

## Bundle Audit Assurance Committee - Open 15 July 2019

### Agenda

Audit Committee Agenda July 2019.docx

- 1 PART 1 - PRELIMINARY MATTERS
  - 1.1 Welcome and Introductions
  - 1.2 Apologies for Absence
  - 1.3 Declarations of Interest
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- 2 PART 2 - MATTERS FOR CONSIDERATION
  - 2.1 Finance Update
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    - 2.1b - Finance Update Appendix 1 - Financial Project Plan July 2019.xlsx
  - 2.2 Wales Audit Office:
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      - 2.2.1a - WAO 15 July Committee cover paper (003).docx
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    - 2.2.2 Management Letter
      - 2.2.2 - HEIW Management Letter period to 31-03-19 v1.2 HEIW Comments.docx
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  - 2.3 Internal Audit:
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      - 2.3.2 - HEIW 192811 Values and Behaviours Framework - Final report.pdf
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  - 2.4 Audit Recommendations Tracker
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  - 2.5 Counter Fraud:
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    - 2.5.3 Draft Counter Fraud Quarterly Newsletter
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  - 2.6 Board Assurance Framework
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  - 2.7 To Receive the Declarations of Interest Register
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- 2.8 - Gifts Hospitality and Sponsor Register.docx
- 2.9 Annual Review of Financial Control Procedures
  - 2.9 - Annual Review of Financial Control Procedure.docx
- 2.10 To Approve the Risk Management Policy
  - 2.10a - Risk Management Policy Cover Report.docx
  - 2.10b Appendix 1 - Risk Management Policy v2 HEIW (F).docx
- 2.11 To Review the Corporate Risk Register
  - 2.11a - Development of Corporate Risk Register(D).docx
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- 2.12 Information Governance
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- 2.13 Update on the Contract Register
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  - 2.13b - Contract and Agreements Register.pdf
- 2.14 Update from the Education, Commissioning and Quality Committee Development Session on its Terms of Reference
- 3 PART 3 - CLOSE
- 3.1 Any Other Business
- 3.2 Date of Next Meeting

## AUDIT AND ASSURANCE COMMITTEE

Monday, 15 July 2019

2.00pm – 4.00pm

HEIW, Conference Room

### AGENDA

<b>PART 1</b>	<b>PRELIMINARY MATTERS</b>	<b>2.00-2.15</b>
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 Committee meeting held on the 29 May 2019	Chair/ Attachment
1.5	Action Log following the meeting held on the 29 May 2019	Chair/ Attachment
1.6	Matters Arising	Chair/ Oral
<b>PART 2</b>	<b>MATTERS FOR CONSIDERATION</b>	<b>2.15-3.30</b>
2.1	Finance Update	Interim Director of Finance/ Attachment
2.2	Wales Audit Office: <ul style="list-style-type: none"> <li>Progress against the WAO Annual Plan</li> <li>Management Letter</li> <li>Update on Baseline Review - Structured Assessment</li> </ul>	Wales Audit Office/ Attachments
2.3	Internal Audit: <ul style="list-style-type: none"> <li>Internal Audit Progress Report</li> <li>Values and Behaviours Framework Internal Audit Report</li> <li>Health and Safety Internal Audit Report</li> </ul>	Internal Audit/ Attachments
2.4	Audit Recommendations Tracker	Board Secretary/ Attachment
2.5	Counter Fraud: <ul style="list-style-type: none"> <li>Counter Fraud Progress Update as at 30th June 2019</li> <li>Counter Fraud Lessons Learned Report</li> <li>Draft Counter Fraud Quarterly Newsletter</li> </ul>	Counter Fraud Manager Cardiff & Vale UHB/ Attachments
2.6	Board Assurance Framework	Board Secretary/ Attachment
2.7	To Receive Declaration of Interest Register	Board Secretary/ Attachment

2.8	To Receive the Gifts, Hospitality and Sponsorship Register	Board Secretary/ Attachment
2.9	Annual Review of Financial Control Procedures	Interim Director of Finance/ Attachment
2.10	To Approve the Risk Management Policy	Board Secretary/ Attachment
2.11	To Review the Corporate Risk Register	Board Secretary/ Attachment
2.12	Information Governance	Board Secretary/ Attachment
2.13	Update on the Contract Register	Deputy Chief Executive/ Attachment
2.14	Update from the Education, Commissioning and Quality Committee Development Session on its Terms of Reference	Chair of the Education, Commissioning and Quality Committee/ Oral
<b>PART 3</b>	<b>Close</b>	<b>3.30-3.40</b>
3.1	Any Other Business	Chair
3.2	Date of Next Meeting: [ tbc]	

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.



**UNCONFIRMED**

**Minutes of the Audit and Assurance Committee  
held on 29 May 2019  
in the Conference Room, HEIW, Ty Dysgu, Nantgarw, CF15 7QQ**

**Present:**

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

**In Attendance:**

Alex Howells Chief Executive  
Eifion Williams Interim Director of Finance  
Martyn Pennell Head of Financial Accounting  
Mike Usher Engagement Director, Wales Audit Office  
Helen Goddard External Audit Manager, Wales Audit Office  
Simon Cookson Director of Audit and Assurance, NWSSP  
Emma Samways Deputy Head of Internal Audit, NWSSP  
Craig Greenstock Counter Fraud Manager, Cardiff and Vale UHB  
Kay Barrow Corporate Services Manager (Secretariat)

<b>PART 1</b>	<b>PRELIMINARY MATTERS</b>	<b>Action</b>
<b>AAC: 29/05/1.1</b>	<b>Welcome and Introductions</b>	
	The Chair welcomed everyone to the meeting and confirmed a quorum was present. A formal welcome was given to Kay Barrow, Corporate Governance Manager.	
<b>AAC: 29/05/1.2</b>	<b>Apologies for Absence</b>	
	Apologies were received from Dafydd Bebb (Board Secretary), Clare James (Wales Audit Office).	
<b>AAC: 29/05/1.3</b>	<b>Declarations of Interest</b>	
	Eifion Williams declared that he was currently employed by Powys Health Board.	
<b>AAC: 29/05/1.4</b>	<b>Minutes of the Meeting held on 13 May 2019</b>	
	The Committee <b>received</b> and <b>approved</b> the minutes of the meeting held on 13 May 2019.	
<b>AAC: 29/05/1.5</b>	<b>Action Log from the Meeting of 13 May 2019</b>	
	The Committee considered the Action Sheet from the meeting held on the 13 May 2019. The following amendment was requested in relation	

	<p>to a resolved action for the meeting held on 29 March 2019 regarding minute reference AC: 29/03/2.4 Structured Assessment – Outline Specification:</p> <ul style="list-style-type: none"> <li>The word ‘made’ to be replaced by the word ‘presented’ so that the resolved action reads: ‘Presentation on HEIW’s initial baseline review of the Structural Assessment to be presented at June Board by Clare James’.</li> </ul>	<b>KB</b>
<b>Resolved</b>	The Committee <b>noted</b> that all actions had been completed or formed part of the forward work programme.	
<b>AAC: 29/05/1.6</b>	<b>Matters Arising</b>	
	<p><b>AC: 13/05/2.2 Draft Annual Report Draft Accountability Report 2018-19</b></p> <p>Mike Usher confirmed that WAO had provided a form of words that clarified the reporting of the shadow and operational periods.</p>	
<b>PART 2</b>	<b>MATTERS FOR CONSIDERATION</b>	
<b>AAC: 13/05/2.1</b>	<b>Presentation of the Annual Accounts for 2018/19:</b>	
	<ul style="list-style-type: none"> <li><b>Financial Statements for 2018/19</b> The Committee <b>received</b> the Final Accounts for 2018/19.</li> </ul> <p>In presenting the Final Accounts, Eifion Williams explained that the accounts had been prepared for the accounting period 5/10/2018 to 31/03/2019. This reflected an eighteen month period from when HEIW was established and not its ‘go live’ date as an operational entity. As HEIW was a shadow organisation for twelve months, expenditure for that period had been accounted for by the hosting organisations and Welsh Government. It was reported there were only six months of actual transactions to report for the period 1 October 2018 to 31 March 2019. Eifion Williams clarified that, from an accounting perspective, HEIW’s predecessor organisations had accountability for any expenditure prior to 1 October 2018.</p> <p>The external audit fee had been confirmed as £88k for the full 12 month value and had consequently reduced the surplus position from the previously reported draft position of £155k. The year-end financial position for 2018/19 was a surplus of £68k, with net operating costs for the financial period of £105.650m.</p> <p>The reported position against pensions in Section 20 – ‘Provisions’ was based on the current position to date and that a response was awaited from the Pensions Agency regarding the pensions of Board Members who were not previously employed by an NHS organisation. It was recognised that this section may need to be corrected should the pension information become available prior to the Auditor General signing off the Final Accounts.</p> <p>Eifion Williams advised that following collaboration with Welsh Government throughout the accounts process, some agreed</p>	

	<p>amendments had been made to the accounting template reporting lines to allow for more meaningful reporting headlines; a better understanding of the description of the expenditure and to enable comparative analysis going forward.</p> <p>The Committee acknowledged that HEIW was a unique NHS organisation in Wales and, that the Finance Team, would continue to work with Welsh Government over the next year to analyse the expenditure further, learn lessons about spending patterns and agree any necessary additional changes to the reporting template.</p> <p>The Committee wished to formally express their thanks to the Finance Team for their hard work in delivering the final accounts.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the content of the Final Accounts for 2018/19;</li> <li>• <b>noted</b> that Pension Benefits of Board Members from previous non NHS Organisations to be updated, if received prior to the Auditor General signing of the Accounts. However, if the Board has signed the Accounts, a Chair's Action will need to be undertaken;</li> <li>• <b>requested</b> that their thanks be passed to the Finance Team.</li> </ul>	<p><b>EW</b></p> <p><b>MP</b></p>
	<ul style="list-style-type: none"> <li>• <b>Audit of Financial Statements Report (ISA 260) and Letter of Representation</b></li> </ul> <p>The Committee <b>received</b> the Wales Audit Office's Audit of Financial Statements Report (ISA 260).</p> <p>In presenting the report, Helen Goddard advised that the Wales Audit Office (WAO) had identified one misstatement which remained uncorrected within the accounts relating to IT assets received after the reporting period totalling £64k, but accounted for as expenditure within the reporting period to 31 March 2019. Eifion Williams explained that he had made the decision not to adjust the final accounts because the item was below the materiality level; had arrived on 2 April 2019; would have increased the year-end surplus and created a financial risk moving into the new financial year. Helen Goddard confirmed that the WAO was content with the decision for the non-adjustment and confirmed that the expenditure had not been accounted for within another NHS organisations Annual Accounts for 2018/19.</p> <p>One significant matter was highlighted relating to HEIW issuing supplementary allocations to Welsh Universities in February 2019 in order to strengthen and supplement healthcare professional education and training. Although bids had been invited and assessed by the Executive Team, WAO had raised concerns around the timing of the process in terms of the requests for bids and the need to be strengthened should further funding be provided in-year. However, assurance had been provided to WAO that it was unlikely that the process would be repeated in 2019/20 due to the strategic</p>	

	<p>review of University Contracts and procurement exercise currently being undertaken.</p> <p>A summary of the corrections to the accounts and disclosure amendments were highlighted. The Committee acknowledged that exhibit 2 in Appendix 3 made reference to note 34 which was incorrect and should be note 35.</p> <p>It was highlighted that some classification of expenditure, accruals and accounting for prepayments could be improved, but the WAO had acknowledged that this was not unexpected for a relatively new organisation. The final Letter of Representation, to be signed by the HEIW Chief Executive and Chair, proposed certificate and independent auditors report were appended to the report.</p> <p>The Auditor General would be signing the accounts on 11 June 2019 and that any amendments relating to the pension position within the Accounts would need to be made by the Board prior to that date.</p> <p>Helen Goddard highlighted that the WAO had worked closely with the HEIW Finance Team throughout the accounts process and that the WAO had no further material concerns with the financial statements</p> <p>It was acknowledged that WAO would be issuing a Management Letter later in the year which would provide recommendations to improve practice.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> the report;</li> <li>• <b>supported</b> the decision of the Director of Finance in relation to the non-adjustment of the item highlighted in the WAO report as an uncorrected misstatement;</li> <li>• <b>noted</b> that an Unqualified Opinion would be included as part of Committee Review of Accounts and Public Disclosure Statements to the Board at its May meeting.</li> </ul>	<b>EW</b>
	<ul style="list-style-type: none"> <li>• <b>Recommendation to the Board</b></li> </ul>	
<b>Resolved</b>	The Committee <b>agreed</b> to recommend to the Board to sign off the Final Annual Accounts for 2018/19.	<b>EW</b>
<b>AAC: 29/05/2.2</b>	<b>Update on Baseline Review – Structured Assessment</b>	
	Helen Goddard provided an oral update in relation to the progress with the Baseline Review as part of the Structured Assessment.	
<b>Resolved</b>	The Committee <b>noted</b> that the WAO would be presented the Structured Assessment at the June Board Development Session	<b>WAO</b>
<b>AAC: 29/05/2.3</b>	<b>Annual Accountability Report 2018/19</b>	
	The Committee <b>received</b> the Accountability Report for 2018/19.	

	<p>In presenting the report, Kay Barrow highlighted that the Accountability Report was one part of the three elements that contributed to the overall Annual Report for the reporting period 1 October 2018 to 31 March 2019. The Committee had considered the draft Accountability Report at its meeting held on 13 May 2019 and comments received had been incorporated. However, the draft presented required further editorial amendments; removal of duplication that were also contained within the Performance Report, and the removal of the reference to the word 'Plan' on page 15, third paragraph.</p> <p>The Committee questioned whether approval had been received for the Annual Plan for 2019/20. Alex Howells clarified that HEIW was working to the Plan despite no formal approval by Welsh Government. She explained that the Plan had been well received at Welsh Government and it was anticipated that the letter setting out the accountability requirements would be received in the near future.</p>	
<b>Resolved</b>	The Committee <b>agreed</b> to recommend for Board approval, subject to editorial amendments; removal of duplications that are also contained in the Performance Report and removal of reference to the word 'Plan' on page 15, third paragraph.	<b>DB</b>
<b>AAC: 29/05/2.4</b>	<b>Performance Report</b>	
	<p>The Committee <b>received</b> the Performance Report.</p> <p>In presenting the report, Alex Howells advised that the Performance Report formed one of the three parts of the HEIW Annual Report and Accounts. She explained that there was an overlap with the content within the Accountability Report and that any duplication within the Accountability Report would be removed, as discussed in the previous item, and that an overview would be added when combining all three elements into the Annual Report. The Committee acknowledged that the content would be developed further for the next year to ensure that it was more public facing document.</p> <p>The Committee commended the Performance Team in relation to the emerging Performance Framework.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>approved</b> for inclusion into the Annual Report with the Accountability Statement and Final Accounts;</li> <li>• <b>approved</b> for submission to Welsh Government.</li> </ul>	<b>DB</b> <b>DB</b>
<b>AAC: 29/05/2.5</b>	<b>Head of Internal Audit Opinion and Annual Report for 2018/19</b>	
	<p>The Committee <b>received</b> the Head of Internal Audit Opinion and Annual Report for 2018/19.</p> <p>In presenting the report, Simon Cookson advised that the report reflected the content of the Accountability Report and that the Head of Internal Opinion was of a reasonable assurance rating overall.</p>	

	<p>He confirmed there were two areas of follow up work that internal audit would be undertaking and these related to the limited assurance Workforce Review and the IT Baseline Assessment.</p> <p>Simon Cookson wished to thank the staff across the organisation for their cooperation and support in helping the Internal Audit Team fulfil their auditing responsibilities.</p> <p>The Committee was pleased with the positive and encouraging report and that any areas highlighted for attention would be addressed appropriately.</p>	
<b>Resolved</b>	The Committee <b>agreed</b> that the Head of Internal Opinion be included as part of Committee Review of Accounts and Public Disclosure Statements to the Board at its May meeting	<b>EW</b>
<b>AAC: 29/05/2.6</b>	<b>Review of Corporate Risk Register</b>	
	<p>The Committee <b>received</b> the Corporate Risk Register.</p> <p>In presenting the report, Kay Barrow highlighted some drafting errors within the Corporate Risk Register, advising that the Register was managed as a 'live' document and actively reviewed at the Executive Team and Senior Leadership Team on a monthly basis.</p> <p>The Committee considered the Risk Register and it was highlighted that the Executive Team and Senior Leadership Team continue to maximise opportunities to embed integrated working and co-production across the organisation.</p> <p>The Committee questioned Risk 8 and the relationship with Welsh Government which had been assessed as Red. Alex Howells clarified that there were a number of emerging concerns regarding the impact of decisions being made by Welsh Government. However, she highlighted that there was good communication with Welsh Government and that HEIW was continuing to embed into NHS Wales.</p> <p>The Committee questioned the number of risks and those that were dependent on others, such as professional bodies and Welsh Government, and asked that the focus of the Corporate Risk Register was on the organisation itself.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>agreed</b> that the following amendments be made to the Risk Register: <ul style="list-style-type: none"> <li>- Remove reference to transitional risk register as its title and to be changed to Corporate Risk Register</li> <li>- All the risks to have an identified Risk Owner (Executive Director)</li> <li>- Colour of Risk 8 to be red in line with risk scoring.</li> <li>- Colour of Risk 22 to be red in line with risk scoring.</li> </ul> </li> <li>• <b>agreed</b> that Risks 8 and 22 be reviewed by Executive Team in relation to the impact score.</li> </ul>	<b>DB</b>



	<ul style="list-style-type: none"> <li>• <b>Workforce Review: Casual Workers – Employment Status</b> The Committee <b>received</b> the report which had been an overall assessment of limited assurance.</li> </ul> <p>In presenting the report, Emma Samways advised that concerns had been raised by both Julie Rogers and Foola Evans about the overall findings. It was highlighted that, during the internal audit fieldwork, that whilst there was a suitable process to follow for the engagement of casual workers, evidence could not be provided to support the completions of casual worker's engagement documentation; retaining an effective audit trail that justifies the employment status; and monitoring arrangements. It was noted that evidence would be requested going forward.</p> <p>Emma Samways confirmed that Internal Audit would undertake a follow up review using contingency hours/days.</p> <p>The Committee queried how many entries had been made on the Declarations of Interest/Hospitality Register.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>noted</b> that Internal Audit would undertake a follow up review using contingency hours/days.</li> <li>• <b>requested</b> an update on the number of entries made on the declarations of interest/hospitality register.</li> </ul>	<b>Internal Audit DB</b>
	[Craig Greenstock joined the meeting]	
	<ul style="list-style-type: none"> <li>• <b>IT Baseline Review</b> The Committee <b>received</b> the report.</li> </ul> <p>In presenting the report, Emma Samways advised that at the time of the review the ICT and IG arrangements were a work in progress and at differing stages of development. A further follow up would be undertaken as part of the Audit Plan for 2019/20.</p> <p>The Committee questioned the requirement for a formal committee of the Board to provide an overseeing, decision making and governance framework for IM&amp;T and Information Governance.</p>	
<b>Resolved</b>	The Committee <b>agreed</b> to ask the Board to consider the recommendation relating to a sub-committee focussed on Information Governance.	<b>GL</b>
	<ul style="list-style-type: none"> <li>• <b>Risk Management</b> The Committee <b>received</b> the report which had been an overall assessment of reasonable assurance.</li> </ul> <p>In presenting the report, Emma Samways advised that the findings had highlighted two issues that were classified as weaknesses in the system control/design for risk management but there was recognition that HEIW was a maturing organisation. The Risk Management Policy was to be presented to the Board at its May meeting and would be reviewed annually by the Board. It was also</p>	



	highlighted that the Board Assurance Framework was under development.	
<b>Resolved</b>	The Committee <b>noted</b> the report.	
	<ul style="list-style-type: none"> <li>• <b>Performance Management</b> The Committee <b>received</b> the report which had been an overall assessment of reasonable assurance.</li> </ul> <p>In presenting the report, Emma Samways highlighted that the fieldwork had identified inconsistencies in the performance reporting and process, and that inappropriate decisions could be made due to the inaccurate reporting performance data. Alex Howells advised that the performance management framework and dashboard were being developed but recognised that there should have been a performance management workstream during the transition period.</p> <p>The Committee was encouraged with the progress being made, considering HEIW was a unique member of NHS Wales with a small performance team.</p>	
<b>Resolved</b>	The Committee <b>received</b> the report.	
<b>AAC: 29/05/2.9</b>	<b>Audit Recommendations Tracker</b>	
	<p>The Committee <b>received</b> the Audit Recommendation Tracker.</p> <p>In presenting the tracker, Kay Barrow advised that it was a 'live' working document that contained all recommendations arising from audit reports that were in progress. The tracker would be updated for each meeting to provide progress against the actions and would be assessed using the Red Amber Green status.</p> <p>The Committee welcomed the Audit Recommendation Tracker and that if a recommendation was 'Green' and had been fully completed, that it could be removed from the Tracker.</p>	
<b>Resolved</b>	The Committee <b>agreed</b> to remove recommendations with a 'Green' status if fully completed.	<b>DB</b>
<b>AAC: 29/05/2.10</b>	<b>Counter Fraud:</b>	
	<ul style="list-style-type: none"> <li>• <b>Counter Fraud Annual Report 2018/19</b> The Committee <b>received</b> the Report.</li> </ul> <p>In presenting the report, Craig Greenstock advised that the Local Counter Fraud Service (LCFS) had not received any case referrals to date. He advised that some Awareness Sessions had been undertaken although, he would be attending the Senior Leadership Management Team to undertake a presentation and would be attending the Staff Induction Sessions.</p> <p>In terms of prevent and deter work, the LCFS will work with Finance and Procurement colleagues to undertake investigations and hold individuals to account should any fraudulent activity be detected.</p>	

<b>Resolved</b>	The Committee <b>received</b> the report.	
	<ul style="list-style-type: none"> <li>• <b>Counter Fraud Self Review Tool 2018/19</b> The Committee <b>received</b> and <b>noted</b> the Annual Declaration against the Counter Fraud Self Review Tool 2018/19.</li> </ul>	
<b>Resolved</b>	The Committee <b>agreed</b> that a progress report be presented at the next meeting to include case study examples related to Code of Conduct; Declarations of Interest and Gifts, Hospitality & Sponsorship.	<b>CG</b>
	<ul style="list-style-type: none"> <li>• <b>Counter Fraud Work Plan 2019/20</b> The Committee <b>received</b> the Work Plan for 2019/20.</li> </ul> <p>In presenting the report, Craig Greenstock advised that the number of days was a baseline of 50 however, he would be discussing with Eifion Williams how these days would be allocated against the four work areas and would provide an update as part of his Committee reporting.</p>	
<b>Resolved</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>agreed</b> the Work Plan for 2019/20.</li> <li>• <b>agreed</b> that Lessons Learnt to be shared at the Committee and included in the Counter Fraud Newsletter</li> </ul>	<b>CG</b>
<b>AAC: 29/05/2.11</b>	<b>Self-Assessment of the Committee</b>	
	<p>The Committee <b>received</b> the Self-Assessment Checklist.</p> <p>In presenting the report, Kay Barrow advised that the Committee self-assessment formed part of the Annual Governance Statement process and proposed that the process be undertaken in early April 2020 as opposed to January 2020.</p> <p>The Committee considered the Checklist however, members suggested that there needed to be a period of reflection in order to undertake its effectiveness review.</p>	
<b>Resolved</b>	The Committee <b>agreed</b> that Committee members have a pre-meeting prior to the July Committee meeting to discuss the self-assessment checklist in more detail.	<b>DB</b>
<b>PART 3</b>	<b>CLOSE</b>	
<b>AAC: 29/05/3.1</b>	<b>Any Other Business</b>	
	There was no further business	
<b>AAC: 29/05/3.2</b>	<b>Date of Next Meeting</b>	
	The next meeting was confirmed for: Monday, 15 July 2019 at 2.00pm, HEIW Conference Room, Ty Dysgu, Nantgarw.	

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Gill Lewis (Chair)

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Date:

**Audit and Assurance Committee (Open)**  
**29 May 2019**  
**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
<b>AC: 13/05/1.5</b>	<b>Draft Minutes of the Audit and Assurance Committee held on 13 May 2019</b>			
	<ul style="list-style-type: none"> <li>Amend minute 29/03/2.4 - replace word 'made' with 'presented'.</li> </ul>	<b>Secretariat</b>	Immediate	Completed.
<b>AAC: 29/05/2.1.1</b>	<b>Presentation of Annual Accounts 2018/19</b>			
	<ul style="list-style-type: none"> <li>Committee thanks to be passed to the Finance Team.</li> </ul>	<b>Martyn Pennell</b>	Immediate	Completed.
	<ul style="list-style-type: none"> <li>Pension Benefits of Board Members from previous non NHS Organisations to be updated, if received prior to the Auditor General signing of the Accounts. However, if Board has signed Accounts a Chair's Action will need to be undertaken.</li> </ul>	<b>Interim Director of Finance</b>	June 2019	Completed. (Accounts signed off as submitted to the Audit and Assurance Committee).

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
<b>AAC: 29/05/2.1.2</b>	<b>Audit of Financial Statements 2018/19 (ISA 260) and Letter or Representation</b>			
	<ul style="list-style-type: none"> <li>Unqualified Opinion to be included as part of Committee Review of Accounts and Public Disclosure Statements to the Board at its May meeting</li> </ul>	<b>Interim Director of Finance</b>	30 May 2019	Completed.
<b>AAC: 29/05/2.1.3</b>	<b>Recommendation to the Board</b>			
	<ul style="list-style-type: none"> <li>Recommend Final Accounts to be signed off by the Board at its meeting on 30 May 2019</li> </ul>	<b>Interim Director of Finance</b>	30 May 2019	Completed.
<b>AAC: 29/05/2.2</b>	<b>Update on Baseline Review – Structured Assessment</b>			
	<ul style="list-style-type: none"> <li>Structured Assessment to be presented at the June Board Development Session</li> </ul>	<b>Wales Audit Office</b>	27 June 2019	Completed.
<b>AAC: 29/05/2.3</b>	<b>Accountability Report 2018/19</b>			
	<ul style="list-style-type: none"> <li>Recommend for Board approval subject to editorial amendments; removal of duplications that are also contained in the Performance Report and removal of reference to the word 'Plan' on page 15, third paragraph.</li> </ul>	<b>Board Secretary</b>	30 May 2019	Completed.

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
<b>AAC: 29/05/2.4</b>	<b>Performance Report</b>			
	<ul style="list-style-type: none"> <li>Approved for inclusion into the Annual Report with the Accountability Statement and Final Accounts</li> </ul>	<b>Board Secretary</b>	30 May 2019	Completed.
	<ul style="list-style-type: none"> <li>Approved for submission to Welsh Government</li> </ul>	<b>Board Secretary</b>	31 May 2019	Completed.
<b>AAC: 29/05/2.5</b>	<b>Head of Internal Audit Opinion</b>			
	<ul style="list-style-type: none"> <li>Opinion to be Included as part of Committee Review of Accounts and Public Disclosure Statements to the Board at its May meeting</li> </ul>	<b>Interim Director of Finance</b>	30 May 2019	Completed.
<b>AAC: 29/05/2.6</b>	<b>Corporate Risk Register</b>			
	<p>The following amendments be made to the Risk Register:</p> <ul style="list-style-type: none"> <li>Remove reference to transitional risk register as its title and to be changed to Corporate Risk Register</li> <li>All the risks to have an identified Risk Owner (Executive Director)</li> <li>Colour of Risk 8 to be red in line with risk scoring.</li> <li>Colour of Risk 22 to be red in line</li> </ul>	<b>Board Secretary</b>	Immediate	Completed

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
	with risk scoring.			
	<ul style="list-style-type: none"> <li>Risks 8 and 22 be reviewed by Executive Team in relation to the impact score.</li> </ul>	<b>Board Secretary</b>	July 2019	Completed – Added to ET agenda for 12 July 2019
	<ul style="list-style-type: none"> <li>Cover report focusses on high level risks for future reporting.</li> </ul>	<b>Board Secretary</b>	July 2019	Completed.
<b>AAC: 29/05/2.7</b>	<b>WAO Governance Letter</b>			
	<ul style="list-style-type: none"> <li>Approved for submission to Welsh Government</li> </ul>	<b>Interim Director of Finance</b>	Immediate	Completed
	<ul style="list-style-type: none"> <li>Ensure earlier presentation at the Audit and Assurance Committee to allow for comments to be incorporated into the final draft</li> </ul>	<b>Head of Financial Accounting</b>	February 2020	Completed. Added to the Committee Work Programme for February 2020.
<b>AAC: 29/05/2.8.2</b>	<b>Transition Management Internal Audit Report</b>			
	<ul style="list-style-type: none"> <li>Update in relation to Contract Management Arrangements to be presented at the next Committee meeting. Contract Register to be implemented prior to the Audit and Assurance Committee in November.</li> </ul>	<b>Deputy CEO/ Director of Workforce and OD</b>	July 2019	Added to July Committee agenda. Added to the Executive Team Work Programme for August 2019. Added to the Audit and Assurance Committee Work Programme for November 2019.
	<ul style="list-style-type: none"> <li>Update on the uptake of mandatory training and staff appraisals via ESR.</li> </ul>	<b>Deputy CEO/Director of Workforce and OD</b>	July 2019	The overall recorded ESR compliance rate for Mandatory/Statutory Training is 42.1% as at 8 July 2019.

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
				Regarding Staff Appraisals, the functionality within ESR to upload completed PADRs is not yet available within HEIW. Local arrangements are in place for all completed appraisals to be sent to the People Team. The Performance Dashboard is being developed to include workforce metrics relating to mandatory/statutory training, appraisals and sickness absence.
<b>AAC: 29/05/2.8.3</b>	<b>Workforce Review Limited Assurance Internal Audit Report</b>			
	<ul style="list-style-type: none"> <li>Internal Audit to undertake the follow up review using contingency hours/days.</li> </ul>	<b>Internal Audit</b>	March 2020	Completed. Added to the Internal Audit Work Plan for 2019/20.
	<ul style="list-style-type: none"> <li>An update on the number of entries on the declarations of interest/hospitality register</li> </ul>	<b>Board Secretary</b>	July 2019	Completed. Declarations of Interest and Hospitality Registers are items on the July Committee agenda.
<b>AAC: 29/05/2.8.4</b>	<b>IT Baseline Review</b>			
	<ul style="list-style-type: none"> <li>Committee to ask Board to consider the recommendation relating to a sub-committee focussed on Information Governance.</li> </ul>	<b>Gill Lewis</b>	30 May 2019	Completed. Discussed at the May Board. Update on IG on July Committee agenda.

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
<b>AAC: 29/05/2.9</b>	<b>Audit Recommendations Tracker</b>			
	<ul style="list-style-type: none"> <li>Remove recommendations with a 'Green' status if fully completed.</li> </ul>	<b>Board Secretary</b>	Immediate	Completed.
<b>AAC: 29/05/2.10.1 &amp; 2.10.2</b>	<b>Counter Fraud Annual Report and Self-Review Tool 2018/19</b>			
	<ul style="list-style-type: none"> <li>Progress report at the next meeting to include case study examples related to Code of Conduct; Declarations of Interest and Gifts, Hospitality &amp; Sponsorship.</li> </ul>	<b>Counter Fraud Manager</b>	July 2019	Completed. Added to the July Committee agenda.
<b>AAC: 29/05/2.10.3</b>	<b>Counter Fraud Work Plan 2019/20</b>			
	<ul style="list-style-type: none"> <li>Lessons Learnt to be shared at the Committee and included in the Counter Fraud Newsletter</li> </ul>	<b>Counter Fraud Manager</b>	July 2019	Added to the July Committee agenda.
<b>AAC: 29/05/2.11</b>	<b>Committee Self-Assessment</b>			
	Committee members to have a pre-meeting prior to the July Committee meeting to discuss the self-assessment checklist.	<b>Board Secretary</b>	July 2019	Completed. Pre-meeting organised for 15 July 2019.





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Health Education and  
Improvement Wales (HEIW)

<b>Meeting Date</b>	<b>15<sup>th</sup> July 2019</b>	<b>Agenda Item</b>	<b>2.1</b>
<b>Report Title</b>	<b>Finance Update</b>		
<b>Report Author</b>	Martyn Pennell, Head of Financial Accounting		
<b>Report Sponsor</b>	Eifion Williams, Interim Director of Finance		
<b>Presented by</b>	Eifion Williams, Interim Director of Finance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	This paper is to provide an update on the HEIW Financial Project Plan, financial team recruitment, training and miscellaneous payments.		
<b>Key Issues</b>	This paper shows how the Finance Project Plan has progressed, outlining how risk has been reduced or mitigated.		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
			✓
<b>Recommendations</b>	Members are asked to: <ul style="list-style-type: none"> <li>• <b>Note</b> the progress achieved against the Finance Project Plan.</li> </ul>		

## **Finance Update**

### **1. INTRODUCTION**

This report provides an update on the key financial issues facing Health Education & Improvement Wales including the Finance Project Plan, financial team recruitment and the year-end accounting process.

### **2. BACKGROUND**

This paper carries on the finance project work-plan which was developed within the Welsh Government Finance workstream, to establish the HEIW finance function from the 1st October 2018. It is noted significant work has been undertaken to embed robust financial controls and processes within HEIW and the relevant risk rating has reduced accordingly. The updated Project Plan is attached in Appendix 1.

### **3. GOVERNANCE AND RISK ISSUES**

This paper outlines the steps that have been taken to reduce the level of risk as financial controls and processes have been developed within HEIW. Further work will be carried out to refine the adopted processes as the organisation and staff develop.

The work undertaken is referenced against the Standing Orders, Standing Financial Instructions and Financial Control Procedures to ensure that there is adequate quality, segregation of duties and an appropriate audit trail.

### **4. FINANCIAL IMPLICATIONS AND KEY ISSUES**

The Finance Project Plan (Appendix 1) shows that most financial activities are now complete and appropriate processes and controls are in place. A number of items have been completed since the last report, these being:

- Item 3 – Monitoring returns for WG. Returns have been submitted monthly for 2019/20 in line with Welsh Government timescales.
- Item 25b – Transfer order from Velindre NHS trust. The S1 and S2 forms required on transfer were agreed and signed-off prior to the 2018/19 year-end. WAO subsequently issued their final review of the process in May 2019. This report was shared with Welsh Government for information.
- Item 30 – Funds flow for capital. Funding of £3.101m was received from Welsh Government in March 2019 and was paid to Velindre University NHS Trust for the purchase of the transferred assets.

A number of activities remain classified as medium risk (amber). These relate to:

- Item 33 - Vacancies within finance team:

- Job descriptions for the band 5 & 6 posts within the financial accounting team are currently being reviewed and will shortly be processed through the job evaluation process. Appropriate temporary cover is in place for these two positions.
- Two band 7 posts within the management accounts teams have recently been appointed to and are currently working through the recruitment process.
- Item 37 - Desk Notes. Updated desk notes have been prepared for a range of work areas. It is anticipated that these will be complete by the end of July 2019.

<b>Governance and Assurance</b>				
<b>Link to corporate objectives</b> (please ✓)	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
<b>Quality, Safety and Patient Experience</b>				
There is no impact on quality, safety and patient experience.				
<b>Financial Implications</b>				
The financial controls and processes which have been developed by the Finance Department, support the SO's and SFI's to provide a robust Financial Control Framework for HEIW.				
<b>Legal Implications (including equality and diversity assessment)</b>				
There are no legal implications.				
<b>Staffing Implications</b>				
There are no specific staffing implications				
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>				
There are no long-term implications.				
<b>Appendices</b>	Finance Project Plan - Appendix 1.			

				10/1/2018		10/25/2018	1/24/2019	3/19/2019	7/15/2019	7/15/2019
Item	Finance work required		Timescale	Lead officer	Progress	Progress	Progress	Progress		
1	Board and Senior Management Reports		11/29/2018	DN						
2	Close down financial reports	Management accounts - WEDS	11/20/2018	JD						
		Management Accounts - Deanery	11/20/2018	JD-O, GR						
		Management Accounts - Corporate	11/20/2018	JD-O, GR						
		Financial reporting	11/20/2018	JB						
3	Monitoring returns for WG		11/14/2018	RB/MP						Monitoring returns have been submitted for 2019/20 in line with Welsh Government requirements.
4	Financial accounts model		12/31/2018	JB						
5	Chart of accounts		11/15/2018	JB						
6	Budgeting	High level budget	12/31/2018	JD,JD-O,GR						
		Departmental budgets	11/30/2018	JD,JD-O,GR						
7	Budgetary control		11/30/2018	DN,JB, JD-O,GR,JD,HS,AE						
8	Budget set up in Oracle	Set up in Oracle	11/8/2018	JD,JD-O,GR						
9	Weekly Finance Manger meetings in October		10/31/2018	DN						
10	Finance staff meeting in October		10/31/2018	DN						
11	Staff Induction Programme		12/15/2018	DN,JB						
12	Budget meeting with Executive Directors		12/15/2018	DN, JD-O,GR,JD						
13	Financial delegation to be issued to Executive Directors		10/31/2018	JB,AE						
14	Finance Business partners to be allocated to Executive Directors		11/15/2018	DN,JB						
15	VAT Implementation		11/30/2018	JB						
16	FCP training for all finance staff		10/25/2018	JB						
17	Leases		11/30/2018	JB						
18	Define use of encumbrances		11/30/2018	ALL						
19	Submit FCP's to audit committee and amend for comments raised		11/14/2018	JB						
20	Petty Cash		11/20/2018	JB						
21	Credit cards		11/2/2018	JB						
22	Cashflow forecasts		12/31/2018	JB						
23	Set up balance sheet reconciliations		11/15/2018	JB						
24	Fixed asset accounting		1/31/2019	JB						
25	Due dilligence on brought forward balances	Transfer order from Cardiff University opening balances	1/31/2019	JB						
25b		Transfer order from Velindre NHS Trust, NWSSP and NWIS	1/31/2019	MP						All transfer documentation complete prior to 2018/19 year-end.
26	Opening position TB		10/1/2018	AE						
27	Open period 7 in Oracle		10/1/2018	AE						
28	Losses and Special Payments Register (LASPAR)		11/30/2018	JB						
29	Transfer order from Cardiff University opening balances		11/30/2018	JB						
30	Funds flow for capital	Should be in 2 sections November and February	2/28/2019	HoF						All capital funding relating to the establishment of HEIW was received from Welsh Government prior to 2018/19 year-end.
31	Journal numbering to be amended in Oracle		10/2/2018	AE						
32	Shared services		11/30/2018	DN						
33	Vacancies and interims in Finance directorate		12/31/2018	RB/MP						Financial Accounts - Band 5 & 6 posts currently going through JE process. To be advertised ASAP. Appropriate cover is in place.  Management Accounts - 2 Band 7 posts recently appointed and working through the recruitment process.
34	High level budget with Welsh Government		12/31/2018	DN						
35	Finance technical briefings		1/31/2019	JB,DB/AE/IG						
36	Budgetary training		3/31/2019	RB/JD-O/GR						
37	How do I...? Desk notes for finance accounting team		1/31/2019	MP						Updated desktop notes have been prepared for a range of work areas. Aim for completion by the end of July 2019.

Key:

	Red
	Amber
	Green

Lead officer:

DN	Danielle Neale, Director of Finance & Corporate Services
RB	Rhiannon Beckett
JB	John Baker
JD-O	Joe Draper-Orr
GR	Graham Roddis
JD	Judith Davies
HS	Helen Satherley
AE	Aled Evans
HOF	Head of Financial Accounting
All	All finance department
MP	Martyn Pennell

This is a high risk item and requires urgent attention  
This is a medium risk as it is an issue that is still being worked on and is not finalised.  
This is low or no risk as the issue is now finalised.



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

<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.2.1 &amp; 2.2.2</b>
<b>Report Title</b>	<b>Audit and Assurance Committee Update and Management Letter</b>		
<b>Report Author</b>	Mike Usher, Dave Thomas		
<b>Report Sponsor</b>	Eifion Williams		
<b>Presented by</b>	Mike Usher		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	<p>The first report provides an update for the committee on progress against my 2019 Audit Plan.</p> <p>The second report summarises conclusions on my audit of HEIW for the period 5 October 2017 to 31 March 2019 and contains recommendations to management.</p>		
<b>Key Issues</b>	<p>Members are to note the progress of work against my plan.</p> <p>Members are to note management's responses to my recommendations and review the implementation dates for action required.</p>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
		X	
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• <b>Note the Audit and Assurance Committee Update</b></li> <li>• <b>Consider the Management Letter</b></li> </ul>		

## **Audit and Assurance Committee Update and Management Letter**

### **1. INTRODUCTION**

My first report provides an update for the Committee on progress against my 2019 Audit Plan.

My second report summarises conclusions on my audit of the financial statements of HEIW for the period 5 October 2017 to 31 March 2019 and contains recommendations to management.

### **2. BACKGROUND**

My Audit Plan 2019 was approved by the Audit and Risk Assurance Committee on 12 February 2019.

My Audit of Financial Statements Report was presented to the Audit and Risk Assurance Committee on 29 May 2019 and the Auditor General certified HEIW's financial statements for the period ended 31 March 2019 on 11 June 2019.

### **3. GOVERNANCE AND RISK ISSUES**

None

### **4. FINANCIAL IMPLICATIONS**

None

### **5. RECOMMENDATION**

Members are asked to note the progress of work against my plan.

Members are asked to note management's responses to my recommendations and review the implementation dates for action required.

Governance and Assurance				
<b>Link to corporate objectives</b> <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
<b>Quality, Safety and Patient Experience</b>				
N/A				
<b>Financial Implications</b>				
N/A				
<b>Legal Implications (including equality and diversity assessment)</b>				
N/A				
<b>Staffing Implications</b>				
N/A				
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>				
N/A				
<b>Report History</b>	N/A			
<b>Appendices</b>	N/A			



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Audit and Assurance Committee Update – **Health Education and Improvement Wales**

Date issued: July 2019

Document reference: HEIWACU201907





This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

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# Summary report

## About this document

- 1 This document provides the Audit and Assurance Committee of Health Education and Improvement Wales (HEIW) with an update on current and planned Wales Audit Office work. Financial and performance audit work is considered and information is also provided on the Auditor General's programme of national value-for-money examinations where they may be of interest or relevance to the NHS.

## Financial audit update

### Exhibit 1: Financial audit update

#### Annual Accounts and other financial-audit work

The financial reporting timetable for 2018-19 as prescribed by the Welsh Government was adhered to.

The financial statements for the period ended 31 March 2019 were certified by the Auditor General on 11 June 2019 with an unqualified audit opinion and laid before the National Assembly for Wales on 12 June 2019.

We have produced our Management Letter and this is incorporated within the agenda for the Audit and Assurance Committee for the 15 July 2019. This will conclude our financial audit work as set out within my 2019 Audit Plan.

## Performance audit update

Exhibit 2: Performance audit update

Work completed				
Topic (year of Audit)	Key findings	Status	Executive lead	Received at Audit and Assurance Committee / other
Baseline Review (2019) - informal review of key areas to highlight what's going well and what needs more work	<p>Theme coming through strongly, and at the heart of progress so far, is HEIW's internal culture and engagement shown by high levels of staff engagement, the collegiate approach to working and strong, supportive leadership.</p> <p>We might have expected HEIW to be further forward in risk and performance management, but there are plans in place with developments ongoing and picking up speed.</p> <p>We will build on and update these findings when undertaking our Structured Assessment work later in the year.</p>	Complete. Findings discussed in Board Development session 27 June 2019.	Dafydd Bebb	15 July 2019
Ongoing work and work due to start in 2019				
Topic (year of Audit)	Focus of work	Status	Executive lead	Expected date of final report
Structured Assessment (2019)	<p>Work will commence in September through to November:</p> <ul style="list-style-type: none"> <li>• follow up progress in weaker areas: <ul style="list-style-type: none"> <li>- BAF; risk and performance management</li> <li>- procurement and asset management</li> </ul> </li> <li>• build on the existing strengths looking at, for example, scrutiny in action</li> <li>• fill in the gaps e.g. information governance</li> <li>• speak to SROs to understand their perspectives</li> </ul>	Not yet started	Dafydd Bebb	December 2019 / January 2020

## Other Auditor General studies

The Audit and Assurance Committee may also be interested in the following studies / planned outputs. Where the work is complete and reported, these are highlighted in red, and include a link to the report.

### Exhibit 3: Other Auditor General Studies and reports

Product	Summary
<b>Radiology Services</b> <b>November 2018</b>	The Auditor General's report found that waiting time targets for radiology examinations are currently being met and our work has shown that radiology services are generally well managed. <a href="http://www.audit.wales/publication/radiology-services-wales">http://www.audit.wales/publication/radiology-services-wales</a>
<b>Use of locum and agency staff</b> <b>January 2019</b>	This report sets out key facts about the use agency staff by NHS bodies in Wales including: <ul style="list-style-type: none"> <li>• expenditure;</li> <li>• analysis by health bodies of underlying reasons;</li> <li>• national initiatives to control this type of spending; and</li> <li>• challenges that lie ahead.</li> </ul> <a href="http://www.audit.wales/publication/expenditure-agency-staff-nhs-wales">http://www.audit.wales/publication/expenditure-agency-staff-nhs-wales</a>  The report was accompanied by an interactive data tool which provides comparisons across NHS Wales over time and by speciality and cost types and can found at the link above.
<b>Preparations in Wales for a 'no deal' Brexit</b> <b>February 2019</b>	The Auditor General found that public bodies are developing new structures for managing the consequences of Brexit alongside long-standing arrangements. Overall most public bodies across Wales are clearly taking their 'no-deal' Brexit plans seriously. Many have significantly ramped up their activity since summer 2018, when a 'no-deal' outcome started looking more possible.  Public services reported a lack of capacity to manage Brexit with knock-on impacts on service areas. In the NHS this is having an impact on transformation work, as those managers responsible for driving transformation are also called on to manage the implications of a 'no-deal' Brexit.  NHS bodies have been helped in understanding their exposure to risks and possible opportunities by work by Public Health Wales and supply chains for medical devices and consumables. The NHS is putting in place detailed plans to manage those risks. <a href="http://www.audit.wales/publication/preparations-wales-no-deal-brexit">http://www.audit.wales/publication/preparations-wales-no-deal-brexit</a>
<b>Whats the hold up? Discharging patients in Wales?</b> <b>March 2019</b>	NHS bodies need assurance that hospital discharge arrangements are safe and timely. We have produced this checklist to help NHS board members get this assurance.

Product	Summary
	<a href="http://www.audit.wales/publication/whats-hold-discharging-patients-wales">http://www.audit.wales/publication/whats-hold-discharging-patients-wales</a>
<b>Counter-fraud arrangements in the Welsh public sector</b> June 2019	<p>An overview for the Public Accounts Committee.</p> <p>Fraud is prevalent across all sectors including the public sector. Every pound stolen from the public sector means that there is less to spend on key services such as health, education and social services.</p> <p>At a time of austerity, it is more important than ever for all public bodies in Wales to seek to minimise the risk of losses through fraud.</p> <p><a href="http://www.audit.wales/publication/counter-fraud-arrangements-welsh-public-sector">http://www.audit.wales/publication/counter-fraud-arrangements-welsh-public-sector</a></p>
<b>NHS Wales finances data tool</b> June 2019	<p>Data used in the tool has been taken from Welsh Government budgets, NHS bodies' independently audited financial statements and from monthly financial data submissions from the NHS bodies to the Welsh Government.</p> <p><a href="http://www.audit.wales/publication/nhs-wales-finances-data-tool">http://www.audit.wales/publication/nhs-wales-finances-data-tool</a></p>
<b>Integrated Care Fund</b>	Publication date 18 July 2019
<b>Primary Care Services</b>	Report in finance clearance
<b>Orthopaedic services</b>	Local work in progress, national report due to published in early 2020
<b>Collaborative arrangements for managing public health resources</b>	Fieldwork underway

## Good Practice Exchange

The Good Practice Exchange (GPX) helps public services improve by sharing knowledge and practices that work. We run events where people can exchange knowledge face to face and share resources online.

Details of past and forthcoming events, shared learning seminars and webinars can be found on the [GPX page](#) on the Wales Audit Office's website. The table in **Exhibit 4** lists recent and forthcoming events.

### Exhibit 4: Good Practice Exchange

Recent and forthcoming events
Recent events ( <a href="http://www.audit.wales/events/past-events/">http://www.audit.wales/events/past-events/</a> )
<b>Supporting people in their communities: reducing unnecessary hospital admissions</b> - following on from <a href="#">‘I’m a patient get me out of here’</a> , this seminar sought to highlight innovative approaches in delivering services that help prevent unnecessary hospital admissions. It was about starting a different conversation about what could be done to prevent individuals needs from escalating to a point where A&E feels like the only option. This seminar was aimed at officers responsible for policy development, service design and service delivery (Feb 2019)
<b>Preparations for a no-deal Brexit</b> – this event was aimed at all non-executive officers and councillors, including those who have a governance and scrutiny role in the Welsh public sector. (March 2019)
<b>Young people influencing decisions about what matters to them</b> – this event focused on how organisations can best design and deliver services together with young people to help them meet those challenges (March 2019)
<b>Webinar: Let’s talk cyber security</b> – this interactive webinar aimed to equip board and non-executive members with the necessary tools and knowledge to seek assurance that their organisation has adequate arrangements in place. (March 2019)
<b>Working in partnership to combat fraud</b> – Welsh public services are under intense pressure. Every pound lost to fraud is a pound wasted. This session shared investigation techniques, intelligence and the use of data analytics in fraud prevention and detection. It was aimed at all public service officers and members who have counter fraud responsibilities or interests within their organisations. (May 2019)
Forthcoming events ( <a href="http://www.audit.wales/forthcoming-events">http://www.audit.wales/forthcoming-events</a> )
<b>Key issues for Regional Partnership Boards</b> - these webinars will highlight solutions to issues relating to fund implementation and ways of working in multi-agency partnerships. (July 2019)
<b>Innovative approaches to public services in rural communities</b> - this seminar will share innovative approaches to help understand how public services can meet the needs of rural communities in Wales. (July 2019)

Further information on any of our past or planned GPX events can be obtained by contacting the local audit team or emailing [good.practice@audit.wales](mailto:good.practice@audit.wales).





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



WALES AUDIT OFFICE  
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Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Management Letter – Health Education and Improvement Wales

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# Contents

This document summarises the conclusions on my audit of Health Education and Improvement Wales (the Authority) financial statements for the period 5 October 2017 to 31 March 2019.

**Appendix 1** contains recommendations to the Authority's management.

**Appendix 2** is my response to the audit risks identified within my 2019 Audit Plan.

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# Summary report

## Introduction

- 1 The financial statements are an essential means by which Health Education and Improvement Wales (the Authority) accounts for its stewardship of the resources at its disposal and its financial performance in the use of those resources. My Code of Audit Practice identifies that it is the responsibility of the audited body to:
  - put in place systems of internal control to ensure the regularity and lawfulness of transactions;
  - maintain proper accounting records; and
  - prepare financial statements in accordance with relevant requirements.
- 2 As the statutory external auditor of the Authority, I am required to audit the financial statements and part of the remuneration and staff report and give my opinion on whether:
  - in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them;
  - the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers;
  - the information given in the Governance Statement for the financial period for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
  - the information given in the Foreword and Accountability Report for the financial period for which the financial statements are prepared is consistent with the financial statements and the Foreword and Accountability Report has been prepared in accordance with Welsh Ministers' guidance.
- 3 I also report by exception if:
  - proper accounting records have not been kept;
  - financial statements are not in agreement with accounting records and returns;
  - information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
  - I have not received all the information and explanations I require for my audit; or
  - the going concern basis is inappropriate.

## An unqualified opinion was issued on the Authority's financial statements for the period ending 31 March 2019

- 4 On 11 June 2019, I issued an unqualified auditor's certificate and report on the Authority's financial statements. The financial statements were laid before the National Assembly on 12 June 2019. I did not issue a substantive report on the financial statements.
- 5 I received the draft financial statements on 26 April 2019 and the draft Accountability Report on 3 May 2019, in line with the agreed submission timetable. The draft financial statements and Accountability Report were of good quality and this, in addition to the timely responses to information requests, resulted in the audit fieldwork, reporting and certification timetable being adhered to.
- 6 In undertaking my audit of the financial statements, I reviewed the Authority's financial systems and internal controls that I considered relevant to the audit to help me identify, assess and respond to the risks of material misstatement in the accounts. I did not, however, consider them for the purposes of expressing an opinion on their operating effectiveness. My review did not identify any significant deficiencies in financial systems and internal controls.
- 7 I concluded that the Authority's significant financial systems can be relied upon to produce materially correct outputs.
- 8 I am required to report to those charged with governance the findings from my audit of the financial statements before I issue my audit opinion. My **Audit of Financial Statements Report** was presented to the Audit and Assurance Committee on 29 May 2019. A summary of the findings is set out in [Exhibit 1](#).

### Exhibit 1: issues identified in the Audit of Financial Statements Report

Issue	My comments
Uncorrected misstatements	There was one uncorrected misstatement within the financial statements. IT assets worth £64,000 were included in Property, Plant and Equipment but were not in the Authority's possession by 31 March 2019 so resulting in Property, Plant and Equipment assets being overstated by this amount.
Corrected misstatements	During the audit I identified misstatements that were corrected by management. These were listed within Appendix 3 of my

Issue	My comments
	report to draw them to the attention of the Audit and Assurance Committee.
I raised concerns over assuring good value for money and appropriate use of resources in the timeliness of issuing supplementary funding allocations to Welsh universities.	Assurance was received via specific representations from management and the Audit and Assurance Committee, on behalf of the Accountable Officer and the Board. I make a recommendation within Appendix 1 to this report to strengthen the process should a supplementary funding allocation be repeated in future years.

- 9 Recommendations arising from my audit of the financial statements are set out in [Appendix 1](#).

# Appendix 1

## Recommendations from my audit work for the period ended 31 March 2019

Recommendations arising from the audit along with management's responses are set out below. My team will follow these up next year and include any outstanding issues in next year's audit report:

<b>Recommendation 1: Arrangements for allocating supplementary funding to universities in year should be strengthened</b>	
<b>Findings</b>	<p>In January 2019, the Authority identified that the 2018-19 Non Medical Budget was not going to be fully utilised and so universities were invited to bid for additional funding which was to be used to strengthen and supplement healthcare professional education and training.</p> <p>In total, £979,587 of additional funding was made available to six universities following a review of the bids. A condition of the award of this funding was that it was to be utilised 'in the financial year in which it was awarded'.</p> <p>From our audit work, it was not clear whether this condition referred to the Authority's financial year to 31 March or the universities' financial year to 31 July. Following a request from us, the Authority contacted three universities which each confirmed that action had been taken to commit the funding by their own financial year end, but not before 31 March 2019.</p> <p>I was informed that it was the Authority's intention to seek some evidence for the use of this supplementary funding shortly after the year end, but that the details and timing of this follow up had yet to be agreed upon at the time of my audit work.</p>
<b>Priority</b>	High
<b>Recommendation</b>	<p>I recommend that follow-up action is taken to ensure that this year's funding has indeed been used in line with the conditions of award.</p> <p>I also recommend that if additional funding is made available in future years, then the Authority should:</p> <ul style="list-style-type: none"><li>• put in place procedures to identify such underspends earlier in the year;</li><li>• attach conditions to the funding, clearly specifying the evidence the Authority requires to receive to ensure the money has been spent for the purposes intended, and by when it is to be utilised,</li><li>• establish robust follow-up procedures and communicate these to the universities at the time of the award of the funding.</li></ul>



<b>Benefits of implementing the recommendation</b>	These control improvements will assist the Authority in assessing whether the funding has been used for the purposes intended and represents good value for money.
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	<p>For the larger grant awards in 2018/19, site visits will be arranged prior to the next contract meeting with each University to verify the procurement of assets. Confirmation of expenditure will be sought from the remaining organisations.</p> <p>If funding is made available in future years the conditions of the award will set out timescales for expenditure, the evidence required for the expenditure along with any follow up procedures.</p>
<b>Implementation date</b>	August 2019

<b>Recommendation 2: The Authority does not hold signed contracts of employment for two members of the executive team</b>	
<b>Findings</b>	<p>The appointment of the executive directors was managed by Velindre University NHS Trust before the Authority became operational.</p> <p>Our audit testing identified that signed contracts were not held by the Authority for two members of the executive team.</p>
<b>Priority</b>	High
<b>Recommendation</b>	I recommend that the Authority ensures it holds signed contracts of employment for all staff.
<b>Benefits of implementing the recommendation</b>	It is unclear how any contract disputes, should they arise, may be resolved without the Authority holding signed contracts of employment, exposing the Authority to potential risks.
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	Management will ensure the contracts of the two individuals are signed.
<b>Implementation date</b>	Immediate

### Recommendation 3: Accounting arrangements for Property, Plant and Equipment need to be introduced

<b>Findings</b>	<p>Velindre University NHS Trust purchased property, plant and equipment assets, the ownership of which transferred to the Authority in March 2019.</p> <p>Our audit identified an error of £64,000 due to the inclusion of IT equipment that was not received until after the end of the financial reporting period. This resulted in an overstatement of property, plant and equipment within the Statement of Financial Position.</p> <p>At the time of our audit, the Authority did not have in place a fixed asset register or any procedures to identify and record impairments or disposals of these assets.</p>
<b>Priority</b>	Medium
<b>Recommendation</b>	<p>I recommend that the Authority puts procedures in place to ensure the proper stewardship of property, plant and equipment and that the accounts accurately reflect these assets going forward.</p> <p>Specifically: -</p> <ul style="list-style-type: none"> <li>(a) A fixed asset register is introduced which records all assets held, which in turn reconciles to the financial statements</li> <li>(b) All assets are tagged so that they can be identified in the asset register</li> <li>(c) Procedures are introduced to ensure that any decreases in value due to damage/obsolescence are identified and recorded, so that they can be impaired in the financial statements and inform the future capital programme.</li> <li>(d) Procedures are introduced to control and identify any disposals, so that they can be removed from the fixed asset register and financial statements</li> </ul>
<b>Benefits of implementing the recommendation</b>	<p>These enhanced procedures will</p> <ul style="list-style-type: none"> <li>• help ensure that a complete and accurate record of property, plant and equipment is maintained; and</li> <li>• assist the Authority's future asset management arrangements and capital programme.</li> </ul>
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	<p>(a) The details of assets owned by HEIW are currently recorded on an excel spreadsheet. Options for a dedicated fixed asset system are being reviewed, but due to the relatively small number of assets owned the continued use of a spreadsheet solution</p>

	<p>may be the most appropriate option. A paper outlining the decision process will be prepared.</p> <p>(b) The tagging of IT assets commenced during June 2019. ID tags for fixtures and fittings have been ordered and tagging will be completed by the end of August 2019.</p> <p>(c) &amp; (d) FCP2 (approved at the Shadow Audit Meeting on 2 October 2018) sets out the basic requirements for the disposal and impairment of assets. A separate procedure note will be prepared providing further details of the process.</p>
<b>Implementation date</b>	September 2019

<b>Recommendation 4: Procedures for identifying and reporting of related party transactions should be strengthened</b>	
<b>Findings</b>	Generally, there was a good audit trail to support the disclosure in the accounts in relation to related party transactions, However, I note some specific areas for improvement within my recommendations below.
<b>Priority</b>	Medium
<b>Recommendations</b>	<p>I recommend:</p> <ul style="list-style-type: none"> <li>• original emails from officers are provided as audit evidence where electronic submission of the declaration of interests has been accepted;</li> <li>• officers should be reminded to declare all interests and ensure the names of the interests are disclosed; and</li> </ul>
<b>Benefits of implementing the recommendation</b>	To ensure a complete and accurate record of related party transactions and supporting audit trail.
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	Agreed – Recommendations will be implemented going forward.
<b>Implementation date</b>	Immediate

**Recommendation 5: Working papers to support provisions need to evidence compliance with accounting standards**

<b>Findings</b>	<p>The Authority reported provisions for £30,000 at 31 March 2019 relating to anticipated legal costs. Although the value of this provision was not material this year, my audit identified that the supporting working papers did not clearly set out how this provision had been determined.</p> <p>Our audit also identified that a further provision should have been considered for the future costs to provide pensions advice for former Cardiff University staff, although on investigation, the value of such a provision would have been trivial and so was not included in our ISA 260 report.</p>
<b>Priority</b>	Medium
<b>Recommendation</b>	<p>I recommend that working papers supporting any future provisions should document management's consideration of the requirements of IAS37 and provide appropriate evidence (such as legal opinion) where relevant.</p> <p>Specifically: -</p> <ul style="list-style-type: none"> <li>• A description of the circumstances which creates the present legal or constructive obligation and the past event that give rise to this obligation</li> <li>• The view of management on the likelihood that there will be an outgoing of resources to settle this obligation (in terms of whether it is probable, possible or remote), and</li> <li>• provide a reliable estimate for the provision</li> </ul> <p>Where this is not possible, consideration should be given whether the provision is valid, or whether a contingent liability is more appropriate.</p>
<b>Benefits of implementing the recommendation</b>	This improvement will help ensure that the Authority only raises provisions that are compliant with IAS37 and can be fully supported.
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	Appropriate working papers to support all provisions will be provided for all future audits.
<b>Implementation date</b>	Immediate

**Recommendation 6: The year end procedures for identifying prepayments should be strengthened**

<b>Findings</b>	<p>From a sample of transactions around the year end I identified two prepayments which had not been accounted for as such. These were:-</p> <ul style="list-style-type: none"> <li>• a payment of £12,390 for hotel accommodation made in March 2019 relating to a conference held in April 2019 and</li> <li>• a £3,600 payment for software maintenance paid in March 2019 which included £2,000 of costs relating to 2019-20 maintenance.</li> </ul> <p>The prepaid element of the transactions should be charged to expenditure for the following financial year.</p>
<b>Priority</b>	Medium
<b>Recommendation</b>	I recommend that year end procedures to identify prepayments are reviewed and improved, and ensure staff receive appropriate training.
<b>Benefits of implementing the recommendation</b>	This will ensure expenditure is recorded in the correct financial year.
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	For the 2019/20 year-end a supporting 'Closing Pack' will be prepared outlining the key processes and requirements for finance staff. Appropriate training will be built into the closing timetable.
<b>Implementation date</b>	March 2020

**Recommendation 7: VAT advice should be sought to minimise the risk of any future VAT inspections identifying errors in recovering VAT**

<b>Findings</b>	<p>As a Special Health Authority, the Authority's VAT position is set out in Section 4 of the Value Added Tax Act 1994, which allows VAT to be recovered on specific contracted out services.</p> <p>In February 2019, the Head of Financial Accounting identified inconsistencies in the recording of VAT in the ledger arising from the bringing together of former Cardiff University activities with NHS activities. Adjustments were made to correct these. In addition, our audit identified a further two trivial VAT coding errors. Errors of this nature could potentially impact on the amount of VAT recovered.</p>
<b>Priority</b>	Medium
<b>Recommendation</b>	The Authority should seek specialist VAT advice during the 2019-20 financial year to ensure that its VAT arrangements are in line with the contracted out services guidance.
<b>Benefits of implementing the recommendation</b>	<p>The Authority will receive guidance from VAT experts to ensure that VAT accounting is correct going forward.</p> <p>Plus, errors identified and corrected now could reduce the risk of VAT errors being picked up in the future should HMRC carry out an inspection.</p>
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	The procurement exercise to secure the provision of VAT supporting advice has commenced and the contract will be agreed from August 2019. A separate tender process to undertake a retrospective review of the 2018/19 transactions will also be progressed.
<b>Implementation date</b>	August 2019

**Recommendation 8: A review should be undertaken of historic allowances to ensure they are still valid**

<b>Findings</b>	<p>From a sample of employees on the payroll I noted that one employee who transferred from Cardiff University has been paid a proficiency allowance of £1,090 per annum since 2010 for which there was no evidence that the amount is still due or how it was calculated. The People Directorate were therefore not able to determine whether this payment was valid.</p> <p>From a review of the January payroll feeder report I identified a further four employees in receipt of this allowance.</p>
<b>Priority</b>	Low
<b>Recommendation</b>	Whilst acknowledging that staff transferred over to the Authority under TUPE arrangements, the Authority should determine whether such payments were properly due immediately prior to the transfer and whether to continue paying them
<b>Benefits of implementing the recommendation</b>	This will help ensure employees are being paid only the remuneration they are entitled to.
<b>Accepted in full by management?</b>	Partial
<b>Management response</b>	Management will review the case to ensure that the individual is still appropriately remunerated, given the length of time they have been in receipt of the allowance
<b>Implementation date</b>	March 2020



**Recommendation 9: The mapping of the payroll feeder to the ledger needs to be corrected for refunds of pensions**

<b>Findings</b>	<p>When staff transferred from Cardiff University to the Authority they were auto-enrolled in the NHS Pension. However, I understand that some opted out and so received a refund of their first month's contribution to the NHS Pension Scheme.</p> <p>As reported to us during our audit work, the mapping of the payroll feeder to the ledger results in these refunds being posted to a balance sheet code instead of reducing the pension contribution figures in the Statement of Comprehensive Net Expenditure.</p> <p>This resulted in an overstatement of pensions costs by £10,000 in the financial statements.</p>
<b>Priority</b>	Low
<b>Recommendation</b>	The Payroll feeder should be amended to correctly record any pension refunds as netting off against pension payments
<b>Benefits of implementing the recommendation</b>	Ensures the correct reporting of payroll costs in the financial statements and management accounts.
<b>Accepted in full by management?</b>	Yes
<b>Management response</b>	The error occurred as a result of the set-up of the Oracle and ESR interface on formation of HEIW. All refunds are now correctly allocated and this has been confirmed through monthly payroll/pension reconciliations.
<b>Implementation date</b>	Immediate

# Appendix 2

## Significant audit risks and areas of audit attention

My 2019 Audit Plan set out the significant financial audit risks for the period ended 31 March 2019 and other areas of audit attention. The table below lists these risks and sets out how they were addressed as part of the audit.

Significant audit risk	Proposed audit response	Work done and outcome
<p><b>Financial statements production – timeliness and quality</b></p> <p>The timetable for producing and certifying financial statements within NHS Wales is demanding. Draft financial statements are required to be submitted for audit on 26 April 2019. The Board will need to approve the audited financial statements by the end of May, for Auditor General certification in early June.</p> <p>The format of the financial statements is currently being finalised by the Welsh Government. The format is required to be in line with other NHS bodies in Wales with specific disclosure adaptations for the Authority in order for the financial statements to be meaningful.</p> <p>We recognise that the finance officers will still be relatively new in post at the time of preparing the financial statements and there is therefore a risk to the quality and delivery of the financial statements for audit within these set timescales.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• provide support and advice to the Authority wherever possible without compromising our independence;</li> <li>• provide an audit deliverables report to assist the Authority in the preparation of relevant working papers in support of the financial statements;</li> <li>• review the closedown timetable and action plans to assess that arrangements are in place to produce robust and complete financial statements within the prescribed timetable;</li> <li>• review the Authority's proposed accounting statements format for FReM compliance prior to the production of the draft financial statements; and</li> <li>• agree a timetable for the audit and certification of the financial statements.</li> </ul>	<p>I provided support and advice to the Authority throughout the audit process.</p> <p>The financial statements were submitted in line with the Welsh Government timetable and working papers were provided in line with our audit deliverables report. No significant departures were identified from the requirements of the FReM.</p> <p>This enabled the audit to be completed as per the timetable and submitted to the Welsh Government by 31 May.</p>
<p><b>Transfer of balances</b></p> <p>As a newly established body receiving asset and</p>	<p>My audit team will undertake a detailed audit of the asset and liability</p>	<p>My audit team completed the audit of the transfer of balances and reported our</p>

Significant audit risk	Proposed audit response	Work done and outcome
liability transfers from predecessor organisations, there is a risk that these transfers as at 1 October 2018 are misstated or incomplete.	transfers and will brief the Audit and Assurance Committee on our findings in February 2019, in good time to facilitate any process improvements deemed necessary for the production of the year-end financial statements.	interim findings to the February Audit and Assurance Committee and provided an update to the May meeting.  No material errors were identified.
<p><b>Transition from the establishment phase to steady state operations</b></p> <p>In its initial months of operation, the Authority is inevitably not operating as a 'steady state' entity. I note in particular that:</p> <ul style="list-style-type: none"> <li>• there is a risk that the Authority may fail its financial duty if Welsh Government funding is insufficient to cover all expenditure incurred within the period;</li> <li>• certain posts currently remain vacant, including some within the finance team itself;</li> <li>• temporary staff are able to leave with very limited notice periods; and</li> <li>• staff from non-NHS predecessor organisations are likely to have only limited knowledge of NHS policies and procedures, which adds to the workload of current and experienced staff and can potentially impact on the ability of teams to deliver within deadlines.</li> </ul>	My audit team will assess the potential impacts of these inherent operating risks on both the true and fair opinion and the regularity audit opinion, consider the effectiveness of the Authority's actions to address them (including the adequacy of financial policies and budgeting procedures, provision of induction training etc), and determine whether additional audit procedures are necessary.	<p>The Authority met its financial duties for the period. Generally, the Authority has made good progress in getting to a steady state despite the staffing challenges.</p> <p>There are some internal control processes that require further development and strengthening, and these are listed within Appendix 1.</p>

Significant audit risk	Proposed audit response	Work done and outcome
<p><b>Management Override</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• check that there is appropriate segregation of duties in place over the operation of material financial systems;</li> <li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• review accounting estimates for biases; and</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business.</li> </ul>	<p>Our audit testing performed on a sample of material year end journals identified no issues.</p> <p>I confirm the accounting estimates within the financial statements are materially correct and contain no bias.</p> <p>I did not identify any transactions outside the normal course of business.</p>
<p><b>Revenue recognition</b></p> <p>There is a risk of material misstatement due to fraud in revenue recognition and as such this is treated as a significant risk.</p> <p>Under auditing standards, this is deemed a 'rebuttable presumption'; for the first set of annual financial statements I will therefore give this risk specific audit attention.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• discuss with management and those charged with governance their understanding of the risks of fraud facing the authority;</li> <li>• review the application of relevant accounting policies to ensure that they are in compliance with accounting standards;</li> <li>• test the appropriateness of a sample of journals processed to income and non-pay expenditure ledger codes during the year; and</li> <li>• analyse the various income streams and perform substantive procedures on a sample basis to ensure that income has been appropriately</li> </ul>	<p>I was able to rebut revenue recognition as a risk to the Authority's accounts, given the nature of its funding arrangements with the Welsh Government and the lack of any other significant revenue sources.</p>

Significant audit risk	Proposed audit response	Work done and outcome
	accounted for in the correct period.	
<b>Accounting treatment for Ty Dysgu</b> There is a risk that the refurbishment costs of Ty Dysgu are inaccurately reflected within property, plant and equipment. The lease arrangements for Ty Dysgu are complex and there is a risk that the lease and associated costs may be incorrectly accounted for.	My audit team will: <ul style="list-style-type: none"> <li>review costs transferred from Velindre University NHS Trust post 1 October 2018 for accuracy and completion; and</li> <li>review the lease agreement to verify the accounting treatment proposed is correct, with specific regard to its classification and accounting for its rent free period.</li> </ul>	I have reviewed the accounting arrangements and am satisfied that these leases and associated costs are appropriately accounted for in the Authority's financial statements
<b>Accounting for VAT</b> The Authority brings together activities from predecessor organisations whose VAT status was different to Authority. There is a risk that activities which have been transferred are being incorrectly accounted for.	My audit team will perform substantive procedures on a sample bases to ensure that VAT has been correctly accounted for.	I have not found any material error in the accounting for VAT, but have made a recommendation in Appendix 1 in relation to VAT.
<b>Related party disclosures</b> There is a risk that related party transactions are not identified and disclosures are incomplete as current procedures for their identification are inadequate.	My audit team will: <ul style="list-style-type: none"> <li>provide support and advice to the Authority wherever possible to improve procedures without compromising our independence;</li> <li>review the relationships identified by the Authority for completeness;</li> <li>undertaken substantive audit procedures to test the accuracy of disclosures; and</li> <li>agree the format of disclosures to those required for compliance with the NHS Manual for Accounts and</li> </ul>	I provided support to the Board by sharing good practice from elsewhere for the declaration of interests within public bodies, which has been followed and a new form implemented.  I am satisfied that the disclosures in the related parties note in the financial statements are complete and accurate.

Significant audit risk	Proposed audit response	Work done and outcome
	Financial Reporting Manual.	
<p><b>New accounting standards</b></p> <p>IFRS 9 financial instruments applies from 1 April 2018 and brings in a new principles-based approach for the classification and measurement of financial assets. It also introduces a new impairment methodology for financial assets based on expected losses rather than incurred losses. This will result in earlier recognition of expected credit losses and will impact on how the Authority calculates its bad debt provision.</p> <p>IFRS 15 revenue from contracts with customers introduces a principles-based five-step model for recognising revenue arising from contracts with customers. It is based on a core principle requiring revenue recognition to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration the body expects to be entitled to, in exchange for those goods or services. It will also require more extensive disclosures than are currently required.</p>	<p>My audit team will assess the likely impacts of the new IFRSs and undertake work to respond to any identified risks of material misstatement.</p>	<p>I have assessed the impact of new accounting standards to be minimal to the Authority and am satisfied with the disclosures made in Note 34 to the financial statements in regard to these new standards.</p>

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# Structured Assessment Baseline Review

## Feedback to HEIW Board Development session

Date: June 2019

Author: Dave Thomas, Clare James, Urvisha Perez



# The context

- request from Board for an early look at key areas
- informal approach as critical friend to highlight what's going well, what needs more work and provide any good practice
- undertaken in context of 8 months in
- we will build on and update these findings when undertaking the formal structured assessment work later in the year

# AIM

## to provide early views on whether

- HEIW is **well led and well governed**
- there is an effective approach to **strategic planning**
- **financial resources** are well managed
- **workforce** is well managed
- **procurement** arrangements are likely to help achieve VFM
- there is a sound approach to **asset management**

# Is HEIW well led and well governed?

- **Board and Committees** – strong leadership with collegiate approach, transparency, continuous learning and development, proactive response to issues (ECQC), scrutiny and challenge observed, action logs in use
- **Proper business arrangements** - transitioned well, key SOs, SFIs and policies in place; proactive response to issues (DoI; £ delegations)
- **BAF: risk and performance management** – all still in development:
  - transition corporate risk register but no directorate registers nor risk management procedures. No staff training yet and policy just issued
  - WG Objective for KPI deadline not met. Dashboard in development, but we note the challenge given standing start and unique body
- **Organisational Structure** - responsibilities clear with collegiate approach across directorates. Good interim coverage of DoF responsibilities. Flexible approach to future

# Well led and well governed learning points

- **Board and Committees:**
  - IM understanding of Board versus Board Development Sessions important
  - include details and (open) papers of all committees on website
  - diagram Board, committees & advisory groups and how they link (IA rec)
- **Proper Business arrangements:**
  - update Scheme of Delegation for IM's champion roles /responsibilities
  - keep a register of single tender/quotation actions and review periodically (WAO ref 1)
- **BAF: risk and performance management**
  - swift implementation of BAF (with assigned risks) and directorate registers (WAO ref 2)
  - staff training essential for consistency of risk assessment across HEIW
  - ensure sufficiently understand performance in interim
  - IA & EA recommendations tracker should include others (WG/regulators?)
- **Organisational structure**
  - work with WG and regulators to clarify blurred boundaries

# Is there an effective approach to strategic planning?

- **Vision and Strategic Objectives** - clear vision understood well by staff and WG, excellent internal engagement and involvement in development (positive impact on culture / staff), which continues
- **Stakeholder engagement** - not extensive for AOP and better understanding of HEIW remit needed. But Communication and Engagement strategy in place and strong awareness of critical importance with roadshows / stakeholder engagement events planned.
- **Development of AOP and IMTP** – AOP well received and clear lessons learnt to take forward for IMTP development which is early stages
- **Operational strategies and plans** - project leads in place but early stages of development in most areas.
- **KPIs and monitoring of delivery** - team in place but in early stages of development

# Strategic planning learning points

- **Vision and Strategic Objectives** – keep doing what you are doing!
- **Stakeholder engagement** - timing of engagement with and feedback to key stakeholders in both your and their planning cycle will be critical. Look to develop clear website sign posting for stakeholders inc. trainees and potential trainees.
- **Development of AOP and IMTP** – action key lessons learnt from AOP in developing IMTP. Consider ways to increase planning capacity and capability both short and long term (training / DU / secondments /peer review etc).
- **Operational strategies and plans** – think about how you will go about making informed choices on competing proposals given finite resource (priorities/criteria)
- **KPIs and monitoring of delivery** – be clear about PIs v KPIs. Identify suitable benchmarks. Don't forget about providing insight with data (WAO ref 3)

# Are financial resources well managed?

- **Achieving financial objectives**
  - financial duties met for 2018-19 with small underspend on revenue
- **Financial stewardship**
  - key financial controls and policies in place, timely reporting to Board and key risks monitored and reported, draft accounts submitted on time
  - given the issues: commendable outcome for finance team
- **Financial management**
  - basic reporting to Board in place with clear coverage of transition risks

# Financial management learning points

- **Financial management**
  - opportunity to look at good practice in financial reporting to Board with aim to provide insight into operational areas and really use finance as an enabler (WAO ref 4)



# Is workforce well managed?

- **Workforce planning and development**

- job evaluation bottleneck – getting back on track but not without impact
- people and OD strategy in development with focus in interim on ensuring appraisals and mandatory training delivery
- sensitive HR casework absorbs significant senior leadership capacity
- too early to take a wider view but no ‘balls dropped’ in spite of shortages which indicates great staff motivation (but not infinite)

- **Staff engagement and culture**

- excellent staff engagement continues
- staff survey results positive and used to shape future plans
- strong organisational culture being built with senior role modelling of values and behaviours (and action taken)

# Workforce management learning points

- **Workforce planning and development**
  - statutory and mandated training delivery priority
  - ensure reporting is clear on whether posts are vacancies or future potential posts.
- **Staff engagement and culture**
  - keep doing what you are doing!

# Are procurement arrangements likely to achieve value for money?

- no HEIW strategy for procurement
- strategy and procedures important for imminent renewal / re-commissioning of many contracts

## Learning points:

- ensure linked procurement / contracting / commissioning strategies in place with clear management arrangements
- identify contracts and compile a contracts register

# Is there a sound approach to asset management?

- no asset management strategy or asset register
- could be increasingly important if a greater digital approach is taken and 'assets' broaden

## Learning points:

- compile asset register
- compile lease register (accounting changes in 20-21)
- develop asset management strategy

## In a nutshell....

- the theme coming through strongly and at the heart of progress so far is HEIW's internal culture and engagement shown by high levels of staff engagement, the collegiate approach to working and strong, supportive leadership
- we might have expected HEIW to be further forward in risk and performance management but there are plans in place with developments ongoing and picking up speed
- we will revisit these areas in our Structured Assessment review in the second half of the year...

# So what's next?

- Structured Assessment:
  - fieldwork September to November;
  - reporting late 2019 / early 2020
  - using baseline review as starting point will aim to:
    - follow up progress in weaker areas:
      - BAF; risk and performance management
      - procurement and asset management
    - build on the good stuff looking at for example scrutiny in action
    - fill in the gaps e.g. information governance
    - speak to SROs to understand their perspectives

# WAO references

**Ref 1:** <http://www.audit.wales/publication/ensuring-value-money-use-single-tender-actions>

**Ref 2:** Comparative review of NHS Board assurance frameworks (2017)

**Ref 3:** Comparison of Performance reporting to Boards (2015)

**Ref 4:** Comparative review of NHS financial reporting (2016)



**GIG**  
CYMRU  
**NHS**  
WALES

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



**GIG**  
CYMRU  
**NHS**  
WALES

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

## **Health Education and Improvement Wales**

### **INTERNAL AUDIT PROGRESS REPORT**

**Audit and Assurance Committee - July 2019**

**NHS Wales Shared Services Partnership**

**Audit and Assurance Services**



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Appendix A: Table 1 - Status of 2019/20 assignments

### Please note:

This audit progress report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Internal Audit Charter and the Annual Plan, approved by the Audit and 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 the 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 and Assurance Committee (the 'committee') with the current position regarding the work undertaken by Internal Audit as at 5 July 2019.
- 1.2. The report includes details of the progress made to date against individual assignments along with details regarding the delivery of the 2019/20 programme of work, and any required updates.

## **2. Outcomes from completed audit reviews**

- 2.1 Since the May meeting of the committee the two assignments have been finalised relating to the 2019/20 programme of work. These are reported in the table below. The full version of these reports are included in the committee's papers as separate items.

<b>Assignments 2019/20</b>	<b>Assurance rating</b>
Health and Safety	Reasonable
Workforce – Values and behaviours review	Reasonable

## **3 Delivery of 2019/20 Internal Audit plan**

- 3.1 The detail of the scheduling and current progress of the audit work is outlined in the assignment status schedule, which is included at Appendix A, table 1.
- 3.2 The schedule includes the planned timing of the audits. These dates may be subject to change as the audit work progresses, and any alterations will be communicated to the committee via future progress reports.

**Table 1: Status of 2019/20 assignments to be reported in July Audit and Assurance Committee or later**

<b>Assignment</b>	<b>Indicative audit days</b>	<b>Status</b>	<b>Assurance</b>	<b>Timing</b>	<b>Notes</b>
Workforce review (Values and Behaviours Framework)	10	Final	Reasonable	Q1	-
Health & Safety	10	Final	Reasonable	Q1	-
Governance arrangements	10	-	-	Q2	-
IT/digital review	15	-	-	Q2	Given recent timing of our baseline review, propose to switch timing with FoI review
Service review	10	-	Planning	Q2	Scoping meeting with Stephen Griffiths on 23.07.19
Risk management	10	-	-	Q3	-
Strategic planning	15	-	-	Q3	-
Performance management	10	-	-	Q3	-
Core Financial Systems	15	-	-	Q3	-

Assignment	Indicative audit days	Status	Assurance	Timing	Notes
Freedom of Information (FoI) and Data Protection	10	-	Planning	Q4	Undertaking FoI review at all Health Organisations in Q2
Additional workforce review	15	-	-	Q4	

# **Values and Behaviours Framework**

## **Internal Audit Report**

### **Health Education and Improvement Wales**

**July 2019**

**NHS Wales Shared Services Partnership**

**Audit and Assurance Services**

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Appendix A

Management Action Plan

Appendix B

Assurance opinion and action plan risk rating

**Review reference:**

HEIW-1920-11

**Report status:**

Internal Audit Report

**Fieldwork commencement:**

3 June 2019

**Fieldwork completion:**

8 June 2019

**Draft report issued:**

24 June 2019

**Management response received:**

9 July 2019

**Final report issued:**

9 July 2019

**Auditors:**

Paul Dalton - Head of Internal Audit  
 Kenneth Hughes - Audit Manager  
 Murray Gard - Principal Auditor

**Executive sign off:**

Julie Rogers - Deputy Chief Executive /  
 Director of Workforce and OD

**Distribution:**

Dafydd Bebb – Board Secretary  
 Foula Evans - Head of People

**Committee:**

Audit and Assurance Committee

**ACKNOWLEDGEMENT**

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

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## **1. Introduction and Background**

In line with the 2019/20 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of how the Values and Behaviours Framework is being embedded and communicated was undertaken. The review provides assurance to the Audit and Assurance Committee that there are effective processes in place to manage the risks associated with the implementation of the framework.

A Values and Behaviours Framework, together with model standing orders and standing financial instructions, form the key elements of the governance and accountability framework for the NHS in Wales. NHS Wales is a vital part of the public service in Wales. Working together with its key partners, including local government and the Third Sector, public service values and associated behaviours are and must be at its heart.

NHS organisations must be value driven, rooted in high standards of public life and behaviour. These core values support good governance and help ensure the achievement of the highest possible standards in all that the NHS in Wales does.

The HEIW Values and Behaviours Framework has been developed in consultation with staff groups through a series of workshops and culture surveys which attempted to document the 'ideal culture'. This was presented to the shadow Board meeting held in August 2018. The values were finalised and launched on 24 September 2018, alongside the formal launch of HEIW itself.

The relevant lead for the review is the Deputy CEO / Director of Workforce and Organisational Development.

## **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 Values and Behaviours Framework.

The review sought to provide assurance to the Audit and Assurance Committee that risks material the system's objectives are managed appropriately.

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

- The Values and Behaviours Framework was developed using a robust methodology and involved staff from all areas of the organisation.
- The Values and Behaviours Framework links in to the organisations vision and strategic objectives, is actively promoted in order to embed throughout the organisation.
- Risks associated with the development and implementation of the framework have been identified and addressed.
- The framework has been considered and approved by the Board.



- There are measures in place to monitor and periodically assess the effectiveness of the framework.

### 3. Associated Risks

The potential risk considered in the review are as follows:


- The organisation does not obtain 'buy-in' to the framework from staff resulting in poor decision making, resistance to change and undesirable staff behaviour.

## 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 Values and Behaviours Framework review is reasonable assurance.

RATING	INDICATOR	DEFINITION
<b>Reasonable assurance</b>		The Board can take <b>reasonable assurance</b> 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 <b>low to moderate impact on residual risk exposure</b> until resolved.





Our audit has concluded that overall the Values and Behaviours Framework was developed using a robust methodology that involved a high level of staff engagement. Management are now putting in place structures and processes to embed the framework throughout the organisation. We note that this is in its infancy and should be monitored going forward.

It was identified during our audit that the framework has been sighted and noted by the Board, but has not been formally approved. Our audit also identified that the monitoring and governance arrangements could be improved.

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	The framework was developed using a robust methodology.				✓
2	There are links in to the organisations vision and strategic objectives. ,				✓
3	Risks been identified and addressed.			✓	
4	The framework has been considered and approved by the Board.			✓	
5	There are measures in place to monitor and periodically assess effectiveness.			✓	

*\* 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 no issues that are classified as weaknesses in the control design for the Values and Behaviours Framework review.

### Operation of System/Controls

The findings from the review have highlighted three issues that are classified as weaknesses in the operation of the designed control for the Values and Behaviours Framework review.

## 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: The Values and Behaviours Framework was developed using a robust methodology and involved staff from all areas of the organisation.**

We note the following areas of good practice:

- Culture is the behaviours and expectations that are encouraged and rewarded. As part of the wider Workforce and OD programme for transition to HEIW; management established a work stream that considered the 'Culture' of HEIW.
- Multiple staff engagement events including value sessions and workshops took place within the various legacy organisations that were set to make up HEIW.
- A 'you said we did' document was drafted following these sessions that fed into the draft Values and Behaviours Framework.
- The final Values and Behaviours Framework was shared with staff at the team event on 22 August 2018. This event included a culture presentation outlining the proposed next steps to embed the identified values and behaviours within the organisation, and was followed by a facilitated session, led by Director of Workforce & OD and Head of People.

We did not identify any findings under this objective.

**Objective 2: The Values and Behaviours Framework links in to the organisations vision and strategic objectives, is actively promoted in order to embed it throughout the organisation.**

We note the following areas of good practice:

- The Values and Behaviours Framework links to the organisation's vision through the PEOPLE principles; Planning, Educating, Offering opportunities, Partnership working, Leading and Exciting, Enthusing, Engaging, Enabling and Empowering staff across all professional and occupational groups.
- There is a clear link between the framework and strategic objective 1: As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand.
- The values based framework is available to all staff and the public via the organisation website.
- We note that the organisation values are highlighted on notices such as at the reception desk of the HEIW office
- The Engagement and Communications Strategy 2019-2022 has been established, which is based on the organisation's vision, purpose, strategic objectives, Values and Behaviours, plus feedback from staff and stakeholders.
- A new starter's guide and a manager's working guide have been produced that include details of the framework.

- A values based appraisal and development policy has been produced. This policy includes documentation surrounding a values based performance appraisal form and values based 360 degrees questionnaire.
- The framework forms part of the management attendance at work policy.

We did not identify any findings under this objective.

**Objective 3: Risks associated with the development and implementation of the framework have been identified and addressed.**

We note the following areas of good practice:

- The risk of inappropriate staff behaviour at the workplace has been mitigated through the Values and Behaviours Framework which has been developed in consultation with HEIW staff. .
- Results from the annual staff survey will be analysed by the Culture Committee which will drive improvements to be taken forward by the Committee for resolution and implementation.

We identified the following finding:

- Potential measures that would alert HEIW to the risk that the Values and Behaviours Framework were not being fully adopted may include, for example; the number of disciplinary or grievances involving inappropriate behaviours and the nature and number of complaints received. However, these were not captured in the Workforce dashboard reports.

**Objective 4: The framework has been considered and approved by the Board.**

We note the following area of good practice:

- The draft Values and Behaviours Framework was submitted to the shadow board meeting for consideration in September 2018.

We identified the following finding:

- . Reference was made to the Values and Behaviours Framework as part of the Chief Executive update report at the October 2018 Board meeting. The framework was noted but not approved. Given that the framework is a key document for the organisation and integral to their way of working, we would have expected to see approval by the Board.

**Objective 5: There are measures in place to monitor and periodically assess the effectiveness of the framework.**

We note the following areas of good practice:

- The staff survey is the main driver of how HEIW assesses the effectiveness of the framework.

- The recently established Culture Committee is the main forum for monitoring the effectiveness of the framework.
- HEIW has scheduled a staff meeting on the 19 June 2019 where there will be an opportunity to meet the members of the Culture Committee. The Culture Committee will also present the findings of the staff survey.

We identified the following finding:

- The Culture Committee had met twice at the time of our audit fieldwork but had not appointed a Chair or approved the Terms of Reference. In addition meetings were generally not well attended and a significant number of members had not attended both meetings held to date.

## **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.

<b>Priority</b>	<b>H</b>	<b>M</b>	<b>L</b>	<b>Total</b>
<b>Number of recommendations</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>

Finding 1 - Monitoring risks (Operating effectiveness)	Risk
<p>Potential measures that could alert HEIW to the risk that the Values and Behaviours Framework was not being fully adopted may include the number of staff subject to disciplinary action, the number of grievances involving inappropriate behaviours, and the number and nature of external complaints received.</p> <p>Data in relation to these areas is collected and reported at a national level, however when we reviewed the workforce performance dashboard that was submitted to the Board in April 2019 we noted that there was no section for the recording and monitoring of staff disciplinary action, grievances or complaints.</p>	<p>The organisation does not obtain 'buy-in' for the framework from staff resulting in poor decision making, resistance to change and undesirable staff behaviour.</p>
Recommendation 1	Priority level
<p>Management should consider establishing a mechanism for monitoring grievances, staff disciplinary action and the number and nature of complaints received in order to identify trends and possible non-compliance with the values and Behaviours Framework.</p>	<p><b>Medium</b></p>
Management Response	Responsible Officer/ Deadline
<p>Management has already established a mechanism for monitoring and reporting disciplinary action and grievance complaints. This will be reported to Board through dashboards. Any trends identified will be supported by further information of action taken by management and reported to Board.</p>	<p>Head of People &amp; OD - Immediate</p>

Finding 2 - Culture Committee (Operating Effectiveness)	Risk
<p>The Culture Committee is currently in its infancy and is evolving as the organisation develops. There is a draft terms of reference (TOR), which was on the agenda to be approved at the 6 June 2019 meeting. The TOR contains details of the committee's aims, objectives and membership. Also included is their reporting requirements i.e. quarterly to the Senior Leadership Team. However, due to the infancy of the committee, no formal reporting has yet taken place.</p> <p>As at May 2019 there had only been two meetings, with meetings chaired by the Leadership &amp; Organisational Development Practitioner. It is anticipated that the role of Chair will rotate amongst members of the committee on a periodic basis. The March meeting was attended by 16/27 members (59%) but the April meeting was only attended by 10/27 members (37%); this meeting coincided with the Easter break and was thought by management to be the reason for the low attendance. It was identified from a review of the minutes for the two meetings held to date, 9/27 members did not attend either meeting.</p> <p>In addition, one attendee was not on the list of members recorded in the draft TOR. The minutes for both meetings showed some members as giving apologies twice and one member that had both given apologies and attended the same meeting.</p>	<p>The organisation does not obtain 'buy-in' for the framework from staff resulting in poor decision making, resistance to change and undesirable staff behaviour.</p>

Recommendation 2	Priority level
<p>The Culture Committee's governance arrangements, appropriate attendance at meetings, and reporting arrangements, should be monitored to ensure they are operating effectively.</p> <p>When reviewing the draft minutes the Committee should ensure they are an accurate reflection of those members that attended the meeting.</p>	<b>Medium</b>
Management Response	Responsible Officer/ Deadline
<p>As the Culture Committee has only just recently established its members, Management is currently refining its governance and reporting arrangements to ensure it operates efficiently and effectively.</p>	Head of People & OD - Immediate



Finding 3 - Framework approval (Operating effectiveness)	Risk
<p>The Values and Behaviours Framework is a key document for the organisation and integral to their way of working. The draft framework was submitted to the shadow Board meeting in September 2018. Action notes from this meeting highlighted that the framework would be presented to the October Board. At the October meeting, reference was made to the framework as part of the Chief Executive's update report and the minutes indicate that the report was noted.</p>	<p>The organisation does not obtain 'buy-in' for the framework from staff resulting in poor decision making, resistance to change and undesirable staff behaviour.</p>
Recommendation 3	Priority level
<p>As best practice, management should consider if key documents that are integral to the organisation should be formally approved by the Board.</p>	<p><b>Low</b></p>
Management Response	Responsible Officer/ Deadline
<p>Key documents requiring Board approval are identified within HEIW's Standing Orders and Policy on Policies. The Policy on Policies confirms that strategic matters and certain key policies require Board approval. Such key documents are kept under constant review to ensure they are formally approved by the Board.</p>	<p>Board Secretary / Ongoing</p>

## 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
<b>High</b>	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*
<b>Medium</b>	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
<b>Low</b>	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.

## **Health & Safety**

### **Internal Audit Report**

**HEIW 2019/20**

**July 2019**

**NHS Wales Shared Services Partnership**

**Audit and Assurance Services**

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Appendix A	Management Action Plan
Appendix B	Assurance opinion and action plan risk rating
<b>Review reference:</b>	HEIW-1920-07
<b>Report status:</b>	Internal Audit Report
<b>Fieldwork commencement:</b>	17 June 2019
<b>Fieldwork completion:</b>	27 June 2019
<b>Draft report issued:</b>	1 July 2019
<b>Management response received:</b>	4 July 2019
<b>Final report issued:</b>	5 July 2019
<b>Auditors:</b>	Ken Hughes - Audit Manager, Emma Samways - Deputy Head of Audit
<b>Executive sign off:</b>	Julie Rogers - Deputy CEO / Director of Workforce & OD
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<b>Committee:</b>	Audit and Assurance Committee

**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 and Assurance Services reports are prepared, in accordance with the Internal Audit Charter and the Annual Plan, approved by the Audit and 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, 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 2019/20 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of health and safety arrangements was undertaken. The review sought to provide assurance to the Audit and Assurance Committee that there are effective processes in place to manage the risks associated with health and safety.

Effective health and safety performance stems from the Board who have both collective and individual responsibility. The Health and Safety at Work Act (1974) is the primary piece of legislation covering occupational health and safety in the UK, and this requires the Board to establish a health and safety policy that should become an integral part of the organisation's culture, values and performance standards.

Successful delivery of the policy depends on an effective management system to ensure, so far as is reasonably practicable, the health and safety of employees, contractors, visitors and members of the public. The Board should aim to protect people by introducing a management system and practices that ensure that health and safety risks are dealt with sensibly, responsibly and proportionately.

The relevant lead for the review is the Deputy Chief Executive / Director of Workforce and Organisational Development.

## **2. Scope and Objectives**

The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place to manage health and safety. The review seeks 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:

- Health and safety is adequately resourced, and responsibility for health and safety has been specifically assigned to a member of staff and a member of the Board.
- There are documented health and safety policies and procedures in place that have been approved by the Board.
- There are effective health and safety arrangements in place, including the provision of training, that enable compliance with legislative requirements and considers the health and safety of employees, contractors, visitors and members of the public.
- There is regular monitoring and reporting of sickness levels, accidents and incidents to the Board and the Health & Safety Executive (HSE) where appropriate.
- The risk register is updated as necessary to reflect any risks that arise from health and safety matters.

### 3. Associated Risks

The potential risks considered in the review were as follows:


- The organisation has inadequate health and safety arrangements in place resulting in avoidable accidents and incidents.
- The failure to comply with health and safety legislation results in financial penalties and reputational damage.

## OPINION AND KEY FINDINGS

### 4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with health and safety is Reasonable assurance.

RATING	INDICATOR	DEFINITION
<b>Reasonable assurance</b>		The Board can take <b>reasonable assurance</b> 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 <b>low to moderate impact on residual risk exposure</b> until resolved.

Responsibility for health and safety has been defined at a Board level and suitably qualified staff within the organisation have responsibility for the day-to-day management of health and safety. Health and safety training forms part of induction training, ensuring staff are aware of their personal responsibilities.

The organisation has a Health and Safety policy in place and a suite of other health and safety related policies and procedures that were approved by the Board in May 2019. Work is ongoing by the Communications and Engagement team to cascade the approved policy and procedures to staff. A number of other 'safe work procedures' are still in the process of being drafted.

A Health and Safety Committee has been formed, though it is still in its infancy, and the organisation is encouraging more staff to be members and

act as health and safety champions. For this reason, there has not been any formal reporting or the identification of any health and safety risks by the Committee through to the Chief Executive and Executive Team. The format and content of this reporting is yet to be determined.


The organisation has good working practices in place in relation to a number of health and safety matters, such as qualified first aiders throughout the Ty Dysgu building, trained fire wardens and confirmation of contractors health and safety policies prior to starting on site.

To date, access to the Datix system has not been granted, therefore manual records are retained in relation to accidents and near misses. We understand that access will be available by December 2019 facilitating the direct input of data.

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	Responsibility and resources				✓
2	Policies and procedures			✓	
3	Health and safety Arrangements			✓	
4	Monitoring and Reporting			✓	
5	Risk Register				✓

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

## Design of Systems/Controls

The findings from the review have highlighted two issues that are classified as weaknesses in the system control/design for health and safety.



## Operation of System/Controls

The findings from the review have highlighted one issue that is classified as a weakness in the operation of the designed system/control for health and safety.

### 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: Health and safety is adequately resourced, and responsibility for health and safety has been specifically assigned to a member of staff and a member of the Board.**

We note the following areas of good practice:

- There is a dedicated health and safety budget in place for the organisation.
- The responsibility for health and safety had been assigned at Board and staff level to suitably qualified individuals.

We did not identify any findings under this objective.

#### **Objective 2: There are documented health and safety policies and procedures in place that have been approved by the Board.**

We note the following areas of good practice:

- There is a Board approved health and safety policy in place which aligns to the Health and Safety Executive guidance on managing health and safety, and the health and safety toolbox.
- The health and safety policy is supported by a range of approved health and safety related procedures.

We identified the following finding:

- The organisation has developed a list of 'Safe Working Procedures', though not all have yet been drafted, including the procedure for carrying out risk assessments. The list does not include a procedure for lone working, which given the acknowledgment in the May 2019 Health and Safety Committee meeting about the number of staff who work remotely, should be included.
- Those policies and procedures that have been formally approved are not yet available to staff via the intranet even though there is a plan in place to cascade policies as they are approved.

**Objective 3: There are effective health and safety arrangements in place, including the provision of training, that enable compliance with legislative requirements and considers the health and safety of employees, contractors, visitors and members of the public.**

We note the following areas of good practice:

- The Facilities and Compliance Manager gives a health and safety presentation to new starters as part of the induction programme. This sets out health and safety responsibilities for staff, management and visitors.
- Display Screen Equipment assessments are undertaken for all staff and arrangements are in place to ensure electrical equipment is PAT tested.
- Contractors are required to have their own health and safety policy prior to commencing work for HEIW and these are checked by the Facilities and Compliance Manager.
- All visitors are required to sign in and out of Ty Dysgu, HEIW's headquarters.
- There is a dedicated health and safety notice board that displays statutory health and safety notices.
- Up to date maintenance contracts were in place for the lift, emergency lighting, fire alarm system, intruder alarm and CCTV.
- All disabled staff have a Personal Emergency Evacuation Plan.
- There is an approved Fire Safety Policy in place. A fire risk assessment report, undertaken by an external firm, was discussed at the May 2019 health and safety committee.
- There are trained fire wardens and first aiders on each floor of Ty Dysgu.
- The organisation has access to professional health and safety advice from external health and safety consultants.

We identified the following findings:

- There was no template or documented policy or procedure for undertaking health and safety risk assessments.
- Car parking at Ty Dysgu is uncontrolled with more vehicles attempting to park on site than there are spaces available. Consequently, fire exits are frequently blocked and large vehicles such as ambulances and fire engines are at risk of not being able to manoeuvre around the car park in the event of an emergency.

**Objective 4: There is regular monitoring and reporting of sickness levels, accidents and incidents to the Board and the Health & Safety Executive (HSE) where appropriate.**

We note the following areas of good practice:

- There is a Health and Safety Committee in place that had its first meeting at the end of May 2019 where its terms of reference were adopted. Future meeting dates have been agreed and the organisation is seeking additional membership to the committee.
- The Health and Safety Committee will report directly to the CEO and Executive Team.

We identified the following findings:

- Due to the organisation being in its infancy, the nature of reporting to the CEO and Executive Team had not been fully developed.

**Objective 5: The risk register is updated as necessary to reflect any risks that arise from health and safety matters**

We did not identify any findings under this objective.

## **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	3	0	3

<b>Finding -1 - Outstanding health and safety policies and procedures (Control design)</b>	<b>Risk</b>
<p>A list of 'Safe Work Procedures' that the organisation deems it needs in place in relation to health and safety was presented to the Board in May 2019. There are 15 procedures on the list. We note that the following are yet to be completed:</p> <ul style="list-style-type: none"><li>• Driving for Work (Procedure 3.01)</li><li>• Risk Assessment (Procedure 3.04)</li><li>• Mental Health (Procedure 3.06)</li><li>• Manual Handling (Procedure 3.07)</li><li>• Control of Contractors (Procedure 3.13)</li><li>• Management of Drugs &amp; Alcohol (Procedure 3.14)</li><li>• Social Events (Procedure 3.15)</li></ul> <p>In addition, we note that despite the organisation having a number of staff that work off site, the list of safe work procedures does not include a policy or procedure for 'Lone Working'.</p> <p>Those procedures that have been approved, including the overarching Health and Safety policy, are currently not available to staff via the HEIW intranet. We have been informed by the Planning and Performance Business Partner that the Communications and Engagement team are working on a plan to cascade to staff the Health and Safety policy and other policies as they are approved.</p>	<p>The organisation has inadequate health and safety arrangements in place resulting in avoidable accidents and incidents.</p>

Recommendation	Priority level
<p>A timescale should be drawn up for completion of the outstanding safe work procedures. The Risk Assessment procedure should include a template for carrying out risk assessments.</p> <p>Management should consider developing a Lone Working policy to help protect staff that are not working out of the main office at Ty Dysgu.</p> <p>All policies and procedures should be made available to staff as they are approved.</p>	<b>Medium</b>
Management Response	Responsible Officer/ Deadline
<p>It is acknowledged that procedures need to be put in place. It is anticipated that this will be completed over the course of the next 3 months.</p>	<p>Business Partner – Planning &amp; Performance – October 2019</p>

Finding -2 - Ty Dysgu car park (Control design)	Risk
<p>The car park at Ty Dysgu has a single entry and exit point and has marked parking bays and yellow lines where parking is not permitted. However, access to the car park, which has insufficient car parking spaces for the number of staff in the building, is not controlled leading to vehicles being parked outside of the marked bays and on the yellow lines resulting in blocked fire exits and vehicles being unable to manoeuvre around the car park. This could potentially prevent larger emergency vehicles such as ambulances and fire engines manoeuvring around the car park and in particular accessing the front of the building, and could hinder an emergency evacuation of the building.</p>	<p>The organisation has inadequate health and safety arrangements in place resulting in avoidable accidents and incidents.</p>
Recommendation	Priority level
<p>A decision should be made regarding the car park arrangements at Ty Dysgu with consideration to restricting those who can access the car park.</p> <p>When arranging meetings at Ty Dysgu with external parties, staff should be encouraged to provide details of other off-site parking facilities in the area.</p>	<p><b>Medium</b></p>

Management Response	Responsible Officer/ Deadline
Staff who are arranging meetings have been asked to inform potential visitors of the alternative options to park offsite due to the limited availability on the premises. The facilities manager is currently considering options following agreement from the executive team to implement staff only parking via barrier entry solutions.	Business Partner – Planning & Performance – October 2019

<b>Finding 3 – Health and safety reporting (Operating effectiveness)</b>	<b>Risk</b>
<p>In accordance with the Risk Management Policy and Health and Safety Committee terms of reference, health and safety reporting to the Board is via the CEO and Executive Team. At the time of our audit fieldwork the Health and Safety Committee had met just once, at the end of May 2019. Consequently to date there has been no reporting of health and safety matters to the Board.</p>	<p>The organisation has inadequate health and safety arrangements in place resulting in avoidable accidents and incidents.</p>
<b>Recommendation</b>	<b>Priority level</b>
<p>The Health and Safety Committee and Board should consider what information the Health and Safety Committee should report to the Board, and what format reports will take.</p>	<p><b>Medium</b></p>
<b>Management Response</b>	<b>Responsible Officer/ Deadline</b>
<p>The next scheduled committee is due to take place on 31<sup>st</sup> July where this will be discussed and where options can be considered to include appropriate data on H&amp;S on the performance framework dashboard that will be provided to Board in line with other organisational performance data on a quarterly basis.</p>	<p>Business Partner – Planning &amp; Performance – October 2019</p>



## 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
<b>High</b>	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*
<b>Medium</b>	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
<b>Low</b>	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.



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

<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.4</b>
<b>Report Title</b>	<b>Audit Recommendations Tracker</b>		
<b>Report Author</b>	Kay Barrow, Corporate Governance Manager		
<b>Report Sponsor</b>	Dafydd Bebb, Board Secretary		
<b>Presented by</b>	Dafydd Bebb, Board Secretary		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	<p>To present to the Audit and Assurance Committee, for compliance and assurance purposes, the Audit Recommendations Tracker (Tracker) that contains the current agreed actions in response to the recommendations within Audit reports received from sources such as Internal Audit and WAO.</p> <p>To provide the Committee with assurance that those recommendations contained within the Tracker are being progressed, monitored and completed.</p>		
<b>Key Issues</b>	<p>The Tracker, the status of which is represented using a Red; Amber; Green (RAG) rating, currently covers 25 recommendations.</p> <p>The Tracker is attached at Appendix 1.</p>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
			✓
<b>Recommendations</b>	<p>The Audit and Assurance Committee is asked to:</p> <ul style="list-style-type: none"> <li>• <b>Note</b> the report.</li> <li>• <b>Agree</b> that the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker.</li> </ul>		

## 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 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. There are 9 actions that are yet to reach their deadline date.

There are currently 25 recommendations within the database, as per the table below:

<b>Red</b>	5	Some progress, but outside the target deadline.
<b>Green</b>	11	Action has been assessed as completed, or is complete.
<b>Amber</b>	9	Significant progress but still not fully completed or Action has not yet reached the deadline date.

The 11 '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.

Further work is underway to ensure that the remaining actions on the database are completed as agreed.

## 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.
- **Agree** that 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 corporate objectives (please ✓)	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
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				
Appendices				
<ul style="list-style-type: none"> <li>• Audit Recommendations Tracker Appendix 1.</li> </ul>				

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
2. (IA)	Core Financials – Budgetary Control <i>February 2019</i>	<p>Consideration should be given requesting budget holders to formally sign to accept their budget at the start of the financial year.</p> <p><b>Low Priority</b></p>	31 March 2019	Director of Finance and Corporate Services	<p>Agreed that this will be an important aspect of the budget setting process for 2019/20. It will be key to ensuring that budget holders have authority to commit to expenditure within their delegated budgetary level but also confirm their responsibility managing within it.</p> <p><b>Progress as at May 2019:</b> Discussion undertaken at Executive Team on 15 May 2019. Budget allocation letters have been drafted for Executive Directors signed by the Chief Executive and distributed. It is anticipated that they will all be signed and returned by 31<sup>st</sup> May 2019.</p> <p><b>Current Progress: Complete</b> A signed Budget Holder letter has been returned by every Executive Director.</p>	
3. (IA)	Core Financials – Financial Accounting <i>February 2019</i>	<p>Now that HEIW has been operating for a number of months, FCPs should be reviewed to ensure they are complete and reflect the process being carried out within the organisation, whilst ensuring the expected controls remain. The department should create desktop procedures that outline to staff the process to be followed</p>	March 2019	Head of Financial Accounting	<p>There is a journal register within Oracle so there is no need for a duplicate hard copy. However, the FCP can be clarified for this point. The manual (ad hoc) payments of £9.1m were processed using the same documentation as required by Accounts Payable. The method of payment is different i.e. direct payments rather than BACS but remaining information is the same. Whilst the FCPs were approved by audit committee in October 2018 with a yearly review process it is agreed that some will be reviewed before the start of the financial year and where necessary updated in light of the audit findings. Shared services subsequently changed their approach to miscellaneous</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>when performing tasks. This will facilitate a standardised approach to work and can act as guide for new or less experienced staff to use.</p> <p><b>Medium Priority</b></p>			<p>payments in November 2018 which meant that the payments are now made via Accounts Payable using the same backing documentation. No clarification is therefore required in the FCP as this approach has been used by precursor organisations, in particular, Shared Services, and presumably has been dealt with satisfactorily in the past. Since the audit fieldwork was undertaken, desk top procedures have been written.</p> <p><b>Progress as at May 2019 On-going</b> – Processes are still being reviewed and refined to reflect best practice identified from other organisations and from discussions as part of the year-end audit. Working papers and desktop notes are being prepared to reflect the operational procedures. It is anticipated this will be complete by the end of July 2019.</p> <p><b>Current Progress:</b> Completion of the internal review is expected to be complete by the end of July 2019. The Head of Financial Accounting is a member of the All-Wales Technical Accounting Group (TAG) task and finish group reviewing Financial Control Procedures (FCPs), which is due to meet shortly. Feedback from the group will be used to review and update FCPs as appropriate.</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
10.A (IA)	Workforce Review: Casual Workers – Employment status May 2019	A) Management should ensure an effective audit trail is maintained that justifies employment status.  <b>High Priority</b>	June 2019	Head of People & OD/ Head of Financial Accounting	<p>A) HEIW Finance &amp; People teams provided recruiting managers with training in this area in November 2018: this covered effective audit trails, how to undertake and complete the employment status checks, etc. to support the roll out of the toolkits, flow charts and employment status letters to the recruiting managers. Finance &amp; People Teams felt satisfied at the time the recruiting managers had sufficient information to complete the checks appropriately and issue employment letters. An email reminder was sent to those staff that engage casual workers on 12/04/2019, reminding them of the importance of doing checks and that letters need to be sent. The findings of this objective &amp; the management response to it will be shared with the Senior Leadership Team and expectations cascaded.</p> <p><b>Current Progress:</b> Further reminders have been sent out by the People Team to recruiting managers who engage casual workers, detailing the requirement for ESS checks, employment status letters. The People Team are also conducting spot checks to ensure the processes are being followed.</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
10.B (IA)	Workforce Review: Casual Workers – Employment status May 2019	B) Management should review the employment status of individuals for appropriateness.  <b>High Priority</b>	June 2019	Head of People & OD	B) Given the findings of this objective, the People team will be asking recruiting managers to submit copies of the ESS checks and employment status letters to the People Team at the same time as submitting the casual worker engagement forms. That way we can centrally monitor compliance and ensure an audit trail is maintained.  <b>Current Progress:</b> All recruiting managers are now sending copies of completed letters and ESS checks to the People Team at the same time as submitting casual worker or IR35 enrolment forms. In the event that the incorrect/incomplete information is submitted, the People Team are returning all paperwork to the recruiting manager, requesting the full set of required documents prior to processing.	
10.C (IA)	Workforce Review: Casual Workers – Employment status May 2019	C) Management should remind staff of the need to issue employment status letters and to retain copies.  <b>High Priority</b>	September 2019	Head of People & OD/ Head of Financial Accounting	C) Further training will be offered to recruiting managers on the importance of the need to issue the employment status letters and to retain copies.  <b>Current Progress:</b> The People Team have contacted Deloitte, KPMG and Ernst & Young for quotes on delivering training around casual workers and IR35. We are waiting for a response from Ernst & Young (we need 3 quotes) and once we have this we can start the procurement process to deliver the training and review our processes.	



## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
11.A (IA)	Workforce Review: Casual Workers – Employment status May 2019	A) Staff should be reminded of the need to ensure engagement forms and timesheets are appropriately completed.  <b>High Priority</b>	June 2019	Head of People & OD	A) The People Team will send a reminder to the recruiting managers to let them know that all sections of the casual worker engagement forms and timesheets need to be completed otherwise they will be returned and won't be processed until fully complete. To ensure timely completion of timesheets, we will amend the form to include that claims MUST be submitted within 3 months of work being carried out in order to be paid.  <b>Current Progress:</b> A reminder was sent about the importance of all sections of engagement forms and timesheets being completed. If any get submitted with blank sections, the People Team return them and ask for all sections to be completed prior to processing. The timesheet states that claims must be submitted within 3 months of the work being completed.	
11.B (IA)	Workforce Review: Casual Workers – Employment status May 2019	B) The organisation should review existing arrangements to ensure that current casual workers have been appropriately assessed.  <b>High Priority</b>	June 2019	Head of People & OD	B) As per response to Recommendation 1, going forward recruiting managers will be expected to send the completed ESS checks to the People Team so we can check they have been done and the correct process has been followed depending on the outcome.  <b>Current Progress:</b> This is now happening for all engaged workers. In the event that documents come through without a copy of the completed ESS check, we return the documents to sender and request the full set of required documents before processing.	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
12. (IA)	Workforce Review: Casual Workers – Employment status May 2019	Management should consider implementing a programme of spot checks or peer reviews to ensure the correct application of HEIW processes. Having a range of these measures would enhance the control environment for the assessment and treatment of casual workers.  <b>High Priority</b>	July 2019	Head of People & OD/ Head of Financial Management	All engagement forms and timesheets already come to the People Team, and we will check these forms to ensure they have been completed correctly. Although more training for the recruiting managers is currently being sourced, HEIW will also create a peer group/network for the recruiting managers to enable them to support each other in the correct completion of the treatment of casual workers, ESS checks and employment status letters. The People Team and Finance would oversee this group and undertake spot checks to ensure the documentation and audit trail complies with legislation.  <b>Current Progress:</b> The People Team currently check all paperwork that gets submitted to ensure it has been completed correctly. A peer group is currently being set up.	
13. (IA)	Workforce Review: Casual Workers – Employment status May 2019	Management should consider establishing a documented operational procurement procedure (Procurement Manual) to ensure a standard approach is used across HEIW.  <b>Medium Priority</b>	July 2019	Head of People & OD/ Head of Financial Accounting	HEIW is in discussion with NWSSP Procurement Team regarding further training and support for staff undertaking procurement within HEIW. We will consider the inclusion of specific training and guidance for on the engagement of casual workers in HEIW within that context.  <b>Current Progress:</b> The People Team have contacted Procurement and are awaiting a response in order to understand what procurement process needs to be undertaken to engage casual workers	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
14. (IA)	Workforce Review: Casual Workers – Employment status <i>May 2019</i>	<p>A) Guidance on completing and rechecking the HMRC online tool should be produced for all required areas.</p> <p>B) Management should consider assessing the training requirement and provide updates accordingly.</p> <p><b>Medium Priority</b></p>	<p>Training to be scoped by July 2019</p> <p>And rolled out by September 2019</p>	Head of People & OD/ Head of Financial Accounting	<p>As outlined earlier, training and guidance was made available to all recruiting managers in HEIW in November 2018. However the audit shows that there are clearly further training requirements around ESS checks and processes for engaging casuals. The People Team are currently scoping further training, which will be made available to all staff.</p> <p><b>Current Progress:</b> The People Team have contacted Deloitte, Ernst &amp; Young and KMPG for quotes on providing training in this area. As soon as 3 quotes have been received (we are waiting on 1 from Ernst &amp; Young) we can take this forward.</p>	
15 (IA)	Risk Management <i>May 2019</i>	<p>Management should ensure that they develop and approve an appropriate risk management policy and accompanying risk management procedure as soon as practically possible. The policy and procedure should then be communicated to staff within the organisation as appropriate.</p> <p><b>High Priority</b></p>	<p>Policy to be finalised May 2019</p> <p>Communicated to staff June 2019</p>	Board Secretary	<p>Risk Management Policy to be completed and presented to the Executive Team in May. May Board to be provided with an update in respect of the policy. The policy will be considered at June SLT and communicated to staff immediately following SLT. Board.</p> <p><b>Current Progress:</b> There has been slippage on the original timescales due to the requirement for the policy to be presented to the Audit &amp; Assurance Committee for endorsement prior to the Board for approval. The Policy is to be presented to the Audit and Assurance Committee on 15 July 2019; HEIW Board on 18 July and SLT on 15 August 2019. Communication to staff within the organisation will take place after SLT in August.</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
16. (IA)	Risk Management <i>May 2019</i>	<p>Management should continue to develop its risk management plan, which includes key actions, responsibilities and timeframes for its implementation. The plan should be appropriately monitored to ensure that all milestones are delivered on target and remedial action taken where issues are identified.</p> <p><b>High Priority</b></p>	<p>Policy to be finalised May 2019</p> <p>Communicated to staff June 2019</p>	Board Secretary	<p>(As above) Risk Management Policy to be completed and presented to the Executive Team in May. May Board to be provided with an update in respect of the policy. The policy will be considered at June SLT and communicated to staff immediately following SLT.</p> <p><b>Current Progress:</b> There has been slippage on the original timescales due to the requirement for the policy to be presented to the Audit &amp; Assurance Committee for endorsement prior to the Board for approval. The Policy is to be presented to the Audit and Assurance Committee on 15 July 2019; HEIW Board on 18 July and SLT on 15 August 2019. Communication to staff within the organisation will take place after SLT in August.</p> <p>The Executive Team regularly review the risk register which is presented to the Audit and Assurance Committee at each meeting and to the Board 6-monthly.</p>	
17. (IA)	Risk Management <i>May 2019</i>	<p>The organisation's risk policy and procedure should clearly set out its expectations with regards to risk registers. For example, it may be appropriate to develop directorate level risk registers that 'feed' into the risk register that is</p>	<p>May 2019</p> <p>June 2019</p>	<p>Board Secretary</p> <p>Board Secretary</p>	<p>The risk policy, which is to be completed in May, will set out HEIW's expectations in respect of the risk register will include reference to the creation of directorate level risk registers.</p> <p>HEIW risk policy will be presented at June SLT and communicated to staff thereafter.</p> <p><b>Current Progress:</b> There has been slippage on the original timescales due to the requirement for the</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		reported to committees of the Board. The organisation's risk policy and procedure should be communicated to staff so that the approach to risk is clearly accessible.  <b>Medium Priority</b>			policy to be presented to the Audit & Assurance Committee for endorsement prior to the Board for approval. The Policy is to be presented to the Audit and Assurance Committee on 15 July 2019; HEIW Board on 18 July and SLT on 15 August 2019. Communication to staff within the organisation will take place after SLT in August.	
18. (IA)	Risk Management May 2019	The BAF should be developed with consideration to the organisation's risk management policy and procedure.  <b>Low Priority</b>	June 2019	Board Secretary	The BAF will be developed to take account of the risk management policy. Risk Management policy to be completed in May and will be taken into consideration in respect of the BAF thereafter.  <b>Current Progress:</b> Timescales for the approval of the Risk Management Policy have slipped. However, the Draft BAF is to be presented to the Audit and Assurance Committee on 15 July 2019.	
19. (IA)	Performance Management May 2019	A high-level summary performance monitoring report should be prepared at objective level for each organisation of the legacy organisations. This should be reported to the Board for the year ended 31 March 2019, and if necessary, quarterly until	May 2019	Deputy Director, Planning, Performance & Digital	A Board update is scheduled for May Board which will incorporate the recommendations above for the period to end of March 2019. An integrated reporting utilising the performance dashboard is scheduled for its first iteration for the period to end of June 2019.  <b>Current Progress: Complete</b> The May Board Report was presented in line with recommendations.	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		the new Integrated Performance Framework is fully implemented.  <b>High Priority</b>				
20. (IA)	Performance Management <i>May 2019</i>	Management should ensure that the Board are engaged in the development of the new Integrated Performance Framework and dashboard to ensure the proposed format and content meets their performance monitoring requirements. A planned timescale should be developed for the roll out of ESR to all staff, and for the implementation of the new Integrated Performance Framework  <b>Medium Priority</b>	Ongoing	Deputy Director, Planning, Performance & Digital	<p>To date, the development has involved an Independent Member (JH-T) reviewing progress at a meeting alongside CEO on 9 April 2019. The draft dashboard was also discussed at a Board Development Session at the end of April 2019. Response have been positive and Board is aware of the iterative nature of the development over the course of the next 6-12 months.</p> <p>All Staff who are employed and paid by HEIW now have access to ESR and its self-service functionality. First live data report to be presented to Board in July 2019 for period end of Quarter 1.</p> <p><b>Current Progress:</b> The development of the dashboard has continued with wide engagement from staff and directorates on the key data to report and mechanisms for monitoring.</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
21. (IA)	Performance Management <i>May 2019</i>	Each of the performance measures contained within the Consolidated Plan 2018/19 Report for the WCPPE should be allocated to individual officers from within the organisation to help ensure that performance is appropriately monitored. Management should ensure that an update is obtained for all areas contained within the Consolidated Plan 2018/19 report for the period ended March 2019.  <b>Medium Priority</b>	Immediately	Deputy Director, Planning, Performance & Digital	This omission is acknowledged and has been rectified for the responses to the end of Quarter 4 in relation to Dentistry.  For WCPPE responses, although not specifically named, the returns are based on responses by the Pharmacy Dean and deputies. As a small team at this stage, this is manageable and provides appropriate responses.  <b>Current Progress: Complete</b> This was amended in line with recommendations.	
22. (IA)	Performance Management <i>May 2019</i>	Consideration should be given to providing additional staff resources on a temporary basis to assist with the preparation of quarterly performance reports and the development of the new integrated Performance	Early May 2019	Deputy Director, Planning, Performance & Digital	Resource gaps are acknowledged. A job description has been developed to provide Business Partner support in this area of work. Agency support is to commence on 7 May 2019 whilst permanent recruitment processes are undertaken.  <b>Current Progress:</b> Roles have been through job evaluation and recruitment processes are awaited for permanent recruitment. Agency staff have been	



## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		Framework until additional permanent staff have been recruited to the Planning and Performance Unit.  <b>Medium Priority</b>			employed in the interim to provide the level of support required and to enable work to be progressed.	
23. (IA)	Performance Management <i>May 2019</i>	Management should ensure that reports taken to Board are presented so that an appropriate context for the report is established for the reader.  <b>Low Priority</b>	May 2019	Deputy Director, Planning, Performance & Digital	This will be rectified for the upcoming report.  <b>Current Progress: Complete</b>	
24. (IA)	Corporate Transitional Plan <i>May 2019</i>	Arrangements should be made to sign off the NWIS SLA as soon as is practicably possible. Responsibility for the resolution of issues and queries that are preventing HEIW signing off the NWSSP SLA should be clarified and efforts to resolve the outstanding issues should be prioritised as a matter of urgency. This may be achieved by	Complete	Deputy Director Planning, Performance & Digital	The 2018/19 NWIS SLA was signed off on 21/03/2019 and issues with the NWSSP SLA have been resolved, with HEIW being added to the overarching SLA.  <b>Current Progress: Complete</b> First SLA meeting scheduled for 17 July 2019 to discuss performance and charging schedule for 2019/20.	



## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>setting up a Working Group led by a senior member of the Executive Team.</p> <p><b>High Priority</b></p>				
25. (IA)	Corporate Transitional Plan May 2019	<p>The organisation should ensure that all contracts held by the three predecessor organisations have been properly assessed to ensure that they are either cancelled or novated across to HEIW. A register of contracts should be put in place that captures both contracts that have been novated and new contracts entered into by HEIW. The review of contracts should consider if there are any outstanding liability risks.</p> <p><b>High Priority</b></p>	August 2019	Deputy Director Planning, Performance & Digital	<p>We are currently working on the development of a contract register. This register will detail a wide range of arrangements relating to the activities of HEIW including identifying known contractual arrangements, value and termination dates to manage risks associated with procurement. The deadline for completing the contracts register is August. The contracts register will be presented at an Executive Team meeting in August and an update provided to the Audit Committee in September.</p> <p><b>Current Progress:</b> Progress has continued with significant progress made on identifying financial contracts and SLA/MOU arrangements in place. Further work is ongoing to identify further details and to identify respective risks of arrangements to allow further work to be undertaken.</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
26. (IA)	Corporate Transitional Plan May 2019	<p>The three tasks removed from the finance project plan should be re-instated on the task list and updated to reflect their current status, even if they have now been completed as this ensures a complete record of all actions. This should be reported to the Board. Responsibility for carrying out the HMRC check with casual staff to determine their employment status for tax and NI purposes should be clarified. A process should be put in place to ensure that the employment status of all casual staff is assessed prior to them undertaking any work for HEIW.</p> <p><b>Medium Priority</b></p>	September 2019	Head of People & OD & Head of Financial Accounting	<p>Finance and HR jointly held workshop training sessions for the recruiting managers in November 2018, on their roles and responsibilities in recruiting these workers and how to undertake the HMRC check. Further guidance was issued to the recruiting managers such as a toolkit and guidance flow charts on how to complete these checks. Although training and support has been provided, more training is being commissioned from an external specialist provider to further train these recruiting managers. A procurement exercise to source an external provider is currently underway.</p> <p>The remaining items relating to staff induction and budgetary control training have been reinstated on the finance transition plan and marked as complete.</p> <p><b>Current Progress:</b> The People Team have completed the toolkits and flow charts for the recruiting managers.</p> <p>Please note narrative above for the external training.</p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
27. (IA)	Corporate Transitional Plan May 2019	<p>The Policy Matrix currently being used to record HR / OD policies and procedures should be expanded to include all HEIW policies and procedures.</p> <p>The format of the matrix should also be amended to include the review date for each policy and procedure and a lead officer and timescale for any outstanding policies yet to be developed.</p> <p><b>Medium Priority</b></p>	<p>July 2019</p> <p>Immediate</p>	<p>Board Secretary</p> <p>Head of People &amp; OD</p>	<p>The policy matrix will be expanded to incorporate the non-HR policies, responsible officers and deadlines for review and completion.</p> <p><b>Current Progress:</b> Work is in progress to update the policy matrix for all HEIW policies to reflect the recommendation.</p> <p>Management wish to record that any future HEIW policies that are new or for review, will apply a standard and consistent approach for HEIW, which will incorporate the organisation's values and behaviours.</p> <p><b>Current Progress:</b> The People Team have a project plan for the review of all HEIW policies. All new policies are including the HEIW values and behaviours.</p>	
28. (IA)	Corporate Transitional Plan May 2019	<p>To increase the potential number of candidates it is recommended that all vacancies are advertised concurrently on NHS Jobs and the HEIW website.</p> <p><b>Low Priority</b></p>	<p>December 2019</p>	<p>Head of People &amp; OD</p>	<p>The HEIW careers/jobs page is work in progress and the People team are working jointly with the Communication team to create the pages on HEIW website.</p> <p><b>Current Progress: Complete</b></p>	

## Audit Recommendations Tracker – July 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
29. (IA)	Corporate Transitional Plan May 2019	<p>Risks that have been resolved and are no longer relevant should be marked as such and removed from the risk register. New risks should be assigned to a lead officer as soon as they are added to the risk register. The risk register should be periodically reported to the Board.</p> <p><b>Low Priority</b></p>	June 2019	Board Secretary	<p>The risk register will be amended to implement the recommendations on marking resolved risks and on assigning lead officers.</p> <p>The risk register was presented at March Board. The Board's Forward Work Programme confirms the risk register will be periodically reported to the Board at March and September Board Meetings.</p> <p><b>Current Progress:</b> The Executive Team reviews the risk register on a monthly basis. The Audit and Assurance Committee review the risk register at each meeting. The Board reviews the risk register on a 6-monthly basis.</p>	



# **NHS WALES**

## **Health Education & Improvement Wales**

**Audit & Assurance Committee 15<sup>th</sup> July 019**

**Counter Fraud Update**

**Craig Greenstock  
Counter Fraud Manager  
Cardiff and Vale University Health Board**

## AUDIT COMMITTEE 15<sup>th</sup> July 2019

### COUNTER FRAUD UPDATE

1. Introduction
2. Case Update
3. Progress and General Issues
4. Appendix 1 - Summary of Plan

#### **Mission Statement**

***To provide the 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

**1.1** 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 update provides the Audit Committee with an update at 30<sup>th</sup> June 2019.

## 2. CURRENT CASE UPDATE

There have been no new referrals made during the period to date.

**2.1** As at 30<sup>th</sup> June 2019, a total of **15** days have been spent on counter fraud work within HEIW and the breakdown of this work is detailed in **Appendix 1**.

## 3. PROGRESS AND GENERAL ISSUES

### 3.1 Counter Fraud Work Plan 2019/20

The work-plan was agreed and signed off on 2<sup>nd</sup> May 2019 by the Interim Director of Finance. The work-plan was then approved, on 29<sup>th</sup> May 2019, by the Audit and Assurance Committee.

### 3.2 Fraud Awareness Presentations

Following discussion with the Interim Director of Finance, two (2) further awareness sessions have now been arranged to take place in July and August with members of the Finance and Senior Leadership Teams respectively. Further sessions will then be arranged to take place throughout HEIW during the financial year.

### 3.3 Quarterly CF Newsletter

It is planned, once the document has been agreed by the Director of Finance, to issue a quarterly CF Newsletter to all HEIW staff which will include information about recent cases which have appeared in the public domain. The same newsletter will also contain further details to NHS staff of how and where to they can report any concerns that they may have relating to NHS fraud. A draft example has been made available as part of this progress report.

<b>COUNTER FRAUD SUMMARY PLAN ANALYSIS 2019/20</b>
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AREA OF WORK	Planned Days	Days to Date
<b>General Requirements</b>		
LCFS Attendance at All Wales Meetings	1	0
Planning/Preparation of Annual Report and Work Programme	1	1
Production of Reports and attendance at Audit & Assurance	2	1
Liaison with the DoF, NHS CFA, Welsh Government	0	0
Self Review Tool (SRT) and QA Assessment	1	1
<b>Annual Activity</b>		
Create an Anti-Fraud Culture	5	2
Presentations, Briefings, Newsletters etc.	18	6
Fraud Awareness Events	2	0
<b>Deterrence</b>		
Review/develop Policies/Strategies	3	2
<b>Prevention</b>		
The reduction of opportunities for Fraud and Corruption to occur.	2	0
<b>Detection</b>		
National Pro-Active Exercises (e.g. Procurement)	2	2
National Fraud Initiative (NFI) 2018/19	0	0
<b>Investigation, Sanctions and Redress</b>		
The investigation of any alleged instances of fraud	10	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
<b>TOTAL HEALTH EDUCATION IMPROVEMENT WALES</b>	<b>50</b>	<b>15</b>



# **NHS WALES**

## **Health Education & Improvement Wales**

**Audit Committee - 15<sup>th</sup> July 2019**

**Counter Fraud Report on Lessons Learned**

**CRAIG GREENSTOCK  
COUNTER FRAUD MANAGER  
CARDIFF & VALE UNIVERSITY HEALTH BOARD**

# NHS WALES

## Health Education & Improvement Wales

AUDIT COMMITTEE 15<sup>th</sup> JULY 2019

### Counter Fraud Report on Lessons Learned

1. Introduction
2. Sharing Lessons Learned

#### **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 NHS Secretary of State Directions and all such investigations are carried out in a professional, transparent and cost effective manner.***

## **1. INTRODUCTION**

There is a need to ensure that Health Education Improvement Wales has robust policies and procedures in place to ensure that fraud is deterred in order to protect public money and also to assure the Audit and Assurance Committee that control systems and a clear audit trail is in place whereby should a fraud be suspected and/or identified, then it can be reported and investigated correctly and in accordance with the relevant guidelines.

A key part of this process is that should a fraud be identified and investigated, any subsequent findings are then reported to the Director of Finance, so that recommendations can be made to close any weaknesses and so that lessons can be learnt and best practice then shared across the Health Body. This learning should be measurable and any changes made must then be open to audit scrutiny.

Where required and to ensure that lessons learnt and good practice is shared across the Health Body, then there has to be an agreed approach so that it can clearly identify that lessons have been identified, implemented and monitored through audit not only at management level, but also from a governance perspective to determine the robustness of any such arrangements.

## **2. LESSONS LEARNED**

Each fraud investigation is different and has to be taken forward on its own merits and whilst every case does require a closure report which is then signed off prior to closure, by NHS Counter Fraud Service (Wales), not every investigation requires an action plan.

In the case of HEIW and whilst it is a newly established Health Body, there have not, to date, been any referrals made. However, within the NHS in Wales, there have been a number of significant NHS fraud cases reported in the public domain, but the majority of fraud investigations, over the last five (5) years, being in relation to a range of offences with the more common including prescription frauds, false claims made for funding to NHS Student Finance in respect of bursaries, grants/loans for nurse training courses, salary overpayments and NHS staff working elsewhere and also receiving separate payments whilst claiming to be on sickness absence from their NHS post.

### **False Claims for Costs**

Whilst there has been a reduction in the number of cases being reported over the last couple of years that resulted following a change in the claim process from paper based to on-line, there have still been further recent cases, referred to NHS Counter Fraud (Wales), whereby the claimant has then provided false and/or misleading information as to his/her personal circumstances and these would have been taken into account when calculating the amount of the claim and what payments could be made to the claimant.

## **Overpayment of Salary**

There has been a recent batch of such cases being referred to NHS Counter Fraud (Wales) whereby the subject, despite moving to another NHS post, has then received salary payments as a result of non-completion, by his/her Line Manager, of the required paperwork (e.g. termination form, reduction in hours etc). In one of the recent cases, this resulted in a significant overpayment that then led to a criminal prosecution and ongoing recovery of the money.

The main lessons to be learned from these types of cases are as follows:

- Managers to ensure that Staff Termination are completed in a timely fashion
- Managers to ensure that their Budget Reports are reviewed on a monthly basis to identify any significant budgeted expenditure to actual anomalies
- Managers to ensure that their Staff in Post Reports are reviewed on a monthly basis to identify any leavers and/or "Ghost" employees.

## **Working Elsewhere whilst claiming to be on Sickness Absence**

The main lessons to be learned from such investigations are for Managers to ensure that should a member of staff report a sickness absence, then the required forms (Self Certification and Medical Certificates) are completed and submitted on a timely basis.

In addition to this and should an employee be on Long Term Sickness Absence, then the procedure for dealing with such issues is then closely followed.

As a result and should there be any suspected fraud (e.g. working elsewhere), then there would be a clear audit trail in the subject personal file together with documentation that has been signed, dated etc which could then be used as part of any subsequent investigation.

## **Declarations of Interest**

Two (2) significant cases have been recently been in the public domain as follows:

The first case was in Gloucester Foundation NHS Trust where Royston DYKE had been employed as the Associate Director of Capital and Development and one of his responsibilities included approving contractor invoices.

DYKE had been employed by the Trust and the NHS for many years, before being suspended pending an internal investigation in 2015 and later having his employment terminated.

It was revealed through investigations that a total of 204 invoices, typically worth of a value of £3,000 - £5,000, were submitted. The majority of these invoices were for work that had never taken place. DYKE signed the majority of the invoices and the Trust was defrauded to the value of £655,013. The three (3) contractors involved were friends of DYKE and suspicions had been raised through the Trust's internal process due to Dyke's particular interest in signing off invoices submitted by two specific companies as well as the lack of recognition of work carried out on the days claimed.

Following the suspicions, an investigation was launched which later revealed that DYKE had used the money that he defrauded to pay for a lavish lifestyle, as well as renovating his home and his family's using the two (2) construction companies owned by his friends.

The group have been sentenced to a total 12 years and 8 months between them (combined). Recovery under the Proceeds of Crime Act 2002 (POCA) is being pursued for all four (4) subjects by Gloucestershire NHS CFS and the Trust is set to recover 90% of the money defrauded, with the four (4) being ordered to pay back £594,433.

Through the investigation, it also came to light that DYKE had a previous criminal conviction, and a police caution. He had failed to mention them to the Trust on the two occasions he had applied for promotions (in 2002 and again in 2007). On 24<sup>th</sup> July 2018, DYKE appeared at Bristol Crown Court and pleaded guilty to two counts of fraud; one count of obtaining employment by pecuniary advantage by deception for self and one of fraud by false representation. He was sentenced to a further three (3) months imprisonment on both counts to both run concurrently with his existing sentence.

DYKE will also lose his NHS pension.

The second case, which was successfully investigated by NHS Counter Fraud (Wales), involved three (3) NHS managers who were later jailed after being found guilty of defrauding the NHS of over £700,000.

Mark EVILL had used the real names of U2 band members to award contracts to his own construction firm, while his colleagues Robert HOWELLS and Michael COPE had facilitated the fraud.

The three (3) men were all employed as NHS managers by the Powys Teaching Health Board.

During the trial in Merthyr Crown Court, the prosecution had advised that the trio abused their positions to help award EVILL's bogus construction company with contracts from Powys Teaching Health Board. The investigation found that he had created George Morgan Ltd, which was apparently named after his dog, in an attempt to "divert" NHS contracts to himself, before recruiting others into the fraud on the NHS.

EVILL had created the fictitious characters in an effort to hide the fraud, including made-up employees called Paul HEWSON and David EVANS - the real names of Bono and The Edge from U2.

The court also heard that the work carried out on hospitals by EVILL's company was so poor it had cost the NHS £1.4m to repair. Some of the jobs commissioned, at the children's wing of Brecon Memorial Hospital, Bronllys Hospital and Welshpool Hospital were not even carried out.

It was identified, as part of the investigation, that EVILL spent his company's profits on holidays to Dubai, flying business class, as well as expensive watches, property, and cars. The court also heard that COPE had received a £500 cheque from EVILL's company for his role in the fraud, while HOWELLS, an NHS Project Manager, received a Ford Focus car worth £10,000 and cash.

The files and audit trails on EVILL's role as Agency Project Manager for the NHS Trust's Estates and Property Department were said to be virtually non-existent, allowing him to create a trail of false documentation. This included liaising with other legitimate members of the Health Board by pretending to be some of the fictional characters for George Morgan Ltd over email and through letters.

As part of the sentencing hearing, EVILL was given a seven (7) year prison sentence at Merthyr Tydfil Crown Court and HOWELLS and COPE then received jail sentences of four (4) years and three (3) years each.

Following the sentencing hearing, separate Proceeds of Crime Act (POCA) Hearings are now taking place to try to identify any assets and then recover the money.

# FRAUD NEWS

HEIW NHS Counter Fraud - Newsletter 2019

## Who Are We?

The main aims of the NHS Counter Fraud Service (Wales) are to Prevent and Deter by removing opportunities for it to occur or re-occur and in addition to this, then to Hold to Account those who commit fraud against the NHS through effective Detection, Prosecution and seeking Redress.

The NHS Counter Fraud Service (Wales) provides specialist support and guidance to a network of Local Counter Fraud Specialists (LCFSs) who are directly employed by individual Health Bodies in Wales and who, in turn, report to the individual Finance Directors.

The role of NHS CFS (Wales) and the LCFS' is to investigate and prosecute individuals who commit fraudulent acts against the NHS in addition to raising fraud awareness to NHS staff by highlighting successful criminal prosecutions, conducting pro-active work and awareness presentations to staff within the NHS in Wales.

BY THE WAY WHO ARE YOU

If you suspect fraud has been or is being committed against Health Education Improvement Wales you should report it immediately to one of your Local Counter Fraud Specialists. Please see the LCFS contact details on page 5.

There is a need to ensure that Health Education Improvement Wales has robust policies and procedures in place to ensure that fraud is deterred in order to protect public money and also to assure the Audit and Assurance Committee that control systems and a clear audit trail is in place whereby should a fraud be suspected and/or identified, then it can be reported and investigated correctly and in accordance with the relevant guidelines.

A key part of this process is that should a fraud be identified and investigated, any subsequent findings are then reported to the Director of Finance, so that recommendations can be made to close any weaknesses and so that lessons can be learnt and best practice then shared across the Health Body. This learning should be measurable and any changes made must then be open to audit scrutiny.

Where required and to ensure that lessons learnt and good practice is shared across the Health Body, then there has to be an agreed approach so that it can clearly identify that lessons have been identified, implemented and monitored through audit not only at management level, but also from a governance perspective to determine the robustness of any such arrangements.

## **LESSONS LEARNED**

Each fraud investigation is different and has to be taken forward on its own merits and whilst every case does require a closure report which is then signed off prior to closure, by NHS Counter Fraud Service (Wales), not every investigation requires an action plan.

In the case of HEIW and whilst it is a newly established Health Body, there have not, to date, been any referrals made. However, within the NHS in Wales, there have been a number of significant NHS fraud cases reported in the public domain, but the majority of fraud investigations, over the last five (5) years, being in relation to a range of offences with the more common including prescription frauds, false claims made for funding to NHS Student Finance in respect of bursaries, grants/loans for nurse training courses, salary overpayments and NHS staff working elsewhere and also receiving separate payments whilst claiming to be on sickness absence from their NHS post.

### **Overpayment of Salary**

There has been a recent batch of such cases being referred to NHS Counter Fraud (Wales) whereby the subject, despite moving to another NHS post, has then received salary payments as a result of non-completion, by his/her Line Manager, of the required paperwork (e.g. termination form, reduction in hours etc). In one of the recent cases that is detailed later in this newsletter, it resulted in a significant overpayment and led to a criminal prosecution and ongoing recovery of the money.

The main lessons to be learned from these types of cases are as follows:

- Managers to ensure that Staff Termination are completed in a timely fashion
- Managers to ensure that their Budget Reports are reviewed on a monthly basis to identify any significant budgeted expenditure to actual anomalies
- Managers to ensure that their Staff in Post Reports are reviewed on a monthly basis to identify any leavers and/or "Ghost" employees.

### **Working Elsewhere whilst claiming to be on Sickness Absence**

The main lessons to be learned from such investigations are for Managers to ensure that should a member of staff report a sickness absence, then the required forms (Self Certification and Medical Certificates) are completed and submitted on a timely basis. In addition to this and should an employee be on Long Term Sickness Absence, then the procedure for dealing with such issues is then closely followed. As a result and should there be any suspected fraud (e.g. working elsewhere), then there would be a clear audit trail in the subject personal file together with documentation that has been signed, dated etc which could then be used as part of any subsequent investigation.



# FRAUD NEWS



## HEIW NHS Counter Fraud - Newsletter 2019

### SICK LEAVE & SHOW JUMPING

Elsie DAVID was originally employed as a Quality Manager in the NHS Surgical Laboratory based in Bridgend. After leaving her post in 2017, she contacted her employer over concerns about her personal data and made a request for her personal details to be removed from their database. As part of that process, concerns were then raised to her Managers after an internet search of her name identified images of Elise DAVID undertaking show jumping during the summer of 2016 and also at a time when she claimed to be on sick leave from her NHS post after falling from her horse, which had left her badly injured and Elise DAVID had claimed that she needed a stick to enable her to walk.

During a subsequent interview under caution and when asked about the pictures, she gave a general “No Comment” about her horse jumping and also denied that it was her, so the case was referred to the Crown Prosecution Service.

On 11<sup>th</sup> February 2019 and after a four-day criminal trial at Newport Crown Court, Elise DAVID was found guilty of Fraud by False Representation and sentenced to 12 weeks imprisonment that was suspended for 12 months together with an order for her to carry out 180 hours of unpaid work. In addition she was told to repay £7,617 to the NHS and an additional £600 for investigation costs, all of which has since been repaid.



**FRAUD  
ALERT**



### DO YOU SUSPECT FRAUD?

If you suspect fraud has been or is being committed against Health Education Improvement Wales you should report it immediately to one of your Local Counter Fraud Specialists. Please see the LCFS contact details on page 5.

# TAMMY GUNTER

In September 2014, Tammy GUNTER applied for funding to train to become a Student Nurse and based on the contents of her application was granted a grant/bursary of over £8,000 together with her course fees of over £7,000.

However, a subsequent e-mail from a Local Authority identified that Tammy GUNTER had been under investigation, by them, for the previous three (3) years after attempting to claiming further grants/bursaries from them of over £20,000 after claiming that she was a single person working at least 16 hours a week when she was still married to a person by the name of Neil HART since 2009.

As part of the false claims, it was identified that Tammy GUNTER often used her marital name of HART, but then used her maiden name of GUNTER on all her funding applications in addition to having two (2) separate e-mail addresses for HART and GUNTER.

Following her arrest in November 2015, Tammy GUNTER maintained throughout all her interviews that she had “separated” from Neil HART after 6 months in December 2009. However, the large amount of documentary evidence that was obtained, during the investigation, showed that Neil HART had financially assisted Tammy GUNTER throughout the whole period.

As part of her claim to the Local Authority for the additional £24,000 in that she was separated from Neil HART and was “going through a divorce” GUNTER then “cut and pasted” a false Tax Credits letter which she then submitted it claiming that she had received it from the Department of Works and Pensions.

It was then identified that Tammy GUNTER had been claiming Tax Credits as a single person even after getting married in 2009 and in total, had obtained over £90,000 which funded a lifestyle which included new cars, designer clothes and shoes, handbags, jewelry, luxury holidays including the purchase of a \$30,000 timeshare in America and over £14,000 of cosmetic surgery.

Tammy Ann GUNTER pleaded Guilty to six (6) Fraud charges carried out between 2007 and 2016 including four counts of Fraud by False Representation and one count of Making a False Instrument.

Neil Mark HART pleaded Guilty to one (1) charge of Encouraging or Assisting the Commission of an Offence under the Serious Crime Act 2007



At the sentencing hearing which took place on 18<sup>th</sup> October 2017 at Merthyr Crown Court, Tammy GUNTER was sentenced to 24 months immediate custody .

Neil Mark HART also appeared at the same court and was sentenced to 6 months immediate custody.

As part of a subsequent Proceeds of Crime Hearing (May 2018) Tammy GUNTER repaid the total sum of £23,258 with the remaining £68,165 to remain on file.



*“They were in a relationship and living together since December 1997”*



*“Tammy had a luxury lifestyle of holidays, brand new cars, designer clothes and expensive jewelry all paid for at the taxpayer’s expense as a result of her false claims”*

# OVERPAYMENT OF SALARY



A Qualified Nurse, who kept quiet about being paid double her wages by the NHS for nearly 18 months, escaped jail despite admitting Theft.

Sarah MERRY had pocketed more than £25,000 as she continued to receive her monthly wages for a hospital job that she was no longer doing. She had failed to tell her former NHS bosses about the payments and then went and spent the money on family trips abroad and watching football and rugby.

Merthyr Tydfil Magistrates Court heard that MERRY had left her employment as a Nurse with the Cwm Taf University Health Board in January 2017 and then started a new role at another NHS hospital. However, due to a clerical error, she continued to be paid for her previous job for another 17 months, but failed to inform her former employer.

The court heard that the error was discovered when Payroll Services carried out a review into salary payments. As a result, the NHS Counter Fraud Service (Wales) then carried out an investigation and Diabetes Specialist Nurse MERRY was interviewed and admitted to receiving the money and spending it.

At the sentencing court hearing at Merthyr Magistrates Court, on 22nd February 2019, Sarah MERRY, of Tonyrefail, South Wales admitted theft and was then handed a six (6) month suspended prison sentence.

In addition, Sarah MERRY was ordered to compensate the NHS in full and so will repay £250 a month for the next eight years. She was also ordered to carry out 200 hours of unpaid work, attend a rehabilitation course and pay £360 in costs.

“In her interviews, she said she had received the monthly salary money and knowingly spent it”



***“Your salary,  
your  
responsibility!”***



# NATIONAL CASES

## NHS Worker or U2 Band Member?

Three (3) NHS managers, who worked in the Estates Department for the Powys Health Board were sentenced to a total of 14 years in jail for stealing £822,000 from the NHS in Wales

One of the NHS Estates Managers, Mark EVILL was found to have created fictional employees Paul HEWSON and David EVANS who are actually the real names of U2 band members Bono and The Edge and did so in order to make a company look legitimate.

Mark EVILL, 42, was recently jailed for seven (7) years and has been disqualified as acting as a Company Director for seven (7) years

Robert HOWELLS, 65, received a prison sentence of four (4) years and a third defendant, Michael Cope, 43, received a three (3) year prison sentence.

EVILL and HOWELLS were both employed through an agency as Project Managers for the Health Board's Estates Department based in Powys while COPE was employed directly by the Health Board as a Senior Estate Manager. However, following an anonymous allegation, it was found that EVILL and HOWELLS had misappropriated NHS money by receiving "pay-offs" from external contractors.



It was also identified that EVILL had set up a construction firm by the name of George Morgan Limited which was, in fact, named after his dog, to secretly award building contracts worth £707,946.24 to himself from the Powys Teaching Health Board. EVILL also wrote emails and invoices to himself and falsified quotes from real firms to hide his fraud from the Health Board's Auditors. Some of the construction work, which included the children's wing of Brecon Memorial Hospital, Bronllys Hospital and Welshpool Hospital, was later considered to have "major deficiencies", with the total cost to the Health Board estimated to rise to £1,420,604 once remedial works have been completed.



*"EVILL used the money he made in the fraud to buy land and properties in Wales, taking two luxury holidays to Dubai, buying a Chanel watch, a £5,000 Breitling watch and numerous cars including a Land Rover and an Audi"*



# LOCAL COUNTER FRAUD TEAM



Name	Telephone	E-mail
Craig Greenstock Counter Fraud Manager	02920 742725	Craig.Greenstock@wales.nhs.uk
Emily Thompson Local Counter Fraud Specialist	02920 745688	Emily.thompson@wales.nhs.uk
Nigel Price Local Counter Fraud Specialist	02920 745856	Nigel.Price@wales.nhs.uk

**You can also write to the Counter Fraud Team  
at:**

Cardiff and Vale University Health Board  
Counter Fraud Department  
2nd Floor  
Monmouth House  
University Hospital of Wales, Heath Park  
Cardiff, CF14 4XW

## REPORTING YOUR CONCERNS...

### WHAT SHOULD YOU DO?

- Report your suspicion immediately to the LCFS' as above
- Keep a record of events
- Keep any evidence secure

### WHAT SHOULDN'T YOU DO?

- Investigate the matter yourself
- Broadcast your suspicions
- Confront any suspected persons





**GIG**  
CYMRU  
**NHS**  
WALES

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

<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.6</b>
<b>Report Title</b>	<b>Development of the Board Assurance Framework</b>		
<b>Report Author</b>	Dafydd Bebb, Company Secretary		
<b>Report Sponsor</b>	Dafydd Bebb, Company Secretary		
<b>Presented by</b>	Dafydd Bebb, Company Secretary		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	To provide the Audit and Assurance Committee with an update on the development of the Board Assurance Framework (BAF) – attached at appendix 1.		
<b>Key Issues</b>	<p>The report highlights:</p> <ul style="list-style-type: none"> <li>the BAF continues to be in development and invites members for their comments on the draft document;</li> <li>a final version of the BAF shall be presented to the September Board;</li> <li>BAF shall be presented to the Committee and the Board on an annual basis;</li> <li>that regular updates in respect of the BAF shall be provided through the Risk Register.</li> </ul>		
<b>Specific Action Required</b> <i>(please one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
		✓	
<b>Recommendations</b>	<p>Members are asked to:</p> <p>discuss the Board Assurance Framework and provide their comments.</p>		

## **Development of the Board Assurance Framework**

### **1. INTRODUCTION**

The purpose of this report is to provide the Committee with an update on the development of the Board Assurance Framework (BAF) and to invite members to comment on the draft document.

### **2. BACKGROUND**

The updated draft BAF is attached at Appendix 1.

#### **2.1 Development of the Board Assurance Framework**

The BAF outlines HEIW's framework for supporting good governance and ensuring this is supported by robust systems and processes.

The BAF outlines how the Board will identify and understand the principal risks to achieving its strategic objectives and receive assurance that suitable controls are in place to manage these risks. The BAF will also enable an assessment of the risk(s) to achieving the objectives based on the strength of controls and assurances in place.

The Corporate Risk register is focussed on the key objectives of HEIW as articulated within the Annual Plan and identifies the principal risks and key controls. Given this the Corporate Risk Register shall be the vehicle for providing regular assurance on the BAF. This will enable the Board and the Audit and Assurance Committee to gain assurance about the effectiveness of the controls in place to manage the principal risks associated with HEIW's key objectives.

The BAF shall be subject to an annual review by the Board and the Audit and Assurance Committee.

HEIW's draft annual BAF schedule will be as follows:

<b>Action</b>	<b>Executive Lead</b>	<b>Date</b>
Approval of BAF by Board	Board Secretary	Sept.
Population of Risk Register – live document	Board Secretary	Ongoing
Review of BAF by the Board and Audit and Assurance Committee	Board Secretary	Once a year
Review of the Risk Register by the Board	Board Secretary	Twice a year
Review of the Risk Register by the Audit and Assurance Committee	Board Secretary	Quarterly

### 3. GOVERNANCE AND RISK ISSUES

It is essential that there is an effective and efficient framework 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 discuss the BAF and provide their comments.

Governance and Assurance				
Link to corporate objectives (please ✓)	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
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.				



<b>Staffing Implications</b>	
There are no staffing implications.	
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>	
No impact identified.	
<b>Report History</b>	An update on the development of the BAF was presented at March Board.
<b>Appendices</b>	Appendix 1 – Draft Board Assurance Framework.

# BOARD ASSURANCE FRAMEWORK 2019-20

## 1 Introduction

All NHS organisations in Wales are required to demonstrate good governance and ensure they are operating robust systems and processes to support this. Boards need to be confident that the systems and processes are operating in a way that is effective and is driving the delivery of objectives by focusing on minimising risk. They need to prove that they have identified their objectives and managed the principal risks to achieving them. The Board Assurance Framework will allow the Board to satisfy this requirement.

It is the responsibility of the Board to:

- Determine and clearly articulate its objectives;
- Identify the principal risks that threaten the achievement of these objectives;
- Agree the key strategic and operational plans that will deliver those objectives and which encompass the controls and actions in place to manage the identified risks;
- Monitor delivery through robust performance and assurance measurements;
- Ensure that plans are in place to take corrective action where they are not assured that objectives will be fully delivered; and
- Engage with and listen to staff.

These requirements form the basis of the Assurance Framework.

## 2 The Assurance Cycle

The Board will undertake an Annual Self Assessment of its performance against the three key themes highlighted on the Governance and Accountability Module of HEIW:

Setting the direction;  
Enabling delivery; and  
Delivering results, achieving excellence.

The assurance system must therefore be designed to ensure that the Board can make this annual assessment. The outcome of this self assessment is also a fundamental component of the Annual Governance Statement (AGS) which is published each year as part of the annual report and accounts.

Each of the steps on the Assurance Cycle can be explained as follows:

### 2.1 Priorities for action

The first step in developing a Board Assurance Framework is for the Board to identify the organisation's aims and objectives against which the Board requires assurance. It is necessary for Boards to focus on those that are crucial to the achievement of its overall vision and ambitions.

The aims and objectives of HEIW are:

<b>Strategic Objective 1 - As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand.</b>
<b>Strategic Objective 2 - Building a sustainable and flexible health and care workforce for the future.</b>
<b>Strategic Objective 3. With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.</b>
<b>Strategic Objective 4. Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.</b>
<b>Strategic Objective 5. Improving opportunities for use of technology and digitalisation in the delivery of education and care.</b>
<b>Strategic Objective 6. Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales.</b>
<b>Strategic Objective 7. Demonstrating value from investment in the workforce and the organisation.</b>

These aims are currently taken forward through the Annual Plan and from 2019/20 under the Integrated Medium Term Plan.

## 2.2 Risks

Against each objective the priority the risk(s) which may stop the organisation achieving the objective need to be set out. Main risks are defined as those that threaten the achievement of the organisation's priorities. It is essential that the Board identifies and oversees the main risks, rather than reacting to the consequences of risk exposure. The identification of main risks should be repeated at all levels within the organisation. The Board should ensure it assesses risk(s) as part of the decision making process.

The organisation has a corporate risk register which details the top high level risks for the organisation.

### 2.3 Controls

Key controls are defined as those controls and systems in place to assist in securing the delivery of the Board's strategic objectives. As part of the assurance process, the Board, through its Committees where appropriate, will need to assess whether current controls are adequate to provide assurance compared with the level of risk; controls must be proportionate to the risks identified.

There is not necessarily a 1:1 relationship between risks and controls, often there may need to be multiple controls in place to mitigate against a particular risk. Some controls will also manage more than one risk. There is not always a neat framework for this and even if controls are in place, consideration needs to be given as to how effective they are.

Examples of key controls are:

- Schemes of delegation
- Policies and procedures
- Performance data
- Financial Management information

### 2.4 Assurance

Assurance provides Board members with the evidence that HEIW is operating effectively, achieving desired outcomes, delivering on its strategic vision, meeting its strategic objectives through effective risk management, in a manner which upholds the Citizen Centred Principles and is in accordance with all statutory requirements.

The organisation uses a number of methods to obtain assurance through internal and external sources.

Internal assurance methods include:

- internal audit reports;
- counter-fraud reports;
- serious incident reports; and
- the Annual Governance Statement.

A key vehicle for receiving external assurance will be through the Structured Assessment undertaken by the Wales Audit Office, which will be used to inform the annual governance and accountability review. A fuller, more comprehensive list of areas where assurance will be obtained is included in appendix 1.

### 2.5 Reporting

A framework is in place for reporting key information to the Board and Committees. There is a plan of business to be reported to the Board and Committees and the risk register allows the Board to identify what risks need to be reported upon. The Risk Register is attached as annex 1.

HEIW's performance reports will provide the Board and Executive Team with a high level summary of performance, particularly in relation to the organisation's priorities for action.

HEIW is also required to produce public disclosure statements as part of the assurance system. The Board Assurance system, as described in this paper, will culminate in the production of the Governance and Accountability Module self-assessment and the Annual Governance Statement. These public disclosure documents together with the Financial Statements and Remuneration Report and other specific disclosures required by the Companies Act, would form the "Chapters" to the Annual Report.

### 3 Role of Board Committees

The Board may and, where directed by Welsh Ministers must, appoint Committees of the Board 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.

#### 3.1 Audit and Assurance Committee

The Board's Audit and Assurance Committee advises and assures the Board and Accountable Officer on whether effective arrangements are in place to support them in their decision making and in discharging their accountabilities for securing the achievement of HEIW's objectives, in accordance with the standards of good governance determined for the NHS in Wales.

#### 3.2 Education Commissioning and Quality Committee

The Board's Education Commissioning and Quality Committee advises and assures the Board in respect of the Commissioning of Education and the Quality of Education. [The terms of reference of the Committee are currently under review.]

#### 3.3 Remuneration and Terms of Service Committee

The Board's Remuneration and Terms of Service Committee is responsible for providing advice and assurance 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. It also provides 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

# Health Education Improvement Wales Board Control Framework

Leadership

Staff

Systems  
and  
Processes

Finances

Technology

## Controls and Assurance Mechanisms

### High Quality Education

**Controls: evidenced within**

- Annual Plan
- Commissioning
- Equality Impact Assessment

**Assurance: gained via**

- Proposed Education Commissioning and Quality Committee
- Senior Leadership Team
- Annual Report and Annual Governance Statement
- Chairs Reports
- Visits and Inspections

### Performance Management

**Assurance: gained via**

- Proposed Education Commissioning and Quality Committee
- Senior Leadership Team
- Annual Report and Annual Governance Statement
- Chairs Reports
- Visits and Inspections

**Assurance: gained via**

- Proposed Education Commissioning and Quality Committee
- Senior Leadership Team
- Annual Report and Annual Governance Statement
- Chairs Reports
- Visits and Inspections

### Risk Management

**Controls:**

- Risk management strategy and Policy
- Board Assurance Framework
- Corporate Risk Register
- Divisional Risk Register
- Reports to the Board, Senior Leadership Team and sub committees
- Policies and Procedures
- Scheme of Delegation

**Assurance: gained via**

- Escalation arrangements
- Internal/External Audits, visits
- Executive Director and Senior Leadership Team meetings
- Audit and Assurance Committee
- Proposed Education Commissioning and Quality Committee

## Levels of Assurance

### **First Line Operational**

- Organisational structures – evidence of delegation of responsibility through line Management arrangements
- Compliance with appraisal process
- Compliance with Policies and Procedures
- Incident reporting and thematic reviews
- Compliance with Risk Management processes and systems
- Performance Reports, Complaints and [Trainee Experience Reports], Finance Reports



### **Second Line Risk and Compliance**

Reports to Assurance and Oversight Committees

- Audit and Assurance Committee
- Proposed Education Commissioning and Quality Committee
- Remuneration Committee
- Health and Safety Groups etc

Findings and/or reports from inspections, Annual Reporting through to Committees



### **Third Line Independent**

- Internal Audit Plan
- Wales Audit Office (Structured Assessment)
- External Audits (eg. Annual Accounts and Annual Report)
- HIW Inspections
- Regulators
- Reviews and Reports by Royal Colleges
- External visits and accreditations
- Independent Reviews





## Approach to Risk Assessment - Risk scoring

The risks reported within the Board Assurance Framework is broadly consistent with the Corporate Risk Register and are assessed by using the following assessment approach. The Risk register focusses on the key objectives of HEIW as outlined in the Annual Plan. Given this regular reporting in respect of the BAF shall be undertaken through the Risk Register (attached at Appendix 2) which shall be presented to the Board and the Audit and Assurance Committee on a regular basis. The Board Assurance Framework shall be considered by the Board on an annual basis.

### 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				

## Annex 1 – Risk Register

[insert risk register]



**GIG**  
CYMRU  
**NHS**  
WALES

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

<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.7</b>
<b>Report Title</b>	Declarations of Interest Register		
<b>Report Author</b>	Dafydd Bebb, Board Secretary		
<b>Report Sponsor</b>	Dafydd Bebb, Board Secretary		
<b>Presented by</b>	Dafydd Bebb, Board Secretary		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The purpose of the report is to provide the Audit Committee with an update in relation to declarations of interest.		
<b>Key Issues</b>	The Board's Register of Interests shall be presented to the Audit and Assurance Committee on an annual basis.		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	✓		
<b>Recommendations</b>	Members are asked to <b>note</b> the report and the appended Board's Register of Interests for <b>information</b> .		

## **Declarations of Interest Register**

### **1. INTRODUCTION**

The purpose of the report is to provide the Audit and Assurance Committee with an update in relation to HEIW's declarations of interest.

### **2. BACKGROUND**

To observe good governance, the Board's Register of Interests is reported to the Audit and Assurance Committee on an annual basis.

### **3. GOVERNANCE AND RISK ISSUES**

#### **Board Members**

HEIW's standing orders state all Board members must declare any personal, business or financial interest which may affect or be perceived to affect their role. Interests of close family should also be declared.

Board members should declare any interests at the time they are appointed and any additions or changes as they arise. Board members are asked to renew their declarations on an annual basis.

A summary of Board members' current interests is attached as the Board's Register of Interests at **appendix 1**. The Board's Register of Interest is published on HEIW's website and also within the Annual Report.

#### **Staff Interests**

HEIW's standing orders also requires that a process is established and maintained for the declaration, recording and handling of HEIW officers' interest. All members of the Senior Leadership Team and staff who may influence the procurement process are required to complete a Declaration of Interest Form.

### **4. FINANCIAL IMPLICATIONS**

There are no financial implications for the committee to consider.

### **5. RECOMMENDATION**

Members are asked to **note** the report and the appended register for information.

<b>Governance and Assurance</b>				
<b>Link to corporate objectives</b> (please ✓)	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
<b>Quality, Safety and Patient Experience</b>				
Ensuring good governance is critical part of providing good education and training which ultimately supports the quality and safety of the patient experience.				
<b>Financial Implications</b>				
No financial implications for the committee to be aware of.				
<b>Legal Implications (including equality and diversity assessment)</b>				
No implications for the committee to be aware of.				
<b>Staffing Implications</b>				
No staffing implications for the committee to be aware of.				
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>				
No implications for the committee to be aware of.				
<b>Report History</b>	None. The Board's Register of Interests shall be considered by the Audit and Assurance Committee on an annual basis.			
<b>Appendices</b>	Appendix 1 – Board Register of Interests.			

## Appendix 1

### Board Register of Interest

Board Member	Declaration of interest
Christopher Jones, Chair	Member of Royal College of General Practitioners
John Hill-Tout, Vice chair	Director of Dragon Savers Credit Union Governor Pontyclun Primary School
Tina Donnelly, Independent Member	Independent Member, Hendre Board Fellow University of South Wales Fellow RCN UK High Sheriff
Ruth Hall, Independent Member	Former Non Executive Director of National Resources Wales (until October 2018) Former Co-Chair, Mid Wales Health Care Collaborative and of Rural Health and Care Wales (until March 2018) Member of National Trust Council Member Glandwr Cymru Board Member Canal and River Trust Daughter in law Chief Executive, Relate / Cheshire and Merseyside Visiting Chair, University of West of England Advisory Board Member, Centre for Public Policy Wales, Cardiff University Spouse is a Fellow of Gladstone's Library, Hawarden Son is a trustee of Gladstone's Library, Hawarden Member of following: Royal College of Physicians, Royal College of Paediatric and Child Health, Faculty of Public Health Medicine (RCP), British Medical Association, Welsh Paediatric Society, Royal Society for Medicine, Royal Institution for Public Health GMC registration held
Gillian Lewis, Independent Member	Director of Horizon Business Associates (Dormant Company) Husband Director of Horizon Business Associates (Dormant Company) Interim Head of Finance in Bridgend Council Husband is Director of Finance for Welsh Wound Innovation Ltd
Ceri Phillips, Independent Member	Non-executive member of Welsh Wound Innovation Board Head of College of Human and Health Sciences, Swansea University Chair of Council of Deans of Health Wales Executive Member of Council of Deans UK

	Wife is a Deputy Director of Primary Care at Welsh Government
Heidi Phillips, Independent Member	Property development and private landlord of domestic properties Husband has interest in property development and is a private landlord of domestic properties. Board Member for MSCSA Associate Professor Primary Care Swansea University GP
Alex Howells, Chief Executive	Lay Member of Academi Wales
Julie Rogers, Deputy Chief Executive and Director of Workforce and Organisational Development	Nephew is a GP trainee.
Stephen Griffiths, Director of Nursing	Nothing to declare.
Pushpinder Mangat, Medical Director	Anaesthetist at Parkway Dental GA Practice Swansea Clinical Advisor to Sancta Maria Private Hospital
Eifion Williams, Interim Director of Finance	Former Director of Finance, Powys THB (from October 2016 - June 2019) Co-opted Member of Finance Committee, Swansea University Chair of Morgannwg/Llyndain Welsh Methodist Presbytery (Sept 2017 – Sept 2019) Son – LAT Doctor, Singleton Hospital, Swansea Bay UHB (August 2018 – July 2019)
<b>Board Secretary</b>	
Dafydd Bebb	Wife is a Director and part owners of Old Bell 3 a Social Research Company. Brother is a Pharmacist and Director at Fferyllwyr Llyn Cyf (Dispensing Chemists).He undertakes training on behalf of HEIW. Cousin is MP for Aberconwy.



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<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.8</b>
<b>Report Title</b>	<b>Gifts, Hospitality and Sponsorship Register</b>		
<b>Report Author</b>	Dafydd Bebb, Company Secretary		
<b>Report Sponsor</b>	Dafydd Bebb, Company Secretary		
<b>Presented by</b>	Dafydd Bebb, Company Secretary		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The purpose of the report is to outline the entries included on the Gifts, Hospitality and Sponsorship Register from 1 October 2018 to 8 July 2019.		
<b>Key Issues</b>	The Committee is asked to consider the Gifts, Hospitality and Sponsorship Register on an annual basis.		
<b>Specific Action Required (please one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	✓		
<b>Recommendations</b>	Members are asked to <b>note</b> the report and the appended Gifts, Hospitality and Sponsorship Register for <b>information</b> .		



## **GIFTS, HOSPITALITY AND SPONSORSHIP REGISTER**

### **1. INTRODUCTION**

This report sets out the entries included within the Gifts, Hospitality and Sponsorship Register (the Register) for the period from 1 October 2018 to 8 July 2019.

### **2. BACKGROUND**

The Standard of Behaviour Policy outlines the process by which gifts, hospitality and sponsorship can be accepted by staff. Any offers, whether accepted or declined, have to be declared and logged on to the Register.

The Audit and assurance Committee shall be asked to review the register on an annual basis.

### **3. GOVERNANCE AND RISK ISSUES**

Employees in contact with contractors should be particularly mindful of accepting any Gifts, Hospitality or Sponsorship that might later be misconstrued as impacting on strict independence and impartiality. Any acceptance of Gifts, Hospitality and or Sponsorship needs to be justified and scrutinised by the Audit Committee to ensure that there is no risk to the organisation.

### **4. FINANCIAL IMPLICATIONS**

There are no financial implications for the committee to consider.

### **5. RECOMMENDATION**

Members are asked to **note** the report and the appended Gifts, Hospitality and Sponsorship Register for **information**.

Governance and Assurance				
<b>Link to corporate objectives</b> <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
<b>Quality, Safety and Patient Experience</b>				
Ensuring that offers of Gifts, Hospitality and Sponsorship are accepted or declined in line with the Standard of Behaviour Policy is part of providing good education and training which ultimately supports the quality and safety of the patient experience.				
<b>Financial Implications</b>				
There are no financial implications.				
<b>Legal Implications (including equality and diversity assessment)</b>				
It is essential that offers of Gifts, Hospitality and Sponsorship are accepted or declined in line with the standards of business conduct so as to not impact on strict independence and impartiality.				
<b>Staffing Implications</b>				
No staffing implications for the committee to be aware of.				
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>				
No impact identified.				
<b>Report History</b>	NA			
<b>Appendices</b>	Appendix 1 – the Gifts, Hospitality and Sponsorship Register.			

Appendix 1 – the Gifts, Hospitality and Sponsorship Register.

**HOSPITALITY REGISTER FROM 1 October 2018 – 8 July 2019**

ID No	Date Entered	TYPE OF HOSPITALITY (e.g. conference or gift)	Date of Hospitality/ Event	Source of Hospitality	Description	Value (if known)	Employee	Department	Approved by	Accepted (Yes/No?)
GHS01.1	05.07.19	Sponsorship	03.06.19	BMA Cymru	Sponsorship towards lunch of trainee delegates at WCLTF NHS Wales Conference	£100	Lisa Basset	Medical Director	Pushpinder Mangat	yes
GHS01.2	05.07.19	Sponsorship	03.06.19	GMC Wales	Sponsorship towards lunch of trainee delegates at WCLTF NHS Wales Conference	£100	Lisa Basset	Medical Director	Pushpinder Mangat	yes
GHS01.3	05.07.19	Sponsorship	03.06.19	FMLM, London	Sponsorship towards lunch of trainee delegates at WCLTF NHS Wales Conference	£100	Lisa Basset	Medical Director	Pushpinder Mangat	yes
GHS01.4	05.07.19	Sponsorship	03.06.19	Medical Defence Union	Sponsorship towards lunch of trainee delegates at WCLTF NHS Wales Conference	£100	Lisa Basset	Medical Director	Pushpinder Mangat	yes
GHS02	08.07.19	Hospitality/gift	4.12.18	NHS Improvement England and University College Dublin	Set meal for all participants at leadership event	Unknown	Alex Howells	CEO	C Jones, Chair	yes

ID No	Date Entered	TYPE OF HOSPITALITY (e.g. conference or gift)	Date of Hospitality/ Event	Source of Hospitality	Description	Value (if known)	Employee	Department	Approved by	Accepted (Yes/No?)
GHS03	08.07.19	Hospitality/gift	April, 2019	Swansea University	Swansea and Cardiff varsity match	Unknown	Alex Howells	CEO	C Jones, Chair	no



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<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.9</b>
<b>Report Title</b>	<b>Annual Review of Financial Control Procedures</b>		
<b>Report Author</b>	Martyn Pennell, Head of Financial Accounting		
<b>Report Sponsor</b>	Eifion Williams, Interim Director of Finance		
<b>Presented by</b>	Eifion Williams, Interim Director of Finance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	This paper provides an update on the review of Financial Control Procedures in HEIW.		
<b>Key Issues</b>	The review of Financial Control Procedures is on-going.		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	✓		
<b>Recommendations</b>	Members are asked to: <ul style="list-style-type: none"> <li>• <b>Note</b> the progress on the update of the financial control procedures</li> </ul>		

## **1. INTRODUCTION**

This paper provides an update on the review of Financial Control Procedures in HEIW.

## **2. BACKGROUND**

In January 2019 NHS Wales Shared Services Partnership (NWSSP) Audit and Assurance Services carried out a review of the Core Financials – Financial Accounting in HEIW. The review focussed on the internal control framework that had been developed for the new organisation.

As part of the management responses to the audit, HEIW identified that it will review its Financial Control Procedures (FCPs) on an annual basis to ensure that they remain relevant and reflect the needs and operation of the organisation. This review is currently in progress. Actions taken to date include:

- Preparation of Desktop Procedures/Working Papers - The FCPs translate the high level requirements of the Standing Orders and Standing Financial Instructions into more detailed procedures that all employees are required to follow. However, more detailed desktop procedures can provide further clarity on how tasks should be performed to ensure that they comply with the FCPs. This can also help to standardise the completion of processes.

The focus to date has been on reviewing and preparing desktop procedures within the financial accounting area, initially on the high-risk areas such as systems, payments and banking. Further work is ongoing to review and prepare additional notes.

It is anticipated that the 'library' of procedure notes will be completed by the end of July 2019. All procedures will be subject to on-going review to reflect the needs of the organisation.

- All Wales Technical Accounting (TAG) Financial Control Procedure Task & Finish Group – The Head of Financial Accounting is a member of TAG group that is reviewing FCPs across Wales. The aim of the group is to prepare a suite of FCPs that contain the core requirements of the various financial areas, which can be easily adapted for and implemented in all NHS Wales organisations. This approach will ensure that best practice is identified and that all areas of risk are considered and appropriate measures put into place. The first meeting of this group met earlier this year to initiate the data collection stage. A progress update will be included as part of the 'Finance Update' at the next Audit & Assurance Committee.

### 3. GOVERNANCE AND RISK ISSUES

The failure to maintain a suitable internal control framework can result in significant problems for an organisation. The process of reviewing and updating the Financial Control Procedures outlined above will provide assurance that appropriate controls are in place.

### 4. FINANCIAL IMPLICATIONS AND KEY ISSUES

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

### 5. RECOMENDATIONS

Members are asked to:

- Note the progress on the update of the financial control procedures

Governance and Assurance				
Link to corporate objectives (please ✓)	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
There is no impact on quality, safety and patient experience.				
Financial Implications				
The financial controls and processes which have been developed by the Finance Department, support the SO's and SFI's to provide a robust Financial Control Framework for HEIW.				
Legal Implications (including equality and diversity assessment)				
There are no legal implications.				
Staffing Implications				
There are no direct staffing implications.				

<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>
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There are no long-term implications.
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<b>Appendices</b>	
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<b>Meeting Date</b>	<b>15 July 2019</b>		<b>Agenda Item</b>	<b>2.10</b>
<b>Report Title</b>	<b>Risk Management Policy</b>			
<b>Report Author</b>	Dafydd Bebb, Board Secretary			
<b>Report Sponsor</b>	Dafydd Bebb, Board Secretary			
<b>Presented by</b>	Dafydd Bebb, Board Secretary			
<b>Freedom of Information</b>	Open			
<b>Purpose of the Report</b>	To seek the Committee's support for the Risk Management Policy (Appendix 1) to be recommended to July Board for final approval.			
<b>Key Issues</b>	<p>The Risk Management Policy (policy) has been developed to integrate and formalise the processes in existence across the previous organisations.</p> <p>The newly proposed Policy has been submitted to the Executive Team and received approval.</p> <p>The Committee is asked to review the Policy and recommend that it be approved by the Board.</p> <p>Board level approval is required for the Policy in accordance with the overarching policy within the organisation.</p>			
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
				✓
<b>Recommendations</b>	Members are asked to approve the Risk Management Policy (Appendix 1) and recommend that it receives final approval at July Board.			

# **RISK MANAGEMENT POLICY**

## **1. INTRODUCTION**

Risk management is essentially the identification and prioritisation of all risks relating to an organisation, allied to a policy that seeks to manage or minimise those risks. It also relates to using this information to guide service development and improvement. As a new organisation, it is important that HEIW develops an effective risk management system through the adoption and implementation of a Risk Management Policy (Policy).

## **2. BACKGROUND**

The aim of the Policy is to provide a framework for the identification, management and reporting of risks across the organisation to support our staff and facilitate informed decision making and improve quality and safety.

The Policy will allow HEIW to:

- consider risks and implement necessary actions at all organisational levels;
- facilitate the reporting of risks throughout the organisation, escalating to senior levels of management, when appropriate, for action or response;
- report risks to the HEIW Board and its Committees to further inform corporate decision making.

The Policy has been developed to ensure that an understanding of risk guides decision making by the Board and our staff to ensure that services are provided to the best possible standard and quality.

## **3 IMPLEMENTATION**

HEIW will work to minimise risk to as low a level as reasonable. Details of the actions required to mitigate risks will be included in corporate and directorate Risk Registers.

## **4. GOVERNANCE AND RISK ISSUES**

Risk management through the implementation of a Risk Management Policy is a key enabler in the governance of risk within HEIW.

## **5. FINANCIAL IMPLICATIONS**

Risk management through the Risk Management Policy is a key enabler of HEIW as a Special Health Authority. There are no anticipated additional cost implications.

## **6. RECOMMENDATION**

Members are asked to consider and approve the Risk Management Policy (Appendix 1) and recommend that it receives a final approval at July Board.

<b>Governance and Assurance</b>				
<b>Link to corporate objectives (please )</b>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	√			√
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
<b>Quality, Safety and Patient Experience</b>				
The Risk Management Policy is a key enabler 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.				
<b>Financial Implications</b>				
Risk management is a core function of HEIW as a Special Health Authority. There are no anticipated additional costs.				
<b>Legal Implications (including equality and diversity assessment)</b>				
N/A				
<b>Staffing Implications</b>				
There are no additional staffing implications.				
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>				
The Risk Management Policy is a key enabler to ensure effective risk management within HEIW				
<b>Report History</b>	The May Board requested that the Risk Management Policy be first considered by the Audit and Assurance Committee before receiving final Board approval.			
<b>Appendices</b>	The Risk Management Policy is attached at Appendix 1			



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## **RISK MANAGEMENT POLICY**

**Executive Sponsor & Function:** Board Secretary

**Document Author:** Board Secretary

**Approved by:** HEIW Executive Team

**Approval Date:** [July Board] 2019

**Scope:**

1.2 This Risk Management Policy and any arrangements made under it applies to:

- all persons employed or engaged by Health Education and Improvement Wales (HEIW) including part time workers, temporary and agency workers and those holding honorary contracts.
- Visitors, contractors and volunteers.

Other NHS Health Boards and Trusts will have their own health and safety policies which will apply to HEIW staff working in NHS premises elsewhere across Wales.

**Date of Equality Impact Assessment:**  
19/04/19

**Equality Impact Assessment Outcome:**

This policy has been screened for relevance to equality. No potential negative impact has been identified so a full equality impact assessment is not required.

**Review Date:** May 2020 **Version:** v2

## **Policy Statement**

Health Education Improvement Wales (HEIW) recognises that no organisation can operate in a risk free environment. Risk however is not something to be feared, rather if it is understood and managed properly it can benefit the organisation, its staff and key stakeholders. The purpose of this Policy is to lay the foundations for an effective risk management system.

HEIW will manage risks at all levels. Strategic risks will be identified by the Board and managed by the Executive Team, whereas operational risks will be identified and managed at the most appropriate level. The organisation will maintain a risk management system which will enable and empower staff to identify, assess, manage and where appropriate exploit risks to the benefit of HEIW.

## **Policy Commitment**

HEIW is committed to the effective management of risk throughout the organisation, and will develop and maintain the appropriate systems to allow such management. The organisation will lay out clearly the roles and responsibilities of all staff when it comes to the management of risk. All staff are required to understand their role and responsibilities and to comply with the requirements of both this policy and all relevant processes.

All staff will be expected to use the appropriate corporate systems for risk management. It is planned that risk will be managed through the Datix\* platform and the use of risk registers (for operational risk) and the Board Assurance Framework for strategic risks.

Whilst there is no specific mandatory training requirement for staff in Corporate Risk Management, those staff who have specific responsibilities will have the appropriate training in order to allow them to carry out the roles.

(\*-HEIW will be making arrangements to use Datix as a reporting tool but for now we are using a paper based reporting tool.)

## **Introduction**

This policy introduces the HEIW position and expectations in relation to risk management. The document outlines the roles and responsibilities of staff and how they will be trained, and describes the way HEIW categorises risk and the risk architecture of the organisation.

## **Section 1 – General**

### ***Scope, Aim and Objectives***

#### *Scope*

This is a Policy which is intended to cover the identification, assessment and management of risk in all forms. The policy and associated procedures relating to risk and will apply to all staff, contractors and visitors.<sup>1</sup>

#### *Aim*

The aim of this document is to outline the high level arrangements within which HEIW will achieve a holistic and effective approach to risk management.

#### *Objectives*

This policy will:

- Detail the specific roles and responsibilities for those staff who are charged with the management of risk;
- List the specific policies which HEIW will publish to ensure that all staff understand what is required of them;
- Outline the training requirements for staff;
- Explain the arrangements for complying with all relevant legislation.

## ***Strategic Context***

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<sup>1</sup> In the interests of brevity, the term staff is used throughout this document to refer to staff, contractors, agency staff, volunteers, and secondees and visitors.

HEIW's strategy for 2019/20 is contained within its Annual Plan. HEIW is planning from 2020/21 to annually to produce an Interim Medium Term Plan (IMTP), which details what the organisation plans to do over the coming years. The plan sets out the organisational priorities and sets strategic objectives. In order to deliver these objectives, it is necessary to understand the environment in which we operate, and to have clear visibility on what might get in the way of our delivering them. This is why an effective Risk Management System is necessary.

Risk Management starts at the top of the organisation, with the Board setting our direction and our risk appetite, and then permeates down through every level.

## ***Roles and Responsibilities***

### ***HEIW Board***

The role of the Board is to govern HEIW effectively. In order for the Board to discharge its responsibilities, it needs to receive assurances that the organisation is effectively managing its risks to ensure delivery of its mission and objectives. One of the principle assurance tools for the Board is the Board Assurance Framework (BAF).

The Board will receive the BAF for the purpose of scrutiny and challenge. Through the scheme of delegation, the Audit and Assurance Committee meetings will also receive the BAF.

### ***Chief Executive***

The Chief Executive is the responsible officer for HEIW and is accountable for ensuring that HEIW can discharge its legal duty for all aspects of risk. As the accountable officer, the Chief Executive has overall responsibility for maintaining a sound system of internal control, as described in the annual governance statement. Operationally, the Chief Executive has designated responsibility for implementation of this policy to the Board Secretary.

### ***Board Secretary***

Is responsible for:

- operational implementation of the risk management policy;
- as the Senior Information Risk Owner (SIRO), ultimate responsibility lies here for information risk management;
- development of policies and procedures relating to the above;

- development and ongoing review of the Board Assurance Framework;
- ensuring that the Board and its Committees receive the appropriate reports and assurance for consideration.

## **Director of Workforce and Organisational Development**

Is responsible for:

- Executive Team level management of risk in relation to both Health and Safety and Business Continuity.

## ***Executive Directors***

Are responsible for:

- the management of risk both collectively as the Executive Team and also at a Directorate level for the risks specifically relating to their directorate;
- assuming ownership of risks assigned to them in either the Board Assurance Framework or the Corporate Risk Register and reporting as required to the Executive Team and the Board and its committees on the management of that risk;
- appointing of sufficient risk handlers for their Directorate to enable effective management of their risks.

## ***Directorate Managers***

Directorate Managers are responsible for:

- assuming ownership of risks which are assigned to them in the Directorate Risk Registers and reporting as required to their Executive Director on the management of that risk;
- Supporting their Directorate risk owners in the management of risk;
- ensuring that new risks are assigned an owner, correctly articulated and assessed by their owner.

## ***All staff***

All HEIW staff are responsible for identifying and reporting anything which they believe could present a risk to our business functions or people.



## ***Training***

### *Level 1 – Staff required to report risks*

Whilst there are many different training requirements for specific aspects of risk management (e.g. Health and Safety, Fire, Information Governance), there is no mandatory training requirement for Risk Management in the broader context. All staff who need to report a risk are signposted to a short self directed study package which will cover the basics of identifying, articulating and reporting risks.

### *Level 2 – Risk Owners*

Face to face training will be delivered to Risk Owners and is aimed at Executive Directors and other members of the senior leadership team who need to understand the implications of risk ownership, risk appetite, risk decision making and the escalation of risk.

### *Level 3 – SIRO and other specialist roles*

This will be any bespoke training required for those charge managing the Risk Management System.

## **Section 2 – Categories of Risk**

### ***Strategic Risk***

These are the highest level risks that could threaten the organisation's ability to deliver on the strategic priorities, as laid out in the Annual Plan or Integrated Medium Term Plan (IMTP). Strategic Risks are identified at Board level during the annual development of the Annual Plan or IMTP. All strategic risks are assigned an Executive lead and this person will review their strategic risks and associated action plans on a regular basis and provide updates to both the Executive Team and Board.

### ***Corporate Risk***

Corporate Risk in all its forms is subject of this policy.

The term Corporate Risk is used in HEIW to encompass all of the operational risks that pose a direct risk to the day to day business of the organisation, or could lead to Directorates failing to meet their objectives. This can include:

- Operational Risk
- Project / Programme Risk
- Educational Risk
- Financial Risk

All of these risks will be captured and managed through both Datix and a system of policies and procedures.

### ***Health and Safety Risk***

Health and Safety Risk is subject to a specific policy.

Health and Safety is a complex area of legislation one requirement of which is for the organisation to have a Health and Safety Policy. Senior management of Health and Safety Risk is the responsibility of the Director of Workforce and Organisational Development.

### ***Information Risk***

Information Risk is subject to a specific policy.

Information Risk Management is an integral element of good Information Governance. It encompasses numerous disciplines, including use of IT systems, management of paper records, cyber security and physical security of our facilities. Information Risk Management is the responsibility of the SIRO.

### ***Service or Business Continuity Risk***

Business Continuity Risk is subject to a specific policy.

Business Continuity risks are those derived from those possible events which threaten the organisation's ability to deliver its key products and services.

The majority of Business Continuity risks will tend to be high impact / low likelihood events.

Business Continuity Risk Management is the responsibility of the Director of Workforce and Organisational Development.

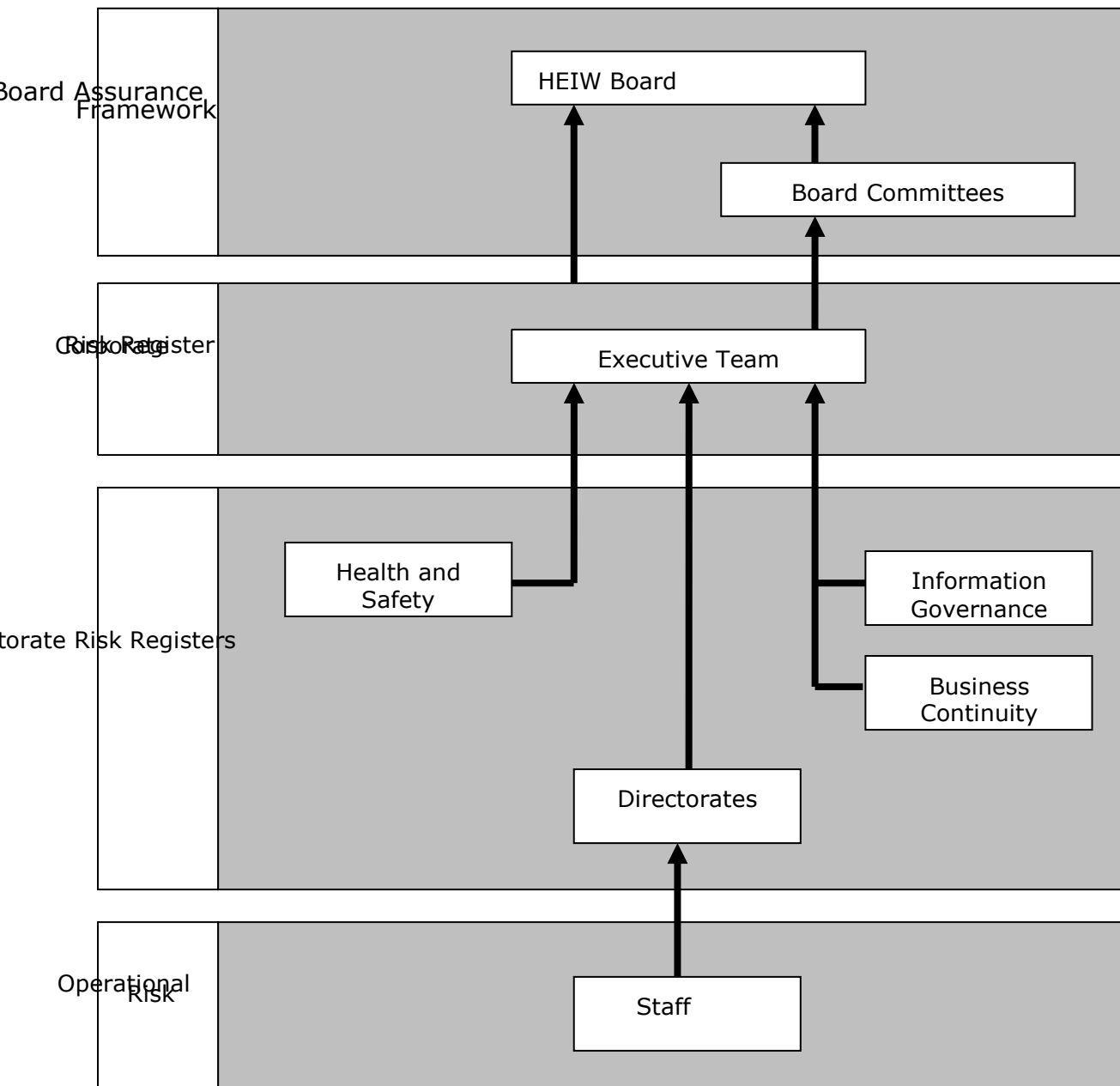
## **Section 3 – Management of Risk**

### ***Introduction***

This section gives an overview of how risk is managed throughout HEIW.

## Risk architecture

The risk architecture is the structure within which an organisation manages risk. The risk architecture within HEIW is shown below.



## **Risk Appetite**

Risk appetite is defined as

*'The amount of risk that HEIW is willing to seek or accept in the pursuit of its long term objectives.'*

HEIW's risk appetite is set on an annual basis by the Board, when the decisions are being made around the organisation's strategic priorities for the following year. The purpose of setting the risk appetite is to ensure that all staff throughout HEIW are aware of it and understand the amount of risk to which the organisation is prepared to be exposed whilst going about their day to day business.

## **Identification and capturing of risks**

All staff should be aware of the potential for risks to emerge which may affect the business and all staff should be prepared to identify and report risks as appropriate. When a possible risk is identified, staff should normally discuss it first with their line manager. This is to avoid duplication of effort, as sometimes risks are identified which are already being managed but have perhaps been articulated differently.

Once it is confirmed that a new risk has been identified, the details should be entered onto the Datix system. This will normally be achieved through one of the Directorate's risk handlers.

Once correctly identified and assessed, the risk will then be transferred to one of a series of risk registers, depending on the seriousness of the risk. Generally risk should be managed at the lowest level possible, proportionate to the level of exposure to which the risk.

## **Risk Registers**

A Risk Register is simply a visual representation of the identified risks, together with an assessment of their severity, the risk management measures in place, the control environment and any further actions which are planned or required. The register is a snapshot of the risk information at the moment it is taken.



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<b>Meeting Date</b>	<b>15 July 2019</b>	<b>Agenda Item</b>	<b>2.11</b>
<b>Report Title</b>	<b>Corporate Risk Register</b>		
<b>Report Author</b>	Dafydd Bebb, Board Secretary		
<b>Report Sponsor</b>	Dafydd Bebb, Board Secretary		
<b>Presented by</b>	Dafydd Bebb, Board Secretary		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	To provide the Audit and Assurance Committee with an update on the Corporate Risk Register.		
<b>Key Issues</b>	<p>The report :</p> <ul style="list-style-type: none"> <li>• provides an update on the current position in relation to the Corporate Risk Register which is attached at Appendix A;</li> <li>• considers the risk assessed as 'red';</li> <li>• confirms Corporate Risk Register is aligned with the objectives set out in the Annual Plan for 19/20 and any other areas of inherent risk.</li> </ul>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
			✓
<b>Recommendations</b>	Members are asked to note for <b>Assurance</b> the current position with regard to the Corporate Risk Register as attached at Appendix A.		

# **CORPORATE RISK REGISTER**

## **1. INTRODUCTION**

The Audit and Assurance Committee is asked to note the current position with regard to the Corporate Risk Register as outlined within this report.

## **2. BACKGROUND**

The Corporate Risk Register is aligned with the objectives set out in the Annual Plan for 19/20 and any other areas of inherent risk.

It is confirmed the Corporate Risk Register continues to be reviewed on a monthly basis by the Executive Team and Senior Leadership Team.

### **Assessment**

The methodology for assessing risk is contained within Appendix A. There are 24 risks on the corporate risk register, 4 are red, 16 of these are amber and 4 are green.

The four red risks are detailed below:

Risk 8. If interface with WG is not clear this could result in impact on HEIW's delivery and reputation and could undermine a good working relationship with WG. Matter was raised with the Director General at the JET meeting. Matter also raised on a 1:1 basis by Executives with relevant Executive Directors.

Risk 15. Strategic review of Health Professional Education not meeting timescales. On the 18.6.2019, the WG announced a further engagement process prior to making a decision on the long-term bursary position. HEIW will therefore, be unable to continue with its agreed procurement timeline and new education provision which will not be in place until 2022 at the earliest. Revised plans are being developed to account for this.

Risk 21. Effective replacement of Eduroam. Following consultation with WG and NWIS HEIW is engaging with Eduroam with a view to entering into a new Eduroam license.

Risk 23. This is a new risk. If 80 new DN are not recruited to NHS Wales by summer 2020 it could be perceived that HEIW failed to deliver on a WG commitment. A meeting is scheduled to progress matters with DN and WG on 22 July.

## **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 Committee is asked to note the note for **Assurance** the current position with regard to the Corporate Risk Register as attached at Appendix A.

Governance and Assurance				
<b>Link to corporate objectives</b> <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
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				
The Corporate Risk Register is a Core function of HEIW. There are no additional staffing implications.				
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.				

<b>Report History</b>	The Risk Register is presented to the Audit and Assurance Committee on a regular basis.
<b>Appendices</b>	The Corporate Risk Register is attached at Appendix A



### HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
	Details of risk  If...then...  impact...	Impact	Probability	Overall Score	Summary of action to date or proposed action to reduce risk impact or proximity	Impact	Probability	Overall Score	R/A/G & trend	
1.	If staff do not integrate effectively as part of the new organisation this could affect delivery of the annual plan commitments resulting in poor performance and reputational damage  JR	4	4	16	<ul style="list-style-type: none"> <li>Co-production with staff of a People and OD strategy by the autumn of 2019</li> <li>Continuation of roll-out of lunch and learn sessions focussing on understanding of portfolios across teams, and joint training</li> <li>Execs and SLT to maximise opportunities for matrix working, and to encourage staff to work across</li> <li>Culture Champion Group to monitor and feedback</li> <li>Review of structures 1 year on to ensure they support integrated working</li> </ul>	4	3	12		

HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
2.	If the values and behaviours framework is not effectively embedded in the organisation this could impact on morale, engagement and reputation affecting service delivery and reputation.  JR	4	3	12	<ul style="list-style-type: none"> <li>Refresh of the action plan for embedding values &amp; behaviours framework into core business</li> <li>People and OD strategy to reinforce the importance and expectations on all staff</li> <li>Response to staff survey is framed in context of our values and behaviours and is seen to be acted upon</li> </ul>	3	3	9		
3.	If the organisation does not have effective programme and project management capacity and expertise this may impact on delivery of the annual plan objectives and result in failure to deliver agreed commitments and levels of performance.  JR (DOFCS)	4	3	12	<ul style="list-style-type: none"> <li>Identified as a priority area for training in 2019-20 from initial observations in relation to submission and preparation of project plans to deliver annual plan objectives</li> <li>Training in project management to be sourced and rolled out</li> <li>Skills assessment to be undertaken as part of a HEIW TNA to identify prior learning/expertise</li> <li>Best practice examples to be highlighted and shared</li> </ul>	3	3	9		

HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
4.	If the role and functions of HEIW are not fully understood this may impact on engagement and involvement in delivery of objectives, and lead to a mismatch between ambitions and expectations, and reputational damage JR	4	3	12	<ul style="list-style-type: none"> <li>Publication of the Comms &amp; engagement strategy and implementation plan early 2019-20</li> <li>Regular stakeholder bulletins</li> <li>Targeted comms highlighting specific activities and projects</li> <li>Execs and staff to maximise opportunities to engage and spread understanding</li> </ul>	3	3	9		
5.	If the relationship with the NHS is not effective this will impact on HEIW service delivery and implementation of the annual plan JR	4	3	12	<ul style="list-style-type: none"> <li>Implementation of the Comms &amp; engagement plan for 2019-20</li> <li>Regular stakeholder bulletins</li> <li>Execs to be active members of peer networks and national groups</li> <li>Proactive engagement with NHS organisations including as part of the development of our IMTP and through the annual planning cycle</li> <li>Understanding of NHS to continue to be a theme through staff events and training in 2019</li> </ul>	3	3	9		

HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
6.	If the relationship with Social Care Wales is not effective, then this could impact on delivery of key priorities for A Healthier Wales, and in particular the delivery of the workforce strategy which is a high-profile commitment  AH	4	3	12	<ul style="list-style-type: none"> <li>Joint exec team and joint Board meetings twice a year</li> <li>1:1 meetings between CEOs</li> <li>Joint steering group for development and delivery of the health &amp; care workforce strategy, as well as underpinning operational management groups</li> </ul>	3	3	9		Agree actions continue
7.	If current approaches to professional boundaries remain this will affect HEIW's ability to transform approaches to workforce planning, development and education.  SG/PM	4	4	16	<ul style="list-style-type: none"> <li>HEIW Execs to be an active member of executive peer groups</li> <li>Ensure learning opportunities are multi-professional</li> <li>Ensure the HEIW annual plan includes areas of work which challenge professional boundaries, e.g. promotion of delegation guidelines, Development of advanced practice/extended skills, roll out behavioural science approach etc</li> </ul>	3	3	12		

HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
8.	If the interface with WG is not clear this could result impact on delivery and reputation, and could undermine a good relationship with WG  AH	5	4	20	<ul style="list-style-type: none"> <li>1:1s with DG</li> <li>1:1s with policy leads</li> <li>Quality and delivery meetings</li> <li>JET meetings</li> </ul>	4	4	16		<p>Interface discussed at JET meeting</p> <p>Individual examples addressed directly by relevant Executive Directors</p>
9.	If the Workforce Strategy for Health and Social Care does not meet expectations this will impact on reputation and future delivery  JR	4	4	16	<ul style="list-style-type: none"> <li>Joint steering group chaired by CEOs</li> <li>Clear project plan and reporting</li> <li>Additional capacity in terms of consultants</li> <li>Significant engagement periods built into the programme to develop ownership, buy-in and understanding</li> </ul>	4	3	12		

## HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
10.	If the quality of postgraduate medical education is not maintained this could impact on patient safety and quality as well as recruitment into education programmes in Wales  PM	3	3	9	<ul style="list-style-type: none"> <li>Maintained previous levels of scrutiny by methods sanctioned by the GMC</li> <li>Engage with GMC to review QA process and act as pilot site for review.</li> <li>Ensure effective communication of high risk areas to CEO and MDs of Health Boards and Trust.</li> </ul>	3	3	9	Ongoing risk	<p>GMC QA Pilot commenced</p> <p>HEIW training role related to recent issues in one Health Board communicated to all CEOs, CMO and CNO.</p>
11.	If universities review their provision of UG programmes and determine to withdraw from the market this will impact on HEIW's ability to deliver commissioned numbers and impact on workforce planning for NHS Wales  SG	4	4	16	<ul style="list-style-type: none"> <li>Ensure active communication with HEI to understand their priorities and challenges</li> <li>Through the contracting process work with universities to ensure they are adequately funded for the programmes</li> <li>Work with education providers to determine what other alternatives are possible</li> </ul>	3	3	9		

## HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
12.	<p>If there is a delay in producing the leadership strategy this could result in contradictory approaches being developed across Wales which will detract from an all Wales approach and create obstacles to implementation.</p> <p>JR</p>	3	3	9	<ul style="list-style-type: none"> <li>HEIW lead in post and making progress, additional team member recruited. SCW lead identified</li> <li>Project plan in place</li> <li>Steering group established and will meet next month.</li> <li>Significant engagement to date in health sector within Wales and across UK, also literature review and identification of models which will continue.</li> <li>Comms &amp; engagement will support the activity</li> </ul>	3	2	6		
13.	<p>If HEIW budgets have been established without a full understanding of the resources needed to deliver the functions this could result in poor financial performance</p> <p>EW</p>	4	3	12	<ul style="list-style-type: none"> <li>Budget Acceptance letters will be issued to Execs for the delegated resources within their area of responsibility.</li> <li>Finance support will be given to budget holders to support service delivery within budgets available.</li> <li>Regular financial monitoring information will be provided to Board, Executive Team and all budget holders that should enable corrective action to be taken.</li> </ul>	2	2	4		Good progress has been made in taking forward the mitigating actions.

## HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
14.	If the Welsh Government change the NHS Bursary Policy for 2021/22 and beyond it could impact on student recruitment and the supply of healthcare staff to deliver patient care  SG	4	4	16	<ul style="list-style-type: none"> <li>Keep in regular contact with the Welsh Government and provide any assistance they require</li> <li>Update the university sector on Governments thinking as this develops</li> <li>Monitor student uptake of the NHS bursary</li> </ul>	3	4	12		
15.	If the Strategic Review of Health Professional Education does not meet the timescale and future aspirations as agreed by HEIW, this will impact on the quality and suitability of education in the future  SG	5	3	15	<ul style="list-style-type: none"> <li>Ensure robust project management arrangements are in place</li> <li>Secure additional resource for the project</li> <li>Ensure robust stakeholder engagement</li> <li>Ensure it links to the 10 year health and social care workforce strategy</li> </ul>	4	5	20		<p>On the 18.6.2019, the Welsh Government announced a further engagement process prior to making a decision on the long-term bursary position. Therefore, HEIW will be unable to continue with its agreed procurement timeline and new education provision will not be in place until 2022 at the earliest.</p> <p>Revised plans are being developed to account for this.</p>



HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
16.	If there is no agreement on the future arrangements for allocation of SIFT this could undermine HEIW's ability and levers to redesign education  AH	5	3	15	<ul style="list-style-type: none"> <li>Work closely with WG colleagues to progress SIFT discussions</li> <li>Participate in the development of proposals for the future allocation of SIFT</li> <li>Use lessons and experience from across UK to inform plans</li> <li>Ensure that the plans are confirmed and agreed prior to transfer to HEIW</li> </ul>	5	2	10		<p>This is discussed as a regular item during interface meetings with WG</p> <p>No progress on this to date</p>
17.	If Pharmacy business case for preregistration pharmacists is not implemented this could impact on Effective training of these students and adversely impact on the reputation of HEIW  PM	3	3	9	<ul style="list-style-type: none"> <li>Make effective plans within HEIW and with stakeholders to ensure capacity is created within the Pharmacy Deanery.</li> <li>Create a project plan with robust milestones for delivery.</li> </ul>	3	2	6		<p>Following meeting with Finance colleagues, resource identified to support project.</p> <p>Team meeting planned to set priorities</p> <p>Pharmacy Dean commitments revised to release time for project</p>

## HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
18.	Following GP trainee business case for increasing GP trainees to 160, if we do not identify sufficient training facilities and provide effective training, this could adversely impact on the reputation of HEIW  PM	3	3	9	<ul style="list-style-type: none"> <li>We have actively sought applications for training practices.</li> <li>We have created a framework for selection</li> </ul>	3	2	6		We have had sufficient applications so far.
19.	If Welsh Government does not accept the recommendations within the annual Education and Training Plan for 2020/21 it could impact on the future supply of the healthcare workforce and directly impact on the quality of patient care  SG	4	3	12	<ul style="list-style-type: none"> <li>Ensure the annual plan is robust and evidence based</li> <li>Ensure the annual education training plan reflects priorities which are reflected in the 10 year workforce strategy</li> <li>Liaise with Welsh Government so they are sighted in advance on the possible level of investment required</li> </ul>	3	3	9		

HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
20.	<p>Apprenticeship Frameworks</p> <p>If Welsh Government do not provide a means for the newly developed health qualifications to be recognised within Apprenticeship frameworks, health care staff will continue to undertake outdated qualifications as part of their apprenticeship</p> <p>SG</p>	3	4	12	<ul style="list-style-type: none"> <li>Working with WG to develop for health apprenticeships to be revised and updated</li> </ul>	3	3	9		

HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
21.	<p>If the loss of Eduroam portal provision following transition out of Cardiff University is not addressed by an effective replacement, it will impact on trainees and trainers ability to undertake and complete appropriate training through a dedicated internet connection. Risk of reputational risk to Wales and Welsh offer.</p> <p>AH</p>	5	4	20	<ul style="list-style-type: none"> <li>WG and NWIS aware of the issue and working on an amendment to GOVROAM to address our needs and the specific authentication requirements which were previously facilitated by Cardiff University.</li> <li>We are continuing to monitor and press WG for a solution, and will escalate to the CEO NHS Wales as appropriate</li> <li>Communications with trainees and trainers are being handled through consistent messaging</li> </ul>	5	4	20		<p>CEO held meeting with Director of NWIS and WG to agree position and actions on 2 July. Following consultation with WG and NWIS we are engaging with Eduroam with a view to entering into a new Eduroam license.</p>

## HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
22.	<p>If HEIW doesn't have sufficient capacity &amp; capability, there is a risk of delay in clearing the job evaluation backlog/appointing to remaining vacancies in the organisational structure, with a consequent impact on delivery of plans and objectives.</p> <p>JR</p>	5	4	20	<p>This requires:</p> <ul style="list-style-type: none"> <li>Additional short term HR capacity to be secured by HEIW to support the initial peak in recruitment &amp; HR activity over the next 6 -12 months</li> <li>Substantive recruitment to be progressed to HR roles asap. Prioritisation of work for People team including recruitment activity.</li> <li>Investment in training managers across HEIW in job evaluation and job design</li> <li>Trade Union partners to agree to support local JE panels</li> </ul>	4	3	12		<p>Substantive recruitment to permanent HR roles is being progressed; selection of managers have been trained to undertake online recruitment processes and/or be panel members; one additional temporary member of staff recruited</p> <p>Internal job evaluation panels commenced in March and will run regularly in the coming months with support from staff representatives</p> <p>Prioritisation agreed, regular meetings in place with Head of People &amp; OD Team.</p>
23.	<p>If 80 new DN are not recruited to NHS Wales by summer 2020 it could be perceived that HEIW failed to deliver on a WG commitment.</p> <p>SG</p>	4	4	16	<ul style="list-style-type: none"> <li>Revisit original plan agreed with WG</li> <li>Meeting with WG on the 22.7.2019</li> <li>Review projected expenditure and develop additional options</li> <li>Discuss with DON to raise profile and gain support</li> </ul>	4	4	16		<p>New risk as of 3.7.2019</p>

# HEIW Corporate Risk Register

Ref RO	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
24.	If Staff do not comply with Welsh Language Legislation, then HEIW could be subject to Welsh Language Commissioner Investigations and affect business performance as an Enquiry can take up a significant amount of management time. If HEIW is found in Breach of the Welsh Language Standards, it can be liable to substantial pecuniary fines, as well as suffering reputational damage and decrease in staff morale. <b>DB</b>	4	5	20	<ul style="list-style-type: none"> <li>Set up staff group to increase awareness and address concerns of generic staff groupings</li> <li>Set up ongoing Communication and Engagement programme to highlight specific risk areas with solutions</li> <li>Identify 10 highest risk areas and report regularly against these</li> <li>Set up training and awareness sessions against the highest areas of risk</li> <li>Produce information and raise awareness to counteract risks identified</li> </ul>	4	2	8		New risk as of 1.6.2019

## Risk Scoring Matrix

LIKELIHOOD	Probable	5	10	15	20	25
	Likely	4	8	12	16	20

Level

Colour

Score Range

Low



1 – 6

HEIW Corporate Risk Register

	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Negligible	Minor	Moderate	Major	Critical
		IMPACT				

Moderate

High

7 – 14

15 – 25



**GIG**  
CYMRU  
**NHS**  
WALES

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

<b>Meeting Date</b>	<b>15 July, 2019</b>	<b>Agenda Item</b>	<b>2.12</b>
<b>Report Title</b>	<b>HEIW Information Governance progress report</b>		
<b>Report Author</b>	Tim Knifton, NWSSP Information Governance Manager		
<b>Report Sponsor</b>	Dafydd Bebb, Board Secretary		
<b>Presented by</b>	Dafydd Bebb, Board Secretary		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	To report on the progress undertaken to ensure HEIW achieves compliance with Information Governance principles. Notably compliance with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).		
<b>Key Issues</b>	Providing the Audit and Assurance Committee with assurance and demonstrating compliance with the General Data Protection Regulation/UK Data Protection Act 2018.		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
			✓
<b>Recommendations</b>	<p>Members are asked to note for assurance:</p> <p>the progress made in respect of ensuring compliance with Information Governance principles and future plan going forward.</p>		



# **HEIW INFORMATION GOVERNANCE COMPLIANCE REPORT**

## **1. INTRODUCTION**

Effective Information Governance (IG) requires HEIW as an organisation to understand its obligations for compliance and ensure that all staff understand the importance of ensuring information (including personal data and business sensitive information) is managed effectively.

## **2. BACKGROUND**

This paper details the progress made to date in terms of IG compliance and future plan.

IG within HEIW has the following fundamental aims:

- to promote effective and appropriate use of information (including personal information, and commercially sensitive data);
- 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 (both personal and commercially sensitive information) is done fairly, effectively and in accordance with the law.

HEIW's ultimate goal is to help the organisation and individuals to be consistent in the way we handle personal and corporate information, avoid duplication of effort and lead to improvements in:

- information handling activities including recording of all information assets contained within the organisation;
- work to achieve compliance in line with current and future legislation; and
- continued employee awareness, training and development.

## **3. GOVERNANCE AND RISK ISSUES**

The implications of a lack of Information Governance compliance may result in formal investigation procedures, poor publicity and potential monetary penalties by the Information Commissioner's Office (ICO).

## **4. FINANCIAL IMPLICATIONS**

There are no financial implications.

## **5. RECOMMENDATION**

Members are asked to note for assurance the progress made in respect of ensuring compliance with Information Governance principles and the future plan going forward.

Governance and Assurance				
<b>Link to corporate objectives</b> <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
	✓			
<b>Quality, Safety and Patient Experience</b> Assurance that HEIW holds and retains data safely and confidentially with safeguards for data quality. HEIW also provides service users with assurance that Information Governance is considered and maintained within an effective culture of confidentiality. HEIW does not hold personal patient data.				
<b>Financial Implications</b> No financial implications to consider.				
<b>Legal Implications (including equality and diversity assessment)</b> If not considered, legal implications of a lack of Information Governance compliance leaves the organisation open for the potential of formal investigation procedures and potential monetary penalties by the Information Commissioner's Office (ICO).				
<b>Staffing Implications</b> Currently, there is a seconded Information Governance Manager in post. It is anticipated that a permanent IG Manger will be appointed in Q2.				
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b> None identified.				
<b>Report History</b>	No report history.  However, reports will be produced on a quarterly basis in future.			
<b>Appendices</b>	Appendix 1 – Summary of work completed to date Appendix 2 – Work to be completed			

## Appendix 1 - Summary of work completed to date for HEIW in relation to Information Governance (IG) compliance

Matter	Commentary
<b>Staff training and awareness of IG requirements</b>	<p>Staff receive training in respect of IG, (including Data Protection and Freedom of Information) at induction. Further more detailed training is compulsory via ESR.</p> <p>Key information available to staff via the intranet site.</p>
<b>Development of an Information Governance Work Plan</b>	<p>The Working Plan has been developed and lists areas of priority and those that need to be concentrated on to achieve or maintain compliance. Some of those will be adhoc and never expect to achieve full compliance due to the rolling basis of the task but need monitoring (e.g.: breach reporting, training).</p>
<b>Development of a GDPR Work Plan to work towards compliance with the 12 points.</b>	<p>This plan lists the 12 points that were to be considered when implementing the General Data Protection Regulation (GDPR) within HEIW.</p> <p>Populating the Information Asset Register is a key focus area.</p>
<b>Completion of a Caldicott self-assessment for 2018/19</b>	<p>An initial assessment for HEIW was completed to measure current arrangements which will be reflected in the organisation's Work Plan.</p> <p>As HEIW does not hold patient data, it has been discussed whether HEIW requires a Caldicott Guardian.</p> <p>Any assessment work in the future will be carried out by a newly appointed IG Manager.</p>
<b>Policies and procedure identified by the HEIW work programme developed and approved.</b>	<p>These include: CCTV protocol, Confidentiality Breach Reporting protocol, Data Quality policy, Data Protection and Confidentiality policy, Data Subject Access protocol,</p>

	Information Governance policy, Records Management policy, Taking Information Offsite protocol, Managers checklist for termination of employment. There has also been extensive input into other policies relating to IT including anti-virus and software use.
<b>Staff privacy notice</b>	Completed and placed on the intranet.
<b>Information Asset Register (IAR)</b>	Work has commenced in respect of the IAR. HEIW's SharePoint online system catalogued. Local file storage to be updated. The Information Asset Register will need to be reviewed and populated with relevant information.
<b>Privacy Impact Assessment protocol and document</b>	Completed.

## Appendix 2 – Summary of work to be completed in Q2

<b>Matter</b>	<b>Timescale</b>
Approval of procedures and protocols relating to IG and publishing the same.	July
FOI publication scheme	July
Publishing work and remit of IG function on the intranet	August
Completion of populating of the Information Asset Register (IAR)	September/October and then ongoing
Further training to be provided to staff in respect of IG and Data Protection Act 2019	Throughout Q2



**GIG**  
CYMRU  
**NHS**  
WALES

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

<b>Meeting Date</b>	<b>15 July, 2019</b>	<b>Agenda Item</b>	<b>2.13</b>
<b>Report Title</b>	<b>HEIW Contracts and Arrangements</b>		
<b>Report Author</b>	Gareth Thomas		
<b>Report Sponsor</b>	Julie Rogers		
<b>Presented by</b>	Dafydd Bebb		
<b>Freedom of Information</b>	Closed		
<b>Purpose of the Report</b>	This report provide the Audit Committee with an update on the creation of the contracts and agreements register		
<b>Key Issues</b>	Knowledge of historic agreements Knowledge of contract owners		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
			✓
<b>Recommendations</b>	<p>The Audit and Assurance Committee is asked to note the following for assurance:</p> <ul style="list-style-type: none"> <li>- note the process undertaken;</li> <li>- note the timescale for delivery of the final contract and agreement register to the next meeting of the Audit Committee in September .</li> </ul>		

## 1. INTRODUCTION & BACKGROUND

In line with the 2018/19 Internal Audit Plan for HEIW a review of the policies and procedures to support the transitional arrangements was undertaken. The review sought to provide assurance to the Audit and Assurance Committee (Committee) that there are effective processes in place to manage the risks associated with the transition of arrangements to the organisation.

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 corporate transitional plan.

The areas that the review sought to provide assurance on in relation to contracts and agreements were:

- Novated contracts have clear ownership within HEIW.
- Contracts, such as key Service Level Agreements (SLAs), which meet the needs of the organisation, have been agreed and signed-off by both parties.
- There is a mechanism in place to review the arrangements of key SLAs so that they can be revisited and updated to reflect the changing needs of the organisation as it develops.
- Contracts have clear ownership within HEIW.
- Contracts are appropriately monitored, reported and scrutinised.

## 2. PROCESS

There are strengths and weakness to our current contract management process. The contract management currently sits within the business areas which enables the management of external providers to be part of and close to front-line services. This in itself is a strength, as many of the staff have the experience and knowledge of their own areas and have established relationships with their suppliers. However, there may be a differences in the way the processes and risks are managed.

HEIW was therefore asked to monitor and manage contracts by maintaining a register that would capture both novated and newly agreed contracts, highlighting contract/agreement cessation dates, costs and owner.

This exercise is being undertaken by the planning team with the full cooperation and engagement of the directorates. The key objective has been to develop and coordination of such arrangement which in turn will assist the directorate leads in the management of their existing contracts and enable proactive monitoring of when additional work is required, flagged by the planning team.

To date, work has been carried out with directorates to develop a systematic approach to the improvement of their contract management. Work is currently being progressed in the following:

- The creation of the HEIW Contracts and Agreements Register (**Appendix A**) highlighting:

- contract start and end dates
- service being contracted for and agreed
- contract costs (if applicable)
- organisational leads
- vendor/supplier details
- Risk (Red, Amber, Green)

The register will highlight the number of days to cessation and provide a clear timeline to engage with suppliers to renew, extend or procure new services in line with procurement timescales. The register will also have a Red Amber Green status report.

The register has been populated with the known range of information identified to date and further work is being undertaken to validate and confirm this. Ongoing as new arrangements are made, the register will be updated accordingly.

It is proposed the final register will be submitted to Audit committee in September 2019 following approval from the executive team.

### **3. GOVERNANCE AND RISK ISSUES**

In line with good governance, the contract register is to provide assurance to HEIW that all risks are managed and mitigated.

### **4. FINANCIAL IMPLICATIONS**

There may be financial consequences due to the lack of knowledge of legacy organisational contracts and through opening dialogue on developing new arrangements. However, all current known contracts associated with each directorate are being managed and risks have been mitigated.

### **5. RECOMMENDATION**

The Audit and Assurance Committee is asked to note the following for assurance:

- note the process undertaken;
- note the timescale for delivery of the final contract and agreement register to the next meeting of the Audit Committee in September .

## Governance and Assurance

### Link to corporate objectives (please ✓)

As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand

✓

Improving opportunities for use of technology and digitalisation in the delivery of education and care.

Building a sustainable and flexible health and care workforce for the future.

Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales

With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.

Demonstrating value from investment in the workforce and the organisation.

Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.

### Quality, Safety and Patient Experience

This process will safeguard our interests in relation to arrangements supporting education and training of the workforce which will ensure as far a possible we maintain the quality of our services to those we support

### Financial Implications

Not Applicable

### Legal Implications (including equality and diversity assessment)

Not Applicable

### Staffing Implications

Existing and budgeted resources utilised to support work.

### Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)

Not Applicable

### Report History

Not Applicable

### Appendices

Contracts and Agreement Register



## Contract and Agreements Register



**GIG**  
CYMRU  
**NHS**  
WALES

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

[illegible]