy	N/A
	14.1	Grant Funding - Legal Advice	New section emphasising need, under Grant Funding, to seek legal advice and to follow grants toolkit.	N/A
	15.1.5	Remuneration and Terms of Service Committee	New paragraph defining role for Committee on redundancy cases, Voluntary Early Release applications as well as any novel employment and pay cases, such as compromise agreements and non-disclosure agreements	N/A
	15.3.1	Staff Appointments	New paragraph linking staff appointment to authorisation in accordance with Scheme of Delegation	N/A

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
	15.4.2	Pay Rates and Terms and Conditions	New paragraph on pay for board members, and other senior employees- linking to paragraphs 15.1.2 and 15.1.3	N/A
	15.5.1	Payroll	Defining payroll service from NHS Wales Shared Services Partnership	N/A
	15.5.2	Payroll	Explicit reference to comply with HMRC, Pensions Agency and other regulations etc	N/A
	15.5.3	Payroll	Reference to Service Level Agreement, not contract, for payroll service from NHS Wales Shared Services Partnership	N/A
	16.1, 16.2 & 16.3	Capital Investment, Fixed Asset Registers and Security of Assets	Additional sections added to the chapter on Capital Plan(16.1), Capital Investment Decisions(15.2) and Capital Projects(16.3). These comprehensive additions include aligning with Planning Framework, NHS Wales Infrastructure Investment Guidance and Better Business Cases (including hyperlinks to both)	N/A
	16.4	Capital Investment Procedures and Responsibilities	Explicit reference for CEO responsibility to ensure Capital Plan approved by Board, and for Directors of Planning and Finance to issue detailed procedures.	N/A
	16.4.8	Capital Procedures and Responsibilities	Reference included to application of Welsh Government Project Bank Accounts policy on capital schemes greater than £2m	N/A
	16.5	Capital Financing with the Private Sector	Reference made to the new Mutual Investment Model within this section.	N/A
	16.6	Asset Registers	Responsibilities explicitly identified and updated in this section	N/A
	17.2.3	Control of Stores, Stocktaking, condemnations and disposal	Director of Finance responsibilites paragraph expanded	N/A

Previous Paragraph Reference	New Paragraph Reference	Section Heading	Reason for Amendment (if applicable)	Cross reference to legislation
	18	Disposals and Condemnations, Losses and Special Payments	Chapter updated to reflect current names for Welsh Government, the Health & Social Services Group etc. Also emphasised that disposals and condemnation applied to assets and goods, not just assets.	N/A
	19	Informatics and Digital	Chapter updated to reflect current landscape, and naming convention, from "Information Management and Technology" to "Digital, Data and Technology". Chapter more focused on informatics, and the governance thereof, rather than IM&T (in the traditional sense of IT etc)	N/A
	19.2	Responsibilities and duties of the responsible Director	References updated to include Network and Information Systems Regulations 2018, General Data Protection Regulations and any relevant domestic law considerations via the Data Protection Act 2018.	Network and Information Systems Regulations 2018, Data Protection Act 2018
	20	Funds Held on Trust (Charitable Funds)	Minor wording changes - reflect they are called both Funds Held on Trust & Charitable Funds. Added reference to Annual Accounts requirement	N/A
	21	Retention of Records	References updated to Data Protection Act 2018.	Data Protection Act 2019
	Schedule 1	General Consent to Enter Individual Contracts	Letter of 30 November 2020 added	

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

Meeting Date	**21 July 2021**	**Agenda Item**	**2.8**
Report Title	**Updated Standing Orders**		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To present the Audit and Assurance Committee with HEIWs' draft updated Standing Orders in accordance with the recently issued Model Standing Orders by Welsh Government for consideration.		
Key Issues	Revised Model Standing Orders have recently been issued by Welsh Government. In line with this, HEIWs' Standing Orders have been reviewed and updated to account for changes made to the Model versions and any local amendments. The Audit and Assurance Committee is requested to consider the updated Standing Orders prior to their onward submission to the July Board for final approval.		

Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
				✓

Recommendations	The Audit and Assurance Committee is asked to: • **Review** the amendments made to HEIWs' Standing Orders; and • **Recommend** the revised version of HEIWs' Standing Orders to the Board for approval at its meeting on the 29th July.

UPDATED STANDING ORDERS

1. INTRODUCTION

While there is a requirement to keep Standing Orders under annual review to ensure they remain accurate and current, revised Model Standing Orders have recently been reviewed by Welsh Government in association with representatives of the Board of Secretaries peer group. These revised model documents were issued in accordance with the Minister for Health and Social Services powers of direction in correspondence dated 7th April 2021.

In line with this, HEIWs' Standing Orders have been reviewed and updated to reflect the changes made to the model versions and any local amendments.

2. BACKGROUND

It is necessary to ensure that NHS Wales organisations' Model Standing Orders are kept up to date. Given this HEW is required to review its Standing Orders against these Model Standing Orders on an annual basis.

3. PROPOSAL

Standing Orders

HEIWs' Standing Orders have been reviewed and updated in light of Welsh Government's revised Model Standing Orders together with local amendments. A copy of the updated Standing Orders with the amendments tracked is attached at Appendix 1.

Additional background information in respect of the amendments to the Standing Orders are detailed below.

<u>General</u>

The Standing Orders have been updated for latest legislation and regulations with new wording and hyperlinks inserted where necessary, for example to new or revised legislation, and wording ha also amended to reflect correct or revised titles for organisations.

<u>Forward</u>

- Paragraph 1 – the reference to all or any of the standing orders has been removed as provisions must comply with the Regulations and Directions and HEIW may not revoke all of the Standing Orders.

<u>Section A – Introduction</u>

Statutory Framework

- Paragraph vi – has been amended to confirm the legal provisions concerning membership and procedures of HEIW.
- Paragraph xii – (Indemnity for the Chair or an Independent Member) has been moved to paragraph 1.4.4.

NHS Framework

- Paragraph xv – the paragraph has been amended to reference HEIWs' legal duties under the Well-being of Future Generations (Wales) Act 2015 and to remove reference to the restructured NHS.
- Paragraph xvi – has been added for consistency with Trust Model Standing orders.
- Paragraph xvii – updated link to NHS Wales Governance E-manual.

Applying Standing Orders

- Paragraph xx – this paragraph has been amended to reflect the view that HEIW does not have authority to establish joint committees.
- Paragraph xxii – has been added to emphasis the fact failure to comply with Standing Orders is a disciplinary matter that could result in an individual's dismissal from employment or removal from the Board.

The Role of the Board Secretary

- Paragraph xxvii – has been updated to reflect the view that the Board Secretary is directly accountable to the Chair, and reports on a day to day basis to the Chief Executive. It has been amended to ensure consistency with Model Board Secretary Role Profile and to ensure consistency with amendments made to Local Health Board Trust Model Standing Orders.

<u>Section B – Standing Orders</u>

1.1- Membership of Health Education and Improvement Wales Board

- Paragraph 1.1.1 – has been updated to reflect the Ministers new title.
- Paragraph 1.1.3 – this paragraph clarifies that Officer Members may be appointed by the Chair and Non-Office Members, complying with Regulation 3(1)(d) of the HEIW Regulations 2017.
- Paragraph 1.1.5 – wording has been added here to reflect the view of the Minister that it is not normally appropriate for a Non-Officer Member to service on the Board of more than one NHS body in Wales.
- Paragraph 1.1.6 – has been updated to reflect the Ministers new title.

1.2- Joint Membership

- Section 1.2 - has been added to ensure consistency with Model Trust and Local Health Board Standing Orders and clarifies the position when a Board role is shared between more than one person.

1.3– Tenure of Board Members

- Paragraph 1.3.1 – has been updated to reflect the Ministers new title.
- Paragraph 1.3.4 – reflects the fact the eligibility requirements are specified in Schedule 1 of the HEIW Regulations. HEIW does not have a Constitution Regulation.

1.4 - The Role of the HEIW Board and Responsibilities of Individual Members

- Paragraph 1.4.4 – This paragraph on Chair and Independent Member indemnity has been moved from Section A paragraph xii to ensure consistency with the Model Local Health Board and Trust MSO's.

2- Reservation and Delegation of HEIW Functions

- Paragraph 2.0.4 - on Shared and Hosted Service Agreements has been removed and added at Section 4.
- Paragraph 2.2.2 - has been amended to reflect the view HEIW does not have the authority to establish joint committees.

3- Committees

- Paragraph 3.1.2 – has been updated to reflect the view HEIW does not have the authority to establish joint committees.
- Paragraph 3.3.6 – wording has been added to reflect the view Committee membership should not be drawn HEIW officers or executive directors. The wording is consistent with Model Standing Orders for Local Health Boards and Trusts.

4- NHS Wales Shared Services Partnership

- Section 4 – has been moved from paragraph 2.0.4 and updated to reflect amendments to the Regulations.

6 – Meetings

- Paragraph 6.1.1 – the second bullet point of this paragraph has been amended to reflect that meetings may be held virtually.
- Paragraph 6.1.1 – the third bullet point has been amended to reflect accessible formats may be provided when required and requested.
- Paragraph 6.2.4 – has been amended to reflect practice in NHS Wales and to ensure consistency with Local Health Board and Trust Model Standing Orders.
- Paragraph 6.2.5 – the date of the AGM has been amended to ensure consistency with Local Health Boards and Trusts and Chapter 3 of the Manual for Accounts.
- Paragraph 6.2.6 – has been added to ensure consistency with the Public Bodies (Admission to Meetings) Act 1960. It is no longer a requirement of the Act to display hard copies.
- Paragraph 6.2.7 – reference to the Annual Equality Report has been removed to ensure discretion for HEIW and consistency with Local Health Board and Trust Model Standing Orders.
- Paragraph 6.4.4 – has been reworded to widen the scope for all relevant impact assessments to be included.
- Paragraph 6.4.7 – the first bullet has been removed to reflect the Public Bodies (Access to Meetings) Act 1960 no longer requires notice on principle sites.
- Paragraph 6.5.1 – reference to an induction loop system has been removed.
- Paragraph 6.5.13 – has been amended for clarity.

7 – Values and Standards of Behaviour

- Paragraph 7.2.8 – has been amended to accurately reflect the source of the provisions.
- Paragraphs 7.5, 7.7, 7.7.1 and 7.7.5 – have been updated to include reference to sponsorship as per the Amendment to Trust and Local Health Board Standing Orders in September 2019.
- Section 7.6 – has been added to reflect the Amendment to Trust and Local Health Board Standing Orders in September 2019.

8 - Sealing and Signing Documents

- Paragraph 8.0.1 – the wording has been amended to reflect the Scheme of Delegation states decisions and approval for use of the seal is reserved for the Board.
- Paragraph 8.2.2 – has been amended to avoid duplication.

9 - Gaining Assurance on the Conduct of HEIW Business

- Paragraph 9.0.3 – the wording has been amended to ensure consistency with Local Health Board and Trusts MSO's.
- Paragraph 9.1.1 – the wording has been updated to reflect the NHS Wales Internal Audit Standards.
- Paragraph 9.2.3 – the wording has been updated to reflect Welsh Government's new title.
- Paragraph 9.3.3 – the wording has been updated to accurately reflect the names of the Welsh Government organisations.

11 – Review of Standing Orders

- Paragraph 11.0.1 – has been reworded to reflect the need to undertake any required assessment.

Schedule 1 – Scheme of Reservation and Delegation of Powers

Introduction - point iii has been removed to reflect the view HEIW does not have authority to establish joint committees.

Schedule of Matters Reserved to the Board

- 2/2 – HEIW to insert detail here to ensure consistency with other Model Schemes of Delegation.
- 3/18 – The terminology has been amended to reflect the need to agree arrangements for determining how standards are adopted rather than saying HEIW will adopt all standards.
- NA/3 – The need to approve the Governance Framework is a new requirement agreed by the Scheme of Delegation Task and Finish Group.
- 5/9 – Title of the relevant policy to be added here.

- 6/15 – Reference to risk and assurance has been removed to reflect the decision of the Scheme of Delegation Task and Finish Group's decision to separate performance from risk and assurance.
- NA/6 – Added to ensure consistency with Standing Orders and recommendations made by the Scheme of Delegation Task and Finish Group.
- 9/7 – has been amended to ensure consistency with Standing Orders and recommendations made by the Scheme of Delegation Task and Finish Group.
- 11/17 – Amended wording to reflect approval can be delegated to a Committee. The wording has also been amended to refer to concerns and the need to consider health and safety requirements.
- 12/28 – reference to the legal provisions has been updated to include the Welsh Government Manual for Accounts.
- 16/20 – the wording has been updated to reflect Regulation 3(1)(d) and 3(4) of the HEIW Regulations, that non officer members appoint all officer members.
- 17/21 – reference to office members of the Board has been removed and reference to Ministerial Instructions and the Board Secretary has been added.
- NA/22 – has been added to provide clarity on the need to advice Welsh Government of any settlements of £50,000 or more.
- 18/10 – reference to the Board Secretary has been added.
- 20//24 – refence to any joint committee has been removed to reflect the view HEIW does not have authority to establish joint committees.
- 23/27 - refence to any joint committee has been removed to reflect the view HEIW does not have authority to establish joint committees.
- 27/16 – wording has been updated to make reference to HEIWs' framework and strategy for risk and assurance.
- 28 and 29 – have been removed and are now included in 30/12.
- 30/12 – has been updated to include reference to the communication and stakeholder engagement previously contained within provisions 28 and 29.
- 32/31 – the title of the Cabinet Secretary has been changed to Minister.
- 33/32 – the wording has been amended to reference the Standard Financial Instructions in addition to the Scheme of Delegation.
- 35/34 – the wording 'as appropriate' has been added.
- 36/35 – the wording 'as appropriate' has been added.
- 37/36 – the term' significant' has been added to reflect the role of the Committee in receiving more routine reports.
- 41/40 – the wording 'where required' has been added.
- 42/41 – reference has been added to any guidance and directions which may be issued.
- Updated the Director of Nursing title to Director of Nurse and Professional Education.

Schedule 2 – Key Guidance, Instructions and Other Related Documents

- HEIW Framework – a bullet point has been added to include the Equality and Human Rights Policy.

Schedule 3 – Board Committee Arrangements

The Terms of Reference for HEIWs' Committees are subject to an annual review and presented to the Board for approval.

4. GOVERNANCE AND RISK ISSUES

Model Standing Orders are issued by Welsh Ministers to relevant bodies using powers of direction provided under section 12(3) of the National Health Service (Wales) Act 2006. HEIW must agree Standing Orders for the regulation of its proceedings and business. Standing Orders are designed to translate Statutory requirements into day to day operating practice and provide a regulatory framework for the business conduct of HEIW. A sound system of internal control ensures any risks in the achievement of HEIWs' objectives are identified, assessed and managed.

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Board to consider/approve.

6. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Review** the amendments made to HEIWs' Standing Orders; and
- **Recommend** the revised version of HEIWs' Standing Orders to the Board for approval at its meeting on the 29th July.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	✓	✓	✓
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
	✓	✓	✓
Quality, Safety and Patient Experience			
n/a			
Financial Implications			
None			
Legal Implications (including equality and diversity assessment)			
It is essential HEIW complies with directions issued by Welsh Government.			
Staffing Implications			
None.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
n/a			
Report History			
Appendices	• Appendix 1 – Revised HEIW Standing Orders 2021		

Standing Orders

Executive Sponsor & Function:

Board Secretary

Document Author:

Board Secretary

Approved by:

HEIW Board

Approval Date:

28 January 2021

Date of Equality Impact Assessment:

19 March, 2019

Equality Impact Assessment Outcome:

No impact

Review Date:

January 2022

Version: V4

Foreword

The Health Education and Improvement Wales 'HEIW' Regulations 2017 provides that HEIW must make standing orders for the regulation of its proceedings and business.~~, including provision for the suspension of all or any of the standing orders.~~

The HEIW Board must consider and agree to adopt the Standing Orders (SOs) for the regulation of their proceedings and business. They are designed to translate the statutory requirements set out in legislation into day to day operating practice, and, together with the adoption of a Scheme of Decisions reserved to the Board; a Scheme of Delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of HEIW.

These documents form the basis upon which HEIW's governance and accountability framework is developed and, together with the adoption of the HEIW's Values and Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for health organisations in Wales.

All HEIW Board members and officers must be made aware of these Standing Orders and, where appropriate, should be familiar with their detailed content. The Board Secretary will be able to provide further advice and guidance on any aspect of the Standing Orders or the wider governance arrangements within HEIW.

Further information on governance in the NHS in Wales may be accessed at www.wales.nhs.uk/governance-emanual/

Contents

Section A – Introduction

Statutory framework

i) Health Education and Improvement Wales (HEIW) is a Special Health Authority (SHA) that was established on 05 October 2017 and became operational on the 01 October 2018, following a six month period in shadow form under The Health Education and Improvement Wales (Establishment and Constitution) Order 2017 (SI No. 913 (W. 224)) "the Establishment Order".

ii) The principal place of business of HEIW is – Ty Dysgu, Cefn Coed Parc, Nantgarw, Cardiff. CF15 7QQ.

iii) All business shall be conducted in the name of HEIW, and all funds received in trust shall be held in the name of HEIW as a corporate Trustee.

iv) HEIW is a corporate body and its functions must be carried out in accordance with its statutory powers and duties. HEIW's functions are set out in the Establishment Order and in Directions issued by Welsh Ministers.

v) In addition to Directions the Welsh Ministers will issue an annual remit letter and may from time to time issue guidance which HEIW must take into account when exercising any function.

vi) Under powers set out in in section 25(1)(b), 25(2) and 203(9) and (10) of, and paragraphs 3(3) and (4), 5 and 13 of Schedule 5 to the ~~paragraph 3(3)~~section 213(9) and (10) of, and paragraphs 3(3) and (4), 5 amd 13 of Schedule 5 to the NHS (Wales) Act 2006, the Welsh Ministers has made **the Health Education and Improvement (Wales) Regulations 2017 (S.I. 2017/909 (W.221))** ("the Constitution Regulations") which make provision concerning the membership and procedures of HEIW.

vii) In carrying out its duties it will co-operate with others.

viii) Section 72 of the NHS Act 2006 places a duty on NHS bodies, including an SHA to co-operate with each other in exercising their functions.

ix) Section 82 of the NHS Act 2006 places a duty on NHS bodies, including an SHA, and local authorities to co-operate with one another in order to secure and advance the health and welfare of the people of England and Wales.

x) The Welsh Language (Wales) Measure 2011 makes provision with regards to the development of standards relating to the Welsh language. The Welsh Language Standards (No 7) Regulations 2018 for the health sector do not

currently apply to HEIW. ~~It~~ They will apply at a future date but in the interim HEIW will develop a Welsh Language policy/scheme to deliver commitments relating to Welsh language.

xi) As a SHA, HEIW is also bound by any other statutes and legal provisions which govern the way that NHS bodies do business. The powers of NHS bodies established under statute shall be exercised by NHS bodies meeting in public session, except as otherwise provided by these SOs.

~~xii) HEIW shall issue an indemnity to any Chair and Independent Member in the following terms: "A Board or Committee member, who has acted honestly and in good faith, will not have to meet out of their personal resources any personal liability which is incurred in the execution of their Board function. Such cover excludes the reckless or those who have acted in bad faith".~~

NHS framework

~~xiii)~~xii) In addition to the statutory requirements set out above, NHS bodies including SHAs must carry out all business in a manner that enables them to contribute fully to the achievement of the Welsh Government's vision for the NHS in Wales and its standards for public service delivery. The governance standards set for the NHS in Wales are based upon the Welsh Government's Citizen Centred Governance principles. These principles provide the framework for good governance and embody the values and standards of behaviour that is expected at all levels of the service, locally and nationally.

~~xiv)~~xiii) Adoption of the principles will better equip NHS bodies to take a balanced, holistic view of their organisations and their capacity to deliver high quality, safe healthcare services for all its citizens within the NHS framework set nationally.

~~xv)~~xiv) The overarching NHS governance and accountability framework incorporates these SOs; the Schedules of Reservation and Delegation of Powers; SFIs together with a range of other frameworks designed to cover specific aspects. These include the NHS Values and Standards of Behaviour Framework; the *'Doing Well, Doing Better: Standards for Health Services in Wales'* (formally the Healthcare Standards) Framework, the NHS Risk and Assurance Framework, and the NHS planning and performance management systems.

xv) The Welsh Ministers, reflecting their constitutional obligations and legal duties under the Well-being of Future Generations (Wales) Act 2015, ~~have~~ has stated that sustainable development should be the central organising principle for the public sector and a core objective for the ~~restructured~~ NHS in all it does. The Well-being of Future Generations (Wales) Act 2015 explains what is meant by sustainable development and requires bodies that are designated as 'public bodies' under section 6 of the 2015 Act to set well-being objectives and contribute to the achievement of well-being goals.

xvi) HEIW is not considered a public body under the Act but is committed to achieving the Well-being Goals and the Sustainable Development Principle.

xvii) Full, up to date details of the other requirements that fall within the NHS framework – as well as further information on the Welsh Government's Citizen Centred Governance principles - are provided on the NHS Wales Governance e-manual which can be accessed at https://nwssp.nhs.wales/all-wales-programmes/governance-e-manual/. ~~www.wales.nhs.uk/governance-emanual/~~. Directions or guidance on specific aspects of business are also issued in hard copy, usually under cover of a Ministerial letter.

xviii) HEIW will from time to time agree and approve policy statements which apply to the Board members and/all or specific groups of staff employed by HEIW. The decisions to approve these policies will be recorded in the appropriate Board minute and, where appropriate will be considered to be an integral part of HEIW's SOs and SFIs. Details of the key policy statements will be included in Schedule 2.

xix) HEIW shall ensure that an official is designated to undertake the role of the Board Secretary (the role of which is set out in paragraph xxv below).

Applying Standing Orders

xx) The SOs of HEIW (together with SFIs and the Values and Standards of Behaviour Framework), will, as far as they are applicable, also apply to meetings of any formal Committees established by HEIW including any Advisory Groups and~~,~~ sub-Committees~~, joint Committees and joint sub-Committees~~. These SOs may be amended or adapted for the Committees as appropriate, with the approval of the Board. Further detail on the Committees may be found in Schedule 3 of these SOs.

xxi) Full details of any non-compliance with these SOs, including an explanation of the reasons and circumstances must be reported in the first instance to the Board Secretary, who will ask the Audit and Assurance Committee to formally consider the matter and make proposals to the Board on any action to be taken. All Board members and HEIW officers have a duty to report any non-compliance to the Board Secretary as soon as they are aware of any circumstance that has not previously been reported.

~~xxi)~~xxii) **Ultimately, failure to comply with SOs is a disciplinary matter that could result in an individual's dismissal from employment or removal from the Board.**

Variation and amendment of Standing Orders

~~xxii)~~xxiii) Although these SOs are subject to regular, annual review by HEIW,

there may, exceptionally, be an occasion where it is necessary to vary or amend the SOs during the year. In these circumstances, the Board Secretary shall advise the Board of the implications of any decision to vary or amend SOs, and such a decision may only be made by the Board if:

- The variation or amendment is in accordance with regulation 15 of the Constitution Regulations and does not contravene a statutory provision or direction made by the Welsh Ministers;
- The proposed variation or amendment has been considered and approved by the Audit and Assurance Committee and is the subject of a formal report to the Board; and
- A formal notice of motion under Standing Order 5.5.14 has been given.

Interpretation

~~xxiii)~~xxiv) During any Board meeting where there is doubt as to the applicability or interpretation of the SOs, the Chair of HEIW shall have the final say, provided that his or her decision does not conflict with rights, liabilities or duties as prescribed by law. In doing so, the Chair shall take appropriate advice from the Board Secretary and, where appropriate the Chief Executive or the Director responsible for finance (in the case of SFIs).

~~xxiv)~~xxv) The terms and provisions contained within these SOs aim to reflect those covered within all applicable legislation. The legislation takes precedence over these SOs when interpreting any term or provision covered by legislation.

The role of the Board Secretary

~~xxv)~~xxvi) The role of the Board Secretary is crucial to the ongoing development and maintenance of a strong governance framework within HEIW and is a key source of advice and support to the HEIW Chair and other Board members. Independent of the Board, the Board Secretary acts as the guardian of good governance within HEIW:

- Providing advice to the Board as a whole and to individual Board members on all aspects of governance;
- Facilitating the effective conduct of HEIW business through meetings of the Board, its Advisory Groups and Committees;
- Ensuring that Board members have the right information to enable them to make informed decisions and fulfil their responsibilities in accordance with the provisions of these SOs;
- Ensuring that in all its dealings, the Board acts fairly, with integrity, and without prejudice or discrimination;
- Contributing to the development of an organisational culture that embodies public services values and standards of behaviour; and
- Monitoring HEIW's compliance with the law, SOs and the governance

and accountability framework set by the Welsh Ministers.

~~xxvi)~~xxvii) As advisor to the Board, the *Board Secretary's* role does not affect the specific responsibilities of Board members for governing the organisation. The Board Secretary is directly accountable for the conduct of their role to the Chair in respect of matters relating to responsibilities of the Board and its Committees, and ~~Chief Executive, and~~ reports on a day to day basis to the Chief Executive with regard to the wider governance of the organisation and their personal responsibilities.

~~xxvii)~~xxviii) Further details on the role of the Board Secretary within HEIW, including details on how to contact them, are available at www.heiw.nhs.wales

Section B – Standing Orders

1. HEALTH EDUCATION AND IMPROVEMENT WALES

1.0.1 **HEIW's principal role is to take a** strategic approach to developing the Welsh health workforce for now and for the future. Its functions include:

Workforce intelligence – HEIW will be the central, recognised source for information and intelligence about the Welsh health workforce;

Workforce planning – HEIW will provide strategic leadership for workforce planning, working with health boards/trusts and the Welsh Government to produce a forward strategy to transform the workforce to deliver new health and social models of service delivery;

Education commissioning, **planning and delivery** – HEIW will utilise its funding to ensure value for money and the provision of a workforce which reflects future healthcare needs;

Quality management – HEIW will quality manage education and training provision ensuring it meets required standards, and improvements are made where required;

Supporting regulation – HEIW will play a key role representing Wales in liaison with regulators, working within the policy framework established by the Welsh Government. HEIW will also undertake, independently of the Welsh Government, specific regulatory support roles;

Leadership development – HEIW will establish the strategic direction and delivery of leadership development for staff within NHS Wales at all levels;
Careers and widening access – HEIW will provide the strategic direction for health careers and the widening access agenda, delivering an ongoing agenda to promote health careers;

Workforce improvement – HEIW will provide a strategic leadership role for workforce transformation and improvement, and deliver within its functions an ongoing programme to meet that role;

Professional support for workforce and organisational development (OD) in NHS Wales – HEIW will support the professional workforce and OD profession within Wales.

1.0.2 HEIW was established by the Health Education and Improvement Wales (Establishment and Constitution) Order 2017 (SI No. 913 (W. 224)). HEIW must ensure that all its activities are in exercise of those functions or other statutory functions that are conferred on it through directions issued by the Welsh Ministers.

1.0.3 To fulfil this role, HEIW will work with all its partners and stakeholders in the best interests of the population of Wales.

1.1 Membership of Health Education and Improvement Wales Board

1.1.1 The membership of the HEIW Board shall be no more than 12 members comprising the Chair (appointed by the ~~Cabinet Secretary~~Minister for Health and Social Services), the Chief Executive and officer and non-officer members. A Vice Chair may also be appointed by the Board from the existing Independent Board Members.

1.1.2 For the purposes of these SOs, the members of the HEIW Board shall collectively be known as "the Board" or "Board members"; the officer and non-officer members (which will include the Chair) shall be referred to as Executive Directors and Independent Members respectively; and the Chief Officer and the Chief Finance Officer shall respectively be known as the Chief Executive and the Director of Finance. All such members shall have full voting rights. There may also be Associate Members who do not have voting rights.

Officer Members [to be known as Executive Directors]

1.1.3 A total of 5 (including the Chief Executive), appointed by the ~~Board~~Chair and non-officer members.

Non-Officer Members [to be known as Independent Members]

1.1.4 A total of 7 (including the Chair), appointed by the ~~Cabinet Secretary~~Minister for Health and Social Services.

~~1.1.4~~1.1.5 ~~I~~An addition to the eligabilty, disqualification, suspension and removal provisions contained with Regulations 5, 6, 8 and 9 the HEIW Regulations, an individual shall not normally serve concurrently as a non-officer member on the Board of more than one NHS body in Wales.

Associate Members

~~1.1.5~~1.1.6 A total of up to 3 Associate Members may be appointed by the Board to assist in carrying out its functions subject to the agreement of the ~~Cabinet Secretary~~Minister for Health and Social Services. They will attend Board meetings on an ex-officio basis but will not form part of the Board or have any voting rights.

Use of the term 'Independent Members'

~~1.1.6~~1.1.7 For the purposes of these SOs, use of the term 'Independent

Members' refers to the following voting members of the Board:

- Chair
- Vice Chair (if appointed)
- Non-Officer Members

uUnless otherwise stated.

1.2 Joint Post Holders

1.2.1. Where a Board position is shared between more than one person because of their being appointed jointly to a post:

i) Either or both persons may attend and take part in Board meetings;
ii) If both are present at a meeting they shall caste one vote if they agree;
iii) In the case of disagreement no vote shall be caset; and
i)iv) The presence of both or one person will count as one person in relation to the quorum.

1.3 Tenure of Board members

1.3.1. Independent Members ~~and Associate Members~~ appointed by the *Minister for Health and Social Services* shall be appointed for a period specified by the Welsh Ministers, but for no longer than 4 years in any one term. These members can be reappointed but may not hold office as a member or associate member for the same Board for a total period of more than 8 years*, with the exception of those appointed or re-appointed in accordance with Regulation 7 of the* ***National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020.*** *These members will hold office in accordance with the terms of their appointment or re-appointment.* Time served need not be consecutive and will still be counted towards the total period even where there is a break in the term.

~~1.3.1.~~1.3.2. Any Associate Member appointed to the Board under 1.1.5 will be for a period of up to one year, with a maximum term of four years if re-appointed.

~~1.3.2.~~1.3.3. Executive Directors' tenure of office as Board members will be determined by their contract of appointment.

~~1.3.3.~~1.3.4. All Independent Board members' tenure of appointment will cease in the event that they no longer meet any of the eligibility requirements, so far as they are applicable, as specified in Schedule 1 of the ~~Constitution~~ HEIW Regulations. Any member must inform the Chair as soon as is reasonably practicable to do so in respect of any issue which may impact on their eligibility to hold office. The Chair will advise

the Minister in writing of any such cases immediately.

~~1.3.4.~~1.3.5. HEIW will require Independent Board members to confirm in writing their continued eligibility on an annual basis.

1.4. The Role of the HEIW Board and responsibilities of individual members

Role

1.4.1 The principal role of HEIW is set out in SO 1.0.1. The Board's main role is to add value to the organisation through the exercise of strong leadership and control, including:

- Setting the organisation's strategic direction
- Establishing and upholding the organisation's governance and accountability framework, including its values and standards of behaviour; and
- Ensuring delivery of the organisation's aims and objectives through effective challenge and scrutiny of HEIW performance across all areas of activity.

Responsibilities

1.4.2 The Board will function as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board.

1.4.3 Independent Members who are appointed to bring a particular perspective, skill or area of expertise to the Board must do so in a balanced manner, ensuring that any opinion expressed is objective and based upon the best interests of delivering education and improvement in the health service. Similarly, Board members must not place an over reliance on those individual members with specialist expertise to cover specific aspects of Board business, and must be prepared to scrutinise and ask questions about any contribution that may be made by that member.

~~1.4.3~~1.4.4 HEIW shall issue an indemnity to any Chair and Independent Member in the following terms: "A Board [or Committee] member, who has acted honestly and in good faith, will not have to meet our of their personal resources any personal liability which is incurred in the execution of their Board function. Such cover excludes the reckless or those who have acted in bad faith".

~~1.4.4~~1.4.5 Associate Members, whilst not sharing corporate responsibility for the decisions of the Board, are nevertheless required to act in a corporate manner at all times, as ~~are their fellow~~ Board members who have voting rights.

1.4.5~~1~~1.4.6 All Board members must comply with their terms of appointment. They must equip themselves to fulfil the breadth of their responsibilities by participating in appropriate personal and organisational development programmes, engaging fully in Board activities and promoting HEIW within the communities it serves.

1.4.6~~1~~1.4.7 **The Chair** – The Chair is responsible for the effective operation of the Board, chairing Board meetings when present and ensuring that all Board business is conducted in accordance with these SOs. The Chair may have certain specific powers delegated by the Board and set out in the Scheme of Delegation.

1.4.7~~1~~1.4.8 The Chair shall work in close harmony with the Chief Executive and, supported by the Board Secretary, shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

1.4.8~~1~~1.4.9 **The Vice-Chair** – The Vice-Chair shall deputise for the Chair in their absence for any reason and will do so until either the existing chair resumes their duties, or a new chair is appointed.

1.4.9~~1~~1.4.10 **Chief Executive** – The Chief Executive is responsible for the overall performance of the executive functions of HEIW. They are the appointed Accountable Officer for HEIW and shall be responsible for meeting all the responsibilities of that role, as set out in their Accountable Officer Memorandum.

1.4.10~~1~~1.4.11 **Lead roles for Board members** – The Chair will ensure that individual Board members are designated as lead roles or "champions" as required by the Welsh Ministers or as set out in any statutory or other guidance. Any such role must be clearly defined and must operate in accordance with the requirements set by HEIW, the Welsh Ministers or others. In particular, no operational responsibilities will be placed upon any Independent Member fulfilling such a role. The identification of a Board member in this way shall not make them more vulnerable to individual criticism, nor does it remove the corporate responsibility of the other Board members for that particular aspect of Board business.

2. RESERVATION AND DELEGATION OF HEIW FUNCTIONS

2.0.1 Subject to any directions that may be given by the Welsh Ministers, the Board shall make arrangements for certain functions to be carried out on its behalf so that the day to day business of HEIW may be carried out effectively and in a manner that secures the achievement of its aims and objectives. In doing so, the Board must set out clearly the terms and conditions upon which any

delegation is being made.

2.0.2 The Board's determination of those matters that it will retain, and those that will be delegated to others shall be set out in a:

i Schedule of matters reserved to the Board;
ii Scheme of delegation to committees and others; and
iii Scheme of delegation to officers.

aAll of which must be formally adopted by the Board in full session and form part of these SOs.

2.0.3 HEIW retains full responsibility for any functions delegated to others to carry out on its behalf. Where HEIW has a joint duty, it remains fully responsible for its part, and shall agree through the determination of a written Partnership Agreement the governance and assurance arrangements for the partnership, setting out respective responsibilities, ways of working, accountabilities and sources of assurance of the partner organisations.

2.0.4 **Shared and Hosted Services Arrangements**

Where HEIW uses a shared or hosted service provided by another NHS organisation to undertake part and/or support it in delivering its functions, the ultimate responsibility remains with HEIW.

From 1st June 2012 the function of managing and providing Shared Services to the health service in Wales was given to Velindre NHS Trust. The **Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012** (S.I. 2012/1261 (W.156)) ("the Shared Services Regulations") require the Trust to establish a Shared Services Committee (known for operational purposes as the Shared Services Partnership Committee) which will be responsible for exercising the Trust's Shared Services functions. The Shared Services Regulations prescribe the membership of the Shared Services Committee in order to ensure that all LHBs, SHAs and Trusts in Wales have a member on the Shared Services Committee and that the views of all the NHS organisations in Wales are taken into account when making decisions in respect of Shared Services activities.

A Senior Management Team, led by the Director of Shared Services, is responsible for the delivery of Shared Services in accordance with an Integrated Medium-Term Plan agreed by the Shared Services Committee. The Director of Shared Services holds Accountable officer status and retains overall accountability in relation to the management of Shared Services.

A Memorandum of Co-operation and Hosting Agreement is in place between all LHBs, SHAs and Trusts setting out the obligations of NHS

~~bodies to participate in the Shared Services Committee and to take collective responsibility for setting the policy and delivery of the Shared Services to the health service in Wales. Responsibility for the exercise of the Shared Services functions will not rest with the Board of Velindre NHS Trust but will be a shared responsibility of all NHS bodies in Wales.~~

~~The Regulations for the Shared Services Committee presently do not encompass Strategic Health Authority members. HEIW will therefore have observer status on the Committee, until such time as the regulations are amended. Shared Services Partnership was established to provide shared services to the health service in Wales, and therefore can provide shared services to HEIW in accordance with agreed Service Level Agreements, until such time as HEIW becomes a full member of the Shared Services Committee, Memorandum of Co-operation and Hosting Agreement.~~

2.1 Chair's action on urgent matters

2.1.1 There may, occasionally, be circumstances where decisions which would normally be made by the Board need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Board. In these circumstances, the Chair and the Chief Executive, supported by the Board Secretary as appropriate, may deal with the matter on behalf of the Board - after first consulting with at least two other Independent Members. The Board Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Board for consideration and ratification.

2.1.2 Chair's action may not be taken where either the Chair or the Chief Executive has a personal or business interest in an urgent matter requiring decision. In this circumstance, the Vice-Chair or the Executive Director acting on behalf of the Chief Executive will take a decision on the urgent matter, as appropriate.

2.2 Delegation of Board functions

2.2.1 The Board shall agree the delegation of any of their functions except for those set out within the 'Schedule of Matters reserved to the Board' to Committees and others, setting any conditions and restrictions it considers necessary and following any directions or regulations given by the Welsh Ministers. These functions may be carried out:

i By a Committee, sub-Committee or officer of HEIW

2.2.2 The Board shall agree and formally approve the delegation of specific executive powers to be exercised by Committees and ~~,~~ sub-Committees, ~~joint-Committees or joint sub-Committees~~ which it has formally constituted.

2.3 Delegation to officers

2.3.1 The Board may delegate certain functions to the Chief Executive. For these aspects, the Chief Executive, when compiling the Scheme of Delegation to Officers, shall set out proposals for those functions they will perform personally and shall nominate other officers to undertake the remaining functions. The Chief Executive will still be accountable to the Board for all functions delegated to them irrespective of any further delegation to other officers.

2.3.2 This must be considered and approved by the Board (subject to any amendment agreed during the discussion). The Chief Executive may periodically propose amendment to the Scheme of Delegation to Officers and any such amendments must also be considered and approved by the Board.

2.3.3 Individual Executive Directors are in turn responsible for delegation within their own directorates/departments/localities in accordance with the framework established by the Chief Executive and agreed by the Board.

3. COMMITTEES

3.1 HEIW Committees

3.1.1 The Board may, and where directed by the Welsh Ministers must, appoint Committees of HEIW either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by Committees. The Board shall, wherever possible, require its Committees to hold meetings in public unless there are specific, valid reasons for not doing so.

Use of the term 'Committee'

3.1.2 For the purposes of these SOs, use of the term 'Committee' incorporates the following:

- Board Committee
- ~~joint-Committee~~
- Ssub-Committee
- ~~joint sub-Committee~~

3.2 Sub-Committees/ Advisory Groups

3.2.1 A Committee appointed by the Board may establish a sub-Committee and/or advisory groups to assist it in the conduct of its business provided that the Board approves such action. Where the Board has authorised a Committee to establish sub-Committees, they cannot delegate any executive powers to the sub-Committee unless authorised to do so by the Board.

3.3 Committees established by HEIW

3.3.1 The Board shall establish a Committee structure that it determines best meets its own needs, taking account of any regulatory or Welsh Government requirements. As a minimum, it must establish Committees which covers the following aspect of Board business:

- Audit and Assurance;
- Remuneration and Terms of Service, and
- Education, Commissioning and Quality Committee.

3.3.2 In designing its Committee structure and operating arrangements, the Board shall take full account of the need to:

- Embed corporate standards, priorities and requirements, e.g., equality and human rights across all areas of activity; and
- Maximise cohesion and integration across all aspects of governance and assurance.

3.3.3 Each Committee established by or on behalf of the Board must have its own SOs or detailed terms of reference and operating arrangements, which must be formally approved by the Board. These must establish its governance and ways of working, setting out, as a minimum:

- The scope of its work (including its purpose and any delegated powers and authority);
- Membership and quorum;
- Meeting arrangements;
- Relationships and accountabilities with others (including the Board its Committees and Advisory Groups)
- Any budget and financial responsibility, where appropriate;
- Secretariat and other support;
- Training, development and performance; and
- Reporting and assurance arrangements.

3.3.4 In doing so, the Board shall specify which aspects of these SOs are not applicable to the operation of the Committee, keeping any such aspects to the minimum necessary. Detailed terms of reference and operating arrangements for the Committees established by the Board are set out in Schedule 3.

3.3.5 The membership of any such Committees - including the designation of Chair; definition of member roles and powers and terms and conditions of appointment (including remuneration and reimbursement) - will usually be determined by the Board, based on the recommendation of HEIW Chair, and subject to any specific requirements, directions or regulations made by the

Welsh Ministers. Depending on the Committee's defined role and remit, membership may be drawn from the HEIW Board, its staff (subject to the conditions set in Standing Order 3.3.6) or others not employed by HEIW.

3.3.6 Executive Directors or other HEIW officers shall not normally be appointed as Committee Chairs, nor should they be appointed to serve as members on any Committee set up to review the exercise of functions delegated to officers. Designated HEIW officers shall, however, be in attendance at such Committees, as appropriate.

.

3.4 Other Committees

3.4.1 The Board may also establish other Committees to help HEIW conduct its business.

3.5 Confidentiality

3.5.1 Committee members and attendees must not disclose any matter dealt with by or brought before a Committee in confidence without the permission of the Committee's Chair.

3.6 Reporting activity to the Board

3.6.1 The Board must ensure that the Chairs of all Committees operating on its behalf report formally, regularly and on a timely basis to the Board on their activities. Committee Chairs' shall bring to the Boards specific attention any significant matters under consideration and report on the totality of its activities through the production of minutes or other written reports.

4. NHS WALES SHARED SERVICES PARTNERSHIP

4.0.1. From 1 June 2012 the function of managing and providing Shared Services to the health service in Wales was given to Velindre NHS Trust. The Trust's Establishment Order has been amended to reflect the fact that the Shared Services function has been conferred on it.

4.0.2. The **Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012** (S.I. 2012/1261 (W.156)) ("the Shared Services Regulations") require the Trust to establish a Shared Services Committee (known for operational purposes as the Shared Services Partnership Committee) which will be responsible for exercising the Trust's Shared Services functions. The Shared Services Regulations (as amended) prescribe the membership of the Shared Services Committee in order to ensure that all Local Health Boards, Trusts and SHAs in Wales have a member on the Shared Services Committee and that the views of all the NHS organisations in Wales are taken into account when making decisions in respect of Shared Services activities.

4.0.3 The Director of Shared Services will be designated as Accountable Officer for Shared Services.

4.0.4 These arrangements necessitate putting in place a Memorandum of Co-operation and a Hosting Agreement between all OHBs, Trusts and SHAs setting out the obligations of NHS bodies to participate in the Shared Services Committee and to take collective responsibility for setting the policy and delivery of the Shared Services to the health service in Wales. Responsibility for the exercise of the Shared Services functions will not rest with the Board of Velindre NHS Trust but will be a shared responsibility of all NHS bodies in Wales.

4.0.5 The Shared Services Committee is to be known as the Shared Services Partnership Committee for operational purposes.

5. WORKING IN PARTNERSHIP

5.0.1 HEIW shall work constructively in partnership with others to plan and secure the provision and delivery of health education and improvement, in accordance with its statutory duties and any specific requirements or directions made by the Welsh Ministers.

5.0.2 The Chair shall ensure that the Board has identified all its key partners and other stakeholders and established clear mechanisms for engaging with and involving them in the work of HEIW.

5.0.3 The Board shall keep under review its partnership arrangements to ensure continued clarity around purpose, desired outcomes and partner responsibilities. It must ensure timely action to change, adapt or end partnerships where they no longer serve a useful purpose, in accordance with its statutory duties; any specific requirements or directions made by the Welsh Ministers; and the agreed terms and conditions for the partnership.

6. MEETINGS

6.1 Putting Citizens first

6.1.1 HEIW's business will be carried out openly and transparently in a manner that encourages the active engagement of its citizens, community partners and other stakeholders. HEIW, through the planning and conduct of meetings held in public, shall facilitate this in a number of ways, including:

- Active communication of forthcoming business and activities;
- The selection of accessible, suitable venues for meetings when these are not held by electronic means;

- The availability of papers in English and Welsh languages and in accessible formats, such as Braille, large print, easy read (where requested and required) and in electronic formats in accordance with its Welsh language and equality requirements and commitments;
- Requesting that attendees notify HEIW of any access needs sufficiently in advance of a proposed meeting, and responding appropriately, e.g., arranging British Sign Language (BSL) interpretation at meetings; and
- Where appropriate, ensuring suitable translation arrangements are in place to enable the conduct of meetings in either English or Welsh, and
- In accordance with legislative requirements, e.g., Disability Discrimination Act, as well as its Communication Strategy and Welsh language requirements.

6.1.2 The Chair will ensure that, in determining the matters to be considered by the Board, full account is taken of the views of partners and stakeholder and interests of the communities served by HEIW.

6.2 Annual Plan of Board Business

6.2.1 The Board Secretary, on behalf of the Chair, shall produce an Annual Plan of Board business. This plan will include proposals on meeting dates, venues and coverage of business activity during the year, taking account that ordinary meetings of the Board will be held at regular intervals and as a minimum six times a year. The Plan shall also set out any standing items that will appear on every Board agenda.

6.2.2 The plan shall set out the arrangements in place to enable HEIW to meet its obligations whilst also allowing Board members to contribute in either English or Welsh languages, where appropriate.

6.2.3 The plan shall also incorporate formal Board meetings, regular Board Development sessions and, where appropriate, the planned activities of the Board's Committees.

6.2.4 The Board shall agree the plan for the forthcoming year by the end of March, and this plan will be published on the organisation's website. ~~included as a schedule to these SOs.~~

Annual General Meeting (AGM)

6.2.5 HEIW must hold an AGM in public no later than 30 ~~September~~ July of each year. ~~Public notice of the intention to hold the AGM shall be given at~~At least 10 calendar days prior to the meeting a public notice of the intention to hold the meeting, the time and place of them meeting, and the agenda shall be displayed bilingually (in English and Welsh) on the SHA's website. ~~, and this~~

~~notice shall also be made available through community and partnership networks to maximise opportunities for attendance.~~

6.2.6 The notice shall state:

- Electronic and paper copies of the Annual Report and Accounts of the SHA are available, on request, prior to the meeting; and
- State how copies can be obtained, in what language and in what format, e.g. Braille, large print, easy read etc.

6.2.7 The AGM must include presentation of the Annual Report and audited accounts, together with (where applicable), an audited abridged version of the annual accounts and, if applicable funds held on trust accounts, and may also include presentation of other reports of interest to citizens and others, ~~such as HEIWs annual Equality Report.~~

~~6.2.5~~6.2.8 A record of the meeting shall be submitted to the next ordinary meeting of the Board for agreement.

6.3 Calling Meetings

6.3.1 In addition to the planned meetings agreed by the Board, the Chair may call a meeting of the Board at any time. Individual Board members may also request that the Chair call a meeting provided that at least one third of the whole number of Board members, support such a request.

6.3.2 If the Chair does not call a meeting within seven days after receiving such a request from Board members, then those Board members may themselves call a meeting.

6.4 Preparing for Meetings

Setting the agenda

6.4.1 The Chair, in consultation with the Chief Executive and Board Secretary, will set the Agenda. In doing so, they will take account of the planned activity set in the annual cycle of Board business; any standing items agreed by the Board; any applicable items received from the Board's Committees; and the priorities facing HEIW. The Chair must ensure that all relevant matters are brought before the Board on a timely basis.

6.4.2 Any Board member may request that a matter is placed on the Agenda by writing to the Chair, copied to the Board Secretary, at least 12 calendar days before the meeting. The request must set out whether the item of business is proposed to be transacted in public and shall include appropriate supporting information. The Chair may, at their discretion, include items on the agenda that have been requested after the 12-day notice period if this would be

beneficial to the conduct of board business.

Notifying and equipping Board members

6.4.3 Board members shall be sent an Agenda and a complete set of supporting papers at least 7 calendar days before a formal Board meeting. This information may be provided to Board members electronically or in paper form, in an accessible format, to the address provided, and in accordance with their stated preference. Supporting papers may, exceptionally, be provided, after this time provided that the Chair is satisfied that the Board's ability to consider the issues contained within the paper would not be impaired.

6.4.4 No papers will be included for consideration and decision by the Board unless the Chair is satisfied (subject to advice from the Board Secretary, as appropriate) that the information contained within it is sufficient to enable the Board to take a reasonable decision. It will include evidence that appropriate impact assessments ~~Equality impact assessments (EIA) shall~~ have been~~be~~ undertaken and taken in to consideration. Impact assessments shall be undertaken on all new or revised policies, strategies, guidance and or practice to be considered by the Board, and the outcome of ~~that EIA~~the assessment shall accompany the report to the Board to enable the Board to make an informed decision.

6.4.5 In the event that at least half of the Board members do not receive the Agenda and papers for the meeting as set out above, the Chair must consider whether or not the Board would still be capable of fulfilling its role and meeting its responsibilities through the conduct of the meeting. Where the Chair determines that the meeting should go ahead, their decision, and the reason for it, shall be recorded in the minutes.

6.4.6 In the case of a meeting called by Board members, notice of that meeting must be signed by those members and the business conducted will be limited to that set out in the notice.

Notifying the public and others

6.4.7 Except for meetings called in accordance with Standing Order 5.3, at least 7 days before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed bilingually (in English and Welsh):

- ~~At HEIW's principal sites;~~
- On the HEIW website, together with the papers supporting the public part of the Agenda; as well as
- Through other methods of communication as set out in HEIW's communication strategy.

6.4.8 When providing notification of the forthcoming meeting, HEIW shall set out when and how the Agenda and the papers supporting the public part of the Agenda may be accessed, in what language and in what format, e.g., as Braille, large print, easy read, etc.

6.5 Conducting Board Meetings

Admission of the public, the press and other observers

6.5.1 HEIW shall encourage attendance at its formal Board meetings by the public and members of the press as well as officers or representatives from organisations who have an interest in HEIW business. The venue for such meetings shall be appropriate to facilitate easy access for attendees and translation services; and appropriate facilities wherever practicable to maximise accessibility~~. such as an induction loop system.~~

6.5.2 The Board and its Committees shall conduct as much of its formal business in public as possible. There may be circumstances where it would not be in the public interest to discuss a matter in public, e.g., business that relates to a confidential matter. In such cases the Chair (advised by the Board Secretary where appropriate) shall schedule these issues accordingly and require that any observers withdraw from the meeting. In doing so, the Board shall resolve:

That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) F (c.67).

6.5.3 In the circumstances, when the Board is not meeting in public session it shall operate in private session, formally reporting any decisions taken to the next meeting of the Board in public session. Wherever possible, that reporting shall take place at the end of a private session, by reconvening a Board meeting held in public session.

6.5.4 The Board Secretary, on behalf of the Chair, shall keep under review the nature and volume of business conducted in private session to ensure such arrangements are adopted only when absolutely necessary.

6.5.5 In encouraging entry to formal Board Meetings from members of the public and others, the Board shall make clear that attendees are welcomed as observers. The Chair shall take all necessary steps to ensure that the Board's business is conducted without interruption and disruption. In exceptional circumstances, this may include a requirement that observers leave the meeting.

Addressing the Board, its Committees and Advisory Groups

6.5.6 The Board will decide what arrangements and terms and conditions it feels are appropriate in extending an invitation to observers to attend and address any meetings of the Board, its Committees and Advisory Groups, and may change, alter or vary these terms and conditions as it considers appropriate. In doing so, the Board will take account of its responsibility to actively encourage the engagement and, where appropriate, involvement of citizens and stakeholders in its work and to demonstrate openness and transparency in the conduct of business.

Chairing Board Meetings

6.5.7 The Chair of HEIW will preside at any meeting of the Board unless they are absent for any reason (including any temporary absence or disqualification from participation on the grounds of a conflict of interest). In these circumstances the Vice Chair shall preside. If both the Chair and vice-chair are absent or disqualified, the Independent Members present shall elect one of the Independent Members to preside.

6.5.8 The Chair must ensure that the meeting is handled in a manner that enables the Board to reach effective decisions on the matters before it. This includes ensuring that Board members' contributions are timely and relevant and move business along at an appropriate pace. In doing so, the Board must have access to appropriate advice on the conduct of the meeting through the attendance of the nominated Board Secretary. The Chair has the final say on any matter relating to the conduct of Board business.

Quorum

6.5.9 At least six Board members, at least two of whom are Executive Directors and four are Independent Members (including the Chair), must be present to allow any formal business to take place at a Board meeting.

6.5.10 If the Chief Executive or an Executive Director is unable to attend a Board meeting, then a nominated deputy may attend in their absence and may participate in the meeting, provided that the Chair has agreed the nomination before the meeting. However, Board members' voting rights cannot be delegated so the nominated deputy may not vote or be counted towards the quorum. If a deputy is already a Board member in their own right, e.g., a person deputising for the Chief Executive will usually be an Executive Director, they will be able to exercise their own vote in the usual way, but they will not have any additional voting rights.

6.5.11 The quorum must be maintained during a meeting to allow formal business to be conducted, i.e., any decisions to be made. Any Board member disqualified through conflict of interest from participating in the discussion on any matter

and/or from voting on any resolution will no longer count towards the quorum. If this results in the quorum not being met that particular matter or resolution cannot be considered further at that meeting and must be noted in the minutes.

Dealing with motions

6.5.12 In the normal course of Board business items included on the agenda are subject to discussion and decisions based on consensus. Considering a motion is therefore not a routine matter and may be regarded as exceptional, e.g. where an aspect of delivery is a cause for particular concern, a Board member may put forward a motion proposing that a formal review of that service area is undertaken by a Committee of the Board. The Board Secretary will advise the Chair on the formal process for dealing with motions. No motion or amendment to a motion will be considered by the Board unless moved by a Board member and seconded by another Board member (including the Chair).

6.5.13 **Proposing a formal notice of motion –** Any Board member wishing to propose a motion must notify the Chair in writing of the proposed motion at least 12 calendar days before a planned meeting. Exceptionally, an emergency motion may be proposed up to one hour before the fixed start of the meeting, provided that the reasons for the urgency are clearly set out. Where sufficient notice has been provided, and the Chair has determined that the proposed motion is relevant to the Board's business, the matter shall be included on the Agenda, or, where an emergency motion has been proposed, the Chair shall declare the motion at the start of the meeting as an additional item to be included on the agenda.

6.5.14 The Chair also has the discretion to accept a motion proposed during a meeting provided that the matter is considered of sufficient importance and its inclusion would not adversely affect the conduct of Board business.

6.5.15 **Amendments -** Any Board member may propose an amendment to the motion at any time before or during a meeting and this proposal must be considered by the Board alongside the motion.

6.5.16 If there are a number of proposed amendments to the motion, each amendment will be considered in turn, and if passed, the amended motion becomes the basis on which the further amendments are considered, i.e., the substantive motion.

6.5.17 **Motions under discussion –** When a motion is under discussion, any Board member may propose that:

- The motion be amended;
- The meeting should be adjourned;

- The discussion should be adjourned, and the meeting proceed to the next item of business;
- A Board member may not be heard further;
- The Board decides upon the motion before them;
- An ad hoc Committee should be appointed to deal with a specific item of business; or
- The public, including the press, should be excluded.

6.5.18 **Rights of reply to motions –** The mover of a motion (including an amendment) shall have a right of reply at the close of any debate on the motion or the amendment immediately prior to a vote on the proposal.

6.5.19 **Withdrawal of motion or amendments –** A motion or an amendment to a motion, once moved and seconded, may be withdrawn by the proposer with the agreement of the seconder and the Chair.

6.5.20 **Motion to rescind a resolution –** The Board may not consider a motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six months unless the motion is supported by the (simple) majority of Board members.

6.5.21 A motion that has been decided upon by the Board cannot be proposed again within six months except by the Chair, unless the motion relates to the receipt of a report or the recommendations of a Committee/Chief Executive to which a matter has been referred.

Voting

6.5.22 The Chair will determine whether Board members' decisions should be expressed orally, through a show of hands, by secret ballot or by recorded vote. The Chair must require a secret ballot or recorded vote if the majority of voting Board members request it. Where voting on any question is conducted, a record of the vote shall be maintained. In the case of a secret ballot the decision shall record the number voting for, against or abstaining. Where a recorded vote has been used the Minutes shall record the name of the individual and the way in which they voted. Associate Members may not vote in any meetings or proceedings of the Board.

6.5.23 In determining every question at a meeting, the Board members must take account, where relevant, of the views expressed and representations made by individuals and organisations who represent the interests of stakeholders.

6.5.24 The Board will make decisions based on a simple majority view held by the Board members present. In the event of a split decision, i.e., no majority view being expressed, the Chair shall have a second and casting vote.

6.5.25 In no circumstances may an absent Board member or nominated deputy vote by proxy. Absence is defined as being absent at the time of the vote.

6.6 Record of Proceedings

6.6.1 A record of the proceedings of formal Board meetings (and any other meetings of the board where the Board members determine) shall be drawn up as 'minutes'. These minutes shall include a record of Board member attendance (including the Chair) together with apologies for absence and shall be submitted for agreement at the next meeting of the Board, where any discussion shall be limited to matters of accuracy. Any agreed amendment to the minutes must be formally recorded.

6.6.2 Agreed minutes shall be circulated in accordance with Board members' wishes, and, where providing a record of a formal Board meeting shall be made available to the public both on HEIWs website and in hard copy or other accessible format on request, in accordance with any legislative requirements, e.g., Data Protection Act 2018, General Data Protection Regulations and HEIW's Communication Strategy and Welsh language requirements.

6.7 Confidentiality

6.7.1 All Board members (including Associate Members), together with members of any Committee or Advisory Group established by or on behalf of the Board and HEIW officials must respect the confidentiality of all matters considered by the Board in private session or set out in documents which are not publicly available. Disclosure of any such matters may only be made with the express permission of the Chair of the Board or relevant Committee, as appropriate, and in accordance with any other requirements set out elsewhere, e.g., in contracts of employment, within the Values and Standards of Behaviour framework or legislation such as the Freedom of Information Act 2000, etc.

7. VALUES AND STANDARDS OF BEHAVIOUR

7.0.1 The Board must adopt a set of values and standards of behaviour for HEIW that meets the requirements of the NHS Wales Values and Standards of Behaviour framework. These values and standards of behaviour will apply to all those conducting business by or on behalf of HEIW, including Board members, HEIW officers and others, as appropriate. The framework adopted by the Board will form part of these SOs.

7.1 Declaring and recording Board members' interests

7.1.1 ***Declaration of interests –*** It is a requirement that all Board members must declare any personal or business interests they may have which may affect or

be perceived to affect the conduct of their role as a Board member. This includes any interests that may influence or be perceived to influence their judgement in the course of conducting the Board's business. Board members must be familiar with the Values and Standards of Behaviour Framework and their statutory duties under the Constitution Regulations. Board members must notify the Board of any such interests at the time of their appointment, and any further interests as they arise throughout their tenure as Board members.

7.1.2 Board members must also declare any interests held by family members or persons or bodies with which they are connected. The Board Secretary will provide advice to the Chair and the Board on what should be considered as an 'interest', taking account of the regulatory requirements and any further guidance, e.g., the Values and Standards of Behaviour framework. If individual Board members are in any doubt about what may be considered as an interest, they should seek advice from the Board Secretary. However, the onus regarding declaration will reside with the individual Board member.

7.1.3 ***Register of interests –*** The Chief Executive, through the Board Secretary will ensure that a Register of Interests is established and maintained as a formal record of interests declared by all Board members. The register will include details of all Directorships and other relevant and material interests which have been declared by Board members.

7.1.4 The register will be held by the Board Secretary, and will be updated during the year, as appropriate, to record any new interests, or changes to the interests declared by Board members. The Board Secretary will also arrange an annual review of the Register, through which Board members will be required to confirm the accuracy and completeness of the register relating to their own interests.

7.1.5 In line with the Board's commitment to openness and transparency, the Board Secretary must take reasonable steps to ensure that the citizens served by HEIW are made aware of and have access to view the HEIW's Register of Interests. This may include publication on the HEIW website.

7.1.6 ***Publication of declared interests in Annual Report –*** Board members' declared directorships of companies or positions in other organisations likely or possibly seeking to do business with the NHS shall be published in HEIW's Annual Report.

7.2 Dealing with Members' interests during Board meetings

7.2.1 The Chair, advised by the Board Secretary, must ensure that the Board's decisions on all matters brought before it are taken in an open, balanced, objective and unbiased manner. In turn, individual Board members must demonstrate, through their actions, that their contribution to the Board's

decision making is based upon the best interests of HEIW and the NHS in Wales.

7.2.2 Where individual Board members identify an interest in relation to any aspect of Board business set out in the Board's meeting agenda, that member must declare an interest at the start of the Board meeting. Board members should seek advice from the Chair, through the Board Secretary before the start of the Board meeting if they are in any doubt as to whether they should declare an interest at the meeting. All declarations of interest made at a meeting must be recorded in the Board minutes.

7.2.3 It is the responsibility of the Chair, on behalf of the Board, to determine the action to be taken in response to a declaration of interest, taking account of any regulatory requirements or directions made by the Welsh Ministers. The range of possible actions may include determination that:

i The declaration is formally noted and recorded, but that the Board member should participate fully in the Board's discussion and decision, including voting. This may be appropriate, for example where the Board is considering matters of strategy relating to a particular aspect of healthcare and an Independent Member is a healthcare professional whose profession may be affected by that strategy determined by the Board;
ii The declaration is formally noted and recorded, and the Board member participates fully in the Board's discussion, but takes no part in the Board's decision;
iii The declaration is formally noted and recorded, and the Board member takes no part in the Board discussion or decision;
iv The declaration is formally noted and recorded, and the Board member is excluded for that part of the meeting when the matter is being discussed. A Board member must be excluded, where that member has a direct or indirect financial interest in a matter being considered by the Board.

7.2.4 In extreme cases, it may be necessary for the member to reflect on whether their position as a Board member is compatible with an identified conflict of interest.

7.2.5 Where the Chair is the individual declaring an interest, any decision on the action to be taken shall be made by the Vice Chair, on behalf of the Board.

7.2.6 In all cases the decision of the Chair (or the Vice Chair in the case of an interest declared by the Chair) is binding on all Board members. The Chair should take advice from the Board Secretary when determining the action to take in response to declared interests; taking care to ensure their exercise of judgement is consistently applied.

7.2.7 ***Members with pecuniary (financial) interests –*** Where a Board member, or any person they are connected with[1] has any direct or indirect pecuniary interest in any matter being considered by the Board, including a contract or proposed contract, that member must at the meeting and as soon as practicable after its commencement, disclose the interest and must not take part in the consideration or discussion of that matter or vote on any question related to it. The Board may determine that the Board member concerned shall be excluded from that part of the meeting.

7.2.8 The ~~Constitution~~ Digital Health Care Wales Regulations define 'direct' and 'indirect' pecuniary interests and these definitions always apply when determining whether a member has an interest. These SOs must be interpreted in accordance with these definitions.

7.2.9 ***Members with Professional Interests -*** During the conduct of a Board meeting, an individual Board member may establish a clear conflict of interest between their role as a HEIW Board member and that of their professional role outside of the Board. In any such circumstance, the Board shall take action that is proportionate to the nature of the conflict, taking account of the advice provided by the Board Secretary.

7.3 Dealing with officers' interests

7.3.1 The Board must ensure that the Board Secretary, on behalf of the Chief Executive, establishes and maintains a system for the declaration, recording and handling of HEIW officers' interests in accordance with the Values and Standards of Behaviour Framework.

7.4 Reviewing how Interests are handled

7.4.1 The Audit and Assurance Committee will review and report to the Board upon the adequacy of the arrangements for declaring, registering and handling interests at least annually.

7.5 Dealing with offers of gifts[2] ~~and~~ hospitality and sponsorship

7.5.1 The Values and Standards of Behaviour Framework adopted by the Board prohibits Board members and HEIW officers from receiving gifts, hospitality or benefits in kind from a third party which may reasonably give rise to suspicion of conflict between their official duty and their private interest, or may reasonably be seen to compromise their personal integrity in any way.

---

[1] In the case of persons who are married to each other or in a civil partnership with each other or who are living together as if married or civil partners, the interest of one person shall, if known to the other, be deemed for the purpose of this Standing Order to be also an interest of the other.

[2] The term gift refers also to any reward or benefit.

~~7.5.1~~7.5.2 Gifts, benefits or hospitality must never be solicited. Any Board member or HEIW officer who is offered a gift, benefit or hospitality which may or may be seen to compromise their position must refuse to accept it. This may in certain circumstances also include a gift, benefit or hospitality offered to a family member of a Board member or HEIW officer. Failure to observe this requirement may result in disciplinary and/or legal action.

~~7.5.2~~7.5.3 In determining whether any offer of a gift or hospitality should be accepted, an individual must make an active assessment of the circumstances within which the offer is being made, seeking advice from the Board Secretary as appropriate. In assessing whether an offer should be accepted, individuals must take into account:

.

- **Relationship:** Contacts which are made for the purpose of information gathering are generally less likely to cause problems than those which could result in a contractual relationship, in which case accepting a gift or hospitality could cause embarrassment or be seen as giving rise to an obligation;

- **Legitimate Interest:** Regard should be paid to the reason for the contact on both sides and whether it is a contact that is likely to benefit HEIW;

- **Value:** Gifts and benefits of a trivial or inexpensive (below £25), e.g., diaries/calendars, are more likely to be acceptable and can be distinguished from more substantial offers. Similarly, hospitality in the form of a working lunch would not be treated in the same way as more expensive social functions, travel or accommodation (although in some circumstances these may also be accepted);

- **Frequency:** Acceptance of frequent or regular invitations particularly from the same source would breach the required standards of conduct. Isolated acceptance of, for example, meals, tickets to public, and sport, cultural or social events would only be acceptable if attendance is justifiable in that it benefits HEIW ; and

- **Reputation:** If the body concerned is known to be under investigation by or has been publicly criticised by a public body, regulators or inspectors, acceptance of a gift or hospitality might be seen as supporting the body or affecting in some way the investigation or negotiations and it should always be declined.

~~7.5.3~~7.5.4 A distinction may be drawn between items offered as hospitality and items offered in substitution for fees for broadcasts, speeches, lectures or other work done. There may be circumstances where the latter may be accepted if they can be used for official purposes.

7.6 Sponsorship

7.6.1. In addition to gifts and hospitality individuals and the organisation may also receive sponsorship. Sponsorship is an offer of funding to an individual, department or the organisation as whole from an external source whether in cash, goods, services or benefits. It could include an offer to sponsor a research or operational post, training, attendance at a conference, costs associated with meetings, conferences or working visit. The sponsorship may cover some or all of the costs.

7.6.2. All sponsorship must be approved prior to acceptance in accordance with the Values and Behaviour Framework and Standards of Behaviour ~~[insert title of relevant policy]~~ and relevant procedures. A record of all sponsorship accepted or declined will also be maintained.

7.7 Register of Gifts, ~~and~~ Hospitality and Sponsorship

7.7.1 The Board Secretary, on behalf of the Chair, will maintain a register of Gifts, ~~and~~ Hospitality and Sponsorship to record offers of gifts, ~~and~~ hospitality and sponsorship made to Board members. Executive Directors will adopt a similar mechanism in relation to HEIW officers working within their Directorates.

7.7.2 Every Board member and HEIW officer has a personal responsibility to volunteer information in relation to offers of gifts and hospitality, including those offers that have been refused. The Board Secretary, on behalf of the Chair and Chief Executive, will ensure the incidence and patterns of offers and receipt of gifts and hospitality are kept under active review, taking appropriate action where necessary.

7.7.3 When determining what should be included in the Register, individuals shall apply the following principles, subject to the considerations in Standing Order 6.5.3:

- **Gifts:** Generally, only gifts of material value should be recorded. Those with a nominal value, e.g., seasonal items such as diaries/calendars would not usually need to be recorded.

- **Hospitality:** Only significant hospitality offered or received should be recorded. Occasional offers of 'modest and proportionate[3]' hospitality need not be included in the Register. Further detail is provided in the

[3] Examples of 'modest and proportionate' hospitality that need not be included in a Hospitality register include a working sandwich lunch or a buffet lunch incidental to a conference or seminar attended by a variety of participants.

framework policy on standards of behaviour.

7.7.4 Board members and HEIW officers may accept the occasional offer of modest and proportionate hospitality but in doing so must consider whether the following conditions are met:

- Acceptance would further the aims of HEIW;
- The level of hospitality is reasonable in the circumstances;
- It has been openly offered; and,
- It could not be construed as any form of inducement and will not put the individual under any obligation to those offering it.

7.7.5 The Board Secretary will arrange for a full report of all offers of Gifts, ~~and~~ Hospitality and Sponsorship recorded by HEIW to be submitted to the Audit and Assurance Committee (or equivalent) at least annually. The Audit and Assurance Committee will then review and report to the Board upon the adequacy of the HEIW's arrangements for dealing with offers of gifts, ~~and~~ hospitality and sponsorship.~~.~~

8. SIGNING AND SEALING DOCUMENTS

8.0.1 The common seal of the HEIW is primarily used to seal legal documents such as transfers of land, lease agreements and other important/key contracts. The seal may only be fixed to a document if the Board ~~or Committee of the Board~~ has determined it shall be sealed, or if a transaction to which the document relates has been approved by the Board. ~~or Committee of the Board~~.

8.0.2 Where it is decided that a document shall be sealed it shall be fixed in the presence of the Chair or Vice Chair (or other authorised independent Member) and the Chief Executive or Deputy Chief Executive (or another authorised individual) both of whom must witness the seal.

8.1 Register of Sealing

8.1.1 The Board Secretary shall keep a register that records the sealing of every document. Each entry must be signed by the persons who approved and authorised the document and who witnessed the seal. A report of all sealings shall be presented to the Board at least bi-annually.

8.2 Signature of Documents

8.2.1 Where a signature is required for any document connected with legal proceedings involving HEIW, it shall normally be signed by the Chief Executive, except where the Board has authorised another person or has been otherwise directed to allow or require another person to provide a signature.

8.2.2 The Chief Executive or Deputy Chief Executive nominated officers may be authorised by the Board to sign on behalf of HEIW any agreement or other document (not required to be executed as a deed) where the subject matter has been approved either by the Board or a Committee to which the Board has delegated appropriate authority. ~~in each instance in accordance with the delegated authority.~~

8.3 Custody of Seal

8.3.1 The Common Seal of HEIW shall be kept securely by the Board Secretary.

9. GAINING ASSURANCE ON THE CONDUCT OF HEIW BUSINESS

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

9.0.2 The Board shall ensure that its assurance arrangements are operating effectively, advised by its Audit and Assurance Committee.

9.0.3 Assurances in respect of the ~~Shared Services arrangements~~services provided by the NHS Wales Shared Services Partnership shall primarily be achieved by the reports of the Director of Shared Services to the Shared Services Partnership Committee and reported back by the Chief Executive (or their nominated representative). ~~as agreed~~. Where appropriate, and by exception, the Board may seek assurances direct from the Director of Shared Services. The Director of Shared Services and the Shared Services Partnership Committee shall be under an obligation to comply with any internal or external audit functions being undertaken by or on behalf of HEIW.

9.1 The role of Internal Audit in providing independent internal assurance

9.1.1 The Board shall ensure the effective provision of an independent internal audit function as a key source of its internal assurance arrangements, in accordance with ~~the Public Sector~~NHS Wales Internal Audit Standards ~~(PSIAS)~~ and any other requirements determined by the Welsh Ministers.

9.1.2 The Board shall set out the relationship between the Head of Internal Audit (HIA), the Audit and Assurance Committee (or equivalent) and the Board. It shall:

- Approve the Internal Audit Charter (incorporating the definition of internal audit) and adopt the Internal Auditing Standards (incorporating

the code of ethics);

- Ensure the HIA communicates and interacts directly with the Board, facilitating direct and unrestricted access;
- Require Internal Audit to confirm its independence annually; and
- Ensure that the Head of Internal Audit reports periodically to the Board on its activities, including its purpose, authority, responsibility and performance. Such reporting will include governance issues and significant risk exposures.

9.2 Reviewing the performance of the Board, its Committees and Advisory Groups

9.2.1 The Board shall introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and if established, Advisory Groups. Where appropriate, the Board may determine that such evaluation may be independently facilitated.

9.2.2 Each Committee and, where appropriate, Advisory Group must also submit an annual report to the Board through the Chair within 6 weeks of the end of the reporting year setting out its activities during the year and including the review of its performance and that of any sub-Committees it has established.

9.2.3 The Board shall use the information from this evaluation activity to inform:

- The ongoing development of its governance arrangements, including its structures and processes;
- Its Board Development Programme, as part of an overall Organisation Development framework; and
- The Board's report of its alignment with the ~~Assembly~~ Welsh Government's Citizen Centred Governance Principles.

9.3 External Assurance

9.3.1 The Board shall ensure it develops effective working arrangements and relationships with those bodies that have a role in providing independent, external assurance to the public and others on HEIW's operations, e.g., the Auditor General for Wales.

9.3.2 The Board may be assured, from the work carried out by external audit and others, on the adequacy of its own assurance framework, but that external assurance activity shall not form part of, or replace its own internal assurance arrangements, except in relation to any additional work that the Board itself may commission specifically for that purpose.

9.3.3 The Board shall keep under review and ensure that, where appropriate, HEIW implements any recommendations relevant to its business made by the ~~National Assembly for Wales's~~Welsh Government's Audit Committee, the

Senedd Cymru/Welsh Parliament's Public Accounts Committee and other appropriate bodies.

9.3.4 HEIW shall provide the Auditor General for Wales with any assistance, information and explanation which the Auditor General thinks necessary for the discharge of their statutory powers and responsibilities.

10. DEMONSTRATING ACCOUNTABILITY

10.0.1 Taking account of the arrangements set out within these SOs, the Board shall demonstrate to the communities it serves and to the Welsh Ministers a clear framework of accountability within which it:

- Conducts its business internally;
- Works collaboratively with NHS colleagues, ~~HE~~ Higher Education and ~~FE~~ Further Education establishments, regulators, partners, service providers and others; and
- Responds to the views and representations made by those who represent the interests of the communities it serves and other stakeholders, including its officers and healthcare professionals.

10.0.2 The Board shall, in publishing its strategic and operational level plans, set out how those plans have been developed taking account of the views of others, and how they will be delivered by working with their community and other partners.

10.0.3 The Board shall also facilitate effective scrutiny of the HEIW's operations through the publication of regular reports on activity and performance, including publication of an Annual Report.

10.0.4 The Board shall ensure that within HEIW, individuals at all levels are supported in their roles, and held to account for their personal performance through effective performance management arrangements.

11. REVIEW OF STANDING ORDERS

11.0.1 The Board Secretary shall arrange for an ~~equality~~ appropriate impact assessment to be carried out on a draft of these SOs prior to their formal adoption by the Board, the results of which shall be presented to the Board for consideration and action, as appropriate. The fact that an assessment has been carried out shall be noted in the SOs.

11.0.2 These SOs shall be reviewed annually by the Audit and Assurance Committee [or equivalent], which shall report any proposed amendments to the Board for consideration. The requirement for review extends to all documents having the effect as if incorporated in SOs, including the ~~equality~~ appropriate impact assessments.

Schedule 1

SCHEME OF RESERVATION AND DELEGATION OF POWERS

This Scheme of Reservation and Delegation of Powers forms part of, and shall have effect as if incorporated in the Standing Orders

Introduction

As set out in Standing Order 2, the Board - subject to any directions that may be given by Welsh Ministers - should make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of HEIW may be carried out effectively, and in a manner that secures the achievement of the organisszation's aims and objectives. The Board may delegate functions to:

i) a committee, e.g. Remuneration and Terms of Service Committee;

ii) a sub-committee. , Aany such delegation would, subject to the Boards authority, usually be via a main committee of the Board; and

~~iii) a joint committee or sub-committee, e.g., with other Health Bodies, or Universities established to take forward matters relating the development of the health workforce in Wales; and~~

~~iv)~~iii) Officers of HEIW (who may, subject to the Board's authority, delegate further to other officers and, where appropriate, other third parties, e.g. shared/support services, through a formal scheme of delegation)

aAnd in doing so, must set out clearly the terms and conditions upon which any delegation is being made. These terms and conditions must include a requirement that the Board is notified of any matters that may affect the operation and/or reputation of HEIW.

The Board's determination of those matters that it will retain, and those that will be delegated to others are set out in the following:

- Schedule of matters reserved to the Board;
- Scheme of delegation to Committees and others; and
- Scheme of delegation to Officers.

all of which form part off HEIW's Standing Orders.

DECIDING WHAT TO RETAIN AND WHAT TO DELEGATE: GUIDING PRINCIPLES

The Board will take full account of the following principles when determining those matters that it reserves, and those which it will delegate to others to carry out on its behalf:

- Everything is retained by the Board unless it is specifically delegated in accordance with the requirements set out in Standing Orders or Standing Financial Instructions
- The Board must retain that which it is required to retain (whether by statute or as determined by Welsh Government) as well as that which it considers is essential to enable it to fulfil its role in setting the organisation's direction, equipping the organisation to deliver and ensuring achievement of its aims and objectives through effective performance management
- Any decision made by the Board to delegate functions must be based upon an assessment of the capacity and capability of those to whom it is delegating responsibility
- The Board must ensure that those to whom it has delegated powers (whether a committee, partnership or individuals) remain equipped to deliver on those responsibilities through an ongoing programme of personal, professional and organisational development
- The Board must take appropriate action to assure itself that all matters delegated are effectively carried out
- The framework of delegation will be kept under active review and, where appropriate, will be revised to take account of organisational developments, review findings or other changes
- Except where explicitly set out, the Board retains the right to decide upon any matter for which it has statutory responsibility, even if that matter has been delegated to others
- The Board may delegate authority to act, but retains overall responsibility and accountability
- When delegating powers, the Board will determine whether (and the extent to which) those to whom it is delegating will, in turn, have powers to further delegate those functions to others.

HANDLING ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS: WHO DOES WHAT?

The Board
The Board will formally agree, review and, where appropriate revise schedules of reservation and delegation of powers in accordance with the guiding principles set out earlier.

The Chief Executive
The Chief Executive will propose a Scheme of Delegation to Officers, setting out the functions they will perform personally, and which functions will be delegated to other officers. The Board must formally agree this scheme.
In preparing the scheme of delegation to officers, the Chief Executive will take account of:

- the guiding principles set out earlier (including any specific statutory responsibilities designated to individual roles)
- their personal responsibility and accountability to the Chief Executive, NHS Wales in relation to their role as designated Accountable Officer
- associated arrangements for the delegation of financial authority to equip officers to deliver on their delegated responsibilities (and set out in Standing Financial Instructions).

The Chief Executive may re-assume any of the powers they have delegated to others at any time.

The Board Secretary
The Board Secretary will support the Board in its handling of reservations and delegations by ensuring that:

- a proposed schedule of matters reserved for decision by the Board is presented to the Board for its formal agreement;
- effective arrangements are in place for the delegation of HEIW functions within the organisation and to others, as appropriate; and
- arrangements for reservation and delegation are kept under review and presented to the Board for revision, as appropriate.

The Audit & Assurance Committee
The Audit & Assurance Committee will provide assurance to the Board of the effectiveness of its arrangements for handling reservations and delegations.

Individuals to who powers have been delegated
Individuals will be personally

- equipping themselves to deliver on any matter delegated to them,

through the conduct of appropriate training and development activity; and

- exercising any powers delegated to them in a manner that accords with HEIW's values and standards of behavior.

Where an individual does not feel that they are equipped to deliver on a matter delegated to them, they must notify the Chief Executive of their concern as soon as possible in so that an appropriate and timely decision may be made on the matter.

In the absence of an officer to whom powers have been delegated, those powers will normally be exercised by the individual to whom that officer reports, unless the Board has set out alternative arrangements.

If the Chief Executive is absent their nominated Deputy may exercise those powers delegated to the Chief Executive on their behalf. However, the guiding principles governing delegations will still apply, and so the Board may determine that it will reassume certain powers delegated to the Chief Executive or reallocate powers, e.g., to a Committee or another officer.

SCOPE OF THESE ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS

The Scheme of Delegation to officers referred to here shows only the "top level" of delegation within HEIW. The Scheme is to be used in conjunction with the system of control and other established procedures within HEIW.

SCHEDULE OF MATTERS RESERVED TO THE BOARD[1]

OLD PARA	New Para		AREA	DECISIONS RESERVED TO THE BOARD
1	1	FULL	GENERAL	The Board may determine any matter for which it has statutory or delegated a in accordance with Standing Orders
2	2	FULL	GENERAL	The Board must determine any matter that will be reserved to the whole Board ~~insert detail]~~
3	183	FULL	OPERATING ARRANGEMENTS	~~Adopt the standards of governance and performance to be met by HEIW, inclu standards/requirements determined by professional bodies/others, e.g., Royal Colleges~~Agree the arrangements for ensuring the adoption of standards of go and performance to be met by HEIW, including standards/requirements deter Welsh Government, regulators, professional bodies/others e.g. Royal College
N/A	3	FULL	GENERAL	Approve HEIWs Governance Framework
4	4	FULL	OPERATING ARRANGEMENTS	Approve, vary and amend: • Standing Orders (SOs); • Standing Financial Instructions (SFIs);

				• Schedule of matters reserved to HEIW; • Scheme of delegation to Committees and others; and • Scheme of delegation to Officers. In accordance with any directions set by Welsh Ministers.
5	9~~5~~	FULL	OPERATING ARRANGEMENTS	Approve HEIW's Values and Standards of Behavior Framework, ~~[HEIW to ins~~ ~~the relevant policy]~~Standards of Behavior Policy
6	15~~6~~	FULL	OPERATING ARRANGEMENTS	Approve HEIW's framework for performance management., ~~risk and assuranc~~
7	19~~7~~	FULL	OPERATING ARRANGEMENTS	Approve the introduction or discontinuance of any significant activity or opera activity or operation shall be regarded as significant if the Board determi based upon its contribution/impact on the achievement of HEIW's aims, objec priorities

1 Any decision to reserve a matter, and the manner in which that retained responsibility is carried out will be in accordance with any regulatory and/or Welsh Government requirements

OLD PARA	THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
8	5~~8~~	FULL	OPERATING ARRANGEMENTS	Ratify any urgent decisions taken by the Chair and the Chief Executive in ac with Standing Order requirements
NA	6	No- Can delegate to Audit and Assurance Committee	OPERATING ARRANGEMENTS	Formal consideration of report of Board Secretary on any non compliа Standing Orders, making proposals to the Board on any actions to be taken.

9	79	FULL	OPERATING ARRANGEMENTS	Ratify in public session any instances of failure to comply with Standing Order Standing Financial Instructions ~Receive report and proposals regarding non-compliance with Standing Orders, and where required ratify in public session instances of failure to comply with Standing Orders and Standing Financial Ins
11	1117	FULL	OPERATING ARRANGEMENTS	Approve Ratify policies for dealing with concerns, complaints and incidents. in accordance with the Complaints Handling Policy and health and safety requir
12	1228	FULL	OPERATING ARRANGEMENTS	Approve individual compensation payments in line with the provisions of Anne Chapter 6 of the Welsh Government Manuel for Accounts. Standing Financia
13	1329	FULL	OPERATING ARRANGEMENTS	Approve individual cases for the write off of losses or making of special payme the limits of delegation to the Chief Executive and officers.
14	1430	FULL	OPERATING ARRANGEMENTS	Approve proposals for action on litigation on behalf of HEIW
15	158	FULL	OPERATING ARRANGEMENTS	Authorise use of the HEIW's official seal.
16	FULL	OPERATING ARRANGEMENTS	Seek updates and assurance in respect of the Revalidation Process.	
16	1720	FULL	ORGANISATION STRUCTURE & STAFFING	Non-officer members to appoint, discipline and dismiss Ratify appointment, and dismissal of the Chief Executive and officer members of the Board.
17	1821	FULLNo Remuneration and Terms of Serivce Committee	ORGANISATION STRUCTURE & STAFFING	Approve the appointment, appraisal, discipline and dismissal of the Executive and any other Board level appointments in accordance with Ministerial Instructi the Board Secretary.

N/A	22	No – Remuneration and Terms of Service Committee	ORGANISATIONAL STRUCTURE & STAFFING	Consider and approve redundancy and Early Release Applications, noting that the settlement is £50,000 or above subsequent agreement of Welsh Governme required.
18	~~19~~10	FULL	ORGANISATION STRUCTURE & STAFFING	Require, receive and determine action in response to the declaration members' interests, in accordance with advice received, e.g. from Audit & A Committee or Board Secretary

OLD PARA	THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
19	~~20~~23	FULL	ORGANISATION STRUCTURE & STAFFING	Approve, review, and revise HEIW's top level organisation structure and policies
20	~~21~~24	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, review, revise and dismiss Board committees, ~~including any joint com~~ directly accountable to the Board
21	~~22~~25	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss the Chair and membe committee~~, joint committee~~ or Group set up by the Board
22	~~23~~26	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss individuals app represent the Board on outside bodies and groups
23	~~24~~27	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the terms of reference and reporting arrangements of all committe ~~committees~~ and groups established by the Board
25	~~25~~11	FULL	STRATEGY & PLANNING	Determine HEIWs strategic aims, objectives and priorities
26	~~26~~13	FULL	STRATEGY & PLANNING	Approve HEIW's annual business plan and three-year plan setting out how HE meet the requirements set out in the remit letter.
27	~~27~~16	FULL	STRATEGY & PLANNING	Approve HEIW's framework and strategy for risk and assurance. ~~Risk Manag Strategy and plans~~
~~28~~	~~FULL~~	~~STRATEGY & PLANNING~~	~~Approve HEIW's communication plan~~	

OLD PARA	THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
~~29~~	~~FULL~~	~~STRATEGY & PLANNING~~	~~Approve HEIWs partnership and stakeholder engagement and involvement Strategies~~	
30	~~30~~12	FULL	STRATEGY & PLANNING	Approve the HEIWs key strategies and programmes related to: • Workforce and Organisational Development • Health education and training; • Research/evaluation; • Quality of education and training programmes; • Leadership and career development for staff within NHS Wales; • Workforce transformation & improvement; • Infrastructure, including IM &T, Estates and Capital; • Communication, partnership and stakeholder engagement. Suppor delivery of 'A Healthier Wales including development of a high-leve workforce plan for Wales in partnership with Social Care Wales.
31	~~31~~14	FULL	STRATEGY & PLANNING	Approve HEIW's budget and financial framework (including overall distributi financial allocation)
32	~~32~~31	FULL	STRATEGY & PLANNING	Proposed commissioning, specification and contract variations on education a training agreements before submission of recommendation to Welsh Governm ~~Cabinet Secretary~~Ministerial approval in accordance with delegations set on ir Financial Delegations
33	~~33~~32	FULL	STRATEGY & PLANNING	Approve individual contracts (other than NHS contracts) above the limit dele the Chief Executive set out in the Standing Financial Instructions and Sc Delegation. ~~Financial Delegations~~
	~~34~~42	FULL	STRATEGY & PLANNING	Approve the National Annual Education and Training Plan before subm recommendation to the Welsh Government for approval.

OLD PARA	THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
	35	FULL	STRATEGY & PLANNING	Approve the forward work programme for the Education Commissioning and C Committee.
34	~~36~~33	FULL	PERFORMANCE & ASSURANCE	Approve HEIW's internal audit and assurance arrangements
35	~~37~~34	FULL	PERFORMANCE & ASSURANCE	Receive reports from HEIW's Executive on progress and performance in the d of HEIW's strategic aims, objectives and priorities and approve action required including improvement plans as appropriate.
36	~~38~~35	FULL	PERFORMANCE & ASSURANCE	Receive assurance reports from the Board's committees, groups and other internal sources on HEIW's performance and approve action required, includi improvement plans as appropriate.
37	~~39~~36	FULL	PERFORMANCE & ASSURANCE	Receive reports on HEIW's performance produced by external auditors, regula and inspectors that raise significant issue or concerns impacting on HEIW's al achieve its aims and objectives and approve action required, including improv plans, taking account of the advice of Board Committees ~~(~~as appropriate~~)~~
38	~~40~~37	FULL	PERFORMANCE & ASSURANCE	Receive the annual opinion of HEIW's Chief Internal Auditor and approve acti required, including improvement plans
39	~~41~~38	FULL	PERFORMANCE & ASSURANCE	Receive the annual audit report from ~~HEIW's externa~~the Auditor General for W ~~auditor~~ and approve the action required, including improvement plans
40	~~42~~39	FULL	PERFORMANCE & ASSURANCE	Receive the annual opinion on HEIW's performance against appropriate He Care Standards for Wales and approve action required, including improvemer
41	~~43~~40	FULL	REPORTING	Approve HEIW's Reporting Arrangements, including reports on activity and performance to partners and stakeholders and nationally to the Welsh Go where required.

42	4144	FULL	REPORTING	Receive, approve and ensure the publication of HEIW reports, including it Report & Accounts in accordance with directions and guidance issued.

ADDITIONAL AREAS OF RESPONSIBILITY DELEGATED TO CHAIR, VICE CHAIR AND INDEPENDENT MEMBERS			
	CHAIR		
	VICE CHAIR		
	CHAMPION/ NOMINATED LEAD		

DELEGATION OF POWERS TO COMMITTEES AND OTHERS[3]

Standing Order 2 provides that the Board may delegate powers to Committees and others. In doing so, the Board has formally determined:

- the composition, terms of reference and reporting requirements in respect of any such Committees; and
- the governance arrangements, terms and conditions and reporting requirements in respect of any delegation to others

in accordance with any regulatory requirements and any directions set by the Welsh Ministers.

Any delegated powers to Board Committees are set out in the Terms of reference of the relevant committee, which are appended to these SOs for the following Committees:

- Audit and Assurance Committee
- Remuneration and Terms of Service Committee
- Education, Commissioning and Quality Committee

The scope of the powers delegated, together with the requirements set by the Board in relation to the exercise of those powers are as set out in i) Committee Terms of Reference, and ii) formal arrangements for the delegation of powers to others. Collectively, these documents form the Board's Scheme of Delegation to Committees.

[3] As defined in Standing Orders

SCHEME OF DELEGATION TO EXECUTIVE DIRECTORS, OTHER DIRECTORS AND OFFICERS

The HEIW Standing Orders and Standing Financial Instructions specify certain key responsibilities of the Chief Executive, the Director of Finance and other officers. The Chief Executive's Job Description, together with their Accountable Officer Memorandum sets out their specific responsibilities, and the individual job descriptions determined for Executive Director level posts also define in detail the specific responsibilities assigned to those post holders. These documents, together with the schedule of additional delegations below and the associated financial delegations set out in the Standing Financial Instructions form the basis of the SHA's Scheme of Delegation to Officers.

DELEGATED MATTER	RESPONSIBLE OFFICER(S)
Representation in statutory partnerships	Chief Executive
Performance Management arrangements	Director of Planning, Performance and Corporate Services
Receipt and opening of quotations	Director of Finance
Land, Buildings and assets	Director of Planning, Performance and Corporate Services
Facilities Management	Director of Planning, Performance and Corporate Services
Sustainable Development	Director of Planning, Performance and Corporate Services
Health, Safety & Fire	Director of Planning, Performance and Corporate Services
I M & T	Director of Digital
Senior Information Risk Owner (SIRO)	Board Secretary
CRB checks	Deputy Chief Executive and Director of Workforce & OD
Data Protection	Director of Digital

DELEGATED MATTER	RESPONSIBLE OFFICER(S)
Equality & Human Rights	Deputy Chief Executive and Director of Workforce & OD
Issuing tenders and post tender negotiations	Chief Executive/ Director of Finance
Budgetary delegation arrangements	Director of Finance
Banking arrangements	Director of Finance
Ex-gratia payments	Director of Finance
Losses and special payments	Director of Finance
Professional advice on supply of goods and services	Director of Finance
External Communications incl. Media enquiries	Chief Executive, supported by Board Secretary
Healthcare Standards	Director of Nurse and Professional Education ~~ing~~/ Medical Director
Risk Management	Board Secretary
Legal Claims	Director of Finance
Caldicott Guardian	Medical Director
Freedom of Information Act	Board Secretary
Welsh Language	Board Secretary
Legal advice	Board Secretary

DELEGATED MATTER	RESPONSIBLE OFFICER(S)
Receipt and opening of tenders	Board Secretary
Civil Contingencies /Emergency Planning	Director of Planning, Performance and Corporate Services
Variation of Funded Establishment	Chief Executive
Responsible Officer for medical trainees	Medical Director

This scheme only relates to matters delegated by the Board to the Chief Executive and their Executive Directors, together with certain other specific matters referred to in Standing Financial Instructions.

Each Executive Director is responsible for delegation within their department. They should produce a scheme of delegation for matters within their department, which should also set out how departmental budget and procedures for approval of expenditure are delegated.

Delegated Financial Limits

Post	Education and Training Contracts	Education and Training Invoices	Revenue (Other Than Education & Training Contracts)
Board	Above £5m		No Limit
Chief Executive	up to £5m	No Limit (subject to Appropriate Contract Approval). NWSSP monthly invoices for SLE GP Salaries £3m.	£250,000
Deputy Chief Executive (when acting in that capacity)	up to £5m	No Limit (subject to Appropriate Contract Approval). NWSSP monthly invoices for SLE GP Salaries £3m.	£250,000
Director of Finance	up to £2m	£2m	£100,000
Director of Nurse and Professional Education ~~ing~~ & Medical Director within delegated budget area		£500,000	£50,000
Executive Directors within delegated directorate budget area, Director of Digital and Director of Planning, Performance and Corporate Services			£50,000
Deputy Director of Finance		£50,000	£50,000
Delegated Budget Managers (within delegated budget area)			£25,000

Delegated Budget Managers (within delegated budget area)			£10,000
Delegated Budget Managers (within delegated budget area)			£5,000
Delegated Budget Managers (within delegated budget area)			£1,000

Schedule 2

KEY GUIDANCE, INSTRUCTIONS AND OTHER RELATED DOCUMENTS

This Schedule forms part of, and shall have effect as if incorporated in the HEIW Standing Orders

HEIW Framework

The HEIW governance and accountability framework comprises these SOs, incorporating schedules of Powers reserved for the Board and Delegation to others, together with the following documents:

- ***SFIs***
- ***Values and Standards of Behaviour Framework***
- ***Risk and Assurance Framework***
- ***Key policy documents agreed by the Board including:***

  - Policies, procedures and other written control documents policy and procedure;

  Equality and Human Rights Policy

  - Welsh Language Scheme;

These documents must be read in conjunction with the SOs and will have the same effect as if the details within them were incorporated within the SOs themselves.

NHS Wales framework

Full, up to date details of the guidance, instructions and other documents that together make up the framework of governance, accountability and assurance for the NHS in Wales are published on the NHS Wales Governance e-Manual which can be accessed at www.wales.nhs.uk/governance-emanual/. Directions or guidance on specific aspects of HEIW business are also issued in hard copy, usually under cover of a Ministerial Letter.

Schedule 3

BOARD COMMITTEE ARRANGEMENTS

This Schedule forms part of, and shall have effect as if incorporated in the HEIW Standing Orders

The HEIW Shadow Board has agreed initially to set up two committees:

Audit and Assurance Committee; and
Remuneration and Terms of Service Committee

The Terms of Reference and Operating arrangement for each Committee is detailed below:

Audit and Assurance Committee

The **Audit and Assurance Committee** is responsible for reviewing the system of governance and assurance established within HEIW and the arrangements for internal control, including risk management, for the organisation and, in particular, advises on the Annual Governance Statement signed by the Chief Executive.

The Committee also keeps under review the risk approach of the organisation and utilises information gathered from the work of the Board, its own work, the work of other Committees and also other activity in the organisation in order to advise the Board regarding its conclusions in relation to the effectiveness of the system of governance and control

The Committee also has the role of providing *assurance* to the Board in relation to the arrangements for creating, collecting, storing, safeguarding, disseminating, sharing, using and disposing of information in accordance with its stated objectives, legislative responsibilities, e.g., the Data Protection Act, General Data Protection Regulations and Freedom of Information Act; and any relevant requirements and standards determined for the NHS in Wales.

Remuneration and Terms of Service Committee

The **Remuneration and Terms of Service Committee** has the purpose of providing advice to the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government and provide *assurance* to the Board in relation to HEIW arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.

Education, Commissioning and Quality Committee

The **Education, Commissioning and Quality Committee** has the purpose to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place to plan, commission, deliver and quality manage education systems and provide assurance on behalf of the organisation.

- Where appropriate, **advise** the Board and the Chief Executive on where, and how, its education systems and assurance framework may be strengthened and developed further.

- Recommend to the Board education training plans including investment in new programmes and disinvestment in others. .

- Recommend to the Board on strategic matters relating to Education Commissioning and Education Quality.

- **Recommend** the specification of tender documents in respect of Education to the Board

Standard Terms of Reference and Operating Arrangements for all Committees of the Board

Date: 1 October 2018	**Version:** Draft 1.0
Review Date: Annually	

1. Introduction:

Section 3.1 of the HEIW standing orders provide that "The Board may and, where directed by the Welsh Government must, appoint Committees either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees".

In line with Section 3.3 of the standing orders, the Board shall as a minimum nominate annually committees which cover the following aspects of Board business:

- Audit and Assurance;
- Remuneration and Terms of Service; and
- Education, Commissioning and Quality Committee

This document includes content common to all committees and should be read alongside the specific terms of reference and operating arrangements for each committee.

The provisions of Section 5 of the Standing Orders have also been taken into account when developing the committee Terms of Reference. This relates to transparency of meetings, planning board/committee business, setting agenda's etc.

2. Authority:

Each Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any books, records or documents of the Authority relevant to the Committee's remit, ensuring staff confidentiality, as appropriate. It may seek relevant information from any:

- employee (and all employees are directed to co-operate with any reasonable request made by the Committee); and
- any other Committee, sub-committee or group set up by the Board to assist it in the delivery of its functions.

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

3. Sub-Committees and Groups

Each Committee may, subject to the approval of the Board, establish sub-committees or groups to carry out on its behalf specific aspects of Committee business.

4. Membership and Attendees:

4.1 Secretariat

As determined by the Board Secretary.

4.2 Member Appointments

- The second and third paragraph of this section 4.2 shall not be applicable to the Remuneration and Terms of Service Committee as section 4.1 of the same Committee's Terms of Reference shall take precedence.

- The membership of each Committee shall be determined by the Board, based on the recommendation of the Chair - taking account of the balance of skills and expertise necessary to deliver each Committee's remit and subject to any specific requirements or directions made by the Welsh Government. The Board shall ensure succession planning arrangements are in place.

- Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office. During this time a member may resign or be removed by the Board. The Board should, as a matter of good practice, review the membership of each Committee every two years in order to ensure each Committee is refreshed on a regular basis whilst maintaining continuity.

- Committee members' terms and conditions of appointment, (including any remuneration and reimbursement) will be in accordance with their terms of appointment to HEIW. Where a member has been co-opted to fulfil a specific function and where they are not Independent Members or employees of HEIW this will be determined by the Board, based upon the recommendation of the Chair and on the basis of advice from the Remuneration and Terms of Service Committee.

4.3 Support to Committee Members

The Board Secretary, on behalf of each Committee Chair, shall:

- Arrange the provision of advice and support to committee members on any aspect relating to the conduct of their role; and
- Ensure the provision of a programme of organisational development for Committee members as part of the overall Organisational Development programme developed by the Deputy Chief Executive.

4.4 Withdrawal of individuals in attendance

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

Members and attendees will also withdraw from the meeting, as appropriate, where there is a conflict of interest or a potential conflict of interest.

5. Relationships and accountabilities with the Board and its Committees/Groups[4]

Although the Board has delegated authority to the Committees for the exercise of certain functions, as set out within each Committee's terms of reference, it retains overall responsibility and accountability for ensuring a strategic approach to developing the Welsh health workforce for now and for the future through the effective governance of the organisation.

Each Committee is directly accountable to the Board for its performance in exercising the functions set out in each Committee's terms of reference.

Each Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint (sub) committees and groups to provide advice and assurance to the Board through the:

- joint planning and co-ordination of Board and Committee business; and
- sharing of information.

Through acting in accordance with the preceding paragraph, each Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

- Each Committee shall embed HEIW values, corporate standards, priorities and requirements through the conduct of its business.

4 Reference to the Board's Committees/Groups incorporates its sub committees, joint committees and joint sub committees as well as other groups, such as Task and Finish Groups, where this is appropriate to the remit of the Committee.

6. Reporting and Assurance Arrangements:

Each Committee Chair shall:

- bring to the Board's specific attention any significant matters under consideration by their Committee

- ensure appropriate escalation arrangements are in place to alert the Chair, Chief Executive (and Accountable Officer) or Chairs of other relevant committees of any urgent or critical matters that may affect the operation and/or reputation of HEIW.

- report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes verbal updates on activity, the submission of Committee minutes and written reports when appropriate, as well as the presentation of an annual report;

The Board may also require the Committee Chair to report upon the Committee's activities at public meetings, or to community partners and other stakeholders, where this is considered appropriate. This could be where the Committee's assurance role relates to a joint or shared responsibility.

The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of each Committee's performance and operation including that of any sub committees established and groups.

Terms of Reference and Operating Arrangements
Audit and Assurance Committee

Date: October 2020

Review Date: Annually

1. Introduction

In line with Section 3 of the Standing Orders, the Board shall nominate annually a committee which covers Audit. This remit of this Committee will be extended to include Assurance and Corporate Governance and will be known as the **Audit and Assurance Committee**.

The detailed terms of reference and operating arrangements set by the Board in respect of this Committee are detailed below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all committees.

2. Purpose

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

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place, through the design and operation of HEIW's assurance framework, to support them in their decision taking and in discharging their accountabilities for securing the achievement of its objectives, in accordance with the standards of good governance determined for the NHS in Wales

- Where appropriate, the Committee will **advise** the Board and the Chief Executive on where, and how, its systems and assurance framework may be strengthened and developed further

- ***Approve*** on behalf of the Board policies, procedures and other written control documents in accordance with the Scheme of Delegation.

3. Delegated Powers

With regard to its role in providing advice to the Board, the Committee will comment specifically on the:

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

- the organisations ability to achieve its objectives
- compliance with relevant regulatory requirements and other directions and requirements set by the Welsh Government and others
- reliability, integrity, safety and security of the information collected and used by the organisation
- the efficiency, effectiveness and economic use of resources
- the extent to which the organisation safeguards and protects all its assets, including its people.

In undertaking its work and responsibility the Committee will comment specifically on:

- Board's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate)
- accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, the ISA 260 Report 'Communication with those charged with Governance' and managements' letter of representation to the external auditors
- Schedule of Losses and Special Payments
- planned activity and results of internal audit, external audit and the Local Counter Fraud Specialist (including strategies, annual work plans and annual reports)
- adequacy of executive and management's response to issues identified by audit, inspection and other assurance activity
- anti-fraud policies, whistle-blowing (raising concerns) processes and arrangements for special investigations
- issues upon which the Board, its Committees or the Chief Executive may seek advice
- contracting and tendering process
- provide assurance and undertake scrutiny of ensuring value for money

The Committee will support the Board with regard to its responsibilities for governance (including risk and control) by **reviewing** and **approving** as appropriate:

- all risk and control related disclosure statements, in particular the Annual

Governance Statement together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board

- the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements

- the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements

- the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service

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

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

- comprehensiveness of assurances in meeting the Board and the Chief Executives assurance needs across the whole of HEIW activities;

- the reliability and integrity of these assurances

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

- there is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the Board and the Chief Executive through the Committee

- there is an effective counter fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the Board and the Chief Executive through the Committee

- there is an effective improvement function that provides appropriate assurance to the Board and the Chief Executive
- there are effective arrangements in place to secure active, ongoing assurance

from management with regard to their responsibilities and accountabilities, whether directly to the Board and the Chief Executive or through the work of the Board's committees

- the work carried out by key sources of external assurance, in particular, but not limited to HEIW's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity

- the work carried out by the whole range of external review bodies is brought to the attention of the Board, and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, and the risks of failing to comply

- systems for financial reporting to the Board, including those of budgetary control, are effective

- results of audit and assurance work specific to HEIW, and the implications of the findings of wider audit and assurance activity relevant to the HEIW's operations are appropriately considered and acted upon to secure the ongoing development and improvement of the organisations governance arrangements

The Committee will review and agree the programme of work on an annual basis and will recommend it to the Board for approval.

4. Access

The Head of Internal Audit and the Auditor General and his representatives shall have unrestricted and confidential access to the Chair of the Audit and Assurance Committee at any time, and vice versa.

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

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

5. Membership, Attendees and Quorum

5.1 Members

A minimum of three members, comprising:

Chair	Independent Member
Vice Chair	Independent Member
Members	Independent Members

The Chair of the organisation shall not be a member of the Audit and Assurance Committee but may be invited to attend by the Chair of the

Committee as appropriate.

5.2 Attendees

In attendance:

Director of Finance
Board Secretary
Head of Internal Audit (or representative)
Local Counter Fraud Specialist
Representative of the Auditor General for Wales
Head of Financial Accounting

In addition to this others from within or outside the organisation who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.

The Chief Executive shall be invited to attend, at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement.

5.3 Quorum

At least **two** members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair (or Vice Chair where appointed).

6. Frequency of Meetings

Meetings shall be held no less than quarterly and otherwise as the Chair of the Committee deems necessary – consistent with HEIW's annual plan of Board Business. The External Auditor or Head of Internal Audit may request that the Chair convene a meeting if they consider this necessary.

7. Relationships and accountabilities with the board and its Committees/Groups:[5]

The Audit and Assurance Committee must have an effective relationship with other committees or sub-committees of the Board so that it can understand the system of assurance for the Board as a whole. It is very important that the Audit and Assurance Committee remains aware of its distinct role and does not seek to perform the role of other committees.

The Committee will consider the assurance provided through the work of the Board's other committees and sub groups to meet its responsibilities for advising the Board on the adequacy of HEIW's overall framework of assurance.

5 Reference to the Board's Committees/Groups incorporates its sub committees, joint committees and joint sub committees as well as other groups, such as Task and Finish Groups, where this is appropriate to the remit of this Audit and Assurance Committee

8. Reporting and Assurance Arrangements

The Committee shall provide a written, annual report to the Board and the Chief Executive on its work in support of the Annual Governance Statement, specifically commenting on the adequacy of the assurance framework, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the committee's self-assessment and evaluation.

Remuneration and Terms of Service Committee
Terms of Reference and Operating Arrangements

Date: 1 October 2018	**Version:** Draft 1.0
Review Date: Annually	

1. Introduction

In line with Section 3 of the Standing Orders and HEIW's Scheme of Delegation, the Board shall nominate annually a committee to be known as the Remuneration and Terms of Service Committee. The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all Committees.

2. Purpose

The purpose of the Remuneration and Terms of Service Committee ("the Committee") is to provide:

- **advice** to the Board on remuneration and terms of service and performance for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government
- **assurance** to the Board in relation to HEIW's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.

The Committee shall have no powers to exercise on behalf of the Board.

3. Delegated Powers

With regard to its role in providing advice and assurance to the Board, the Committee will comment specifically upon the:

- remuneration and terms of service for the Chief Executive, Executive Directors, members of the Executive Team and other Very Senior Managers (VSMs); ensuring that the policies on remuneration and terms of service as determined from time to time by the Welsh Government are applied consistently
- objectives for Executive Directors and members of the Executive Team and their performance assessment
- performance management system in place for those in the positions mentioned above and its application
- proposals regarding termination arrangements, including those under the Voluntary Early Release Scheme, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant Welsh Government guidance.

4. Membership, Attendees and Quorum

4.1 Members

Chair: HEIW Chair

Members: Every Independent Member of HEIW

4.2 By Invitation As required but usually to include:
Chief Executive
Deputy Chief Executive
Director of Finance
Board Secretary

The Committee Chair may invite the following to attend all or part of a meeting to assist it with its discussions on any particular matter:

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

4.3 Quorum

At least **three** members must be present to ensure the quorum of the Committee, one of whom must be the Chair (or Vice Chair where appointed).

5. Frequency of Meetings

The Chair of the Committee, in agreement with Committee Members, shall determine the timing and frequency of meetings, as deemed necessary. It is expected that the Committee shall meet at least once a year, consistent with the annual plan of Board Business.

Education, Commissioning and Quality Committee
Terms of Reference and Operating Arrangements

Date: October 2020

Review Date: Annually

1. Introduction

In line with Section 3 of the Standing Orders, the Board shall nominate annually a committee which covers education, education commissioning and quality management of education provision and contracts. This Committee will be known as the Education, Commissioning and Quality Committee.

The terms of reference and operating arrangements set by the Board in respect of this Committee are detailed below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all HEIW committees.

2. Purpose

The purpose of the Education, Commissioning and Quality Committee ("the Committee") is to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place to plan, commission, deliver and quality manage education systems and provide assurance on behalf of the organisation.

- Where appropriate, **advise** the Board and the Chief Executive on where, and how, its education systems and assurance framework may be strengthened and developed further.

- Recommend to the Board education training plans including investment in new programmes and disinvestment in others. .

- Recommend to the Board on strategic matters relating to Education Commissioning and Education Quality.

- **Recommend** the specification of tender documents in respect of Education to the Board

3. Delegated Powers

With regard to its role in providing advice to the Board, the Committee will:

i. Provide assurance to the Board as to the effective management

and improvement of the quality of HEIW's education and related research activities.

ii. Recommend to the Board areas for investment/disinvestment in education and training plans taking into account value-based commissioning.

iii. Recommend to the Board the national annual education and training plan.

iv. Alert the Audit and Assurance Committee and the Board to any matters requiring governance action and oversee such action on behalf of the Board.

v. Oversee the development, implementation and updating of strategies, policies, structures and processes for the governance of education and training which shall including taking a forward looking and strategic view.

vi. Seek assurance of the effective performance, monitoring, management and value of education and training programmes and contracts, including the identification and management of related risk.

vii. Monitor compliance of education and training activities with:

a. statutory and regulatory requirements, including equity, equality legislation and Welsh language requirements and;

b. with NHS Wales policy and other relevant policies and HEIW's priorities in relation to equity, equality and diversity, person-centred care and participation, and educational quality.

viii. Monitor HEIW's compliance with delegated responsibilities given to it by health regulators i.e. GMC, GDC and GPhC as delegated to HEIW.

ix. Promote collaboration within HEIW and with external agencies in relation to educational and training governance which shall include wellbeing.

x. To work collaboratively with other HEIW Board standing committees.

xi. Scrutinise the specification of education tender documents.

xii. Recommend the specification of tender documents to the Board for Education.

xiii. Recommend undertaking research on Education, Quality and Commissioning to the Board.

xiv. Engage with Board Development Sessions with regards to making recommendations on strategic matters relating to Education Commissioning and Education Quality.

xv. Seek assurance in respect of risk areas within its area of responsibility and highlight material areas of concern to the Audit and Assurance Committee.

xvi. Highlight any issues out of the ordinary to the Board.

The Committee will review and agree its forward work programme on an annual basis and will recommend it to the Board for approval.

4. Membership, Attendees Quorum and Term

4.1.1 Members

A minimum of two members, comprising of at least:

- Chair: Independent Member
- Vice Chair: Independent Member

The Chair of the organisation shall not be a member of the Committee but may be invited to attend by the Chair of the Committee as appropriate.

4.1.2 Deputy Independent Member

The Board may appoint a Deputy Independent Member for the Committee. Where a member of the Committee is unable to attend a Committee meeting, then the nominated Deputy may attend in his or her absence as a member of the Committee. If a Deputy attends a Committee as a member of the Committee then the Deputy shall be included for the calculation of a quorum and may exercise voting rights.

4.2 Attendees

In attendance:

- Director of Nurse~~ing~~ and Professional Education.
- Medical Director
- Director of Finance
- Board Secretary
- Deputy Director of Education, Commissioning and Quality
- Dental Dean

- Pharmacy Dean
- Postgraduate Medical Dean

In addition to this, others from within or outside the organisation who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.

The Chief Executive shall be invited to attend, at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement.

4.3 Quorum

At least two members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair (or Vice Chair where appointed).

4.4 Terms

Immediately following the establishment of HEIW the Members shall be appointed for an initial period of two years. Thereafter Members shall be appointed for a term of one year.

5. Frequency of Meetings

Meetings shall be held no less than quarterly and otherwise as the Chair of the Committee deems necessary – consistent with HEIW's annual plan of Board Business.

6. Relationships and accountabilities with the Board and its Committees/ Groups

The Committee must have an effective relationship with other committees or sub-committees of the Board so that it can understand the system of assurance for the Board as a whole. It is very important that the Committee remains aware of its distinct role and does not seek to perform the role of other committees.

The Committee will maintain effective working relationships with HEIW'S Audit and Assurance Committee (AAC), and with HEIW's other Board committees and subcommittees. To strengthen liaison with the AAC, one Independent Member will serve on both committees.

Meeting Date	**21 July 2021**	**Agenda Item**	**2.9**
Report Title	**Proposed Amendments to Delegated Financial Limits**		
Report Author	Martyn Pennell		
Report Sponsor	Eifion Williams		
Presented by	Eifion Williams		
Freedom of Information	Open		
Purpose of the Report	To ask the Audit & Assurance Committee to consider and recommend that the Board approve two amendments to the delegated financial limits as set out in HEIW's Standing Orders.		
Key Issues	The Board is asked to consider and recommend the following amendments to the delegated financial limits set out in HEIW's Standing Orders: • Increasing the limit for the approval of payments relating to the Single Lead Employer (SLE); • Separately identifying 'Capital' expenditure and specifying individual limits for such expenditure. Amendments to the Standing Orders (SO's) must first be reviewed by the Audit & Assurance Committee.		
Specific Action Required ***(please ✓one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
				✓
Recommendations	Members are asked to: • **Consider** the proposed amendments to the Standing Orders as outline in section 2 of this report; and • **recommend** that they be approved by the July Board.			

PROPOSED AMENDMENTS TO DELEGATED FINANCIAL LIMITS

1. INTRODUCTION

The purpose of this report is to ask the Audit & Assurance Committee to consider and recommend that the Board approve two amendments to the delegated financial limits as set out in HEIW's Standing Orders.

2. BACKGROUND AND PROPOSAL

The following amendments to the Delegated Financial Limits are being requested:

- Single Lead Employer (SLE) Payments – As a result of the expansion of the SLE process managed by NHS Wales Shared Services Partnership (NWSSP) there is a change to the way that costs are recharged, and as more trainees are brought on-line there is also an increase in the total costs. Previously HEIW, and where relevant the Health Boards, were invoiced for separate elements of the scheme after the costs had been paid. Due to the increasing impact on the Velindre cashflow (host of NWSSP) the new SLA sets out a payment schedule combining all elements of the SLE in one monthly charge. These monthly payments now exceed the £3m delegated financial limit for the Chief Executive and has required Chair's Action to approve for the payment for June 2021 (extended to September 2021 to seek approval for changes). Therefore, the proposal is to increase the delegated financial limit for the Chief Executive and Deputy Chief Executive (when acting in that role) for the NWSSP SLE monthly charges to £4m.

- Capital Expenditure – HEIW currently has an annual capital budget of £100k and as set out in Financial Control Procedure 2 (FCP2) any capital requests must be considered by the Executive Team for approval. In line with paragraph 6.4.1 of the Standing Financial Instructions(SFIs), which state that, '*The general rules applying to delegation and reporting shall also apply to capital expenditure subject to any specific reporting requirements required by the Welsh Ministers'* the final ordering process has historically been approved in line with the appropriate 'revenue' limits. In light of the potential growth in capital requirements in the near future, both internally and through external changes such as the hosting of the Office of the Chief Digital Officer, it would be prudent to separately identify delegated financial limits for capital expenditure to make the control more transparent. Therefore, the proposal is to amend the Delegated Financial Limits to separately list capital and revenue items, and to set the capital approval limit to £100k for the Chief Executive, Deputy Chief Executive (when acting in that role) and the Director of Finance. The Board would retain an unlimited approval level to match the revenue limits.

3. GOVERNANCE AND RISK ISSUES

Clarifying and updating the Standing Orders of HEIW supports the corporate governance structure within HEIW.

4. FINANCIAL IMPLICATIONS

There are no financial implications as a result of this paper.

5. RECOMMENDATION

Members are asked to:

- **consider** the proposed amendments to the Standing Orders as outlined in section 2; and
- **recommend** that they be approved by the July Board.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
Clarifying and updating the Standing Orders of HEIW supports the corporate governance structure within HEIW and supports HEIW in making fully informed decisions. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff.			
Financial Implications			
The are no financial implications for consideration.			
Legal Implications (including equality and diversity assessment)			
It is essential that HEIW complies with its Standing Orders.			
Staffing Implications			
There are no direct staffing implications.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
There are no long-term implications.			
Report History	Amendments to the Delegated Financial Limits were last considered at the Audit & Assurance Committee on 20 October 2020		
Appendices	Appendix 1 – Proposed amendments to the Delegated Financial Limits (Tracked).		

Appendix 1 – Proposed amendments to the Delegated Financial Limits (Tracked).

Delegated Financial Limit

Post	Education and Training Contracts	Education and Training Invoices	Revenue (Other Than Education & Training Contracts)	Capital
Board	Above £5m		No Limit	£100,000
Chief Executive	up to £5m	No Limit (subject to Appropriate Contract Approval). NWSSP monthly invoices for SLE ~~GP~~ Salaries £43m.	£250,000	£100,000
Deputy Chief Executive (when acting in that capacity)	up to £5m	No Limit (subject to Appropriate Contract Approval). NWSSP monthly invoices for SLE ~~GP~~ Salaries £34m.	£250,000	£100,000
Director of Finance	up to £2m	£2m	£100,000	£100,000
Director of ~~Nursing~~ *Nurse and Health Professional Education* & Medical Director within delegated budget area		£500,000	£50,000	
Executive Directors within delegated directorate budget area, Director of Digital and Director of			£50,000	

Planning, Performance and Corporate Services				
Deputy Director of Finance		£50,000	£50,000	
Delegated Budget Managers (within delegated budget area)			£25,000	
Delegated Budget Managers (within delegated budget area)			£10,000	
Delegated Budget Managers (within delegated budget area)			£5,000	
Delegated Budget Managers (within delegated budget area)			£1,000	

Meeting Date	**21 July 2021**	**Agenda Item**	**2.10**
Report Title	**Annual Review of Audit and Assurance Committee Terms of Reference**		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To request that the Audit and Assurance Committee undertakes the annual review its own terms of reference.		
Key Issues	It is good practice for the Committee to review its terms of reference on an annual basis. The Audit and Assurance Committee's terms of reference is attached at Appendix 1.		

Specific Action Required ***(please ✓ one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
		✓		

Recommendations	The Audit and Assurance Committee is asked to: • **Discuss** and review its own terms of reference.

ANNUAL REVIEW OF THE AUDIT AND ASSURANCE COMMITTEE TERMS OF REFERENCE

1. INTRODUCTION

The purpose of this paper is to request that the Audit and Assurance Committee review its own terms of reference which is attached at Appendix 1.

2. BACKGROUND

It is good governance practice for the Audit and Assurance Committee's terms of reference to be reviewed annually. The current Audit and Assurance Committee terms of reference were last reviewed by the Committee in October 2020 following the HEIW Chair's Review of Committee Membership.

3. PROPOSAL

That the Audit and Assurance Committee discuss and review its own terms of reference.

There are currently no proposed changes to the terms of reference.

4. GOVERNANCE AND RISK ISSUES

It is good governance practice to regularly review committee terms of reference to support appropriate scrutiny and assurance arrangements.

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider/approve.

6. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Discuss** and review its own terms of reference.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader

Quality, Safety and Patient Experience
Ensuring the Board carries out its business appropriately through its Committees and aligned with its standing orders is a key factor in the quality, safety and experience of students and trainees.
Financial Implications
None
Legal Implications (including equality and diversity assessment)
It is essential that the Committee complies with its terms of reference.
Staffing Implications
None.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
None

Report History	The Audit and Assurance Committee reviews its own terms of reference on an annual basis.
Appendices	Appendix 1 - Audit and Assurance Committee Terms of Reference.

Terms of Reference and Operating Arrangements
Audit and Assurance Committee

Date: October 2020

Review Date: Annually

1. Introduction

In line with Section 3 of the Standing Orders, the Board shall nominate annually a committee which covers Audit. This remit of this Committee will be extended to include Assurance and Corporate Governance and will be known as the **Audit and Assurance Committee**.

The detailed terms of reference and operating arrangements set by the Board in respect of this Committee are detailed below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all committees.

2. Purpose

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

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place, through the design and operation of HEIW's assurance framework, to support them in their decision taking and in discharging their accountabilities for securing the achievement of its objectives, in accordance with the standards of good governance determined for the NHS in Wales

- Where appropriate, the Committee will **advise** the Board and the Chief Executive on where, and how, its systems and assurance framework may be strengthened and developed further

- ***Approve*** on behalf of the Board policies, procedures and other written control documents in accordance with the Scheme of Delegation.

3. Delegated Powers

With regard to its role in providing advice to the Board, the Committee will comment specifically on the:

- adequacy of HEIW's strategic governance and assurance framework, systems and processes for the maintenance of an effective system of governance, internal control, and risk management across the whole organisation's activities, designed to support the public disclosure statements that flow from the assurance processes, including the Annual Governance Statement, providing reasonable assurance on:
    - the organisations ability to achieve its objectives

- compliance with relevant regulatory requirements and other directions and requirements set by the Welsh Government and others

- reliability, integrity, safety and security of the information collected and used by the organisation

- the efficiency, effectiveness and economic use of resources

- the extent to which the organisation safeguards and protects all its assets, including its people.

In undertaking its work and responsibility the Committee will comment specifically on:

- Board's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate)

- accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, the ISA 260 Report 'Communication with those charged with Governance' and managements' letter of representation to the external auditors

- Schedule of Losses and Special Payments

- planned activity and results of internal audit, external audit and the Local Counter Fraud Specialist (including strategies, annual work plans and annual reports)

- adequacy of executive and management's response to issues identified by audit, inspection and other assurance activity

- anti-fraud policies, whistleblowing (raising concerns) processes and arrangements for special investigations

- issues upon which the Board, its Committees or the Chief Executive may seek advice

- contracting and tendering process

- provide assurance and undertake scrutiny of ensuring value for money

The Committee will support the Board with regard to its responsibilities for governance (including risk and control) by **reviewing** and **approving** as appropriate:

- all risk and control related disclosure statements, in particular the Annual Governance Statement together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board

- the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements

- the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements

- the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service

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

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

- comprehensiveness of assurances in meeting the Board and the Chief Executives assurance needs across the whole of HEIW activities;

- the reliability and integrity of these assurances

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

- there is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the Board and the Chief Executive through the Committee

- there is an effective counter fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the Board and the Chief Executive through the Committee

- there is an effective improvement function that provides appropriate assurance to the Board and the Chief Executive
- there are effective arrangements in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the Board and the Chief Executive or through the work of the Board's committees

- the work carried out by key sources of external assurance, in particular, but not limited to HEIW's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity

- the work carried out by the whole range of external review bodies is brought to the attention of the Board, and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, and the risks of failing to comply

- systems for financial reporting to the Board, including those of budgetary control, are effective

- results of audit and assurance work specific to HEIW, and the implications of the findings of wider audit and assurance activity relevant to the HEIW's operations are appropriately considered and acted upon to secure the ongoing development and improvement of the organisations governance arrangements

The Committee will review and agree the programme of work on an annual basis and will recommend it to the Board for approval.

4. Access

The Head of Internal Audit and the Auditor General and his representatives shall have unrestricted and confidential access to the Chair of the Audit and Assurance Committee at any time, and vice versa.

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

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

5. Membership, Attendees and Quorum

5.1 Members

A minimum of three members, comprising:

Chair	Independent Member
Vice Chair	Independent Member
Members	Independent Members

The Chair of the organisation shall not be a member of the Audit and Assurance Committee but may be invited to attend by the Chair of the Committee as appropriate.

5.2 Attendees

In attendance:

Director of Finance
Board Secretary
Head of Internal Audit (or representative)
Local Counter Fraud Specialist
Representative of the Auditor General for Wales
Head of Financial Accounting

In addition to this others from within or outside the organisation who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.

The Chief Executive shall be invited to attend, at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement.

5.3 Quorum

At least **two** members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair (or Vice Chair where appointed).

6. Frequency of Meetings

Meetings shall be held no less than quarterly and otherwise as the Chair of the Committee deems necessary – consistent with HEIW's annual plan of Board Business. The External Auditor or Head of Internal Audit may request that the Chair convene a meeting if they consider this necessary.

7. Relationships and accountabilities with the board and its Committees/Groups:[1]

The Audit and Assurance Committee must have an effective relationship with other committees or sub-committees of the Board so that it can understand the system of assurance for the Board as a whole. It is very important that the Audit and Assurance Committee remains aware of its distinct role and does not seek to perform the role of other committees.

The Committee will consider the assurance provided through the work of the Board's other committees and sub groups to meet its responsibilities for advising the Board on the adequacy of HEIW's overall framework of assurance.

1 Reference to the Board's Committees/Groups incorporates its sub committees, joint committees and joint sub committees as well as other groups, such as Task and Finish Groups, where this is appropriate to the remit of this Audit and Assurance Committee

8. Reporting and Assurance Arrangements

The Committee shall provide a written, annual report to the Board and the Chief Executive on its work in support of the Annual Governance Statement, specifically commenting on the adequacy of the assurance framework, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the committee's self-assessment and evaluation.

Meeting Date	**21 July 2021**	**Agenda Item**	**2.11**
Report Title	**HEIW Information Governance and Information Management Report**		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To update the Audit and Assurance Committee on matters relating to Information Governance (IG) and Information Management (IM).		
Key Issues	The report provides an update on key areas relating to Information Governance and Information Management including: • A summary on Freedom of Information Requests and Data Subject Access Requests; and • Cyber Security.		

Specific Action Required *(please ✓ one only)*	**Information**	**Discussion**	**Assurance**	**Approval**
			✓	

Recommendations	Members are asked to **note** the report for **assurance.**

INFORMATION GOVERNANCE AND INFORMATION MANAGEMENT REPORT

1. INTRODUCTION

Effective Information Governance (IG) and Information Management (IM) requires HEIW as an organisation to understand its obligations for compliance. It also means ensuring that all staff understand the importance of ensuring information is managed effectively.

2. BACKGROUND

The purpose of this paper is to provide the Audit and Assurance Committee (A&AC) with an update of the current position in respect of the Freedom of Information Requests, Data Subject Access Requests received by HEIW together with Cyber Security.

IG and IM within HEIW has the following fundamental aims:

- to promote the effective and appropriate use of information (including confidential, personal information, and commercially sensitive data) in the NHS;
- to provide staff with the appropriate tools and support to enable them to manage information in a responsible and professional way; and
- to ensure that all processing of information is done fairly, effectively and in accordance with the law.

2.2 Freedom of Information (FOI)

HEIW received **9** FOI requests for the period 1st March – 31st May. All requests were responded to within the timescales as set out in the Freedom of Information Act 2000. The compliance rate (response within the 20 working days) of the requests received was **100%**. There have been no requests for review or complaints received from the Information Commissioner's Office.

- **Sources of Requests**

Private Individual	4
Researcher/Analyst	2
Private Company	1
Media	0
Group, Association, Chartered Society	1
Campaigner (Whatdotheyknow.com)	1
Welsh Government	0
Employees of NHS Wales	0
Health Board/Trust	0
MP/Assembly Member	0
Local Government/Local Authority/Third Sector	0
Student/Trainee	0
Legal	0
Royal College/RCN	0
TOTAL	**9**

- **Subjects of Requests**

Subject of Information Request	**Number**
Corporate	3
Personnel/Employment	0
Contract/Commissioning	0
Training/Education	5
Financial	0
Statistical	1
Information Governance	0
TOTAL	**9**

- **Exemptions Applied**

  The Freedom of Information Act contains a number of exemptions that allow organisations to withhold information from a requester. In some cases, these will also allow HEIW to refuse to confirm or deny whether the information is held by the organisation.

  Some exemptions relate to a particular type of information, whilst other exemptions are based on the harm that would arise or would be likely to arise from disclosure, for example, if disclosure would be likely to prejudice a criminal investigation or prejudice someone's commercial interests. There is also an exemption for personal data if releasing it would be contrary to the General Data Protection Regulation. HEIW provided full disclosure for 4 out of the 9 responses closed. 3 exemptions were applied as indicated below:

Exemption	**Number of Times Applied**
Section 16: To Advise and Assist	2
Section 40(2): Personal Information	2
Section 43(2): Prejudice Commercial Interests	1
TOTAL	**5**

Requests received by HEIW that are considered to be sensitive or contentious in nature are reported to Welsh Government as part of the all Wales weekly reporting. Copies of those responses are also forward to Welsh Government for information.

2.3 Data Subject Access Requests (DSARS)

HEIW has not received any data subject access requests in this period.

2.4 Cyber Security

The cyber security programme of work is progressing well. HEIW are currently looking to recruit a cyber security analyst to join the cyber security function.

3. PROPOSAL

That the report be noted for assurance.

4. GOVERNANCE AND RISK ISSUES

The implications of a lack of IG compliance may result in formal investigation procedures, poor publicity and potential monetary penalties by the Information Commissioner's Office (ICO).

5. FINANCIAL IMPLICATIONS

There are no financial implications.

6. RECOMMENDATION

Members are asked to **note** this report for assurance.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	✓	✓	✓
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
	✓	✓	✓

Quality, Safety and Patient Experience
It is important that HEIW provides service users with assurance that IG and IM is considered and maintained within an effective culture of confidentiality.
Financial Implications
No financial implications to consider.
Legal Implications (including equality and diversity assessment)
If not considered, legal implications of a lack of IG and IM compliance leaves the organisation open to a potential of formal investigation procedures and monetary penalties by the Information Commissioner's Office.
Staffing Implications
No staffing implications.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
None identified.

Report History	An IG and IM Report is provided to the A&AC on a quarterly basis.
Appendices	None

Meeting Date	21 July	**Agenda Item**	
Report Title	**Board Assurance Framework - Strategic Risks Control Framework**		
Report Author	Dafydd Bebb, Board Secretary		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To provide the Audit and Assurance Committee with an update on the Strategic Risks Control Framework which represents a further development of the HEIW Board Assurance Framework (BAF).		
Key Issues	The report highlights: • the BAF has been operational since September 2019 and will continue to be developed; • the Committee received a report in October confirming that the BAF had been amended to reflect the current Strategic Objectives of HEIW; • the Strategic Control Risk Framework identifies and maps the controls and key sources of assurance against HEIW's Strategic Risks.		
Specific Action Required ***(please one only)***	**Information**	**Discussion**	**Assurance** ✓	**Approval**
Recommendations	Members are asked to: review and note the Strategic Risks Control Framework (Appendix 1) for **assurance.**		

Board Assurance Framework - Strategic Risks Control Framework

1. INTRODUCTION

The purpose of this report is to provide the Committee with an update on the development of the Strategic Risks Control Framework which represents a further development of the Board Assurance Framework (BAF).

The Strategic Risks Control Framework identifies and maps the controls and key sources of assurance against HEIW's Strategic Risks and is attached at Appendix 1.

2. BACKGROUND

The BAF outlines how the Board identifies and understands the principal risks to achieving its strategic objectives and receive assurance that suitable controls are in place to manage these risks. The BAF also enables an assessment of the risk(s) to achieving the objectives based on the strength of controls and assurances in place.

3.PROPOSAL

To further develop the BAF, and to build on recommendations from Audit Wales, HEIW has developed the Strategic Risks Control Framework. This is an assurance map which identifies the controls and key sources of assurance against HEIW's Strategic Risks.

The Strategic Risks Control Framework demonstrates how HEIW is managing and scrutinising its strategic risks. The Framework is broken down into five headings which are detailed and defined below:

1. Key Controls - these are the mechanisms in place to ensure management of the appropriate risk.

2. Assurance - these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.

3. Gaps in control – these are the areas where controls mechanisms highlight issues of concern.

4. Gaps in assurance – these are the areas where scrutiny mechanisms do not provide adequate assurance.

5. Agreed action plan – these are the actions to correct shortcomings in control and assurance

It is proposed that the Strategic Risks Control Framework is incorporated into the BAF and reviewed by the Audit and Assurance Committee as a part of the annual process for the review of the BAF.

3. GOVERNANCE AND RISK ISSUES

It is essential that there is an effective and efficient BAF in place to give sufficient, continuous and reliable assurance on organisational stewardship and the management of the major risks to organisational success and delivery of improved, cost effective, public services.

4. FINANCIAL IMPLICATIONS

No direct financial implications arising from this report. The BAF is a core element of HEIW's corporate governance structure.

5. RECOMMENDATION

Members are asked to:

review and note the Strategic Risks Control Framework for **assurance.**

Governance and Assurance			
Link to IMTP strategic aims *(please✓)*	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	✓	✓	✓
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
	✓	✓	✓
Quality, Safety and Patient Experience			
Ensuring the Board and its Committees make fully informed decisions is dependent on the quality and accuracy of the information presented and considered by those making decisions. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff.			
Financial Implications			
There are no financial implications.			

Legal Implications (including equality and diversity assessment)	
Ensuring the Board has an effective and evolving BAF that supports the Board in delivering the current one year plan, is an essential component of the Board's Governance arrangements going forward.	
Staffing Implications	
There are no staffing implications.	
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)	
No impact identified.	
Report History	The Audit and Assurance Committee reviews the Board Assurance Framework annually.
Appendices	Appendix 1 – Strategic Control Framework.

HEIW Strategic Risks Control Framework 2021/22

Strategic Risk1

Strategic Risk 1: Workforce skills and expertise given the specialist nature of organisation. There is a risk that HEIW may find itself without the workforce with the requisite skills it requires to deliver on its Strategic Objectives. This could be caused by a lack of staff with relevant skills in the external market or education system or internally due to a lack of staff skills, career mobility, succession planning and skills management, or due to undesirable employee attrition and sickness absence of key individuals.				
Executive Lead: Julie Rogers		**Assuring Committee:** Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure management of the appropriate risk.	**Form of Assurance -** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance**- areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
Each line manager needs to identify specific skills needed for the role when recruiting, replacing, or modifying. Ensure that training in place where required.	HEIW is a relatively small organisation within NHS Wales, recruitment is monitored through NHS Wales Shared Services Partnership (NWSSP) returns and also by the People & Organisational Development Team. Issues are escalated to the Executive Team where appropriate; quarterly recruitment reports are also provided to the Executive Team. Regular monitoring and reporting of workforce Key Performance Indicators including sickness and turnover.	There is no systematic reporting of training other than in relation to statutory and mandatory targets. Wider training overview is to be added to quarterly reporting.	This is subject to a manager's knowledge and expertise.	The HEIW People & Organisational Development Strategy will include analysis of roles and shape of workforce as well as actions around recruitment, retention, and succession planning, and workforce development.

Strategic Risk 2: Capacity to deliver a growing range of functions and responsibilities. The risk of lack of capacity may be caused by a lack of sufficient workforce capacity to deliver the growing functions of the organisation, which could be a result of insufficient planning and an over reliance on existing ways of working, not embracing innovation, new ways of working and not investing in appropriate technology.				
Executive Lead: Julie Rogers		**Assuring Committee:** Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure management of the appropriate risk.	**Form of Assurance -** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance**- areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
The Organisation's capacity review is undertaken alongside the development of the Annual Plan/Integrated Medium Term Plans. The corporate infrastructure is revisited when new projects or programmes are introduced/being considered. Ensuring that staff have access to appropriate training to meet the growing needs of the organisation.	The Executive Team receiving and considering the capacity review outcomes. Regular updates to the Senior Leadership Team and the Executive Team on rightsizing projects.	Training to be added to regular workforce reporting.	Challenge of influencing staff to embrace new technology and ways of working – and avoid a culture where the expectation is that the solution will always be additionality/more staff.	Rightsizing review and paper signed off by Executive Team. Group established and will deliver agreed actions. HEIW digital literacy will be a strand of the People & Organisational Development Strategy.

Strategic Risk 3: Cultural change required to deliver an integrated, multi professional approach. There is a risk that HEIW could fail to develop a positive organisational culture which enables, encourages and develops staff engagement in embracing the multi professional approach. This could be caused by an over reliance on existing ways of working or a lack of time and attention focused on Organisational Development and a failure to embed Compassionate Leadership principles.				
Executive Lead: Alex Howells		**Assuring Committee:** Audit and Assurance Committee		
Key Controls – these are the mechanisms in place to ensure management of the appropriate risk.	**Form of Assurance -** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance**- areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
Establishment of cross cutting priorities as part of the Annual Plan that take multi professional rather than uni professional approaches in many areas e.g. leadership, simulation, primary care, mental health, clinical pathways group and require matrix working across professional areas and organisational boundaries.	Performance management reports on key objectives within the Annual Plan and across the range of activities under the remit of HEIW across all professions.	Some gaps in performance management resulting from some teams still not understanding requirement for them to report on their activities as part of HEIW.		Ongoing development of performance management framework across HEIW. Development programme for the Senior Leadership Team.
Mid and end of year review process with individual Directorates and teams.	Mid and end of year review meetings and notes.	Mid and end of year reviews identify that in some areas there has been less of a multi professional focus, and the pandemic has resulted in a reversion to the previous organisational silos.		Revise template used for mid-year reviews to focus more on this issue.
Implementation of the People and Organisational Development Strategy and roll out of Compassionate Leadership modules.	Internal audit reports and staff surveys.	People and Organisational Development Strategy not yet finalised.		Finalise People and Organisational Development Strategy.
All staff meetings and conferences to bring whole workforce together across organisational boundaries to share developments and good practice	Staff surveys.	Questions on multi professional working could be strengthened.		Review questions for staff questionnaire.

Strategic Risk 4: Effective engagement to ensure that we are influencing and shaping the agenda as system leader and can deliver our plans. Acting as a system leader will require effective horizon scanning and insight into the NHS system and workforce trends and clear communication and engagement for coalition building to encourage system change. The risk of failing to influence the agenda as system leader could be caused by a failure to communicate and engage effectively with stakeholders within health and social care.				
Executive Lead: Nicola Johnson		**Assuring Committee:** Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	**Form of Assurance -** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance**- areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
Communication and Engagement Strategy.	Through reports outlining steps taken to communicate and support system leadership.	Can't guarantee that stakeholders will engage with HEIW as system leader.	Need of a stakeholder survey to measure levels of engagement.	Stakeholder survey (*) to measure impact of HEIW as System Leader.
Annual Plan/ Integrated Medium Term Plan (IMTP).	The annual rolling process to develop the plan includes an annual engagement phase with key stakeholders across health, social care, government, regulators, trades unions and others. The aim is to maximise stakeholder engagement with the Annual Plan/IMTP through involving them in the process of developing the document.	As above.	oes the NHS Wales Planning Framework require NHS organisations to engage sufficiently with HEIW on workforce matters.	Ensure that the need to engage with HEIW is reiterated in the NHS Wales Planning Framework.
Executive membership of NHS Peer Network Groups, 'hosting' of Team Wales and membership of other national programme boards.	Active influencing through Team Wales and Peer Network Groups and membership of national programmes.	Need to measure the impact.	Need of a stakeholder survey to measure levels of engagement.	Stakeholder survey (*) to measure impact of HEIW as System Leader.
				*same Stakeholder survey as referenced for strategic risk 5.

Strategic Risk 5: Effective engagement with our partners to ensure the delivery of shared objectives and aims. The successful implementation of HEIW's aims and objectives in several areas will rely on engagement and co-operation with our partners in health, social care and education. The risk of failing to deliver in these areas could be caused by insufficient capacity, not engaging with partners effectively or a failure to achieve buy in from our partners.				
Executive Lead: Alex Howells		**Assuring Committee:** Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	**Form of Assurance-** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance**- areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
Communication and Engagement Strategy.	Through reports outlining progress on implementing the strategy and communication activities such as stakeholder bulletins. Internal audit report.	No issues highlighted in internal audit.	Lack of a Stakeholder survey.	Stakeholder survey to measure impact of HEIW as System Leader. Update on comms and engagement strategy implementation.

Strategic Risk 6: Volatility of HEIW's financial position including the reliance on commissioning plans, student choices and associated budgets. This could be exacerbated by the increasing financial challenges faced by government and our education providers particularly post COVID, leading to a reduction in our flexibility to respond to developments.				
Executive Lead: Eifion Williams		**Assuring Committee:** Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	**Form of Assurance-** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance**- areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
Through contracts and through ensuring that the estimation process in respect of finances is cautious and conservative and takes into account the particular difficulties in forecasting the number of self funders.	Ensure the contracts are executed and are in place. Approval of the Financial Plan and the underlying assumptions are understood. Regular reporting of monitoring provisions through the Financial Board Report.	It is not possible for HEIW to control actual recruitment figures as this is undertaken by the education providers. It is also for students to determine individually whether they wish to take up the bursary.	Timing of the information is skewed towards the second half of the year. This is because students primarily choose place in August. They then have three months to decide whether to choose to self-fund or fund through the bursary. Given this the information is not available until at least December.	Regular dialogue and meetings between HEIW and the Education Providers. Regular dialogue and meetings between Welsh Government and Welsh Government Finance.

Strategic Risk 7: Workforce intelligence and Data. The risk that the quality of workforce intelligence captured and reported within the NHS does not support accurate decision making and planning for the NHS's future workforce requirements. This could lead to both overcapacity and under capacity within the workforce.				
Executive Lead: Julie Rogers		**Assuring Committee:** Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	**Form of Assurance -** these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	**Gaps in Control** - areas where controls mechanisms highlight issues of concern.	**Gaps in Assurance** - areas where scrutiny mechanisms do not provide adequate assurance.	**Agreed Action Plan** - Actions to correct shortcomings in control and assurance.
Annual Plan objective. Ensure vision for new Centre of Excellence is articulated and shared. Ensure benefits are described. Through securing sign up from NHS partners.	Evidence of working in partnership with Health Boards and Trusts as well as NHS Wales Shared Services Partnership and other Special Health Authorities to take them with us. Regular updates on project development.	We do not have control over the data that we receive from Health Boards and Trusts via the Electronic Staff Survey (ESR).	Depends on the willingness of other NHS organisations to share their data as well as the views of the Data Controller.	Annual Plan includes work to develop the HEIW vision for Centre of Excellence on workforce intelligence and analytics. This will flush out some of the risks, issues and potential solutions, creating a new partnership agreement and delivering better access to data which will feed workforce intelligence.

Meeting Date	**21 July 2021**	**Agenda Item**	**2.13**
Report Title	**Corporate Risk Register**		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To provide an overview of the risks currently detailed within the Corporate Risk Register.		
Key Issues	This report provides an update on the Corporate Risk Register (CRR), which is attached at Appendix 1. The CRR confirms that HEIW currently has 11 risks which are assessed as follows: • One 'red' status risk • Eight 'amber' status risks • Two 'green' status risk.		

Specific Action Required *(please ✓ one only)*	**Information**	**Discussion**	**Assurance**	**Approval**
			✓	

Recommendations	The Audit and Assurance Committee is asked to: • **Note** the report for assurance and • **Approve** that the two 'green' status risks, risk 10 and risk 11, are removed from the Corporate Risk Register.

CORPORATE RISK REGISTER

1. INTRODUCTION

The Audit and Assurance Committee is asked to note the current position regarding the Corporate Risk Register (Appendix 1) as outlined in this report.

2. BACKGROUND

Since the last reporting period, there are currently **11** risks on the Corporate Risk Register. These risks have been assessed as follows: **one** red status, **eight** amber status and **two** green status. Further commentary in respect of the red risk together with any material changes to the CRR during the reporting period are detailed below.

2.1. Red Risk

Risk 8 – If HEIW does not ensure that all reasonable steps are taken in respect of cyber security it may be vulnerable to a data breach, possible fines from the Information Commissioners Office and associated bad publicity.

Mitigation: This requires the implementation of recommendations highlighted within HEIW's Cyber Security Assessment Report. The Cyber Security Implementation Plan to be drafted and implemented.

Progress: The recommendations within HEIW's Cyber Security Assessment Report have or are being implemented.

Recent developments: Activities to support the delivery of the cyber security plan are underway.

- Cyber Security Awareness curriculum and plan development is underway.
- Cyber Security Analyst interviews have concluded, and an offer of employment has been made.
- The Network and Information System Regulation (NIS) critical service scoping has commenced. Scoping is being co-ordinated centrally by the Cyber Resilience Unit *(CRU)* who require regular status-updates.
- The Cyber Incident Response Guidelines and Plan *(final-draft documents)* have been re-drafted and were discussed and reviewed by the IGIM Group in June 2021.
- Security requirements gathering is underway to support the planned system(s) migration to HEIW's Microsoft Azure (Cloud) subscription.

2.2. Risk with an Increased Score

There has been one risk with an increased score since the last report.

Risk 19: If we continue to commission post registration and post graduate education from HEI's in England and Wales without a contract ,then HEIs may withdraw education provision or fail to provide high quality education that can be performance managed in the usual contractually governed way.

Mitigation: Phase 2 of the Strategic Review of Professional Education to be a standing item in contract meetings with HEI's. HEIW will continue to engage in regular discussions with the National School (4 countries meetings held quarterly) and will adopt a phased approach to roll out, focusing on those programmes most at risk in the first wave. It is imperative to keep to agreed timelines and ensure the project is sufficiently resourced e.g. by appointing a project manager.

Progress: Scoping meetings have now commenced. HEIW is linking with subject experts and has established education workforce groups. Two task and finish groups have been established and the project manager post is out to advert. The draft plan has been presented to Executives and the timescales remain tight and so are being kept under close review including discussions with procurement colleagues.

Assessment: This risk was assessed as 8 and an 'Amber' status. However, the risk has been reassessed and has resulted in the score increasing to 12. The risk remains continues to be assessed as an 'Amber' status.

2.3. Risks with a Reduced Score

There have been two risks with a reduced score since the last report.

Risk 10: If the impact of the suspension of routine dentistry and the suspension of aerosol producing procedures in response to COVID-19, affecting dental training processes both in undergraduate and postgraduate arenas, is not mitigated this will affect how dental students and foundation dentists gain the relevant level of experience in order to qualify and may impact on the NHS' workforce and service delivery.

Mitigation: Changes to the training programmes will be developed. This will include:

- Mandatory clinical skills test before starting on patients
- Redirection of training programme based on contract reform principles
- Front loading of simulation and classroom elements of training.
- Practical clinical elements of training to be undertaken later in the training programmes.

Progress: Over 90% of Dental Foundation Trainees in Wales will commence in the Autumn. We expect less than 5 individuals to be delayed until March 2022. There is still a risk of a delay in pre-employment checks which could delay direct clinical training, but this can be mitigated by non-clinical training being front loaded in the year.

Assessment: This risk was assessed as 8 being an 'Amber' status. However, the risk has been reassessed and has resulted in the score decreasing to 6 which is assessed as a 'Green' status. It is recommended that this risk is closed.

Risk 11: If there is a second or multiple peaks of COVID-19 and HEIW does not re-assess its Quarterly Plan, then it will not be able to re-allocate resources to provide the necessary support to the NHS workforce during the crisis and fail to manage expectations in the delivery of its objectives.

Mitigation: HEIW undertook a review and pause of its IMTP objectives in Q2 and lessons learnt from this process were captured and utilised. Our Q3 and Q4 Operational Plan was agreed by the Board and submitted to WG. The end of year performance report confirmed that the Quarterly Plan risks had been mitigated. The Board received an update on the COVD-19 impact on education and training in March.

Progress: Living with COVID-19 is now becoming business as usual. The final draft Annual Plan 2021/22 has been approved by the Board for sharing with Welsh Government. The Board agreed it will be reviewed quarterly to reflect the ongoing uncertainty and COVID-19 response and recovery.

Assessment: This risk was assessed as 8 being an 'Amber' status. However, the risk has been reassessed and has resulted in the score decreasing to 4 which is assessed as a 'Green' status. It is recommended that this risk is closed.

2.4. Risk Removal

No risks have been removed from the CRR since the last report.

2.5. New Risks

Two risks have been added to the CRR since the last report.

Risk 20: If Higher Education Institutions (HEIs) who are successful in their tenders for Phase 1 of the Strategic Review of Health Professional Education fail to mobilise the new education programmes within the time specified by the contracts then new students will be unable to benefit from new education programmes in 2022.

Mitigation: Each HEI has supplied an implementation plan to which they will be required to follow. A senior member of the Education, Commissioning and Quality Team will sit on each HEI's implementation project board to ensure processes are being followed to ensure validation, recruitment, and curriculum implementation.

Assessment: This risk has been assessed as 8 which is an 'Amber' status.

Risk 21: If HEIW fails to identify and implement a national data capture and reporting solution, Health Boards/NHS Trusts will be unable to access the data required to meet the requirements of the Nurse Staffing Levels (Wales) Act and adhere to the 'Once for Wales' approach.

Mitigation: To complete the Data Protection Impact Assessment. Work collaboratively with the HEIW IT team, Health Boards, Trusts, National Data Resource (NDR) unit, Digital Health Care Wales to identify means of support. Identify responsibilities for organisations and formalise arrangements.

Progress: Meetings have been held with HEIW IT team and the NDR unit to identify means of support and there are plans to formalise an agreement. Adverts are pending for two IT posts.

Assessment: This risk has been assessed as 8 and is an 'Amber' status.

3. GOVERNANCE AND RISK ISSUES

Risk management through the Corporate Risk Register is a core tool for the governance of risk within HEIW.

4. FINANCIAL IMPLICATIONS

Risk management through the Corporate Risk Register is a core function of HEIW as a Special Health Authority. There are no anticipated additional cost implications.

5. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Note** the contents of the report and
- **Approve** that the two 'green' status risks, risk 10 and risk 11, are removed from the Corporate Risk Register.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader

Quality, Safety and Patient Experience
The Corporate Risk Register is the core tool to ensure effective risk management within HEIW. A robust approach to the management of risk is more likely to impact favourably on the safety and experience of patients and staff.
Financial Implications
Risk management is a core function of HEIW as a Special Health Authority. There are no anticipated additional costs.
Legal Implications (including equality and diversity assessment)
n/a
Staffing Implications
n/a
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
The Corporate Risk Register is HEIW's core tool to manage risk going forward.

Report History	The Corporate Risk Register is presented to the Executive Team and Senior Leadership Team monthly and to the Audit and Assurance Committee quarterly.
Appendices	• Appendix 1 - Corporate Risk Register

HEIW CORPORATE RISK REGISTER (2021)

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
8. April 2020	**1**	If HEIW does not ensure that all reasonable steps are taken in respect of cyber security it may be vulnerable to a data breach, possible fines from the Information Commissioner's Office and associated bad publicity. **Board Secretary**	**5**	**5**	**25**	LOW	This requires the implementation of recommendations highlighted within HEIW's Cyber Security assessment report. This includes the recruitment of a Head of Cyber Security. Cyber Security Implementation Plan to be drafted and implemented	**5**	**4**	**20**		The recommendations within HEIW's Cyber Security assessment report have or are being implemented. The new Head of Cyber Security joined HEIW on 29 June and has commenced working on a new Cyber Security Implementation Plan. **Update 04/03/2021** The Head of Cyber Security has been granted access to the NHS Wales SIEM service. A high-level procurement plan has been submitted to procure a cyber security eLearning & simulation service and work is underway to look at additional cyber security resource. The CIR Policy has been redrafted for Executive review and the Disaster Recovery Plan is under review and being redrafted. Work has commenced to setup the secondary server to support the Pharmacy website. The cyber security internal audit has drawn to a conclusion. A draft copy of the audit report has been distributed for internal review. **Update 31/03/2021** Following a review of cyber essentials and given recent developments surrounding the established project to implement the UK-wide Network and Information Systems (NIS) Regulations in the health sector in Wales, it is recommended that HEIW utilise the Cyber Assessment Framework (CAF) instead of cyber essentials. A purchase order for the procurement of a cyber security eLearning & simulation service has been approved. The rollout of Microsoft Intune and Microsoft Defender ATP continues (450 endpoints have been enrolled up to 19/03/2021). The cyber security internal audit report and findings will be presented to the Audit and Assurance Committee 07/08/2021. Work on the cyber security register

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
												is underway to collect and report on cyber security events of interest, incidents, and critical vulnerabilities. **Update 17/05/2021** The purchasing process has since completed for the Proofpoint cyber security eLearning and simulation service. The Cyber Security Analyst role profile & JD approved and a vacancy request has been created in TRAC. HEIW has received notification from the NHS Wales CRU to commence with the critical system scoping exercise. The rollout of MS Intune and Defender ATP continues and work is underway to evaluate the security posture of HEIW's Microsoft Azure (Cloud) subscription. **Update 05/07/2021** Work is underway to develop HEIW's cyber security awareness plan and an offer of employment for the cyber security analyst role has been made. NIS critical service scoping has commenced and the CIR guidelines and plan have been reviewed by the IGIM group. The cloud migration project is in motion and security requirements gathering is underway.
10. May 2020	**1.**	If the impact of the suspension of routine dentistry and the suspension of aerosol producing procedures in response to COVID-19 affecting dental training processes both in undergraduate and postgraduate arenas is not mitigated this will affect how dental students and foundation dentists gain the relevant level of experience in order to qualify and may impact on the NHS' workforce and service delivery. **Medical Director**	**4**	**4**	**16**	LOW	The matter is being considered at a 4 nations level to ensure a co-ordinated response. Changes to the training programmes will be developed. This will include: • Mandatory clinical skills test before starting on patients • Redirection of training programme based on contract reform principles • Front loading of Simulation and classroom elements of training from Sept 2020- Jan 2021	**2**	**3**	**6**		Undergraduates were not prevented from qualifying in 2020. They have progressed to Foundation across the UK. The majority of Foundation trainees had gained sufficient competencies to progress. All of our Core Training and Specialist Training posts have been filled. The risk for next year remains though Dentistry has recommenced with appropriate protection. Update 7.10.2010 - No change Update 2.11.2020 There are National discussions ongoing regarding Final Year Dental Students who were due to

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
							• Practical clinical elements of training to be undertaken in later in the training programmes.					graduate in the Summer of 2021. It is looking likely that their graduation will be delayed as late as December 2021 which will have implications for Foundation programmes in 2021 and onward progression after that. Update10.01.2020 The current position in Wales is that Graduation may be delayed slightly in Cardiff, but Foundation year could start almost on time. 12.02.2021 - No Change 04.03.2021 There is a specific problem emerging in relation to the filling of Foundation posts in Wales in Autumn of 2021 due to predicted late graduation in England. There are ongoing National discussions regarding this and local discussions with Cardiff Dental School to anticipate how this will develop. 29.03.2021 - no known change. Expecting national update imminently **<u>Update - 14.05.2021</u>** This is still a live situation, but the latest information for Wales is that 90% of our Dental Foundation posts will be filled this Autumn with a few posts deferred till March 2022. The impact is therefore reduced, and we can down grade the risk to 6 green **<u>Update - 24.05.2021</u>** Over 90% of Dental Foundation Trainees in Wales will commence in the Autumn. We expect 4 individuals to be delayed until March 2022. There is still a risk of a delay in pre-employment checks which could delay direct clinical training, but this can be mitigated by non-clinical training being front loaded in the year. **Confirm that the risk can be downgraded to Green 6 6 (Impact 2 Likelihood 3)**

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
												Update - 25.06.2021 No change
11. July 2020	**1.**	If there is a second or multiple peaks of COVID-19 and HEIW does not re-assess its Quarterly Plan then it will not be able to re-allocate resources to provide the necessary support to the NHS workforce during the crisis and fail to manage expectations in the delivery of its objectives. **Director of Performance, Planning and Corporate Services**	**4**	**4**	**16**	LOW	HEIW undertook a review and pause of its IMTP objectives in Q2 and lessons learnt from this process have been captured and utilised. Our Q3 and Q4 Operational Plan has been agreed by the Board and submitted to WG. Our capacity to deliver our Q3&4 Plan remains under review but objectives have not been paused. Progress at the end of Q3 has been reviewed by the Executive Team and the majority of Objectives are on-track. The second wave started before Christmas 2020 and it is now the end of March. The end of year performance report is in progress all risks have been mitigated. The Board received an update on the COVID impact on education and training in March.	**4**	**1**	**4**		Living with COVID is now becoming busines as usual. The final draft Annual Plan 2021/22 has been approved by the Board for sharing with Welsh Government. The Board agreed it will be reviewed quarterly to reflect the ongoing uncertainty and COVID response and recovery. **Recommend: Close Risk**
12. July 2020	**1.**	If HEIW is unable to access workforce data from other NHS organisations, then its workforce will not be able to provide modelling data and fail to meet expectations in respect of the same and have an adverse impact on NHS workforce planning. **Director of Workforce and Organisational Development**	**4**	**3**	**12**	LOW	HEIW to request access to live data from ESR and other workforce information systems as well as the current Data Warehouse information Requests for additional access to information in line with NHS Digital/Health Education England.	**4**	**2**	**8**		Discussions with Welsh Government and NWSSP to take place to understand the remit and responsibilities for each organisation. Data access discussions with NWSSP in progress **Update – 30/06/2021** No change
13. July 2020	**1.**	If HEIW does not have sufficient capacity this may have an impact on its ability to support the NHS, delivery of the Annual Plan	**4**	**4**	**16**	LOW	Assessment and costing of workforce requirements made as part of the development of the Quarterly/ Annual plans.	**4**	**2**	**8**		Plans actively reviewed and monitored to assess delivery trajectories and inform revisions/mitigation. 'Reset' under consideration in context of draft 2021-22 Annual Plan to ensure

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
		commitments and levels of performance. **Director of Workforce and Organisational Development**										that capacity and resources are aligned to priority areas **<u>Update – 30/06/2021</u>** A Workforce Resourcing and Utilisation Group has been established and are due to meet in the next 2 weeks.
15. **Aug 2020**	**2**	If there are insufficient employment opportunities available for graduating Allied Health Professionals and Health Care Science students who have opted into the bursary tie-in the investment in education for these students may be lost. **Interim Director of Nursing**	**3**	**5**	**15**	LOW	A deep dive was undertaken in August 2020 to examine underlying reasons for employment shortages and the bursary appeals process that releases/enforces students from their bursary responsibilities. Following a period of enhanced monitoring (September 2020) and Targeted Support (October – December 2020) the whereabouts of graduates was confirmed, and a revised recruitment approach implemented for 2021 graduates to maximise the opportunity for Welsh Bursary students to obtain employment in Wales. The existing appeals process was paused due to the pandemic and revised to include a two-stage process incorporating a review stage. Weekly verbal updates provided to Executive with written reports to Executive and to Board as needed. A Welsh bursary relationship manager post was created to act as a reference point for all stakeholders and to progress EIA processes and communications. A managed process (Streamlining) introduced for all AHP and HCS students graduating in 2021 implemented. Evaluation of this is currently underway.	**4**	**3**	**12**		**Update June 2021** 362 of 475 graduating AHP and HCS 2020 students recruited to Band 5 jobs in Wales. Location of 474 is now known. Streamlining implemented for Physicians Associates, Midwives alongside nurses, ODPs, AHPS and HCS in 2021. Regarding AHPs and HCS students 381 were employed through the matching scheme. This is 75% of all students but others have also obtained employment prior to streamlining commencing so we anticipate the final % will be higher than it is currently. Approximately 25% of students either chose not to opt in to streamlining / were not successfully matched to a post through streamlining/ have obtained a post outside of streamlining / have asked to repay their tuition fees – this data is currently being reconciled. Unintended consequences of streamlining include recognition that employment opportunities and commissioned numbers are not the same; insufficient posts for Welsh domiciled students who had studied outside of Wales returning to Wales. This may impact on volume of Welsh language practitioners in North Wales many of whom study in England An evaluation process of the outcomes of the summer 2021 streamlining process is progressing.

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
												An evaluation process of AHP and HCS process has been undertaken and noted by the Executive Team. Plans for 2022 graduate recruitment will be negotiated and agreed by September 2022.
16. Aug 2020		If there is an increase in cases of COVID 19 that impacts on 'usual' service delivery there may be disruptions to placement opportunities for trainees and students thereby impacting their ability to progress, graduate or complete training in their field. This in turn will impact the workforce with shortages that may have a long-term effect on service delivery. **Interim Director of Nursing & Medical Director**	**4**	**3**	**12**	LOW	• Continuation of the mapping of cohort/programme delays • Supporting Education Placements (Eps) and service to implement HEIWs placement recovery principles • Continuous engagement with regulators, EPs CoDs medical Colleges and other statutory educational bodies (4 nation approach) to ensure continuity of education. • Placement recovery principles. • Revised processes for ARCPs and curriculum derogations for medical trainees to continue until September 2021 to support progression • Established communication channels with LEPs for medical trainees to ensure time limited approach to any redeployment in context of second wave • Data gathering at individual medical and dental trainee level • The UK approval of a COVID 19 vaccine on 2/12/20, with NHS staff prioritised, followed by the wider UK population provides assurance that programmes will be able to revert to pre COVID approaches by spring 2021.	**4**	**3**	**12**		Update10.01.2020 <u>Medicine</u> The second wave has resulted in the potential for further redeployment of trainees. This activity is being carefully monitored and more effective management and communication plans are in place. 4 nation agreed revised ARCP processes and derogations to curricula to continue until September 2021 to enable progression of trainees as far as possible but further disruption will have a cumulative impact on trainee progression and potential. There are ongoing discussions at UK level in Medicine and Dentistry to ensure that the beneficial changes across the UK are maintained. <u>Medicine</u> Redeployment has happened when needed at a local level and with the agreement and involvement of the Appropriate Deanery. February rotations have proceeded as planned. There are ongoing concerns about experience for Craft specialties with the reduction of planned surgery. 04.03.2021 <u>Medicine</u> Ongoing concerns about craft specialties. This may become clearer with new planned care programmes. 29.03.2021 <u>Medicine</u> No change in the position from 04.03.2021 <u>29 April 2021 - Nursing and AHP</u>

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
												The Directorate is in continuous conversations with regulators, EPs, CoDs and Government. Following a resurgence of the COVID pandemic in October 2020 a review as to whether students should be deployed again has been under review by the 4 nations and key stakeholders. It is not the intention of Wales to deploy students at this point thereby enabling the students to complete their learning and enter the workforce as planned. 350+ nursing student are due to enter the workforce in March 2021. Additionally, several e-resources have been made available to students to reduce any concerns they may have of entering placement / travelling to placement during the pandemic situation. Instigation of emergency standards is again under review. Engagement with WG has ensured that students on placement have parity of access to COVID vaccinations as paid staff. **Medicine – Updated 24.05.21** All rotations and training have been progressing, but concern regarding Craft specialties remains. **Nursing – Updated 26.05.21** In Feb 2021 WG confirmed there are no plans to redeploy students to support the workforce during the second wave of COVID. The current fall in infection rates across Wales provides greater certainty that this position will remain. ECQT led placement recovery group continues to support the safe reopening and expansion of placements. Engagement with WG has ensured that students on placement have parity of access to COVID vaccinations as paid staff. **Medicine Update - 25.06.2021** No change **Nursing – updated 21.06.21**

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
												A new role has been developed and appointed to – Head of Placement Experience and Improvement within the Nurse and Health Professional Education Directorate. The overarching remit is to develop capacity, quality and learning opportunity
17. **Oct 2020**		If there is a lack of interest from Education Providers in lots as detailed in ITT. Then this may result in an interruption to the workforce pipeline and a reputational risk to HEIW. Whilst extensive consultation has been undertaken in developing the ITT, the landscape for education providers has shifted in 2020 due to the COVID pandemic and resurgence. **Director of Finance/Interim Director of Nursing**	**5**	**4**	**20**	LOW	• Detailed consultation with all stakeholders in developing the ITT. Development of carefully crafted lots. • Education which has previously been difficult to recruit to has been incorporated in larger lots ensuring that there will be bidders – for example Radiography Assistant Practitioners has been incorporated into the largest Diagnostic Radiography lot • All Healthcare Science PTP's have been incorporated into one lot – therefore increasing numbers and funding for the lot which should result in all small HCS PTPs being commissioned	**4**	**2**	**8**		**<u>Nursing update - 26.05.21</u>** April 21 - valuation is complete with successful tenderers identified. Report prepared for consideration by Execs and Joint Committees. On track for submission to Board and WG. Once the approvals phase is complete this risk may be closed. **<u>Nursing – updated 21.06.21</u>** Education providers will be informed of the outcome of the procurement 28 June.
19. **Dec 2020**		If we continue to commission post registration and post-graduation education from Higher Education Institution's (HEIs) in England and Wales without a contract then HEIs may withdraw education provision or fail to provide high quality education that can be performance managed in the usual contractually governed way. **Interim Director of Nursing**	**3**	**6**	**18**	MEDIUM	Strategic review phase 2 to be a standing item in contract meetings with HEI's. Continue to engage with regular discussions with the National School (4 countries meetings held quarterly) Phased approach with those programmes most at risk in first wave. Imperative to keep to agreed timeline and ensure project is sufficiently	**3**	**4**	**12**		**<u>May 2021</u>** Staff resources to support phase 2 have been agreed, programme manager post to be advertised shortly. Project boards initiated. Further internal scoping meetings planned. **<u>Update 21-06-21</u>** • Scoping meetings commenced and linking with subject experts and established education workforce groups

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If… then… impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
							resourced e.g. appointing a project manager					• 2 T&F groups established • Project Manager post out to advert Draft plan presented to the Executive Team. Timeline remains tight and is being kept under close review involving discussions with procurement colleagues
20.		**Strategic Review** If Higher Education Institutions who are successful in their tenders for Phase 1 of the Strategic Review of Health Professional Education fail to mobilise the new education programmes within the time specified by contract, then new students will be unable to benefit from programmes in 2022. **Interim Director of Nursing**	**3**	**4**	**12**	Medium	Each HEI has supplied an implementation plan to which they will be required to follow. A senior team member of the ECQ will sit on each HEIs implementation project board to ensure processes are being followed to ensure validation, recruitment and curriculum implementation.	**2**	**4**	**8**		Risk added 03.06.2021
21		**Nurse Staffing Programme** If HEIW fails to identify & implement a national data capture and reporting solution health boards/NHS Trusts will be unable to access the data required to meet the requirements of the Nurse Staffing Levels (Wales) Act and adhere to the 'Once for Wales' approach. **Interim Director of Nursing**	**4**	**3**	**12**	Moderate	Undertake scoping of existing and requirements of national solution. Identify & implement a national data capture and reporting solution. Implement the use of Power BI across section 25B areas Appoint to IT posts Scope IT systems & map data flows. Complete Data Protection Impact Assessment. Collaborative working with IT team/HEIW, health boards/trusts, NDR unit/ DHCW to identify means of support. Identify responsibilities for organisations – formalise arrangements.	**4**	**2**	**8**		**Updated 07.06.2021** The HCMS system has been adapted as an interim measure whilst national IT system (Allocate/Safecare) is being implemented (Allocate) system adapted -2 versions pending implementation. Initial scoping exercise undertaken to identify current systems. Further work is required Meetings held with IT team/HEIW and National Data Resource unit to identify means of support. Plans to formalise agreements to be put in place. Review of IT posts, adverts pending for 2 IT posts.

Risk Scoring Matrix

LIKELIHOOD						
	Probable	5	10	15	20	25
	Likely	4	8	12	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Negligible	Minor	Moderate	Major	Critical
		IMPACT				

Level	Colour	Score Range
Low		1 – 6
Moderate		7 – 14
High		15 – 25

Risk Appetite Levels

Appetite Level	Described as:	What this means
None	Avoidance of risk and uncertainty is a key organisational objective.	Avoidance of loss is key objective, play safe, avoidance of developments. Priority for tight controls and oversight.
Low	Minimal, or as little as reasonably possible, is preferred for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.	Prepared to accept the possibility of very limited financial loss if essential. Win any challenges re compliance. Innovations avoided unless essential.
Moderate	Cautious is preferred for safe delivery options that have low degree of inherent risk and may only have limited potential for reward.	Prepare to accept some possibility of some financial loss. Limited tolerance for sticking neck out. Tendency to stick with status quo, innovation in practice avoided unless really necessary
High	Open and willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and Value for Money).	Prepared to invest for return & minimise the possibility of financial loss. Value and benefits considered. Gains outweigh adverse consequences. Innovation supported.
Very High	Seek and be eager to be innovative and too chose options offering potentially higher business rewards (despite greater inherent risk). Or also described as mature and confident in setting high levels of risk appetite because controls, forwards scanning, and responsiveness systems are robust.	Investing for best possible return & acceptance of possibility of financial loss. Chances of losing any challenge are real and consequences would be significant. Desire to break the mould. High levels of devolved authority – management by trust, not control.

Meeting Date	**21 July 2021**	**Agenda Item**	**2.14**
Report Title	**Audit Recommendations Tracker**		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To present to the Audit and Assurance Committee, for compliance and assurance purposes, the Audit Recommendations Tracker (Tracker). The Tracker contains the current agreed actions in response to the recommendations and advisory considerations within Audit reports received from sources such as Internal Audit and Audit Wales. To provide an update on the RAG status of a number of recommendations following a review of the progress of the actions within the Tracker by the Executive Team.		
Key Issues	The Tracker, the status of which is represented using a Red; Amber; Green (RAG) rating, currently covers **31** recommendations and advisory considerations. The Tracker is attached at Appendix 1.		

Specific Action Required *(please ✓ one only)*	**Information**	**Discussion**	**Assurance**	**Approval**
				✓

Recommendations	The Audit and Assurance Committee is asked to: • **Note** the report; • **Consider** the progress; • **Approve** the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker.

AUDIT RECOMMENDATIONS TRACKER

1. INTRODUCTION

In line with good practice, the Audit and Assurance Committee (Committee) should closely monitor progress with the programme of internal and external audit reports undertaken at HEIW. A detailed Audit Recommendations Tracker (Tracker) has been established to record the progress of all the recommendations contained within each of the Internal and External Audit reports completed since the establishment of HEIW.

The Tracker will be a source of assurance for the Audit and Assurance Committee that those recommendations are being progressed, monitored and completed.

2. BACKGROUND

The Committee should play a crucial role in supporting the effective governance of HEIW. It should play a pivotal role in ensuring that HEIW functions in accordance with good governance, applying appropriate accounting and auditing standards, and adopting appropriate risk management arrangements.

3. GOVERNANCE AND RISK ISSUES

In line with good governance, the coordination and reporting of organisational actions for audit activity are key elements of HEIW's overall assurance arrangements.

The Tracker closely monitors the status of Internal and External Audit recommendations and advisory considerations. This provides HEIW with a workable tool that allows for closer scrutiny of audit recommendations and is designed to provide a more detailed focus as to the reasons why recommendations are overdue or have not progressed within the agreed timeframes. This will highlight areas that may require additional support and ensures there are clear mechanisms in place to raise any issues.

The Tracker is an Excel spreadsheet and separated into six tabs:

- Internal Audit Reviews
- External - Wales Audit Office Reviews and other External Reviews
- Internal Advisory Reviews
- Internal Audit Review Complete
- External Audit Review Complete
- Internal Advisory Complete

Prioritisation of Recommendations

Audit recommendations are categorised according to their level of priority and, as a guide, should be completed within the following time frames unless a more appropriate timeframe is agreed at the time of the audit.

High – to be completed immediately
Medium – to be completed within one month

Low – to be completed within three months

- **Tab 1 – Internal Audit Reports Summary**

At the time of issuing the report, there are **27** current internal audit recommendations on the tracker.

The Tracker indicates those recommendations that have been completed and are proposed to be taken off the tracker, those that have made significant progress but are still not fully complete and those where some progress has been made but a number of factors still remain which prevents the action being fully completed.

The **27** recommendations within the internal audit tab are categorised in the table below:

Red	**0**	No progress and outside the original target deadline. Revised deadlines dates have been assigned.
Green	**18**	Action has been assessed as completed or is complete.
Amber	**9**	Significant progress but still not fully completed or Action has not yet reached the deadline date.

The **18** 'Green' actions that have been assessed as completed, or are complete, and are proposed to be withdrawn from the Tracker with the agreement of the Audit and Assurance Committee.

Total Overdue Internal Audit Recommendations

There are **7** recommendations overdue on the tracker which are placed into context below.

Some of the overdue recommendations within the internal audit relate to the Performance Dashboard. The progress and developments in this area were discussed at the June Board Development Session. There has been a demonstrable increase in focus in this area following the appointment of the Director of Planning, Performance and Corporate Services.

The progress updates in respect of a number of the recommendations contain plans to close these recommendations in Quarter 2.

The overdue recommendations are separated by level of priority as described in the table below:

Priority Level	No of Overdue Recommendations
High	1
Medium	3
Low	3
Total	**7**

The number of overdue recommendations by assurance ratings are detailed below:

Assurance Rating	No of Overdue Recommendations
Limited	0
Reasonable	6
Substantial	1
Not Rated	0
Total	**7**

Further work is underway to ensure that the remaining actions on the database are completed as agreed.

- **Tab 2 – External Audit Reports Summary**

Tab 2 describes the recommendations made following the Audit Wales Structured Assessments and any other external audit reports. At the time of issuing the report, there are **2** current external audit recommendations on the tracker.

The table below describes the status of current external audit recommendations:

Status	No of Recommendations
Overdue	1
Not Yet Due	1
Completed this period	0
Ongoing	0
Total	**2**

The overdue recommendation relates to developing and approving a Digital and IT strategy for HEIW. The Annual Plan and roadmap for 21/22 is completed and approved by the organisation and will be the foundation phase of the digital strategy.

Further work is underway to ensure that the remaining actions on the database are completed as agreed.

- **Tab 3 – Internal Audit Advisory Reviews Summary**

Tab 3 describes the status of the **1** outstanding advisory consideration remaining following the Internal Audit Governance Arrangements During CODID-19 Pandemic Advisory Report. The table below describes the status of the current internal audit consideration:

Status	No of Recommendations
Overdue	0
Not Yet Due	0
Completed this period	1
Ongoing	0
Total	**1**

4. FINANCIAL IMPLICATIONS

There may be financial consequences of individual actions however there is no direct financial impact associated with this report at this stage.

5. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Note** the report;
- **Consider** the progress;
- **Approve** the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader

Quality, Safety and Patient Experience
Impact on quality, safety and patient experience where appropriate will be highlighted within the individual actions and assurance requirements.
Financial Implications
There may be financial consequences of individual actions however there is no direct financial impact associated at this stage.
Legal Implications (including equality and diversity assessment)
There are no legal implications.
Staffing Implications
There are no staffing implications.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
WBFGA considerations will be included within the consideration of individual actions where appropriate.

Report History	Reviewed at Executive Team
Appendices	• Audit Recommendations Tracker Appendix 1.

Internal Audit Open Recommendations

HEIW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
61	19/20	Board and Committee Governance Arrangements November 2019	Substantial	Board Secretary	Board Secretary	Medium	The Board should undertake a self-assessment of their effectiveness, within an appropriate timeframe, and thereafter on an annual basis. While we acknowledge that the Education, Commissioning and Quality Committee has been in existence for less than 12 months, the Board should consider when it would be appropriate for the Education, Commissioning and Quality Committee and Remuneration and Terms of Service Committee to undertake a self-assessment, and plan accordingly.	• Self-assessment for the **Remuneration and Terms of Service Committee** scheduled for Q4 of 2019/20	Mar-20	Partially complete	Overdue	Due to the increasing priority of Coronavirus, the self-assessment has been delayed until further notice.	**Progress as at January 2020**: All self-assessments are scheduled into the appropriate Forward Work Programme. **Progress as at July 2020:** It was planned for the Committee to undertake its self-assessment in Q4. However, due to the increased priority of Coronavirus, the draft Self Assessment Checklist will be considered at the July RATS Committee. **Progress as at October 2020:** Consideration of the self assessment took place at November RATS Committee. The checklist has been issued for completion by 4 January 2021 with the evaluation to be presented to the RATS Committee at the end of January 2021 **Progress as at January 2021:** The RATS Committee considered the draft self assessment checklist at its meeting in November. Completion of the checklist expected by early January 2021 with evaluation anticipated to be presented to the RATS Committee at the end of January 2021. **Current Progress (May 2021):** The RATS Committee began the process of completing the self assessment and it has been determined that the self-assessment checklist requires further development. The self assessment process be postponed until the Summer 2021 and FWP has been updated accordingly.	Sep-21	18				
77	19/20	Performance Management March 2020	Reasonable	Deputy Director Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	An assessment should be undertaken to identify the link between KPIs and projects and work programmes aimed at achieving the strategic objectives. Where no existing KPIs are identified in relation to a strategic objective, consideration should be given to developing relevant KPIs that will allow monitoring of progress to achieve the strategic objective.	Following approval of our IMTP, where feasible and through iterations of the report and dashboard, we will look to incorporate this recommendation where possible.	Jun-20	Partially complete	Overdue	Delayed due to COVID 19 Pandemic	**Progress as at July 2020:** This has been delayed given the impact of COVID-19 on normal activities. Following revision to the IMTP moving forward we will aim to consider KPI's that can feasibly measure progress of objectives. **Progress as at October 2020:** The drafting of the performance framework has provided an opportunity look at the data that we report on as well as the data that we had planned to commence reporting on pre-COVID. Work to ensure validated data is available to enhance performance reporting continues. In parallel, with the additional capacity provided by the new Director, and the impetus of the draft PM framework, we are commencing a review of the data we hold and our KPIs to ensure that we have the information and KPIs we need to measure and assure progress of our strategic aims on a sustainable basis. **Progress as at January 2021:** Following the appointment of the new Director of PPCS a Performance Dashboard Steering Group has been established to drive the development of KPIs and the Dashboard, framing it around the Six Strategic Aims. Departments were asked to identify local KPIs through the mid-year Service Reviews which took place in November 2020. Development of KPIs for Strategic Aims 2 and 4 have been agreed as the priorities. **Progress as at May 2021:** The Performance Dashboard Steering Group are making steady progress with the development of the priority KPIs for Strategic Aims 2 and 3 and this action aligns with HEIW Ref 133 **Current Progress** - Progress and developments have been shared and discussed with the Executive Team and at the Board Development Session in June.	Jan-21	7				
78	19/20	Performance Management March 2020	Reasonable	Deputy Director Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	Consideration should be given to include a wider range of KPIs within the performance management dashboard, that fall in line with the aims of performance reporting as outlined in performance management framework. The performance management dashboard should be further developed to include targets against each KPI and comparisons against previous quarters.	Work is ongoing with respective teams to consider data and information options that will enable monitoring and analysis of the value work being undertaken has on education, training and quality. A range of qualitative and quantitative options have been identified following meetings with teams to increase the range of metrics available to be reported and will be included over a period of report iterations.	Jun-20	Partially complete	Overdue	Delayed due to COVID 19 Pandemic	**Progress as at July 2020:** This has been delayed given the impact of COVID and the restricted data currently available. **Progress as at October 2020:** We had identified additional data to add value to performance reports prior to COVID-19 but implementation of this was put on hold. Work has continued however to ensure validated data is available to enhance performance reporting. **Progress as at January 2021:** Following the appointment of the new Director of PPCS a Performance Dashboard Steering Group has been established to drive the development of KPIs and the Dashboard, framing it around the Six Strategic Aims. Departments were asked to identify local KPIs through the mid-year Service Reviews which took place in November 2020. Development of KPIs for Strategic Aims 2 and 4 have been agreed as the priorities. **Progress as at May 2021:** The Performance Dashboard Steering Group are making steady progress with the development of the priority KPIs for Strategic Aims 2 and 3. **Current Progress** - Progress and developments have been shared and disuccsed with the Executive Team and at the Board Development Session in June.	Jan-21	7				
80	19/20	Performance Management March 2020	Reasonable	Deputy Director Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Low	The dashboard KPIs reported could be extended to improve the information used for decision making. For example, the 'Fill Rate' is reported for a number of professions. Reporting of the associated 'Attrition Rate' would add an extra dimension to the management decision making process.	Work is ongoing with teams to enhance the data available to add value and insight and support future decision making. This includes furthering team interactions to learn from each other and share best practice.	Jun-20	Partially complete	Overdue	Delayed due to COVID 19 Pandemic	**Progress as at July 2020:** This has been delayed given the impact of COVID-19. As information flows recommence, we will review the feasibility and requirements for additional information. This will undoubtedly include COVID-19 specific information. **Progress as at October 2020:** We had identified additional data to add value to performance reports prior to COVID-19 but implementation of this was put on hold. Work has continued however to ensure validated data is available to enhance performance reporting. This will be articulated in the performance framework when finalised. **Progress as at January 2021:** See the entries above for development of the KPIs and the Dashboard. The Glossary will continue to be updated as the KPIs are agreed and the Dashboard is developed. **Progress as at May 2021:** A Performance Dashboard Steering Group has been established to drive the development of KPIs and the Dashboard, framing it around the Six Strategic Aims. Departments were asked to identify local KPIs through the mid-year Service Reviews which took place in November 2020. Development of KPIs for Strategic Aims 2 and 4 have been agreed as the priorities and the Performance Dashboard Steering Group are making steady progress with the development of the priority KPIs for Strategic Aims 2 and 3 with a particular focus on enhancing the dashboard aligned to information related to the Education and Training pipeline. **Current Progress:** Progress and developments have been shared and disuccsed with the Executive Team and at the Board Development Session in June.	Jan-21	7				
94	19/20	IT Review April 2020	Reasonable	Digital Manager/ IT Manager/ Head of Cyber Security	Director of Digital	Low	Work should continue to complete the Disaster Recovery Plan.	This is acknowledged. This work will be progressed further following appointment of Cyber Security Lead (offer made) and allowing for recovery after the impact of COVID-19.	Sep-20	Partially complete	Overdue	Delayed due to COVID 19 Pandemic	**Progress as at July 2020:** Head of Cyber Security commenced in post on 29 June 2020. Work has commenced on the Disaster Recovery Plan and was anticipated to e completed by the agreed deadline. **Progress as at October 2020:** Draft Disaster Recovery Plan is currently under review. In addition to this, other contributing elements including the re-drafting of the Business Continuity and Crisis Management Plan are in progress. The Cyber Incident Response Plan was considered by the IGIM Group on 29 September 2020 and recommended for approval by the Executive Team. **Progress as at January 2021:** Draft Disaster Recovery Plan prepared and consulted upon in autumn 2020. Sign off held back to ensure final draft was consistent with the revised HEIW Crisis and Business Continuity Plan and learning from COVID-19, as well as the recently approved Cyber Incident Response Plan and Policy. Executive sign off expected by end January 2021. **Progress as at March:** The draft Disaster Recovery Plan is currently under review and work on the final draft is underway. Given that HEIW outsource a considerable proportion of its technical infrastructure, network, services and systems it has been agreed that the plan should be service orientated and aligned to service deliverables and prioritisation of incidents. The draft Plan is expected to be completed by the end of March 2021 and will be submitted to the Executive Team for approval by the end of April 2021. **Current Progress** - We have documented our Digital Services Recovery Plan. The final draft documented will be shared with the IGIM group on the 18th June 2021.	Apr-21	7				
112	20/21	Personal Development Review Process December 2020	Reasonable	Leadership & OD Practitioner/ Senior HR Business Partners	Director of Workforce & OD	Medium	1. The errors identified during the audit testing should be investigated to establish their cause and their potential impact on compliance rates. 2. Line Managers should be reminded that all completed performance appraisals should be promptly and accurately recorded on the ESR system.	The errors appear to be a lack of manual updating of the PADR report in the ESR system. To improve this, HEIW will take the following action: 1. Reminder for staff and managers on their responsibilities to ensure this is completed as part of the PADR process.	May-21	Complete	Complete		**Current Progress: Completed May 2021.** 1. The errors that were identified during the audit have been investigated. 2. Further PADR training has been provided to managers and staff during March and May 2021. In addition guides on how to update PADR on ESR are available for all staff on the HEIW intranet. The Analytics Team will be delivering more workshop based ESR training late June to early July 2021.	May-21					
112	20/21	Personal Development Review Process December 2020	Reasonable	Head of People Inclusion & OD/Senior Leadership Team	Director of Workforce & OD	Medium	1. The errors identified during the audit testing should be investigated to establish their cause and their potential impact on compliance rates. 2. Line Managers should be reminded that all completed performance appraisals should be promptly and accurately recorded on the ESR system.	The errors appear to be a lack of manual updating of the PADR report in the ESR system. To improve this, HEIW will take the following action: 4. Active intervention to support non-compliant to ensure capability of undertaking PADR and uploading into ESR	May-21	Complete	Complete		**Feb 2021:** **1.** As above. The errors that were identified during the audit have been investigated. **2.** Responsibilities are clear and align across to NHS Wales. All managers are required to have PADR discussions with their staff in April 2021 with a suggested deadline of mid-May. HEIW has put in place timely and regular reminders for Line Managers and the Executive Team. To support the process where required, help is available through ESR and in supporting documentation and also on request from the analytics team. Regular 'clinics' will be established during March 2021 and ongoing to support staff where required in entering a range of data within ESR, which includes PADR data. **Current Progress: Completed May 2021.** Communications to all staff via the HEIW intranet has been published to remind staff that the end of year annual appraisals are due for completion along with further dates for staff training throughout May 2021. The Analytics team will be running ESR training workshops for all staff and managers throughout June and July 2021.	May-21					
113	20/21	Personal Development Review Process December 2020	Reasonable	Senior Leadership Team	Director of Workforce & OD	Medium	Performance appraisals should be undertaken annually for all staff in accordance with the values based performance appraisal and development policy. Management should decide whether consultants should continue to be required to undertake a full PADR for HEIW, or if the more concise form used for sessional staff would be more appropriate.	We have decided that consultants who are employed on 0.3 wte or less (defined as sessional workers and agency staff) should continue to use the more concise form (PADR Lite). For staff working less than 0.3 wte the lite version is to be used. Staff 0.31wte and above will complete the full PADR version. Regardless of the version of PADR utilised, the information must be entered in ESR.	May-21	Complete	Complete		**Progress as at Feb 2021:** A communications update is due soon which will remind all staff and managers of their obligations under the scheme, particularly the procedure for sessional staff. Presentations and training will be delivered to all Directorates who engage sessional staff who work 0.3 wte or less. **Current Progress Completed May 2021.** Regular updates are provided by Senior Business Partners to directorates and to Executives where we are tracking completion by sessional workers who are engaged over 0.3 hours using the PADR Lite version. Further evaluation with sessional workers will take place to ensure that the lite version is fit for purpose.	May-21					
114	20/21	Personal Development Review Process December 2020	Reasonable	Head of People Inclusion & OD/ Leadership & OD Practitioner	Director of Workforce & OD	Medium	1. Staff should be reminded that a six-monthly review should be held for all staff between each annual end of year assessment, and that appraisal forms should be fully completed. 2. Consideration should be given to monitoring outstanding appraisals and sending out targeted reminders as appropriate.	1. Managers and staff will be reminded of their responsibility under the PADR policy and Procedure.	Feb-21	Complete	Complete		**Current Progress: Completed May 2021 -** A communications update was sent via the intranet together with updates at CEO Forums. Three levels of training was provided including full training for managers, refresher training together with an introduction to our values based PADR scheme throughout May 2021.	Mar-21					
114	20/21	Personal Development Review Process December 2020	Reasonable	Leadership & OD Practitioner	Director of Workforce & OD	Medium	1. Staff should be reminded that a six-monthly review should be held for all staff between each annual end of year assessment, and that appraisal forms should be fully completed. 2. Consideration should be given to monitoring outstanding appraisals and sending out targeted reminders as appropriate.	2. A system will be established for managers / staff to confirm their participation in the six monthly review.	Apr-21	Complete	Complete		**Current Progress: Completed May 2021 -** Staff have been reminded of the six monthly review process through the HEIW intranet, training events and Staff Conferences. HEIW will align the 360 appraisal process to mid term review in October to reinforce the cascading of information. The Values Based 360 scheme, developed in partnership with an external company Compass 360 will be evaluated in June 2021 to strengthen and improve our approach in the future. Development work is being progressed in relation to using our own 360 package called Orbit 360. 2. The People Team currently use ESR system to monitor completion of appraisals and target director and line managers where there has been non compliance.	Apr-21					
116	20/21	Financial Systems January 2021	Reasonable	Director of Digital	Director of Finance	High	1. Inventory lists should be prepared to support all grouped assets on the asset register. 2. Each asset listed in the asset register should be allocated as the responsibility of a named asset manager in line with the requirements of the Asset Register Financial Control Procedure.	1. Agree - A full inventory list will be prepared to provide the required backing to the asset register.	Mar-21	Partially complete	Overdue		**Progress as at March 2021:** Work is ongoing at the paper submission deadline for the Audit & Assurance Committee and it is anticipated that this will be complete by the end of March. Most assets have been identified and recorded and any discrepancies will be dealt with as part of the accounts closure process during April. **Current Progress 17/06/2021:** Paper outlining the recommendation of an asset management solution has been creted and submitted to the Information Governance and Information Management group. Once approved this will go to the executive team for approval. Following this, it is hoped that a solution will be in place early in quarter 2.	Mar-21					

HEIW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
118	20/21	Financial Systems January 2021	Reasonable	Head of Financial Accounting	Director of Finance	Medium	All assets recorded on the asset register should be verified annually in line with the Asset Register Financial Control Procedure.	Agree - A plan for the verification of assets will be prepared for the 2020/21 financial year taking into account the following: • A 100% verification may not be possible due to the nature of the assets capitalised. As a significant element of capital costs were incurred for the initial equipping of HEIW many of the individual lines in the asset register relate to 'grouped assets'. As an example, this will include keyboards and mice, which are low-value high-quantity items that would be difficult and time-consuming to verify with any degree of accuracy. • Any access constraints as a result of building closures will need to be considered for 2020/21. It should be noted that whilst only 30 assets were marked as having been verified in 2019/20, further assets had been checked but these had not been included on the register in error. The total Net Book Value of assets verified during the year was £1.85m out of the total of £2.60m. The asset register will be fully updated for all verified assets for the 2020/21 financial year.	Mar-21	Complete	Complete		**Current Progress: COMPLETE** - Due to the 'grouping' of assets on the formation of HEIW it is not possible or effective to verify a number of small value items on the asset register, such as computer accessories, mice, monitors etc. Replacement purchases for items these would not qualify as 'capital' on a standalone basis, and therefore once these are fully depreciated they will be written out of the accounts. Due to access issues not all assets could be verified by 31st March 2021, but these items have subsequently been checked. Laptops have been logged on a spreadsheet and a longer term solution will be sought later in the financial year. Progress to April 2021: Work is ongoing at the paper submission deadline for the Audit & Assurance Committee and it is anticipated that this will be complete by the end of March. Most assets have been verified, although this cannot be finalised until the balance sheet date (31/03/21). Any discrepancies will be dealt with as part of the accounts closure process during April.	Mar-21					

HEIW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
123	20/21	Workplace Culture February 2021	Reasonable	Head of People and OD	Director of Workforce & OD	Medium	**1**. A review of the exit questionnaire process should be undertaken, including the content and format of the questionnaire to see if it could be made more user friendly and simpler to fill in. Consideration should be given to a combination of scaled and narrative style questions and it should be ensured that questionnaires are issued promptly after resignation is tendered to increase the chances of being returned. **2**. Furthermore, staff leaving HEIW could be offered an exit interview, either with their line manager or someone from Workforce, before they leave the organisation.	Although all leavers are offered an exit interview, it is currently optional whether they take this opportunity. Recognising the importance of creating a positive work culture, the feedback from leavers is essential to assess the overall emplyoee experience. In light of this, we will make the following modifications to our process with immediate effect: **a)** Undertake a review of the current Exit Questionnaire. **b)** Ensure all leavers are offered an Exit Interview and actively encouraged to take up the offer **c)** Actively offer leavers who did not take up the opportunity of an exit interview, to complete the exit questionnaire post exit and return to the People team.	Mar-21	Complete	Complete		**Current Progress: Completed May 2021.** (a) the questionnaire is currently under review and a tracking progress is being considered to help with tracking leaver processes. (b) All leavers are sent a separate letter inviting them to have an exit interview. The People and OD Team will continue to contact leavers via the standard letter and email correspondence. Any areas for concern would be identified to the relevant People Business Partner for action. This will include establishing the reason for why they are leaving. The tracking system will include flags for reference and follow up with the colleague and manager as necessary. (c) all leavers have a questionnaire to complete. They have the choice to do either or both.	May-21					

HEIW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
124	20/21	Workplace Culture February 2021	Reasonable	Assistant Director of Planning, Performance and Corporate Services	Director of Planning, Performance & Corporate Services	Low	1. Where actions are taken to mitigate against recorded risks, the risk register should be updated accordingly. 2. The use of physical space at Ty Dysgu should continue be reviewed to determine whether it could be used to further improve the integration of staff and develop a healthy workplace culture.	1. The importance of updating the risk register with the latest information has been reinforced with our teams. 2. The recommendation is noted. We had already taken action, prior to the closure of TY Dysgu, to 'mix up' the teams between floors and also taken steps to preserve staff areas for staff use rather than for business. It is our intention to keep the use of our physical space under review in line with health and wellbeing, exemplar practices, biodiversity and also the legacy of the covid pandemic which has changed substantially our operating model. Work has been undertaken to plan for a phased return once national guidance permits, this has included a review of accommodation and workstations, as well as use of meeting space in the context of a blended operating model.		Complete	Complete		**Completed**						
125	20/21	Workplace Culture February 2021	Reasonable	Head of People and OD	Director of Workforce & OD	Low	1. Where actions are taken to mitigate against recorded risks, the risk register should be updated accordingly. 2. Ongoing reviews of the organisational structure should take place to ensure it remains the most appropriate structure for the organisation.	1. The importance of updating the risk register with the latest information has been reinforced with our teams. 2. The recommendation is noted. The realignment of Director of Finance and Corporate Services function resulted in the appointment of two new Executive positions, a Director of Digital and a Director of Planning and Performance. Reviews are ongoing across directorates and teams, as part of our annual planning process and in response to changing demands and expectations. This is part of the normal evolution for any organisation in its early years and also best practice.	May-21	Complete	Complete		**Current Progress: Completed May 2021.** The recommendations were noted an all actions have been completed.						
126	20/21	Workplace Culture February 2021	Reasonable	Head of People and OD	Director of Workforce & OD	Low	Acknowledging that the Dignity at Work Process, Grievance Policy and Disciplinary Policy are All Wales procedures, HEIW should establish when they are due for review and ensure that the versions they have adopted remain fit for the organisation's needs. Where necessary, and if an All Wales review is not imminent, updates should be made.	This recommendation is noted. HEIW is part of NHS Wales and subject to all Wales agreements including in respect of the policies covered in this recommendation. We have no authority to move away from all-Wales policies. HEIW is currently leading conversations across NHS Wales on the establishment of a new Respect and Resolution policy working in partnership with Trade Union colleagues. If approved, this will supersede Disciplinary, Grievance and Dignity at Work policies on an all-wales basis. We would look to adopt this new policy, through our internal processes, as soon as it's ratified nationally.	May-21	Complete	Complete		**Current Progress: Completed May 2021.** The new policy has been agreed by the Local Partnership Forum and it has also been agreed for adoption by the Executive Team. It is due to be launched on 1st June 2021 in line with the All Wales timeline.	May-21					
127	20/21	Workplace Culture February 2021	Reasonable	Board Secretary	Board Secretary	Low	HEIW should consider / determine whether the Executive Team and Board Chair require any specific training to deal with concerns raised by staff.	The Board has regular 'development' days. Legal and Risk Services Team of the Shared Services Partnership (NWSSP) provided training on Upholding Professional Standards to Board and Executive on 19th December 2019. Training on the Raising Concerns policy and procedure for Board and Executive is currently under discussion with Legal Risk Team. The date to be confirmed.	Apr-21	Partially complete	Overdue		**Current Progress (June):** Training session has been organised with Legal and Risk for August 2021.						

HEIW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
128	20/21	Risk Management	Substantial	Board Secretary	Board Secretary	Medium	The Corporate Risk Register should be reviewed to ensure that relevant risks have been included.	In Q1 the Corporate Risk Register was amended from being aligned to the 19/20 Annual Plan to be primarily aligned to the risk created by the response to the COVID-19 pandemic. The approach and updated CRR was considered by the Audit Committee in April. Following the first wave of the pandemic, the Executive Team Development Session on 9 July carried out a deep dive of the Corporate Risk Register and aligned it to the objectives of the approvable IMTP, taking into account the continued impact of the pandemic. The CRR was accordingly updated and the two risks identified above were removed from the register. The deep dive was referenced in the paper to the Audit Committee in October. More detailed notes of the deep dive should have been recorded and reported to the Audit Committee in October to reference and seek approval of the removal of the two risks. Going forward we will ensure that the Committee's approval is sought to remove any risks from the agenda.	n/a	Complete	Complete		Completed						
129	20/21	Risk Management	Substantial	Board Secretary	Board Secretary	Low	Refresher risk management training may be beneficial for some staff and more detailed training should be provided for all staff who did not attend the previous sessions. This provides an opportunity to provide staff with an update on the changes made to the risk management policy.	We have a risk management training timetable in place. Going forward we will arrange a timetable of training sessions to include both refresher and introductory courses.	Jun-21	Complete	Complete		Completed						
130	20/21	Risk Management	Substantial	Board Secretary	Board Secretary	Low	Management should consider developing a mechanism to raise issues, share best practice and support consistency between the directorates regarding their individual risk management procedures and risk registers.	A consistent approach to risk management can be achieved through the regular training session on risk which will include both refresher and induction training on our risk management policy.	Jun-21	Complete	Complete		Completed						
131	20/21	Risk Management	Substantial	Board Secretary	Board Secretary	Low	A review of directorate risk registers should be undertaken to consider best practice and ensure consistency between them.	The importance of ensuring that risk owners are named and that the dates that risks are entered onto the CRR will be highlighted to the directorates. The other minor inconsistencies highlighted within the report are not deemed to be material and therefore deemed to be low risk.	Jun-21	Complete	Complete		Completed						
132	20/21	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance and Corporate	Director of Planning, Performance & Corporate Services	Medium	1. For clarity, the status / RAG rating of each individual strategic objective should be recorded in the Integrated Performance Report.	In future reports to be considered by the Board, the status of each objective will be given.	May-21	Complete	Complete		**Completed** - Appropriate changes were made to the End of Year Performance Report and will be replicated in future quarterly reports to highlight the individual status of each strategic objective.						
132	20/21	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance and Corporate Services	Director of Planning, Performance & Corporate Services	Medium	2. Management should review the report to ensure that the summary status of strategic objectives for each strategic aim includes the number of deferred objectives, and the summary total agrees to the total number of strategic objectives for each strategic aim.	We will also ensure that the summary status and total includes deferred Objectives.	May-21	Complete	Complete		**Completed - T**he status of Strategic Objectives was amended in the End of Year Performance Report considered by the Board in May 2021 to include deferred objective status. The summary total reconciled with the number of objectives.						

HEIW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
133	20/21	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance and Corporate Services	Director of Planning, Performance & Corporate Services	Medium	1. The data reported in the narrative of section two of the Integrated Performance Report should be consistent with that reported in the dashboard. If appropriate, a narrative report should be provided in section two of the performance report for all measures included in the dashboard. There should be a clear reconciliation between the body of the Integrated Performance Report and the dashboard appendix.	Agreed – We agree there should be a clear reconciliation between the body of the Integrated Performance Report and the dashboard. In line with best practice, we also seek to ensure that the Board's attention is concisely drawn to relevant matters, risks and KPIs that have changed. We will continue to seek a balance between the completeness of the report and a level of detail which could obscure the pertinent messages. We will appropriately consider the inclusion of narrative on indicators that may not have changed or are low risk	Sep-21	Complete	Complete		Completed - Performance reports are provided to the Board in line with best practice on drawing the Board's attention to the pertinent issues and risks.						
133	20/21	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance and Corporate Services	Director of Planning, Performance & Corporate Services	Medium	2. Where possible targets should be developed for all the data sets reported in the dashboard, which should also show the direction of travel from the previous performance report and comparative data from the previous year where this is relevant.	Agreed – As part of our agreed programme of work, during 2021/22 work will be undertaken to agree targets (where relevant) and indicate trends in data movement where not provided currently.	Dec-21	Partially complete	Not yet due		**Current Progress -** Work is being taken forward by the Performance Management Steering Group and directorate teams to enable comparative data to be included in future reports as applicable.						
134	20/21	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance and Corporate Services	Director of Planning, Performance & Corporate Services	Low	Where action to achieve strategic objectives has been deferred, for clarity and completeness, consideration should be given to recording the deferral reasons against the relevant objective.	Agreed – The Objectives were deferred with the approval of the Board as part of the organisation's review of its plans to support the system response to Covid-19. An explanation of this reason for the deferral of Strategic Objectives will be included in the upcoming end of year performance report, and future performance reports if this should reoccur.	May-21	Complete	Complete		**Completed -** The Strategic Objectives deferred in year were identified in the End of Year Report for completeness aligned to the RAG status of other strategic objectives.						
135	20/21	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance and Corporate Services	Director of Planning, Performance & Corporate Services	Low	The success factors, as defined in the organisation's IMTP, should also be included in the integrated performance report with progress monitored and reported quarterly.	Agreed - For the Annual Plan 2021-22, success measures have been identified for each objective and the Plan will be Board-approved and submitted to Welsh Government by the end of June (and will therefore be in the public domain). The inclusion of quantifiable success factors in the report and dashboard will be tested with the Leadership programme (Strategic Aim 3), with the aim of rolling out across the rest of our Strategic Aims through the planning/performance cycle.	May-22	Partially complete	Not yet due		**Current Progress -** This will be taken forward following the end of the financial year within the End of Year Performance Report to enable reflection and reporting of whether indicated success factors defined in the plan have been achieved.						

Key
Less than 3 months
Between 3 and 6 months
Between 6 and 12 months
Over 12 months

External Audit Open Recommendations

HEIW Ref. No.	Year	Report Title	Responsible Officer	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue / Reason closed	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	ET Sign Off	Risk Register? Yes/No
68	2019	Structured Assessment 2019 January 2020	Director of Digital	**Developing Strategic Plans:** **R6** HEIW should strengthen its strategic approach to digital and IT by: a) developing and approving a Digital and IT strategy;	Recommendation to be amended in line with discussions. a) Following our first operational year, we are to consider the appropriateness of a digital and IT strategy given changes proposed to NWIS and NHS Executive function.	Summer 2020	Partially complete	Overdue	Overdue	**Progress as at July 2020:** The appointment to Director of Digital has yet to be made. As such we anticpate following recruitment processes being undertaken this to commence in Q4. **Progress as at October 2020:** The Digital and IT Strategy is in early development and will be completed following the recruitment of the Director of Digital.It is expected that recruitment into the post of Director of Digital will be completed in Q4 2020/21. It is anticipated that the development of the Digital Strategy should be concluded by the end of Q1 2021/22.**Progress:** Director of Digital has been appointed and is due to commence in February 2021. **Progress as at March 2021:** Director of Digital commenced in post February 2021. Digital delivery plans will be developed by the end of Q2 2021/22 and will inform the strategic direction for digital and the development of the Digital and IT Strategy. **Current Progress:** Annual plan and roadmap for 21/22 completed and approved by the organisation. This will be foundations phase of the digital strategy.	Sep-21	12		
68	2019	Structured Assessment 2019 January 2020	Director of Digital	**Developing Strategic Plans:** **R6** HEIW should strengthen its strategic approach to digital and IT by: c) developing and reporting IT KPIs for challenge and scrutiny.	IT KPI's will be considered within the iterative development of the Performance report. It would be helpful to understand examples from other heath boards to ascertain applicability to HEIW.	Ongoing	Partially complete	Not yet due	Not yet due	**Progress as at October 2020:** The overarching performance framework will be finalised now that the Director of Performance, Planning & Corporate Services has commenced in post. However, the further development to include IT KPI's within the performance reporting will be undertaken once the Director of Digital is recruited. It is expected that recruitment into the post of Director of Digital will be completed in Q4 2020/21. **Progress as at January 2021:** The Director of Digital has been appointed and is due to commence in February 2021. **Progress as at March 2021:** Work is in progress to develop plans with Directorates and Departments to inform the measures and Digital and IT KPIs aligned to the Digital and IT Strategy. **Current Progress:** Annual plan and roadmap for 21/22 completed and approved by . Monthly performance meetings are scheduled to review performance and develop KPI's.	Sep-21	18		
109	2020	Effectiveness of Counter Fraud Arrangements - HEIW September 2020	Head of Counter Fraud/ Board Secretary	**Recording and Monitoring of Economic Fraud Risk:** Implement consistency in the recording and monitoring of economic fraud risk in line with the HEIW's risk management policy and strategy. **Intended Outcome Benefit:** To ensure prevention of fraud features prominently within the organisation's risk management framework.	As part of the Health Body's ongoing review of its risk management framework, fraud risk assessments relating to fraud will also be integrated within the wider risk management framework. This will ensure that wider corporate ownership and active management of risks can be implemented.	Mar-21	Complete	Complete	Complete	**Progress as at January 2021:** Fraud to be added as a standard risk on the Directorate Risk Registers to ensure it has a sufficient profile and that steps to mitigate the risk are considered and implemented. **Progress at March 2021:** Acting Head of Counter Fraud and Board Secretary have agreed that fraud should only appear on a risk register when identified as a risk. The Risk Management Policy will be amended to reflect this at its next annual review and will include narrative regarding the notification of any identified fraud risk to the Local Counter Fraud Service. The revised policy will be presented to the Audit and Assurance Committee in July 2021. **Current Progress:** The revised policy is currently going through the internal review process and will be presented to the Audit & Assurance Committee at its next meeting in October 2021. The matter is included	Jul-21	4		

Key
Less than 3 months
Between 3 and 6 months
Between 6 and 12 months
Over 12 months

HEIW Ref. No.	Year	Report Title	Responsible Officer	What We Found	What Could Be Done Differently	Comments	Agreed Deadline	Status	Due	Reason overdue / Reason closed	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	ET Sign Off	Risk Register? Yes/No
105	20/21	Governance Arragnements During COVID 19 Pandemic Advisory Report	Director of Finance	**FINANCIAL GOVERNANCE: Budget and Savings** Our review identified the following: • There is a budget in place for 2020/21 to support financial reporting. • At the time of our review it was unclear whether the 2020/21 budget and financial reporting would require differentiation between Covid-19 and non-Covid-19 expenditure. • HEIWs' small capital allocation has not been impacted by Covid-19.	We suggest the following considerations as the organisation looks forward: • Management should consider the impact of Covid-19 on the financial statements for 2020/21 so that if any adjustments are necessary, these can be identified and made in a timely manner.	We will consider the impact of COVID-19 in preparing the financial statements for 2020-21.	Apr-21	Complete	Complete	Complete	**Current Progress:** COMPLETE - The two COVID related expenditure items incurred by HEIW were separately identified in the annual accounts and the monthly monitoring returns, these being the increase in annual leave provision and the bonus payment made to all NHS staff. These costs were managed and recorded by the financial accounting team and were reconciled to the additional funding given by Welsh Government. **Final Report March 21** - We were informed by the Head of Financial Accounting that there has been a minimal impact on the financial statements for 2020/21, and to date only two adjustments have been necessary: a reduction to the nursing budget due to the delay in starting courses and an increase in the year-end annual leave accrual	Apr-21			

Key
Less than 3 months
Between 3 and 6 months
Between 6 and 12 months
Over 12 months

Meeting Date	**21 July 2021**	**Agenda Item**	**2.15**
Report Title	Ministry of Defence (MoD) Memorandum of Understanding (MOU) with HEIW for Postgraduate Specialty Trainees		
Report Author	Helen Baker		
Report Sponsor	Push Mangat		
Presented by	Push Mangat		
Freedom of Information	Closed		
Purpose of the Report	The Audit and Assurance Team are asked to note the MoD MOU with HEIW.		
Key Issues	The purpose of the MOU is to ensure continuity of MoD trainees in Wales.		

Specific Action Required *(please ✓ one only)*	**Information**	**Discussion**	**Assurance**	**Approval**
	✓			

Recommendations	Members are asked to: 1. **Receive** and note this update

MINISTRY OF DEFENCE (MOD) MEMORANDUM OF UNDERSTANDING (MOU) WITH HEIW FOR POSTGRADUATE SPECIALTY TRAINEES

INTRODUCTION

Occasionally HEIW is approached by the Defence Postgraduate Medical Deanery to host one or more of their Military trainees for their Postgraduate Specialty Training. These arrangements are ad hoc and small in number. We are currently hosting 2 trainees, and usually because of either a military or personal link the trainee has with Wales.

BACKGROUND

The Ministry of Defence (MoD) legal team have instructed the Defence Deanery to formalise their arrangements with Deaneries and Statutory Education Bodies across the UK with the introduction of a Memorandum of Understanding (MOU) detailing the expectations of these hosting arrangements.

HEIW has been working closely with the Defence Deanery to agree the content within the MOU which is enclosed with this report for noting and approval.

The MOU is attached below at Appendix 1.

GOVERNANCE AND RISKS

HEIW will only accept a Military trainee where we have the education and training capacity to be able to do so. Training Programme Directors will liaise with their Defence counterparts to determine training requirements and agree suitable placements for these individuals. This close working relationship is maintained throughout the duration of the Trainee's time in Wales.

The Defence Deanery remains responsible for the trainee in terms of their support, welfare, employment contract and associated requirements and overall management of their training and progress.

Health Boards receiving these trainees are notified of their status, their ongoing Military commitments and their potential to be redeployed to ensure this is factored into any service requirements going forward.

FINANCIAL IMPLICATIONS

All Military trainees will remain employees of the MoD and so there is no financial implication for HEIW. Health Boards hosting these individuals will not be required to cover out of hours payments as these are also covered by the MoD.

RECOMMENDATION

Members are asked to:

1. **Receive** and note this update

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
n/a			
Financial Implications			
None			
Legal Implications (including equality and diversity assessment)			
None			
Staffing Implications			
None			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
n/a			
Report History			
Appendices	Memorandum of Understanding between the Defence Deanery and Health Education and Improvement Wales – Appendix 1 below		

Appendix 1

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEFENCE DEANERY AND HEALTH EDUCATION AND IMPROVEMENT WALES

PARTICIPANTS

1. The Secretary of State for Defence, DMS Whittington, Lichfield, Staffs, WS14 9PY (the "Authority").

2. Health Education and Improvement Wales (HEIW), Ty Dysgu, Cefn Coed, Nantgarw, CF15 7QQ.

BACKGROUND

3. The Defence Deanery on behalf of the Defence Medical Services (DMS) manages placement and training within NHS Wales for Military Speciality Trainees (MST) in Secondary Healthcare (SHC) training programmes.

4. This Memorandum of Understanding (MoU) is for the provision of General Medical Council (GMC) approved training programmes within NHS Wales. The Authority and HEIW have decided to work together to ensure provision of training and wish to record the basis on which they will collaborate with each other to meet this training requirement. There is no intention to create a legally binding relationship with regards to this MoU. This MoU sets out:

a. The key requirements of both Participants.

b. The respective roles and responsibilities the Participants will have as a result of this arrangement.

5. On average, 49 doctors are placed into SHC training programmes within the NHS each year.

REQUIREMENT

HEIW are to oversee, monitor and authorise the run-through, core and higher professional medical training and continued professional development of MSTs.

6. HEIW will:

a. Consider requests from the Authority to place MSTs in GMC approved training programmes and confirm placements to the Defence Deanery SHC Training Manager 12 weeks prior to the initial placement start date;

a. Place military trainees in the University Hospital of Wales, Cardiff. Where this is not possible HEIW will liaise with the Defence Deanery SHC Training Manager to discuss and negotiate a suitable alternative;

b. Liaise with the relevant Defence Consultant Advisors (DCA)[1] regarding individual MSTs' training requirements before the start of and at any time during the training as required by either HEIW or Defence Deanery;

c. Provide education, training and general support to trainee MSTs placed in their GMC approved training programmes, to the same level as that received by their NHS counterparts in equivalent Training Programmes. This is to include any mandatory training offered to NHS counterparts at no additional cost to the Authority.

HEIW RESPONSIBILITIES

7. HEIW will:

a. Ensure that the Authority[2] is informed of all MSTs experiencing issues within 5 working days via telephone or e-mail. All issues are handled 'in house' by HEIW in accordance with existing Professional Support Unit (PSU) protocols and the support will be equivalent to that received by their NHS colleagues;

b. Ensure that the Authority is informed of all MSTs with serious concerns and if the GMC becomes involved within 24 hours via e-mail or telephone. All serious concerns will be reviewed by the Defence Dean as the Authority to assess the degree of involvement that is required and take part in the management plan. The Authority or their representative is to be invited to all adverse outcome panels. A representative who was not on the original panel is to sit on any subsequent Appeal panels held by HEIW;

c. In line with timelines for NHS colleagues, ensure MSTs receive the appropriate documentation such as host Honorary Contract, the necessary ID, access/log-in permissions and a rota at least 4 weeks before start of training and 4 weeks before they rotate to a different Trust during training;

d. Ensure that all MSTs are, wherever possible, working to European Working Time Directives (EWTD)/Working Time Regulations (WTR) and are given the opportunity to opt-out, similarly to NHS colleagues. This is essential for those undertaking additional duties or for exceptional training opportunities;

e. Ensure that the Host Organisation understands that MSTs may be required to attend Military Duties for a small number of mandatory military events (as well as deployment, including training for this) each year. Such absences will be included in the maximum 14 days "Time out of Training" as directed by the GMC. As MSTs are on duty, Military Duties days will not be counted as "days off" for rota purposes. Days off

[1] DCA's are the closest military role to an NHS Training Programme Director (TPD).

[2] For this MoU the Authority is either the Defence Deanery SHC Training Manager or the Defence Dean.

in lieu will be provided and the duty/event will be considered for EWTD/WTR purposes when writing the rota;

f. Support MSTs in complying with the requirement to complete the annual GMC national survey and internal trainee surveys as and when required by individual National Health Boards and trusts;

g. Convene the Annual Review to Competence Progression (ARCP) panel and provide the Defence Deanery SHC Training Administrative Assistant with at least 3 months' notice of the date of the ARCP panel, to enable the Defence Deanery to arrange attendance, in person or via conference call, by a military Specialty specific Consultant or a Military Associate Dean;

h. When reviewing Form R at ARCP, if Time Out of Training (TOOT) exceeds 14 days because of military mandated duties, the Completion of Training (CCT) will not be extended unless on review it is apparent that these duties have impacted on progress through that training year. Where all required competences have been met the CCT will not be extended because of Military Mandated Duties. The Royal College of Emergency Medicine (RCEM) has supported Defence Emergency Medicine (EM) trainees being authorised UP to an extra 14 days TOOT per training year;

i. Within 30 days of the ARCP, HEIW will electronically provide a copy of the ARCP outcome document to the SHC Training Administrative Assistant to enable the Defence Deanery to fulfil its responsibility to revalidate individual trainees;

j. HEIW will follow live reporting protocols and inform the Authority and Defence Postgraduate Medical Deanery Revalidation Lead of reported revalidation concerns relating to MSTs;

k. Notify changes of hospital locations and where possible start and end dates to the SHC Training Administrative Assistant within one month of the move;

l. Work with the Authority to manage Cross Boundary Postings (Inter Deanery Transfer for NHS doctors) directly. Ideally 6 months' notice will be given with 3 months' as a minimum to all Participants;

m. Share relevant Quality Management information with the Authority following any required quality visit or inspection within a National Health Board;

n. Ensure the Host Organisation permits the wearing of smart military working dress uniform on wards where appropriate to the Speciality;

o. Ensure that all MSTs have access to the Local Faculty Team in the Placement Health Board and can use the mechanism for exception reporting rota breaches equivalent to NHS colleagues;

p. Support the Authority in accessing MST on Intercollegiate Surgical Curriculum Project (ISCP) by maintenance of TPD Delegation permissions;

q. Provide updates on Defence Deanery Quality Visit actions. These actions will be generated by exception as part of the report following an Authority visit. Written updates should be submitted via email within 3 months of receipt of the report from the Defence Medical Academy Quality Manager.

AUTHORITY RESPONSIBILITIES

8. The Authority will:

a. Liaise with DMS DCA and HEIW TPDs concerning training programmes;

b. Provide the MST with a Defence Deanery Learning Agreement following successful recruitment and at least 2 weeks before start of training;

c. Ensure that MSTs are aware of the need to give adequate notice of absence from training (for exams, annual leave), including when on Military Duties;

d. Provide HEIW with a current Form R parts A and B and a CV for MSTs entering CT1/ST1 and ST3/4 training 12 weeks prior to the start of training;

e. Accept that when an MST is in a Core, Run-through and Higher training programme, he/she will normally be expected to remain within that programme throughout their training;

f. Provide as much notice as practicable about any proposed change in the training programme and where a Cross Boundary Posting (Inter Deanery Transfer for NHS doctors) is required from HEIW to another devolved nation or HEE Local Team, both the Authority and HEIW will work together to facilitate the process in accordance with the Conference of Postgraduate Medical Deans (COPMeD) Dean to Dean arrangements agreed in Feb 13. Ideally 6 months' notice will be given with 3 months as a minimum;

g. Liaise with the nominated representatives of HEIW about current and planned movements of MSTs within 5 days of information being received;

h. Confirm that MSTs placed within HEIW Training Programmes will join in fully with those programmes alongside their NHS Specialty training colleagues and will be expected to undertake 'on-call' duties equivalent to their NHS colleagues;

i. Process all Out of Programme Training (OOPT), Out of Programme Career Break (OOPC), Out of Programme Experience (OOPE) and Out of Programme Research (OOPR) applications. Ideally 6 months' notice will be given with 3 months minimum.

RESOURCES

9. HEIW and Host Organisation will be responsible for all NHS service delivery travel and subsistence in connection with the Authority Trainees.

10. HEIW and Host Organisation will be responsible for the supply of all equipment and supplies to fulfil the approved requirement.

QUALIFICATIONS

11. HEIW will ensure that all training places are staffed with trained personnel that have the appropriate knowledge and experience in order to deliver the training required as stated in the MoU.

DATA PROTECTION

12. HEIW will be responsible for the storage and safekeeping of any personal information supplied to them by the Authority and will comply with all relevant legislation in this respect (e.g. Data Protection Act 2018, General Data Protection Regulation (GDPR) 2018 and adhere to the Caldicott Principles). On occasion, the Authority may request, in writing, access to records.

13. The Participants to this MoU will:

a. Treat Confidential Information belonging to the other with the same degree of care that it uses for its own Confidential Information;

b. Not, without the prior consent of the other, disclose Confidential Information belonging to the other in whole or in part to any other person save those of its employees' agents or sub-contractors involved in the provision or receipt of the Services who need to know the Confidential Information in question;

c. Use the Confidential Information belonging to the other solely in connection with the provision or receipt of the services and not for its own benefit or the benefit of any third party;

d. Make all relevant employees' agents and sub-contractors aware of the confidentiality requirements of the Confidential Information belonging to the other.

PERFORMANCE/QUALITY INDICATORS

14. Key Performance Indicators (KPIs) are listed at Annex A.

MoU REVIEW

15. Discussion on issues and delivery of the MoU will form a standing agenda item at bi-annual COPMeD meetings between the Authority and HEIW to ensure the smooth running and early resolution of any issues identified by either Participant to this MoU.

16. A full list of abbreviations can be found at Annex B.

COMMAND AND CONTROL

17. All administrative, welfare and disciplinary issues are to be dealt with in line with Health Board policy and the Authority informed within 24 hours of any issue or offence being committed. The Authority will via the single Service Chain of Command deal with any offence that constitutes a breach of Service Law.

SECURITY

18. The security and protection of military personnel remains a concern to the Authority. HEIW will take every measure available to ensure that personal details of MoD personnel are not shared with unauthorised individuals. As appropriate, the Authority will advise HEIW of changes in security requirements.

FINANCE

19. The over-arching financial principle of this arrangement will be cost-neutral, and the following points are accepted:

a. The MSTs will be financially supernumerary, funded by the Authority;

b. The Authority will not claim any repayment for the service delivery component of MST's training;

c. HEIW local teams will not claim any repayment for educational costs or locum services for MSTs that are absent for any reason;

d. In exceptional circumstances where the Authority and HEIW accept that a MST experiencing difficulties requires additional local remedial services, the costs associated with this service, agreed prior to additional support being delivered, will be borne by the Authority.

TRANSPARENCY

20. HEIW understands that the Authority may publish Transparency Information to the general public regarding this arrangement if a Freedom of Information request is received. HEIW will assist and co-operate with the Authority to enable the Authority to publish the Transparency Information.

21. Before publishing the Transparency Information to the general public in accordance with paragraph 20, the Authority will redact any Information that would be exempt from disclosure if it was the subject of a request for Information under the Freedom of Information Act 2000 or the Environmental Impact Regulations 2004.

22. The Authority may consult with HEIW before redacting any Information from the Transparency Information in accordance with paragraph 21. HEIW acknowledges and accepts that its representations on redactions during consultation may not be determinative and that the decision whether to redact Information is a matter in which the Authority will exercise its own discretion, subject always to the provisions of the Freedom of Information Act 2000 or the Environmental Impact Regulations 2004.

TERMINATION OF MoU

23. This MoU will commence on the date of signature by both Participants and will continue to have effect for an initial 2-year period. This MoU will be reviewed after this time by both Participants.

24. This MoU may be terminated by either Participant, by giving not less than 20 working days' notice in writing to the other Participant.

VARIATION

25. Either Participant may request variations to this MoU which may be made by mutual arrangement, in writing.

ESCALATION

26. If either Participant has any issues, concerns or complaints regarding the other Participant's actions, or any matter in this MoU, that Participant will notify the other Participant and the Participants will then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within 5 working days, the matter will be escalated to the review meeting detailed in paragraph 15 of this MoU.

SETTLEMENT OF DISPUTES

27. Disputes between or among the Participants arising under or relating to this MoU will be resolved only by consultation between or among the Participants and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.

Signed by Prof Push Mangat .....

for and on behalf of HEIW Job Title – Medical Director

Signed by Air Vice-Marshall (AVM) Clare Walton QHP RAF

…….....

for and on behalf of **THE SECRETARY OF STATE FOR DEFENCE**

Job Title - Director Medical Personnel & Training

Date

Annex:

A: Key Performance Indicators

B: Abbreviations

SOR PARA NO	PERFORMANCE INDICATOR	ACTION	OUTCOME MEASURE	BY WHOM	BY WHEN
7a	Reporting of Issues	Inform SHC Training Manager or Defence Dean of all MSTs experiencing any issues	100%	HEIW	Within 5 working days
7b	Reporting of serious concerns	Inform SHC Training Manager or Defence Dean of all MSTs experiencing serious concerns and if the GMC becomes involved within 24 hours	100%	HEIW	Within 24 hours
7c	Documentation	Provide the necessary ID, access/log-in permissions and rota	100%	HEIW in conjunction with Host Organisation	Within 4 weeks before start of training and rotation
7g	Convene the ARCP panel	Provide the Defence Deanery SHC Training Administrative Assistant with ARCP dates	100%	HEIW	3 Months' notice
7i	ARCP outcome revalidation individual trainees' documentation	Provide an electronic copy of the ARCP outcome document to the SHC Training Administrative Assistant	100%	HEIW	30 days following the ARCP date.

7q	Written updates	Written updates following receipt of the Defence Medical Academy Quality Manager Report	100%	HEIW	Submitted within 3 months of receipt of the report

Annex B to:

SHC HEIW MoU:

Dated 7 Jun 21

ABBREVIATIONS

ABBREVIATIONS	IN FULL
ARCP	Annual Review to Competence Progression
CCT	Completion of Training
COPMeD	Conference of Postgraduate Medical Deans
CT	Core Training
CV	Curriculum Vitae
DCA	Defence Consultant Advisor
DMS	Defence Medical Services (The Authority)
EM	Emergency Medicine
EWTD	European Working Time Directives
GDPR	General Data Protection Regulations
GMC	General Medical Council
HEIW	Health Education and Improvement Wales
ID	Identity Documents
ISCP	Intercollegiate Surgical Curriculum Project
MoU	Memorandum of Understanding
MST	Military Speciality Trainees
NHS	National Health Service
OOPC	Out of Programme Career Break
OOPE	Out of Programme Experience
OOPR	Out of Programme Research
OOPT	Out of Programme Training
PSU	Professional Support Units
RCEM	Royal College of Emergency Medicine
SHC	Secondary Healthcare
ST	Speciality Training
TOOT	Time Out of Training
TPD	Training Programme Director
WTR	Working Time Regulations

Meeting Date	**21 July 2021**	**Agenda Item**	**3.1**
Report Title	**Education Commissioning and Quality Committee Annual Report 2020/21**		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	The main purpose of the Education Commissioning and Quality Committee Annual Report is to assure the Board that the system of assurance is fit for purpose and operating effectively. The report summarises the key areas of business activity undertaken by the Committee during 2020/21.		
Key Issues	This report summarises the key areas of business activity undertaken by the Committee during 2020/21 and highlights some of the key issues which the Committee intends to give further consideration to over the next twelve months. Based on feedback from the Audit and Assurance Committee Chair and Education Commissioning and Quality Committee Chair, the Annual Report was amended to clarify the role of the Deputy Member as a substitute Independent Member. The amendment can be found as a tracked change on page two of the Annual Report.		
Specific Action Required ***(please ✓ one only)***	**Information**	**Discussion**	**Assurance**	**Approval**
	✓			
Recommendations	The Audit and Assurance Committee is asked to: • **Note** that the Education Commissioning and Quality Committee has approved the Annual Report 2020/21 for submission to the Board for assurance. • **Note** the Education, Commissioning and Quality Committee Annual Report 2020/21 for information.			

EDUCATION COMMISSIONING AND QUALITY COMMITTEE ANNUAL REPORT 2020/21

1. INTRODUCTION

The main purpose of the Education Commissioning and Quality Committee Annual Report is to assure the Board that the system of assurance provided by the Committee is fit for purpose and operating effectively. The report also confirms that the Committee has discharged its Terms of Reference effectively.

2. BACKGROUND

The Education Commissioning and Quality Committee's annual report has been developed following a review of the approved minutes and papers of the committee, with due consideration of the remit of the committee as set out in the Terms of Reference.

3. PROPOSAL

This report summarises the key areas of business activity undertaken by the Education Commissioning and Quality Committee during 2020/21 and highlights some of the key issues which the Committee intends to give further consideration to over the next twelve months.

4. GOVERNANCE AND RISK ISSUES

Any governance risks and issues are managed via the committee meetings and exception reports will be provided to the Board by the respective chairs.

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Board to consider/approve.

6. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Note** that the Education Commissioning and Quality Committee has approved the Annual Report 2020/21 for submission to the Board for assurance; and
- **Note** the Education Commissioning and Quality Committee Annual Report 2020/21 for information.

Governance and Assurance			
Link to IMTP strategic aims ***(please ✓)***	**Strategic Aim 1:** To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of '*A Healthier Wales*'	**Strategic Aim 2:** To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	**Strategic Aim 3:** To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	**Strategic Aim 5:** To be an exemplar employer and a great place to work	**Strategic Aim 6:** To be recognised as an excellent partner, influencer and leader

Quality, Safety and Patient Experience
Ensuring the Board carries out its business appropriately through its Committees and aligned with its standing orders is a key factor in the quality, safety and experience of patients receiving care.
Financial Implications
None
Legal Implications (including equality and diversity assessment)
It is essential that the Board complies with its standing orders, which includes receiving updates from its committees.
Staffing Implications
None.
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)
The report outlines work undertaken by the Committee to advice and assure the Board in relation to education, education commissioning and quality management of education provision and contracts. The Committee governance structure aims to identify issues early to prevent escalations; work closely with the Audit and Assurance Committee and integrate into the overall Board arrangements.

Report History	Approved by the ECQC
Appendices	• Education, Commissioning and Quality Committee Annual Report 2020/21

Addysg a Gwella Iechyd Cymru (AaGIC)
Health Education and Improvement Wales (HEIW)

Committee Chairs Reflection

Reflecting on the past year, the second full year of the Education Commissioning and Quality Committee (ECQC), the onset of COVID 19 inevitably comes first to mind. As the months progressed and impacts of the pandemic grew, it became a year we are unlikely to forget.

Early on, our meetings were transferred on-line to enable remote working. Members adjusted quickly to the new arrangements which have worked well. The Committee's membership was strengthened with welcome additional appointments. ECQC's new internal advisory sub-committee (MPQEG) was convened and, although it proved more challenging to inaugurate the external sub-committee (EAG) in these circumstances, this is now established. I am grateful to both groups for their on-going contributions.

Through these means, and through incredible hard work from executive and secretariat staff, it has been possible to cover planned commitments, as well as contribute to education and training aspects of the COVID pandemic response.

The Committee has overseen a range of major initiatives on behalf of HEIW Board during the year, summarised in this Annual Report including Phase 1 and emerging work on Phase 11 of the Strategic Review of Health Professional Education; adapting approaches to assure quality of training and education during the COVID emergency response; and monitoring the wellbeing of those in training.

Thank you to all who have contributed, including my non-executive colleagues on the Committee.

Looking ahead new priorities are emerging, not least to ensure education programmes are restored fully, and capture and build on lessons of recent times. Digital technologies will be key to future education and training; ECQC will support the HEIW Board as this area of work escalates. Phase 11 of the Strategic Review is gathering pace and quality assurance remains a priority. The education and training implications of the Workforce Plan for Health and Social Care are significant and will also influence the Committee's agenda.

Monitoring the progress and facilitating support services for young people aspiring to and training for health service careers has already been a priority for HEIW. ECQC remains glad to contribute. The needs of health-professional refugee and asylum seekers will also be on our agenda.

Finally, it would be difficult to overstate the depth of appreciation due to the HEIW staff who have responded to the pandemic, kept substantial routine business on track, and supported the Committee and its sub-committees valiantly throughout. Thank you wholeheartedly.

1. Introduction and Background

The purpose of the Education, Commissioning and Quality Committee (the 'Committee) is to **advise** and **assure** the Board and Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place to plan, commission, deliver and quality manage education systems and provides assurance on behalf of the organisation.

Membership of the Education, Commissioning and Quality Committee:

The membership of the Committee during 2020/21 was as follows:

Chair:	Dr Ruth Hall, Independent Member
Vice Chair:	Tina Donnelly, Independent Member
Deputy Member:	Gill Lewis, Independent Member*
Member	Ceri Phillips, Independent Member**

* The Deputy Member is a substitute Independent Member who is only required to attend Committee meetings if another Independent Member is unable to attend.

**In September 2020, the Board appointed Ceri Phillips to the Committee. Ceri Phillips resigned from HEIW on 31st March 2021 to take up the Vice Chair's role at Cardiff and Vale University Health Board.

HEIW officers also attend to support key matters.

The Committee met on five occasions between April 2020 and March 2021 and was well attended with good engagement from all attendees. The Committee continues to report regularly to the HEIW Board and to ensure an appropriate interaction with the Audit and Assurance Committee.

2. Planning and Review

In line with good practice, the Education, Commissioning and Quality Committee reviewed its Terms of Reference in October 2020 endorsing a number of revisions including the alignment of the appointment date of Committee Members with that of the Audit and Assurance Committee, the appointment of a Committee Vice Chair and the addition of the Dental Dean, Pharmacy Dean and Postgraduate Medical Dean as standing 'in attendance' members of the Committee.

The Committee also considered the revised **Terms of Reference for the Multi-Professional Quality Education Group (MPQEG) and Education Advisory Group (EAG)**, approving several changes in September. These were reviewed by each of the groups at their inaugural meetings and a number of additional members to the MPQEG were approved by the Committee in October.

During the year a review of the effectiveness of the Committee was carried out and the **Evaluation of Committee Effectiveness** was considered by the Committee at its meeting in October. The review highlighted how the Committee had been strengthened by the creation of two sub Committees the Education and

Advisory Group (EAG) and Multi-Professional Quality and Education Group (MPQEG), and the addition of a further Independent Member. The review also highlighted a number of areas for focus for the Committee including the development of an induction programme for new Committee members.

The Committee approved its **Annual Report 2019-20** which was noted and approved for publication by the Board in July 2020.

3. Key Achievements in 2020/21

Throughout the year, the Committee has received and considered regular updates on the progress of **Phase 1 of the Strategic Review of Health Professional Education.** This review sought to secure pre-registration health professional education in Wales for the next seven to ten years. The programme of work provided an opportunity to take a whole system review of the shape and focus of the education and training provision needed to support the NHS in Wales.

In April, the Committee received an update on the impact of COVID-19 on **Phase 1 of the Strategic Review of Health Professional Education** and the timetable of the impending tendering process. Recognising the significance of the procurement exercise and satisfied the decision had received due consideration, the Committee was supportive of revising the procurement timescales which retained the original September 2022 student start date. In September, the Committee considered the final procurement proposals in detail and endorsed the plan and procurement strategy, recommending submission of the Invitation to Tender (ITT) and Contract Specification to Board, and the submission of the Procurement Report to Welsh Government. The Committee received an update on the contract specification in October following the submission of the procurement report to Welsh Government. In February 2021, following the closing of the tendering window, the Committee received an overview of the next stage of the procurement process, including an update on the development and planning of the **Evaluation Framework**.

The Committee also received an overview of **Phase 2 of the Strategic Review of Health Professional Education**, and considered the lessons learned from Phase 1 of the review. Acknowledging the scale of the Phase 2 procurement exercise the Committee supported the creation of a three-year fixed term Project Manager post recognising it would help provide the due diligence required to ensure the new contracts were fit for purpose.

In July, the Committee considered the draft **Annual Education and Training Plan 2021/22** and highlighted the need to closely monitor the impact of COVID-19 on trainers to ensure there was sufficient capacity to support delivery of the Plan. The final Plan was supported by the HEIW Board on 30 July 2020 and submitted to Welsh Government for approval.

4. Scrutiny and Monitoring

The Committee received:

- The first **All Wales Quality Report of Health Education Contracts in April 2020** which summarised the quality measures in place to ensure the delivery of health professional contracts in Wales.

- Regular reports on **the Quality Assurance Review of Post Graduate Medical Education (PGME)** and were reassured that despite service pressures in response to COVID-19, HEIW had maintained its regulatory accountability and had adopted an alternative approach to quality management during the crisis.

- Regular **Quality Management Reports** which provided an overview of the quality management monitoring arrangements within the Medical Deanery. This included updates on the areas within the Medical Deanery which were in enhanced monitoring status. The Committee noted the impact of COVID-19 on the Medical Deanery, in particular the pausing of routine elective operations and the impact on the progress of surgical trainees and were encouraged by efforts to mitigate the impact of a lack of face to face surgical operating time.

- A **Simulation Team Report** at its meeting in February 2021.

- A summary of the **Local Education Provider Commissioning Review 2019/2020** and welcomed the multi-professional format**,** noting the emergence of a number of all Wales themes including workforce development, curriculum change and simulation and several actions arising from lessons learned.

- The **General Medical Council (GMC) Annual Quality Assurance Summary** and were pleased with the positive outcome.

- A briefing on the **Four Nations Discussions on Quality Issues** in July 2020**.** Following feedback from the previous year's GMC Trainee Survey, the Committee requested HEIW review its complaint handling process and compare the approach to Quality Assurance Visits across the UK. The review highlighted the importance of communication throughout the complaints process and of sharing lessons learned. While the approach to quality assurance visits in Wales was similar to that in Scotland and Northern Ireland, feedback on the modified visits in Wales was shared with other nations.

- An update on the **Work-Based Learning and Apprenticeship Framework in Wales** and noted the potential additional required to facilitate implementation in July 2020. It also considered the **Open University Annual Report on Nurse Education for 2018-2019** and the potential to widen access to health professional education and learning into other professional disciplines.

- A presentation by members of the **South Wales Trauma Network (SWTN)** on their education and training plan and were encouraged by the multi-professional approach to education and training in October 2020.

- The **GMC National Trainee Survey** and **Health Professional Education 2020 National Student Survey (NSS) Summary** and **All Wales Health Professional Education Performance Report for Academic Year 2019/20** in February 2021.

5. Key Risks/Issues

Impact of Covid-19 on Education, Commissioning and Quality

As a result of the Board approval to change its governance arrangements temporarily, members of the public were unable to attend or observe the Committee. To facilitate as much transparency and openness as possible during this extraordinary time, the Committee published on the HEIW website a synopsis of the meetings within 72 hours and the unconfirmed minutes within two weeks of a meeting.

HEIW has been and continues to be actively involved in the emergency planning response to the current COVID-19 crisis. The priority for HEIW during this time has been to mobilise the organisation to both fulfil the leadership and support requirements and to use its expertise and resources to support the NHS Wales frontline services in light of the increasing demands from the pandemic, and to maintain the safety and wellbeing of its staff and learners across Wales.

In response to the pandemic, the Committee received regular updates on COVID-19 and its impact on a number of key education and commissioning programmes throughout the year. In October 2020, the Committee noted the briefing paper **Enshrining the Positive Lessons from COVID-19: Defining the 'New Normal' in Education and Training in Wales** and considered the learning opportunities for education and training in Wales as a result of the NHS response to COVID-19. Recognising the importance of continuous improvement, the Committee recommended a briefing paper on the 'new normal' be drafted so the lessons learned could be captured for the purposes of implementation and monitoring.

6. Key Areas of Focus for 2021/22

To keep pace with the many developments in education and training currently taking place, the Committee will review its forward work programme regularly. However, the following are key areas that will be addressed during 2021/22:

- Lessons learned from COVID-19 and the implications on Education & Training
- Phase 2 of the Strategic Review of Health Professional Education.
- Emerging approaches from workforce planning and the impact on training programmes.
- Impacts and opportunities of digitalisation on health education.
- Widening access to education through differential attainment and alternative education routes.
- The development of an induction process for Committee members.

Sponsored by:	**Dr Ruth Hall**
	Chair of Education, Commissioning and Quality Committee
Date:	**June 2021**