

Audit and Assurance Committee (Open)

Thu 21 October 2021, 10:30 - 12:30

Zoom

Agenda

10:30 - 10:40
10 min

PRELIMINARY MATTERS

 00 - Agenda AAC 211021 (Open).pdf (2 pages)

1.1 Welcome and Introductions

Presenter: Chair/Oral

1.2 Apologies for Absence

Presenter: Chair/Oral

1.3 Declarations of Interest

Presenter: Chair/Oral


1.4 Draft Minutes of the Audit and Assurance Committee meeting held on the 21 July 2021

Presenter: Chair/Attachment

 1.4 - Unconfirmed Minutes AAC 210721 (Open) (GL).pdf (12 pages)

1.5 Action Log from the Audit and Assurance Committee meeting held on the 21 July 2021

Presenter: Chair/Attachment

 1.5 - Action Log AAC 210721 (Open) (GL).pdf (3 pages)

1.6 Matters Arising

Presenter: Chair/Oral


10:40 - 12:15
95 min


2. MATTERS FOR CONSIDERATION

2.1 Annual Review of Financial Control Procedures


Presenter: Director of Finance/Attachments


 2.1a - Review of FCPs Cover Report.pdf (4 pages)


 2.1b - Appendix 1 - Summary of Changes to the FCPs.pdf (2 pages)

 2.1c - Appendix 2 - FCP 2 Non current assets October 2021 - V2.2.pdf (27 pages)


 2.1d - Appendix 3 - FCP 3 Month End Processes October 2021 - V1.3.pdf (12 pages)


 2.1e - Appendix 4 - FCP 4 Recovery of Overpayments Policy October 2021 - V1.2.pdf (22 pages)


 2.1f - Appendix 5 - FCP 5 CIS October 2021 - V1.2.pdf (12 pages)


 2.1g - Appendix 6 - FCP 6 Purchasing Card October 2021 - V2.1.pdf (16 pages)

 2.1h - Appendix 7 - FCP 7 VAT October 2021 - V1.2.pdf (10 pages)

 2.1i - Appendix 8 - FCP 8 General Ledger October 2021 - V1.3.pdf (7 pages)

 2.1j - Appendix 9 - FCP 9 Petty Cash October 2021 - V1.2.pdf (7 pages)

 2.1k - Appendix 10 - FCP 10 Income, Fees & Charges October 2021 - V2.1.pdf (11 pages)

 2.1l - Appendix 11 - FCP 11 Accounts Payable October 2021 - V2.1.pdf (10 pages)

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- 2.1m - Appendix 12 - FCP 12 Banking October 2021 - V1.3.pdf (9 pages)
- 2.1n - Appendix 13 - FCP 13 Counter Fraud October 2020 - V1.2.pdf (25 pages)

2.2 Internal Audit Progress Report

Presenter: Internal Audit/Attachments

- 2.2a - Report coversheet - Progress report for IA - October 2021.pdf (1 pages)
- 2.2b - HEIW -Progress report - October 2021.pdf (5 pages)
- 2.2c - HEIW 2122.12 Recruitment Final Audit Report.pdf (21 pages)

2.3 Audit Wales Progress Report

Presenter: Audit Wales/Attachment

- 2.3a - Audit Wales Progress Report (Cover Paper).pdf (1 pages)
- 2.3b - HEIW Audit and Assurance Committee update October 2021.pdf (8 pages)

2.4 HEIW Procurement Process Improvement Report - Update

Presenter: Finance Director/Attachment

- 2.4a - Procurement Improvement Report Oct 21 draft v1 (V3 28-04-20)(tracked).pdf (4 pages)
- 2.4b - Appendix 1 Audit Committee Procurement Improvement Action Plan October 21.pdf (2 pages)

2.5 Procurement Compliance Report

- 2.5a - Procurement Compliance Report (AAC 211021)(V3 Ver) - MP.pdf (3 pages)
- 2.5b - Health Education Improvement Wales Oct_2021 Appendix 1 v2 (002).pdf (2 pages)

2.6 Counter Fraud Progress Report

- 2.6a - Cover Sheet HEIW Audit Committee Progress Report.pdf (4 pages)
- 2.6b - HEIW Audit Committee LCFS Update 21.10.2021.pdf (5 pages)
- 2.6c - CF Newsletter May 2021.pdf (4 pages)

2.7 Update on Standing Financial Instructions

Presenter: Director of Finance/Oral

2.8 Review of Board Assurance Framework

Presenter: Board Secretary/Attachment

- 2.8a - Cover paper (BAF) Oct A&AC 21.10.21. docx.pdf (4 pages)
- 2.8b - Appendix 1 - BOARD ASSURANCE FRAMEWORK 14.10.21(1)(tracked).pdf (14 pages)

2.9 Information Governance and Information Management Reports

2.9.1 Key Issues Report

Presenter: Board Secretary/Attachment

- 2.9.1 - Key Issues Report IGIM 28 September to AAC.pdf (6 pages)

2.9.2 Information Governance Toolkit Update

Presenter: Director of Digital/Attachment

- 2.9.2a - Information Governance Implementation and Delivery Plan September.pdf (4 pages)
- 2.9.2b - Appendix 1 - Information Governance Implementation and Delivery Plan.pdf (29 pages)

2.10 Review of Declaration of Interest Register

Presenter: Board Secretary/Attachments

- 2.10a - Review of Declaration of Interest Register (Oct 2021)(DB).pdf (4 pages)
- 2.10b - DOI Register (as at 15 October 2021).pdf (11 pages)

2.11 Review of Gifts, Hospitality and Sponsorship Register

Presenter: Board Secretary/Attachment

- 2.11 - Review of Gifts Hospitality and Sponsorship Register (Oct 2021)(DB).pdf (3 pages)

2.12 Risk Policy

Presenter: Board Secretary/Attachment

- 2.12a - Review of Risk Policy (Oct 2021)(DB).pdf (3 pages)
- 2.12b - DRAFT Risk Management Policy HEIW V4.pdf (13 pages)

2.13 Corporate Risk Register

Presenter: Board Secretary/Attachments

- 2.13a - Corporate Risk Register (Cover paper) (F).pdf (5 pages)
- 2.13b - Corporate Risk Register (as at 111021).pdf (6 pages)

2.14 Audit Recommendations Tracker

Presenter: Board Secretary/Attachments

- 2.14a - Audit Recommendations Tracker (Oct 21)(F).docx (tracked).pdf (6 pages)
- 2.14b - HEIW Audit Tracker (as at 151021).pdf (4 pages)

2.15 Terms of Reference of the Information Governance and Information Management Group

Presenter: Board Secretary/Attachments

- 2.15a - Review of IGIM Terms of Reference.pdf (3 pages)
- 2.15b -Appendix 1 - IGIMG Terms of Reference V4.(clean).docx.pdf (4 pages)

12:15 - 12:25
10 min

3. FOR INFORMATION

3.1 Joint Escalation and Intervention Arrangements

Presenter: Board Secretary/Attachment

- 3.1 - 2021-08-09 AG to AH re Joint Escalation and Intervention Arrangements.pdf (1 pages)

12:25 - 12:30
5 min

4. CLOSE

4.1 Any Other Business

Presenter: Chair/Oral

4.2 Date of Next Meeting

Wednesday 2 February 2022 at 10am venue to be confirmed.

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**COMMITTEE MEMBERS PRIVATE DISCUSSIONS WITH COUNTER
FRAUD, INTERNAL AND EXTERNAL AUDITORS
10:00 – 10:20**

FULL AUDIT AND ASSURANCE COMMITTEE

**Thursday, 21 October 2021 at 10:30am
Via Zoom**

AGENDA

PART 1	PRELIMINARY MATTERS	10:30 – 10:40
1.1	Welcome and Introductions	Chair/ Oral
1.2	Apologies for Absence	Chair/ Oral
1.3	Declarations of Interest	Chair/ Oral
1.4	Draft Minutes of the Audit and Assurance Committee meeting held on 21 July 2021	Chair/ Attachment
1.5	Action Log from the Audit and Assurance Committee meeting held on the 21 July 2021	Chair/ Attachment
1.6	Matters Arising	Chair/ Attachment
PART 2	MATTERS FOR CONSIDERATION	10:40 – 12:15
2.1	Annual Review of Financial Control Procedures	Director of Finance/ Attachments
2.2	Internal Audit Progress Report <ul style="list-style-type: none"> Progress Report Recruitment Internal Audit Report 	Internal Audit/ Attachments
2.3	Audit Wales Progress Report	Audit Wales/ Attachments
2.4	HEIW Procurement Process Improvement Report - Update	Director of Finance/Head of Procurement/ Attachment
2.5	Procurement Compliance Report	Director of Finance/Head of Procurement/ Attachment
2.6	Counter Fraud Progress Report	Counter Fraud Manager/ Attachments/
2.7	Update on Standing Financial Instructions	Director of Finance/ Oral
2.8	Review of Board Assurance Framework	Board Secretary/ Attachment
2.9	Information Governance and Information Management Reports	Board Secretary/ Attachment

	2.9.1 – Key Issues Report 2.9.2 – Information Governance Toolkit Update	Director of Digital/ Attachment
2.10	Review of Declarations of Interest Register	Board Secretary/ Attachments
2.11	Review of Gifts, Hospitality and Sponsorship Register	Board Secretary/ Attachment
2.12	Risk Policy	Board Secretary/ Attachment
2.13	Corporate Risk Register	Board Secretary/ Attachment
2.14	Audit Recommendations Tracker	Board Secretary/ Attachment
2.15	Terms of Reference of the Information Governance and Information Management Group	Board Secretary/ Attachment
PART 3	FOR INFORMATION	12:15-12:25
3.1	Joint Escalation and Intervention Arrangements	Board Secretary/ Attachment
PART 4	CLOSE	12:25 – 12:30
4.1	Any Other Business	Chair/ Oral
4.2	Date of Next Meeting: <ul style="list-style-type: none"> Wednesday 2 February 2022 at 10am TBC either via Microsoft Team or HEIW Meeting Room 1, Ty Dysgu 	Chair/ Oral

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

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UNCONFIRMED

**Minutes of the Audit and Assurance Committee
held on 21 July 2021 at 12:20 to 14:20
Via Zoom**

Present:

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

In Attendance:

Dafydd Bebb	Board Secretary
Eifion Williams	Director of Finance (Part)
Sian Richards	Director of Digital
Martyn Pennell	Head of Financial Accounting
Emma Garland	Information Governance Officer
Ricky Harland	Head of Cyber Security
Paul Dalton	Head of Internal Audit (NWSSP)
Emma Samways	Deputy Head of Internal Audit (NWSSP)
Kenneth Hughes	Audit Manager (Audit Wales)
Helen Goddard	Audit Manager (Audit Wales)
Paul Thomas	Procurement Business Manager (NWSSP)
Emily Thompson	Local Counter Fraud Specialist
Urvisha Perez	Senior Auditor (Audit Wales)
Elizabeth Tomkinson	Welsh Language and Corporate Governance Admin Officer (Observer)
Catherine English	Corporate Governance Manager (Secretariat)

PART 1	PRELIMINARY MATTERS	Action
AAC: 2107/1.1	Welcome and Introductions	
	The Chair welcomed everyone to the meeting, in particular Emma Garland, Ricky Hartland and Emily Thompson, who was attending on behalf of Counter Fraud.	
	The meeting was confirmed as quorate.	
AAC: 2107/1.2	Apologies for Absence	
	Apologies were received from Nigel Price and Clare James.	
AAC: 2107/1.3	Declarations of Interest	
	There were no declarations of interest.	
AAC: 2107/1.4	Minutes of the Meeting held on 9 June 2021	

	<p>The minutes of the meeting held on 9 June 2021 were received and approved as an accurate record of the meeting subject to the following amendment:</p> <p>AAC: 0906/2.1.2 - Audit of Financial Statements Report (ISA 260) and Letter of Representation – The last paragraph on page 4 to read 'Clare James confirmed the Ministerial Direction <i>does apply to HEIW...</i>'</p>	
Resolved	The minutes of the meeting held on 9 June 2021 were received and approved as an accurate record of the meeting subject to the agreed amendment.	Board Secretary
AAC: 2107/1.5	Action Log	
	<p>The Committee received the action log and noted the actions were either complete, deferred due to the impact of the COVID-19 pandemic or matters for consideration on today's agenda. Those items that remained outstanding would be kept on the action log until they had been completed. The Committee received the following updates:</p> <p>ACC 2710/2.10 – The Committee was advised that the procurement process for shared services had been standardised across NHS Wales and that for each tender that is carried out, the service is asked to complete a declaration of interest.</p> <p>ACC 0704/2.1.1 – it was confirmed an update would be provided as part of the Counter Fraud update later on the agenda.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the Action Log and the updates received. 	
AAC: 2107/1.6	Matters Arising	
	There were no matters arising.	
PART 2	MATTERS FOR CONSIDERATION	
AAC: 2107/2.1	Information Governance Toolkit Submission and Information Governance Delivery and Implementation Plan 2021/22	
	<p>The Committee received the report.</p> <p>In presenting the report, Sian Richards explained that NHS Wales had adopted the Welsh Information Governance Toolkit for NHS Organisations. Following a low-level compliance score in the voluntary submission in March 2021, an improvement delivery plan has been developed which outlines the work programme for the year ahead. It is anticipated that when the Toolkit submission is completed in March 2022, a significant amount of the work needed to achieve Level 2 will have been completed, increasing the compliance score. The plan focuses on the development of comprehensive documentation and the creation of processes to support the information governance function. The delivery plan has been agreed with the Executive Team and will be monitored by the Information Governance and Information Management Group (IGIMG).</p>	

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	<p>It was noted the internal audit of the IG Toolkit process and the development of the implementation plan found the level of assurance to be 'substantial', and work on addressing the recommendations had already commenced.</p> <p>The Committee considered HEIW's low-level compliance score and how it compared to other organisations within the NHS, noting that the submission offered HEIW an opportunity to learn and share best practice. The Committee emphasised the importance of training for Independent Members as well as staff and were pleased to note a renewed focus on ensuring training compliance across HEIW.</p> <p>The Committee commended the team on their work to date and looked forward to future updates.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • Noted the submission of the IG Toolkit to Digital Health Care Wales. • Noted that the organisation has been identified as working towards Level One compliance. • Noted the content of the extensive delivery and implementation plan and the large volume of work that is required across a number of subject areas. • Noted the IG Toolkit Audit Report. 	
AAC: 2107/2.2	HEIW Procurement Process Improvement Report	
	<p>The Committee received the report.</p> <p>Introducing the report, Martyn Pennell gave a presentation on the background to the report and explained it provided an update on the HEIW procurement process review and outlined the agreed action plan for addressing recommendations arising from the review.</p> <p>Following a number of meetings between HEIW and NWSSP Procurement, 19 actions were agreed which are detailed in Appendix 1 of the report. It was noted that 8 of the actions have now been completed, and work is still ongoing in relation to the remaining 11 actions. It is anticipated all the actions will be completed by September, and the Committee will continue to receive regular progress updates. In terms of progress to date, it was highlighted that the requisition turnaround time has reduced from 26 days to 3 and that £220,000 savings were realised in the last financial year.</p> <p>The Committee welcomed the report and were pleased to note the pace of progress following a slow start. The Committee noted the savings of £220,000 and requested a breakdown of those savings at its next meeting.</p>	
Resolved	The Committee:	

	<ul style="list-style-type: none"> • noted the Procurement Process Improvement Report for information. • To receive a breakdown of the £220,000 savings at its next meeting. 	EW
AAC: 2107/2.3	Procurement Compliance Reporting	
	<p>The Committee received the report.</p> <p>In presenting the report, Paul Thomas explained the report provided an update on procurement activity undertaken during the period 1 April to 15 June in accordance with reference 1.2 of the Standing Financial Instructions.</p> <p>The Committee considered the appointment of Michael West and the use of single tender contracts more widely, highlighting the importance of ensuring other organisations are provided with an opportunity to engage in the tendering process wherever possible. It was confirmed that the procurement process encourages bids from as many suppliers within the marketplace as possible, although sometimes there are genuine reasons why a single tender action is more appropriate.</p>	
Resolved	The Committee noted the Procurement Compliance Report for assurance .	
AAC: 0605/2.1.2	Internal Audit Progress Report	
	<p>The Committee received the reports.</p> <p>In presenting the reports, Paul Dalton confirmed that since the last meeting of the Committee, one report had been finalised, one remained in draft, and fieldwork was ongoing in one area. During the period, the Pharmacy Pre-Registration Internal Audit Report and Governance Arrangements Internal Audit Report had been issued with both receiving 'reasonable' assurance. The Information Governance Toolkit Internal Audit Report was also issued and received 'substantial assurance'. It was noted that Audit Wales are currently carrying out work in relation to the Structured Assessment and that discussions between Audit Wales and Internal Audit were underway to avoid duplication of effort.</p> <p>The Committee considered the impact of the pandemic on the delivery of the 2020/21 Internal Audit programme and were reassured that it was anticipated the 2021/22 Internal Audit programme would be delivered on time.</p> <p>Summarising the Pharmacy Pre-Registration report, Kenneth Hughes confirmed two medium priority recommendations and one low priority recommendation had been identified. It was noted that while the report highlighted a lack of project management arrangements in place at the start of the project, there was evidence to suggest project management arrangements generally had improved across the</p>	

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	<p>organisation. It was confirmed a review of HEIW's wider project and programme management was scheduled for later in the year.</p> <p>Summarising the Governance Arrangements report, Emma Samways explained the review built on the work done by the Board Secretary and considered the governance arrangements for a sample of committees and sub-groups. It was confirmed two medium priority recommendations and one low priority recommendation had been identified by the audit.</p> <p>The Committee considered the importance of ensuring committees and sub-groups were focused and had a clear purpose and were supportive of closing groups that were no longer necessary.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the Internal Audit Progress Report, Pharmacy Pre-Registration Internal Audit Report, Governance Arrangements Internal Audit Report, and Information Governance Toolkit Internal Audit Report for assurance. 	
AAC: 2107/2.5	Audit Wales	
AAC 2107/2.5.1	Audit Wales Progress Report	
	<p>The Committee received the report.</p> <p>In presenting the report, Helen Goddard explained it summarises the status of Audit Wales' key accounts audit work, which is to be reported during 2021 and sets out the performance audit work included in current and previous Audit Plans. It was confirmed that since the last meeting of the Committee, the final accounts and associated returns had been approved by the Board and submitted to Welsh Government.</p> <p>The Committee noted that the Review of Annual Commissioning Arrangements had been scoped, and fieldwork is due to take place over the summer.</p>	
Resolved	The Committee noted the Audit Wales Progress Report for assurance .	
AAC: 2107/2.5.2	Audit Wales Structured Assessment Phase 1 Report	
	<p>The Committee received the report.</p> <p>In presenting the report, Urvisha Perez explained it sets out the findings from phase one of the Auditor General's 2021 Structured Assessment on the operational planning arrangements at HEIW. It was highlighted that overall, HEIW's arrangements for preparing operational plans and monitoring their delivery were found to be robust, and HEIW submitted its Quarters 3-4 Plan and relevant Minimum Data Set to the Welsh Government within the specified timeframe. HEIW's planning arrangements were also found to be robust, and there was evidence of far-reaching engagement with stakeholders despite the</p>	

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	<p>time constraints. The review found HEIW to have effective arrangements to oversee the delivery of its operational plans, which are now embedded in its recently approved Performance Framework and Audit Wales have not made any new recommendations based on the 2021 Structured Assessment phase one work.</p> <p>The Committee was advised that while the performance year ran 1 January 2020 to 31 December 2020, issues such as the pandemic and limited resources meant the work had been delayed. It was confirmed that the 2021 work has yet to be scoped, and it was agreed Audit Wales would provide an update on the timescales for completing the 2020 and 2021 Structured Assessment work at the Committee's next meeting.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the Audit Wales Structure Assessment Phase 1 Report for assurance. • To receive an update on the timescales for completing the 2020 and 2021 Structured Assessment work at its next meeting. 	AW
AAC: 2107/2.6	Counter Fraud	
AAC: 2107/2.6.1	Counter Fraud Progress Report	
	<p>The Committee received the report.</p> <p>Introducing the report, Eifion Williams provided an update on HEIW's Counter Fraud arrangements and thanked Emily Thompson for stepping in to provide the Counter Fraud update.</p> <p>In presenting the report, Emily Thompson confirmed it provided an update on all NHS Counter Fraud work undertaken for HEIW between 1 April 2021 and 30 June 2021.</p> <p>Providing an update on the National Fraud Initiative, it was confirmed that of the 26 high priority matches initially identified for HEIW, investigations into 23 or those have now concluded, and no further action was required. The Committee considered the initial delays in investigating the high priority matches and stressed the importance of ensuring they were investigated more swiftly in future. The Committee noted it had not yet reviewed the Fraud Risk Assessment and stressed the importance of ensuring it was focused on HEIW.</p> <p>It was confirmed that the Fraud Risk Assessment had not yet been received by the Committee and the Committee noted the importance of ensuring it was tailored to HEIW.</p> <p>The Committee were pleased to note the Fraud Awareness presentations were taking place and were keen to ensure more members of staff were encouraged to attend.</p>	

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Resolved	The Committee noted the Counter Fraud Progress Report for information.	
AAC: 2107/2.6.2	Counter Fraud Annual Report 2020/21	
	<p>The Committee received the report.</p> <p>In presenting the report, Emily Thompson explained it provided an update on all NHS Counter Fraud work undertaken for HEIW between 1 April 2020 and 31 March 2021. It was confirmed that during 2020/21, no referrals were made to Counter Fraud for further investigation, and one case opened during the previous financial year was closed. While Covid-19 restrictions prevented face-to-face fraud awareness presentations, 19 virtual presentations were delivered, reaching 232 delegates. The feedback showed that 92% of the delegates agreed that the presentations had improved their knowledge of the counter fraud service, and further presentations will be arranged as part of the counter fraud work plan for 2021/22. During 2020/21, the Local Counter Fraud Team undertook a review of several HEIW policies, and this work will be reported during 2021/22.</p>	
Resolved	The Committee noted the Counter Fraud Annual Report 2020/21 for information.	
AAC: 2107/2.7	Update to Standing Financial Instructions	
	<p>The Committee received the report.</p> <p>In presenting the report, Martyn Pennell and Eifion Williams explained that following an all-Wales review, Welsh Government had issued HEIW with updated model Standing Financial Instructions, which needed to be considered and adopted by HEIW. The updated Standing Financial Instructions have been reviewed by HEIW, and the changes are outlined in the Appendix to the report. The changes represent a significant improvement in several areas. In particular, sustainable procurement and the use of single-action tenders.</p> <p>It was confirmed that there is an expectation that any hosted organisation will follow the Standing Orders and Standing Financial Instructions of HEIW as the hosting organisation. It was also confirmed that the Memorandum of Understanding between HEIW and the Office of the Chief Digital Officer (OCDO) requires the OCDO to follow HEIW's Standing Orders, policies and procedures. The Committee noted the Board Secretary would undertake to make minor amendments to HEIW's Standing Orders once the MOU with the OCDO was in place.</p> <p>The Committee thanked the team for their work in updating the Standing Financial Instructions.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • Considered the Standing Financial Instructions; and 	

	<ul style="list-style-type: none"> • Recommended they be approved by the Board at its meeting on 29 July. 	EW
AAC: 2107/2.8	Updated Standing Orders	
	<p>The Committee received the report.</p> <p>In presenting the report, Dafydd Bebb explained that following a review, revised Model Standing Orders were issued by Welsh Government, and HEIW's Standing Orders have been updated to account for changes made to the Model versions and any local amendments. The amendments are detailed in Appendix 1 to the report and represent only minor changes, including updated job titles and website links.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • Reviewed the amendments made to HEIW's Standing Orders; and • Recommended HEIW's revised Standing Orders be approved by the Board at its meeting on 29 July. 	DB
AAC: 2107/2.9	Proposed Amendments to Delegated Financial Limits	
	<p>The Committee received the report.</p> <p>In presenting the report, Martyn Pennell explained the Committee was being asked to consider two amendments to the delegated financial limits as set out in HEIW's Standing Orders.</p> <p><u>Single Lead Employer (SLE) Payments</u></p> <p>As a result of the expansion of the SLE process managed by NHS Wales Shared Services Partnership (NWSSP), total costs have increased, and the way that costs are recharged has changed. Previously HEIW were invoiced for separate elements of the scheme. The new Service Level Agreement sets out a payment schedule combining all elements of the SLE in one monthly charge. These monthly payments now exceed the £3m delegated financial limit for the Chief Executive and have required Chair's Action to approve the payment for June 2021. It was proposed that the delegated financial limit for the Chief Executive and Deputy Chief Executive (when acting in that role) for the NWSSP SLE monthly charges be increased to £4m.</p> <p><u>Capital Expenditure</u></p> <p>HEIW currently has an annual capital budget of £100k, and as set out in Financial Control Procedure 2 (FCP2) any capital requests must be considered by the Executive Team for approval. In line with paragraph 6.4.1 of the Standing Financial Instructions (SFIs) the final ordering process has historically been approved in line with the appropriate revenue limits. In light of the potential growth in capital requirements in the near future, both internally and through external changes such</p>	

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	<p>as the hosting of the Office of the Chief Digital Officer, it was suggested delegated financial limits for capital expenditure are separately identified to make the control more transparent. It was proposed the Delegated Financial Limits be amended to list capital and revenue items separately and to set the capital approval limit to £100k for the Chief Executive, Deputy Chief Executive (when acting in that role) and the Director of Finance. The Board would retain an unlimited approval level to match the revenue limits.</p> <p>It was noted that the Boards Capital Delegated Financial Limit was 'unlimited' and not £100,000, as detailed in Appendix 1.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • considered the proposed amendments to the Standing Orders as outlined in section 2; and • recommended that they be approved by the July Board subject to the amendment to Appendix 1. 	MP
AAC: 2107/2.10	Review of Audit and Assurance Committee Terms of Reference	
	<p>The Committee received the report.</p> <p>In presenting the report, Dafydd Bebb explained it is good governance practice for the Committee's terms of reference to be reviewed annually. The Committee last reviewed the current Audit and Assurance Committee terms of reference in October 2020, following the HEIW Chair's Review of Committee Membership. There are no proposed changes to the Terms of Reference.</p> <p>The Committee considered and approved the Terms of Reference.</p>	
Resolved	<p>The Committee</p> <ul style="list-style-type: none"> • approved the Audit and Assurance Committee Terms of Reference. 	
AAC: 2107/2.11	Information Governance and Information Management Report	
	<p>The Committee received the report.</p> <p>In presenting the report, Dafydd Bebb explained it provided the Committee with an update of the current position regarding the Freedom of Information Requests, Data Subject Access Requests and Cyber Security.</p> <p>It was noted that during the period, HEIW received 9 Freedom of Information requests, all of which were responded to within time.</p>	
Resolved	The Committee noted the report for assurance .	

AAC: 2107/2.12	Board Assurance Framework (Mitigation of Strategic Risks)	
	<p>The Committee received the report.</p> <p>In presenting the report, Dafydd Bebb explained it provided an update on the Strategic Risks Control Framework, which represents a further development of the HEIW Board Assurance Framework (BAF). The BAF outlines how the Board identifies and understands the principal risks to achieving its strategic objectives and receive assurance that appropriate controls are in place to manage these risks. The BAF also enables an assessment of the risk(s) to achieving the objectives based on the strength of controls and assurances in place. It was proposed that the Strategic Risks Control Framework is incorporated into the BAF and reviewed by the Audit and Assurance Committee as a part of the annual process for the review of the BAF.</p> <p>The Committee stressed the importance of ensuring appropriate mechanisms were in place to ensure any gaps in assurance are highlighted to the Committee for consideration.</p>	
Resolved	The Committee reviewed and noted the Strategic Risks Control Framework for assurance .	
AAC: 2107/2.13	Corporate Risk Register	
	<p>The Committee received the report.</p> <p>Dafydd Bebb introduced the report noting the Corporate Risk Register (CRR) contained 11 risks in total, 1 red status risk and 8 amber status risks and 2 green status risks. The red risk relates to cyber-security, and good progress continues to be made in terms of implementing the Cyber Security Implementation Plan.</p> <p>It was noted that risk 19 had increased in score during the reporting period but remained amber status. It was confirmed the increased score was a result of delays in implementing the mitigating actions.</p> <p>The Committee was encouraged by the progress made in relation to the two green status risks and supported their removal from the Corporate Risk Register.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • Noted the report for assurance; and • Approved the removal of the two 'green' status risks, risk 10 and risk 11 from the Corporate Risk Register. 	DB
AAC: 2107/2.14	Audit Recommendations Tracker	
	The Committee received the report.	

	<p>In presenting the report, Dafydd Bebb explained the Audit Recommendations Tracker (Tracker) contains the current agreed actions in response to the recommendations and advisory considerations within audit reports received from Internal Audit and Audit Wales. The Internal Audit Tracker currently includes 27 recommendations, 18 of which are 'green'. Of those 27 recommendations, 7 are overdue. Some of the overdue recommendations relate to the dashboard, where steady progress continues to be made. It was confirmed that one of the overdue recommendations relates to the development of a Digital IT Strategy which may be further delayed by a national Digital IT Strategy which is currently being developed by Welsh Government.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the report; and • agreed the green recommendations that have been assessed as completed be removed from the Tracker. 	DB
AAC: 2107/2.15	Ministry of Defence (MoD) Memorandum of Understanding (MOU) with HEIW for Postgraduate Speciality Trainees	
	<p>The Committee received the report.</p> <p>In presenting the report, Dafydd Bebb confirmed the Memorandum of Understanding had been renewed and was designed to confirm the overall objectives of parties to the agreement.</p> <p>The Committee noted that Memorandums of Understanding were agenda items common to both the Education Commissioning and Quality Committee and the Audit and Assurance Committee. The Committee stressed the importance of ensuring each Committee was clear on its purpose and remit when considering Memorandums of Understanding to avoid duplication of effort. It was agreed the Board Secretary would review the Committee's Terms of Reference and clarify what role each Committee had in regard to Memorandums of Understanding.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the report; and • requested the Board Secretary review the Committee's Terms of Reference and clarify what role each Committee has in regard to the review of Memorandums of Understanding. 	DB
PART 3	FOR INFORMATION	
AAC: 2107/3.1	Education Commissioning and Quality Committee Annual Report 2020/21	
	<p>The Committee received the report.</p> <p>It was noted the last but one paragraph on page four should read:</p>	

	'An update on the Work-Based Learning and Apprenticeship Framework in Wales and noted the potential additional <i>resource</i> required to facilitate implementation in July 2020.'	
Resolved	The Committee: <ul style="list-style-type: none"> • Noted that the Education Commissioning and Quality Committee has approved the Annual Report 2020/21 for submission to the Board for assurance. • Noted the Education, Commissioning and Quality Committee Annual Report 2020/21 for information. 	
PART 4	CLOSE	
AAC: 2107/4.1	Any Other Business	
	None	
AAC: 2107/4.2	Date of Next Meeting	
	The date of the next meeting to be held on Thursday 21 October 2021 at 10am either via Microsoft Teams or HEIW Meeting Room 1, Ty Dysgu, Nantgarw.	

.....
Gill Lewis (Chair)

.....
Date:

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Audit and Assurance Committee (Open)
21 July 2021
Action Log

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

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 27/10/2.10	Declarations of Interest – Review of Practices within other organisations			
	<ul style="list-style-type: none"> The Committee to receive feedback from the 'retrospective' review of those items reported in the Procurement Compliance Report as 'not endorsed' in relation to any conflicts of interest. 	Head of Procurement	July	Completed – It was confirmed at the meeting on 21/07/21 that the procurement process is standardised across NHS Wales and that for each tender carried out, the service is required to complete a declaration of interest return. For the specific items referred to in this action, all items were subject to a further review and no conflicts of interest were identified.
AAC: 01/04/3.1	Welsh Government Grip and Control Expectations			
	<ul style="list-style-type: none"> Any good practice proposals for adoption by HEIW be presented at a future Committee meeting. 	Director of Finance	October 2021	Completed - The Good Practice Proposals are under review and any requiring adoption will be added to the Committee Forward Work Programme as required for consideration.
AAC: 07/04/2.1.1	Counter Fraud Progress Report			
	<ul style="list-style-type: none"> The Committee to receive an update on the timescales for, and barriers to, completing the 2020/21 priority data matches. 	Director of Finance/ Counter Fraud Manager	July 2021	Completed - All high-risk matches have been reviewed and no evidence of fraud has been identified. These cases have now been closed and no further action is required.

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 2107/1.4	Minutes of the Meeting held 9 June 2021			
	<ul style="list-style-type: none"> The last paragraph on page 4 of the minutes to be amended to read 'Clare James confirmed the Ministerial Direction <i>does apply to HEIW...</i>' 	Board Secretary	1 Week	Completed.
AAC: 2107/2.2	HEIW Procurement Process Improvement Report			
	<ul style="list-style-type: none"> The Committee to receive a breakdown on the £220,000 savings highlighted in the report at its next meeting. 	Director of Finance	October 21	Completed – a breakdown of the highlighted savings will be included in the report which is on the October Audit and Assurance Committee agenda.
AAC: 2107/2.5.2	Audit Wales Structured Assessment Phase 1 Report			
	<ul style="list-style-type: none"> The Committee to receive an update on the timescales for the 2021 local project work at its next meeting. 	Audit Wales	October 21	Completed – This has been added as an agenda item for the October meeting where an update on progress will be provided.
AAC: 2107/2.7	Update on Standing Financial Instructions			
	<ul style="list-style-type: none"> The Committee to recommend the updated Standing Financial Instructions be approved by the Board at its meeting on 29 July 2021. 	Director of Finance/Chair	October 21	Completed - Following further review the SFIs are to be re-issued by WG to better reflect requirements of HEIW. This has been added as an agenda item for the October meeting where an update on progress will be provided.
AAC: 2107/2.8	Updated Standing Orders			
	<ul style="list-style-type: none"> The Committee to recommend HEIW's revised Standing Orders be approved by the Board at its meeting on 29 July. 	Board Secretary/Chair	29 July 21	Completed

AAC: 2107/2.9	Proposed Amendments to Delegated Financial Limits			
	<ul style="list-style-type: none"> The Committee to recommend the proposed amendments to the Delegated Financial Limits be approved by the July Board subject to the amendment to Appendix 1. 	Director of Finance	29 July 21	Completed
AAC: 2107/2.13	Corporate Risk Register			
	<ul style="list-style-type: none"> The two green status risks, risk 10 and risk 11, to be removed from the Corporate Risk Register. 	Board Secretary	1 Week	Completed
AAC: 2107/2.14	Audit Recommendations Tracker			
	<ul style="list-style-type: none"> The green recommendations that have been assessed as completed to be removed from the Audit Recommendations Tracker. 	Board Secretary	1 Week	Completed
AAC: 2107/2.15	Ministry of Defence (MoD) Memorandum of Understanding (MOU) with HEIW for Postgraduate Specialty Trainees			
	<ul style="list-style-type: none"> The Board Secretary to review the Committees' Terms of Reference and clarify what role each Committee has in regard to the review of Memoranda of Understanding. 	Board Secretary	October 2021	Complete – an MOU and Data Sharing Agreement were considered by the Education Committee to enable members to take account of the approach taken in respect of these documents. Going forward MOU's will be continue to be considered for information by the Audit Committee.

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Meeting Date	21 October 2021	Agenda Item	2.1
Report Title	Annual Review of Financial Control Procedures		
Report Author	Martyn Pennell, Head of Financial Accounting		
Report Sponsor	Eifion Williams, Director of Finance		
Presented by	Martyn Pennell, Head of Financial Accounting		
Freedom of Information	Open		
Purpose of the Report	To present the Audit & Assurance Committee with the annual review of the Financial Control Procedures (FCPs).		
Key Issues	<p>All Financial Control Procedures adopted by HEIW have been reviewed during 2021-22. Amendments are proposed to twelve of the documents to reflect the requirements of the revised model Standing Financial Instructions issued by Welsh Government during the year. Further amendments have been made to reflect the operational requirements of HEIW.</p> <p>The amended FCPs are presented for consideration by the Audit & Assurance Committee.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			Approval ✓
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • approve the proposed amendments to Financial Control Procedures 2 to 13, as included in appendices 2 to 13. 		

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ANNUAL REVIEW OF FINANCIAL CONTROL PROCEDURES

1. INTRODUCTION

This paper provides an update on the annual review of Financial Control Procedures (FCPs) in HEIW and asks the Audit & Assurance Committee to consider and approve the proposed amendments.

2. BACKGROUND

On formation of HEIW in October 2018, the Audit and Assurance Committee (the Committee) approved a set FCPs for use in the new organisation. The FCPs translate the high-level Standing Orders and Standing Financial Instructions (SFIs) into operational rules and regulations that must be followed by all members of staff.

To ensure that the FCPs continue to reflect all relevant regulations and they allow HEIW to operate in the way that it needs to, the FCPs are reviewed on an annual basis. The last review took place at the Committee on 21 October 2020.

During 2021/22 Welsh Government issued all NHS Wales organisations with model SFIs for adoption, which were brought to the Committee on 11 July 2021 for consideration. Following the meeting, an issue was identified that specifically impacted HEIW and the SFIs were referred back to Welsh Government. The issue has been acknowledged by Welsh Government, and the agreed amendments are currently working through their governance process. The FCPs have been reviewed against the requirements of the updated model SFIs as they are not affected by the revisions being made. The changes being proposed formalise many of the controls and procedures already in place and are not reliant on the SFIs being adopted.

This paper provides an update on the review process for 2021/22 and requests that the Committee approves the proposed changes to the FCPs set out in section 3 below.

3. PROPOSAL

All thirteen FCPs that have been adopted by HEIW have been reviewed, and amendments are proposed in all documents except for FCP1 – Budgetary Control.

The amendments are summarised in appendix 1, and the tracked changes documents are contained in appendices 2 to 13.

The proposed updates reflect the requirements of the updated model SFIs along with other amendments identified as the organisation has developed. With the exception of the items listed below, the proposed amendments do not result in any changes to the processes that are already adopted in HEIW. Instead, they provide further clarity on the requirements of the various tasks and the responsibilities of specific individuals. The items that will result in a change to processes are:

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- FCP 2 – Management of non-current/fixed assets:
 - The revised SFIs specify that HEIW, 'Shall ensure that the three year Capital Plan, and detailed annual capital programme is approved by the Board, as part of the Plan, prior to the commencement of the financial year.' Currently the capital plan is not included within the IMTP, and proposals are considered by the Executive Team when proposals are received.
 - Following a deferral of two years as a result of COVID-19, IFRS 16 is being implemented in the UK public sector from 01/04/2022. The standard changes how leases are accounted for, and most will now be reflected on the Statement of Financial Position (balance sheet). Due to the small number of leases currently held by HEIW the impact is minor, although all staff must be aware of the change when procuring items through leases.
- FCP 4 – Recovery of Payroll Overpayments Policy. The option to request an extension to the repayment period has been made consistent for current and ex-employees.
- FCP 5 – Construction Industry Scheme – The policy has been updated to reflect the changes to the scheme registration policy. Due to the de-minimis level of the scheme this is unlikely to impact HEIW.
- FCP 12 – Banking Arrangements. There is a request to increase the authorisation limit for making payments directly through the bank by the Head of Financial Accounting from £3.5m to £4m. This is required due to the increase in the Single Lead Employer recharge to NHS Wales Shared Services Partnership. This payment must be made on the 1st of each month, and therefore due to timing cannot be made through the Accounts Payable system. This increase relates to the payment process only i.e. to authorise the release of the cash through bankline. The approval to make the payment must continue to be in line with the scheme of delegation.

Subject to approval by the Audit and Assurance Committee, the revised FCPs will become operational on the day following the meeting.

4. 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 will provide assurance that appropriate controls are in place.

Under the Standing Financial Instructions, the Director of Finance is responsible for ensuring that detailed financial procedures are maintained. The SFIs also require that the Audit & Assurance Committee approves all financial procedures that are adopted by the organisation.

5. FINANCIAL IMPLICATIONS

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

6. RECOMMENDATION

Members are asked to:

- Approve the proposed amendments to Financial Control Procedures 2 to 13, as included in appendices 2 to 13.

Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To transform healthcare education and training to improve opportunity, access and population health.	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop national workforce solutions to support the delivery of national service priorities and high-quality patient care.	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
There is no impact on quality, safety and patient experience.			
Financial Implications			
There are no specific financial implications of the proposal. Maintaining appropriate Financial Control Procedures contributes towards good financial governance.			
Legal Implications (including equality and diversity assessment)			
There are no legal implications.			
Staffing Implications			
There are no direct staffing implications.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
There are no long-term implications.			
Report History	The original Financial Control Procedures were approved at the Shadow Audit & Assurance Committee on 02/10/2018. Subsequent reviews were considered at the Committee on 22/11/2019 and 21/10/2020.		
Appendices	Appendix 1 - Summary of Proposed Changes to the Financial Control Procedures Appendices 2 to 13 – Revised FCP documents.		

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Appendix 1 – Summary of Proposed Changes to the Financial Control Procedures

Reference	Description	Main Amendments Made	Appendix Number
FCP1	Budgetary Control	No changes proposed	
FCP2	Management of Non-Current / Fixed Assets & Maintenance of Asset Register	<ul style="list-style-type: none"> Updated to reflect requirements of model SFIs, specifically around capital planning and the responsibilities of the Chief Executive and the Director of Finance. Added section on impact of IFRS16 – Leases 	2
FCP3	Month-End Closedown	<ul style="list-style-type: none"> Added specific responsibilities for Deputy Director of Finance Updated responsibilities of Director of Finance to reflect requirements set out in updated model SFIs Clarified the responsibilities of the management accountants and renamed to include 'Finance Business Partners'. Updated the external reporting process in section 9 Updated the reconciliation template in appendix 1 to reflect additional monthly review carried out 	3
FCP4	Recovery of Payroll Overpayments	<ul style="list-style-type: none"> Clarified the responsibilities of line managers and the financial accounting team in recovering overpayments Removed references to Theft Act throughout the FCP - Overpayments of salary made to an employee due to matters outside of their control would not generally be deemed a criminal theft or fraud on the part of the employee. Amended the option to request an extension to the repayment period for ex-employees to be consistent with policy for current staff members. 	4
FCP5	Construction Industry Scheme	<ul style="list-style-type: none"> Updated scheme registration requirements following HMRC update (effective April 2021) 	5
FCP6	Purchasing Card	<ul style="list-style-type: none"> Added responsibilities of Director of Finance to reflect revised SFIs Added sections for VAT accounting and use of the card for overseas purchases. 	6
FCP7	Value Added Tax	<ul style="list-style-type: none"> Minor amendments to wording 	7

Reference	Description	Main Amendments Made	Appendix Number
		<ul style="list-style-type: none"> Responsibilities added for staff who arrange courses where a charge is made 	
FCP8	General Ledger	<ul style="list-style-type: none"> Minor update to the responsibility of the Financial Accountant 	8
FCP9	Petty Cash	<ul style="list-style-type: none"> Added responsibilities of Director of Finance to reflect requirements set out in updated model SFIs Added responsibilities for budget holders Amended the required frequency of reimbursement of the petty cash reflecting the low volume of transactions that are processed. 	9
FCP10	Income, Fees & Charges Including Accounts Receivable	<ul style="list-style-type: none"> Expanded FCP to cover the identification, charging and receipt of all income Added responsibilities of Director of Finance to reflect revised SFIs. Added responsibilities for the Head of Financial Accounting, Delegated budget holders/managers and rearranged headings within this section. Added requirements for use of other income processes 	10
FCP11	Accounts Payable	<ul style="list-style-type: none"> Clarified the scope of the FCP 	11
FCP12	Banking	<ul style="list-style-type: none"> Updated responsibilities of Director of Finance to reflect requirements set out in updated model SFIs Amended responsibilities section to highlight roles of individual post holders and created separate 'Access Levels & Responsibilities' section Amended Authorisation Approval Limit for Head of Financial Accounting to £4m (relates to release of payment only, not approval of expenditure) Added requirements for safe keeping of bank access devices and passwords. 	12
FCP13	Counter Fraud	<ul style="list-style-type: none"> Refined wording throughout document. Removed reference to Memorandum of Understanding with Association of Chief Police Officers (ACPOs) as the organisation no longer exists – Awaiting update from NHS Counter Fraud Authority on revised provision. Updated contact information 	13

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Financial Control Procedure (FCP) 2

Management of Non-Current / Fixed Assets & Maintenance of Asset Register

Version	Version 2.1-2
Issue Date	20/10/2020TBC
Next Review Date	October 20212022
Author	Martyn Pennell
Reviewed	Adam Dugdale
Approved	Audit & Assurance Committee – 20/10/2020TBC

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none"> Original document 	Interim Head of Financial Accounting	Approved 02/10/18
2.0	Nov 2019	<ul style="list-style-type: none"> FCP rewritten to reflect requirements of HEIW Approval process for capital expenditure added Decision flow chart added for the disposal of assets Various forms added as appendices 	Head of Financial Accounting	Approved 22/11/19
2.1	Oct 2020	<ul style="list-style-type: none"> Added version history Adopted standard FCP template format & headings (requiring movement and renumbering of text) 	Head of Financial Accounting	Approved 20/10/20
2.2	October 2021	<ul style="list-style-type: none"> Updated to reflect requirements of model SFIs, specifically around capital planning and the 	Head of Financial Accounting	TBC

		<u>responsibilities of the Chief Executive and the Director of Finance.</u> <ul style="list-style-type: none"> • <u>Added section on impact of IFRS16 – Leases</u> 		
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1. Scope & Principles

- 1.1. This procedure details ~~how the assets of HEIW are safeguarded and managed by relevant staff within the organisation~~the process for the procurement and management of capital assets within HEIW. HEIW is required to have appropriate arrangements in place for the planning of capital expenditure and a system available to be able to identify, record and maintain its individual assets.
- 1.2. This procedure includes information on the purchase and disposal of assets, the transfer of assets, the maintenance of the asset register and the requirement to carry out annual validation checks on all non-current assets held. It also sets out the responsibilities of officers employed by HEIW in relation to the above areas.
- 1.3. The contents of this document are applicable to staff with responsibility to safeguard the assets in their management area and to staff in central finance teams.

2. Related and Relevant Documents

- 2.1. This procedure should be read alongside the following documents:
 - HEIW Standing Orders & Standing Financial Instructions
 - NHS Wales Manual for Accounts
 - ~~Procedure for the Development of Capital Business Cases requiring Discretionary Capital Funding~~
- 2.2. For any major capital investment schemes the relevant business case guidance issued by the Welsh Government must be followed.

3. Control Objectives

- 3.1. The control objectives of this financial control procedure are as follows:
 - To ensure that HEIW appropriately plans its capital programme in line with the funding available from Welsh Government.
 - To ensure that non-current assets are correctly and accurately recorded in the accounts
 - To ensure that the purchase and disposal of non-current assets is in accordance with the Standing Financial Instructions and is in line with the strategic objectives of the organisation.
 - To ensure that there is appropriate control and verification of assets in place to safeguard the funds of HEIW.

4. Responsibilities

Chief Executive

4.1. The Chief Executive

- Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;
- Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- Shall ensure that any capital investment above the Welsh Ministers' delegated limit (i.e. other than discretionary capital) is not undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received;
- Shall ensure that the three year Capital Plan, and detailed annual capital programme is approved by the Board, as part of the Plan, prior to the commencement of the financial year;
- Shall ensure the availability of resources to finance all revenue consequences of the investment, including capital charges; and
- Shall ensure that any 3rd party use of NHS estate is properly controlled, reimbursed and reported. This will include ensuring that appropriate security, insurance and indemnity arrangements are in place and that there is a written agreement as to each party's responsibilities and liabilities.

4.2. For every 'Strategic' capital expenditure proposal the Chief Executive shall ensure:

- That a business case is produced in line with Welsh Ministers' guidance and where appropriate the 5-case Model. For discretionary expenditure the application process set out in this FCP will be used.
- That the Director of Finance has sought appropriate professional advice from HEIW and external agencies in the preparation of capital expenditure costs, and on that basis professionally certifies the capital costs and revenue consequences detailed in the business case.

4.3. The Chief Executive shall issue to the manager responsible for any scheme:

- Specific authority to commit expenditure;
- Authority to proceed to tender; and
- Approval to accept a successful tender.

Director of Finance

4.4. The Director of Finance and Corporate Services is responsible for:

- ~~is required to compile and maintain~~ Maintaining an up to date capital asset register to ensure proper management and control over HEIW assets. This responsibility is delegated to the Head of Financial Accounting who is supported by the Financial Accounting Team.
- Providing a professional opinion on the financial elements of any capital business case submitted to Welsh Government.

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- Issuing detailed procedures governing the project, financial and contractual management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the requirements and delegated limits for capital schemes set out in Welsh Ministers' guidance and approval letters. The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure – and where applicable, provide returns to the Welsh Government.
- Ensuring for each capital project over £2m, that the Welsh Government Project Bank Accounts policy is applied unless there are compelling reasons not to do so. The Director of Finance should apply to Welsh Government officials for exemption from use of Project Bank Accounts, setting out the compelling reasons.

Head of Financial Accounting

4.1.4.5. The Head of Financial Accounting is responsible for ~~ensuring that the~~:

- Ensuring that the asset register is updated to reflect any changes that have been notified to them.
- Reviewing the list of asset managers ~~is reviewed~~ annually.
- Ensuring the asset register is reconciled to the general ledger on a monthly basis, and that information regarding asset valuation and capital charges are available for management purposes.
- Reporting on the capital programme on a monthly basis.
- Ensuring the valuation of capital assets is carried out in line with the required accounting regulations and the appropriate depreciation policy is applied, as required by the Manual for Accounts.

Asset Manager

4.2.4.6. The asset manager is responsible for:

- Ensuring that the assets under their control are secured as can be reasonably expected, and that they are maintained to the appropriate level.
- Notifying the Head of Financial Accounting of any changes to the assets under their control as soon as is practicable.
- Ensuring expenditure is approved and is within the delegated limit given to them before committing to any procurement.
- Ensuring that capital assets are purchased in line with the standard procurement procedures in place in HEIW.

5 Definitions

5.1 Capital expenditure is expenditure in excess of £5,000 on:

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- Acquisition of land and buildings
- Individual works schemes for the initial provision, extension, improvement of, adaptation (including upgrading), renewal, replacement or demolition of buildings, building elements (e.g. roofs), external works, engineering services or plant
- A single item of equipment
- A vehicle

5.2. **Grouped assets** are a collection of assets which individually may be valued at less than £5,000 but which together form a single collective asset with a group value of £5,000 or more (including VAT where this is not recoverable) because the items fulfil all the following criteria:

- The items are functionally interdependent;
- The items are acquired at about the same date and are planned for disposal at about the same date;
- The items are under single managerial control; and
- Each individual asset so grouped has a value of at least £250, (except in the initial equipping of hospitals or office refits where this de minimis value does not apply).

IT hardware will be considered interdependent if it is attached to a network, the fact that it may be capable of stand-alone use notwithstanding. Therefore, effectively all IT equipment purchases, where the final three criteria above apply, will be treated as capital expenditure.

5.3. **Directly attributable costs** - The cost of an item of property, plant or equipment comprises its purchase price, any directly attributable costs, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Directly attributable costs include the following:

- Costs of employee benefits arising directly from the construction or acquisition of the item of property, plant and equipment
- Costs of site preparation
- Initial delivery and handling costs
- Installation and assembly costs
- Costs of testing whether the asset is functioning properly
- Professional fees

These costs will include VAT where the VAT cannot be recovered.

5.4. Included in the above definitions would be items forming part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost. In addition, any expenditure incurred relating to costs in relation to safety regulations or statutory legislation will also be treated as capital expenditure.

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5.5. **Non-attributable costs** that should be regarded as revenue expenditure include the following:

- Costs of opening a new facility
- Costs of introducing a new product or service (including costs of advertising and promotional activities)
- Costs of conducting business in a new location or with a new class of customer (including costs of staff training)
- Administration and other general overhead costs
- Training costs

5.6. Expenditure on maintaining capital assets in effective working order, or in good repair, is charged to revenue irrespective of cost, unless the repairs include improvements to the original standard, in which case that cost will be treated as capital expenditure if it falls within the above definition.

6. Asset Register

6.1. The form, type and basis of the asset register will be decided by the Director of Finance, ensuring that it meets the requirements of HEIW's Standing Orders, Standing Financial Instructions and the NHS Wales Manual for Accounts.

6.2. All assets in the register will be allocated as the responsibility of a named asset manager, which must be agreed by the relevant department when the item is procured.

Management of the Asset Register

6.3. Management of the asset register will be carried out within the Financial Accounting team. Desk notes will be held for all processes relating to the asset register, which as a minimum will include:

- Additions
- Disposals
- Transfers
- Depreciation
- Indexation
- Revaluation

6.4. All non-current assets must be managed and accounted for in line with the requirements of the Manual for Accounts.

7. Capital Planning

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7.1. HEIW will include in its IMTP a three year-capital plan and an annual capital programme for approval by Board. The capital planning process will follow that adopted for the revenue planning, including the relevant submission deadlines.

7.2. Services will be required to identify how their capital requirements will contribute towards the strategic aims of HEIW, including highlighting the risks of not proceeding with the procurement.

6-5-7.3. Welsh Government (WG) issues HEIW with a Capital Resource Limit (CRL) each financial year that can be used for the purchase of non-current/fixed assets. The organisation has an annual financial duty not to exceed this allocation within the relevant period. The funding can comprise of two elements:

- **Discretionary Capital Funding**– This funding does not relate to specific projects and therefore the organisation can decide how it is spent.
- **Specific Strategic Capital Projects Funding** – This funding relates to specific schemes that the organisation will agree with WG. The funding can only be used for the specific scheme within the agreed financial year(s). Any underspend will need to be returned to WG unless approval is received to reallocate the funding to other projects. Monitoring and performance measures will be agreed with WG as part of the project application and approval.

7.4. The estimated costs of the annual capital programme must not exceed the anticipated CRL for the relevant financial year. Where Strategic Capital Funding is required during the financial year this must be approved before being included within the IMTP. The application process will require a business case, the format of which will depend upon the value and risk of the investment. The estimated costs of Strategic Capital Funding projects in years 2 and 3 can be included in the IMTP prior to Welsh Government approval in order to highlight future planned requirements.

8. Purchase of Assets

6-6-8.1. Due to the size of the capital funding allowance and the nature of the organisation, most capital purchases in HEIW are likely to be small scale procurement exercises using the standard procurement processes. Where it is identified that the standard processes are not applicable, either due to the total cost or the complexity and risk associated with a project, the advice of the Director of Finance must be sought. Subject to review, the Director of Finance will issue specific detailed procedures governing the project, financial and contractual management, including variations to contract, of capital investment projects and valuation for accounting purposes.

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6.7.8.2. Assets are classified as non-current/fixed if they meet the criteria identified in paragraphs 5.1 to 5.6 above.

6.8.8.3. Revenue budgets cannot be used to purchase capital items.

~~6.9.8.4. Welsh Government (WG) issues HEIW with a Capital Resource Limit (CRL) each financial year that can be used for the purchase of non-current/fixed assets. The organisation has an annual financial duty not to exceed this allocation within the relevant period. The funding can comprise of two elements:~~

- ~~• **Discretionary Capital** – This funding does not relate to specific projects and therefore the organisation can decide how it is spent.~~
- ~~• **Specific Capital Projects** – This funding relates to specific schemes that the organisation will agree with WG. The funding can only be used for the specific scheme within the agreed financial year(s). Any underspend will need to be returned to WG unless approval is received to reallocate the funding to other projects. Monitoring and performance measures will be agreed with WG as part of the project application and approval.~~

Discretionary Capital Expenditure Application Process

6.10.8.5. Following approval of the CRL, a prioritised list of directorate proposed discretionary capital schemes should be submitted to the Director of Finance and Corporate Services for consideration as part of the IMTP process using the form in Appendix 1. A deadline for submission will be agreed at the Senior Leadership Team meetings in advance.

6.11. An initial round of bids for the capital funding should take place prior to the start of the financial year once the approved CRL has been received further bids may be considered during the year where discretionary funding remains available e.g. additional award from WG or where slippage in the agreed projects has been identified.

6.12.8.6. In preparing their capital requests each directorate must, in the first instance, work with its finance business partner to develop each project application and ensure that it fully considers:

- The anticipated costs of the projects – This also includes the identification of any on-going revenue costs as these cannot be funded by the capital allocation. Agreement for any additional revenue budget must be in place before the project can be approved.
- Any risks of the project – Where these are financial an appropriate risk cost should be built into the project.
- Timescales – Discretionary capital funding is only available in the year in which it is approved. Where there is a chance that the project may not be completed within the relevant timescales this must be identified in the risk section.

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- Procurement Resources – The appropriate procurement route must be identified, and where appropriate, early engagement with the procurement team must be sought to ensure that the project can be delivered on time. Complex, high-value projects may have a significant lead-time and require additional procurement support.

8.7. The Director of Finance and Corporate Services will review all prioritised schemes and will determine, after consultation with the appropriate directorate, which discretionary capital schemes should be recommended to the Executive Management Board for approval.

8.8. Following approval of the annual capital programme further bids may be considered during the year where discretionary funding remains available e.g. additional award from WG or where slippage in the agreed projects has been identified. These bids will be considered by the Executive Team.

8.9. All capital funding requests over £250,000 must also be approved by the HEIW Board.

6.13-8.10. All capital funding investment above the Welsh Ministers' delegated limit (i.e. other than discretionary capital) is not to be undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received.

6.14-8.11. The authorisation limits for Capital Spend are included within the HEIW Standing Orders & Standing Financial Instructions.

6.15-8.12. Once a project/procurement is approved, the scheme manager will be given a specific cost centre where all capital expenditure must be coded.

6.16-8.13. The Financial Accounting Team will provide a monthly monitoring report of actual expenditure compared to budget to the Scheme Managers, the Capital Budget holders and the Director of Finance and Corporate Services for reporting to the board. As each scheme is completed, this will be indicated on the report.

6.17-8.14. Should an overspend occur at any point in the procurement, the scheme manager will be required to provide an explanation for the variance(s), along with proposals to resolve the issue, to the next Board meeting.

Specific-Strategic Capital Projects Application Process

6.18-8.15. The process for applying for specific-strategic capital projects will vary depending on the scheme. Early discussions with WG are encouraged to identify the funding streams available and the application process to be followed.

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6.19-8.16. Directorates must ensure that they develop and maintain suitable evaluation measures that meet the specific requirements of any approved project.

6.20-8.17. The requirements in paragraphs 8.6 to 8.14 will also apply to specific capital schemes.

Record Acquisition on Asset Register

6.21-8.18. On completion of the project/purchase of the asset, the scheme manager is required to complete the addition form in Appendix 2 and send it to the Financial Accounting Team.

6.22-8.19. Once received, the Financial Accounting Team are required to add the asset to the asset register prior to the closedown of the month-end in order that the expenditure is reflected in the statement of financial position (subject to the correct information included on the form).

6.23-8.20. It is a requirement that all non-current assets are tagged in order that they can be individually identified (see exceptions in paragraph 8.21 below). Where easily accessible, the Financial Accounting Team will tag the asset following receipt of the addition form. Where the asset is not accessible, the Financial Accounting Team will issue a tag to the asset manager, who must attach it to the asset as soon as possible.

6.24-8.21. Where a tag cannot be attached to an asset (e.g. due to size or hygiene reasons) the asset manager should identify an alternative method of recording the asset and its location.

6.25-8.22. All assets acquired will be added to the asset register at cost. The cost will include all direct costs to bring the asset into operation, and will also include VAT where the VAT is not recoverable.

7.9. Disposal of Assets

Basic Principles

7.1-9.1. Assets may be selected for disposal if they are:

- No longer able to perform the required operational tasks (or are incapable of being upgraded to do so) i.e. obsolete;
- No longer required due to changes in usage patterns, functions or procedures;
- Non-compliant with health and safety requirements;
- Beyond economical repair.

7.2-9.2. Where it is identified that an asset is surplus to requirements, the asset manager must use the flow-chart in appendix 3 to decide the most appropriate method of disposal.

7.3.9.3. All IT equipment (hardware and software including telephony and communications goods) must be given to the IT Department for disposal.

7.4.9.4. For any surplus asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

7.5.9.5. The asset manager will authorise the disposal or sale of the surplus asset using the form in Appendix 4. As required in the Standing Orders, this authorisation will be countersigned by a second officer. This second authorisation must be made by an officer who is identified in HEIW's scheme of delegation, and authorisation must be in line with their delegated limit. The asset value will be the higher of the net book value (available from the Financial Accounting Team) or the estimated market value.

7.6.9.6. Where an asset is sold or disposed of this must be done in a safe and secure manner and in line with any relevant legislation, such as WEE regulations, data protection protocols etc.

7.7.9.7. Prior to disposal, the asset manager should confirm that asset is owned by HEIW, is not procured under a lease/contract hire agreement, and that the organisation has the right to dispose of the asset.

Transfer of Assets Within HEIW

7.8.9.8. Where an asset has not been condemned, the first option must be to identify if it can be used by another directorate or team within the organisation.

7.9.9.9. Only those items that are considered to be safe in use can be transferred within the organisation.

7.10.9.10. When an asset is transferred the asset manager should complete the form in Appendix 5.

Sale of Assets

7.11.9.11. Where the surplus asset has a value, consideration should be given to selling the asset on the open market. HEIW must seek to achieve the highest sale proceeds in order to protect public money. The asset manager, in consultation with the head of department, will decide upon the most appropriate method of sale, taking into account the likely administration costs of the sale.

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~~7.12.~~9.12. Assets can only be offered for sale if they comply with all relevant and current legislation. The authorising officer must confirm that the asset meets these requirements.

~~7.13.~~9.13. Assets will be sold without warranty and the purchaser will be required to agree to and sign the terms and conditions of sale in appendix 6.

~~7.14.~~9.14. If the asset is to be sold, the anticipated proceeds net of VAT should be noted on the Asset Disposal form (appendix 4) and a Debtor Invoice Request form raised, if appropriate, and attached. VAT must be charged on all sales of surplus goods.

Disposal

~~7.15.~~9.15. Where an asset cannot be transferred or sold, it must be scrapped through the correct disposal procedure as soon as possible.

Theft

~~7.16.~~9.16. Appendix 4 must be used where an asset has been stolen and should include details of the incident and a police crime number.

~~7.17.~~9.17. All cases of theft will be reported through the Audit & Assurance Committee.

8.10. Validation-Verification of Assets

8.1.10.1. On an annual basis, the Financial Accounting Team will carry out a validation-verification of all HEIW assets with support from the finance team and / or divisional managers.

8.2.10.2. Asset managers will be asked to:

- Verify that the equipment's assets are physically present in the organisation
- Make any required corrections to the asset details & complete any missing information
- Review the start depreciation date & estimated end date of the asset
- Highlight any disposals & complete an asset disposal form
- Provide information on any missing assets via an Asset Additions form.

10.3. All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Planning and Director of Finance.

8.3.10.4. Prior to the year-end, the Financial Accounting Team will review all expenditure incurred by HEIW over £5,000 to identify if any capital expenditure has incorrectly been charged to revenue. Where additional capital expenditure has been identified, the relevant directorate must prepare a retrospective application to the Director of Finance and Corporate Services, including an explanation of why the correct processes were not followed. Overspending the agreed total capital allocation will be reported in the annual accounts and could have significant implications for HEIW.

9.11. Non Compliance of Procedure

9.1.11.1. If any HEIW employee fails to comply with this policy, the matter may be dealt with in accordance with HEIW's Disciplinary Policy. The action taken will depend on the individual circumstances and will be in accordance with the appropriate disciplinary procedures. Under some circumstances failure to follow this policy could be considered to be gross misconduct.

10.12. International Financial Reporting Standard 16 (IFRS16) - Leases

12.1. IFRS16 is due to be implemented in the UK public sector from 1st April 2022. The introduction of the standard will bring most leases onto the Statement of Financial Position, changing the funding requirements from revenue to capital. Whilst the general principles of IFRS16 are known, HM Treasury has yet to published detailed guidance on accounting for leases from April 2022. Prior to

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entering into any leasing arrangements advice must be sought from the Head of Financial Accounting.

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Appendix 1 – Discretionary Capital Expenditure Request Form

This form is to be used to provide details of any requests for discretionary capital expenditure. All requests will be considered by the Executive Team.

Overview:

Directorate/Service:

Project Lead:

Asset Manager:

Authorising Officer:

Details:

Summary of scheme / asset
to be purchased:

What are the anticipated
benefits of the Scheme /
Asset?

How will the benefits be
measured?

How does the scheme / asset
contribute towards the aims
of the IMTP? What are the
risks of not achieving the
strategic aims if not
procured?

Options:

What options were
considered?

How was the final option
selected?

Name of selected supplier (if
known at this point)

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Procurement & Timescales:

Which procurement route is to be followed? Refer to procurement guidance for contract value thresholds.	
Where required, have NWSSP procurement been contacted for advice?	Yes/No
Are there any implications for other departments in HEIW?	
What is the anticipated date of completion/ installation/ delivery?	
What is the estimated lifespan of the asset?	

Financial Summary:

Capital Costs	Year 1 £	Year 2 £	Year 3 £	Total £
Building Works				
Fees				
Furniture & Fittings				
IT Equipment				
Other (please specify)				
Total Capital Costs				
Revenue				
Additional Pay Costs				
Additional Non-Pay Costs				
Pay Savings (show as negative)				
Non-Pay Savings (show as negative)				
Total Additional Revenue Costs				
Are additional revenue costs approved?	Yes/No			

All costs should include VAT where it is not recoverable. Contact the Financial Accounting Team for further information.

Risks:	
Please identify any risks associated with the proposal e.g. estimated costs, delivery timescales.	
Please identify any risks of not proceeding with proposal.	
What risk mitigations are in place?	

Any other comments:

Please return form to HEIW.FinancialAccountsTeam@wales.nhs.uk

For Finance Use:	
Date Received:	
Date considered at Executive Team Meeting:	
Approved:	Yes / No
Date applicant notified:	
Date asset addition form received:	

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Appendix 2 – Asset Addition Form

This form is used to record the addition of any fixed asset onto the asset register.

Asset Description:

Type of Asset (e.g. IT equipment,
Furniture, Medical Equipment)

Serial Number:

Installation/Received Date:

Location (including room
name/number if appropriate):

Directorate/Service:

Asset Manager:

Supplier(s):

Invoice Number(s):

Cost Including VAT:

Where the purchase relates to a number of individual items the breakdown can be provided on a separate sheet.

Please return form to HEIW.FinancialAccountsTeam@wales.nhs.uk

For Finance use:

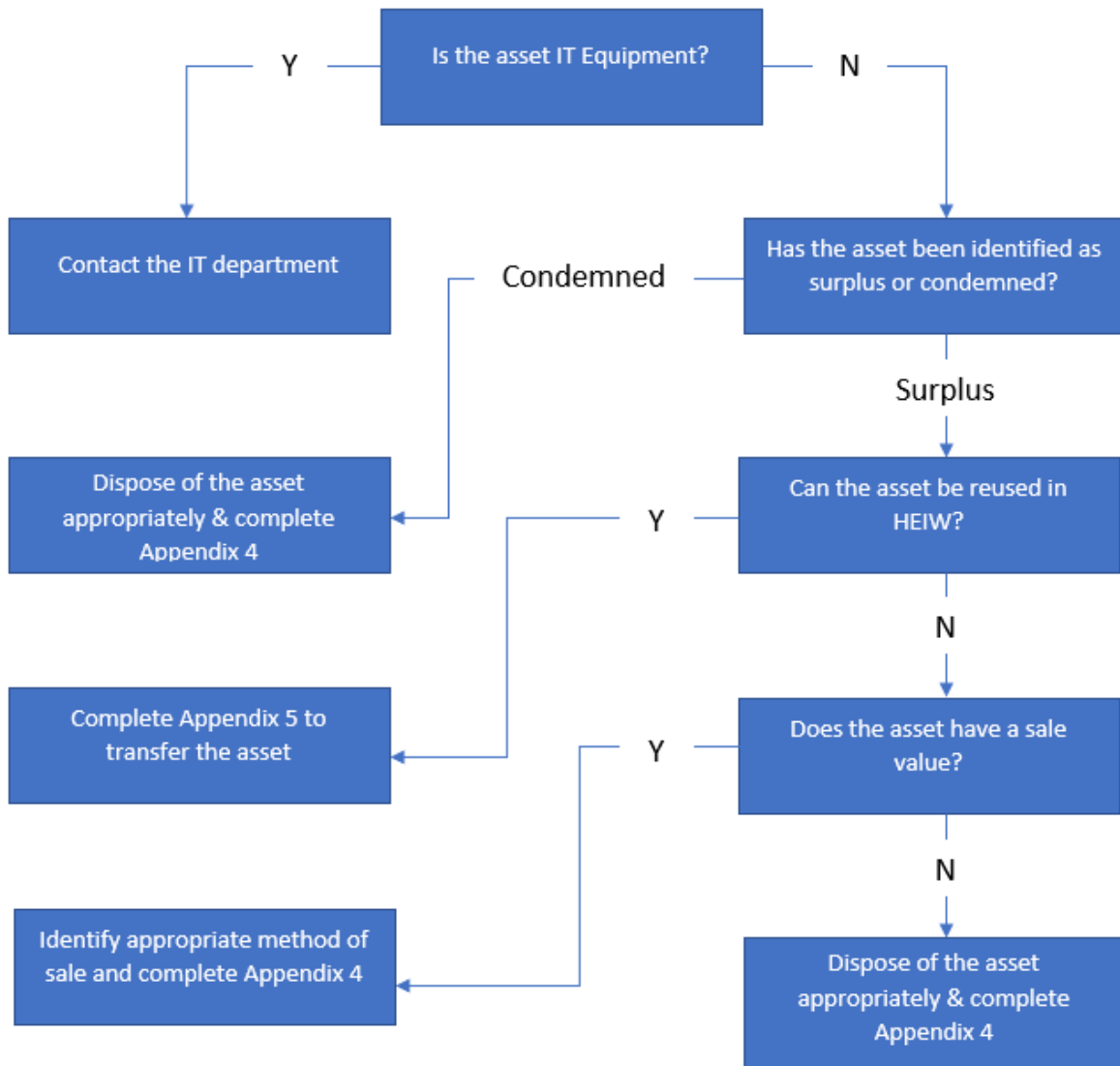
Date Added to Register:

Asset Tag Number:

Date Asset Tagged:

Appendix 3 – Disposal Flowchart

This Flowchart is to be used to identify the correct treatment for the disposal of all Fixed Assets



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Appendix 4 – Sale / Disposal of Asset Form

This form is used to record the sale/disposal of any fixed asset

Asset Description:	
Asset Tag Number:	
Serial Number:	
Location:	
Directorate / Service:	
Asset Manager:	
Nature of disposal:	Sold / Disposed / Stolen
Reason for sale/disposal:	
Condition of asset:	
Where asset is being sold, does it comply with all relevant and current legislation?	
Estimated Value (£)	
Current net book value (contact Financial Accounting Team) (£)	
Agreed Sale Price (Including VAT) (£)	
Is asset held under any lease or contract hire agreement?	Yes/No
Where asset is being sold, confirm that purchaser has signed the terms and conditions of sale (Appendix 6).	
Other information, including crime number where asset has been stolen.	
Name of Officer Requesting sale / disposal:	
Name of Officer Authorising sale / disposal:	

The authorising officer must have approval limits in line with scheme of delegation for the higher of the net book value and the estimated market value.

Please return form to HEIW.FinancialAccountsTeam@wales.nhs.uk

If the asset is being sold, please complete an Invoice request form and submit with this form.

For Finance use:	
Date removed from register:	

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Appendix 5 – Transfer of Asset Form		
This form is used to record any changes to the location or management of any fixed asset.		
Asset Description:		
Asset Tag Number:		
	Original	Revised
Directorate/Service:		
Location (Including room name/ number where appropriate):		
Asset Manager:		
Comments:		

Please return form to HEIW.FinancialAccountsTeam@wales.nhs.uk

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Appendix 6 – Terms & Conditions of Sale

1. Inspection

The goods shall be open to inspection before tendering and the Purchaser shall be deemed to have inspected them. If purchased within previous inspection the Purchaser shall do so at his own risk.

2. Condition of Goods

The goods are sold as they lie and, after the acceptance of a tender/quotation for any or all of them, no question concerning their condition or the purchase price will be entertained. For any goods or article sold and intended to be re-used, the Purchaser shall be deemed to have satisfied himself as to the condition thereof. For any equipment to which the Electrical Equipment (Safety) Regulations 1975 (as amended) apply, subject to any information giving by markings on the equipment itself or in a notice accompanying the equipment, the equipment sold on the basis that it complies with the provision of the Regulations. In the case of vehicles, these are offered for sale without guarantee as to their condition and on the understanding that:

- a) the Purchaser will either tow or transport them away
- b) if they are to be used on the road the purchase will ensure that all markings indicating previous ownership are removed from the vehicle prior to the vehicle being taken from the organisation's premises.

3. Risk

The goods shall be, and remain in every aspect at the risk of the Purchaser from the expiration of the period of ten days beginning with the day of acceptance of the tender, and the Special Health Authority shall not be under any liability for the safe custody of preservation of the goods thereafter. PROVIDE THAT, if the purchaser removes the goods before the expiration of such period, then, as from the time of such removal, the risk in such goods so removed shall pass to the Purchaser and the Trust shall be relieved from all further liability in respect of these goods.

4. Payment

An invoice will be issued by HEIW for the agreed sale price. Payment in full shall be made before collection or within ten days of acceptance of the tender, whichever is the sooner, unless other special arrangements are agreed by the Trust. Cheques not guaranteed may be required to be cleared before collection of goods is permitted. The issue of a receipt shall be satisfactory evidence of the transfer of the title of the goods to the purchase. Where tenders are submitted for goods by weight, payment should be No warranty is given or implied, except as required by law.

made after the goods have been check-weighed over a public weighbridge. The Trust reserves the right to send an officer to accompany the vehicle to the weighbridge.

5. Removal

The whole of the goods must be removed by, and at the expense of the purchaser, within seven days from the date of payment, at such time as may be mutually agreed between the Purchaser and HEIW's officers. The site is to be left in a clean and tidy condition. Containers, where required, must be provided by the Purchaser.

6. Failure to remove the goods

(a) If the purchase, having paid the full amount of the purchase price, fails to remove all the goods within seven days of the date of the receipt, HEIW may, on giving seven days' notice to the purchaser, make a charge for removing and warehousing of the goods, all of which charges shall be paid before the goods, or any part thereof, are removed by the purchaser and HEIW may re-sell, or attempt to re-sell, the goods, and retain out of the proceeds the cost of such re-sale, and any attempted re-sale, and any charges for removal and warehousing and all other expenses incurred in connection with the goods, any balance remaining of the monies received in respect of such re-sale shall, after payment of such costs, charges and expenses, be paid or allowed to the original purchaser.

(b) If, on any such re-sale, the price realised is insufficient to pay such costs, charges and expenses, the original purchaser shall pay the deficiency.

7. Warranty

No warranty is given or implied, except as required by law.

8. Accidents and Damage

The Purchaser shall pay HEIW the cost of making good any loss or damage suffered by the HEIW arising out of the negligence of the purchaser, his agents and employees, arising from the sale of goods, and the purchaser shall indemnify the Trust in respect of all claims, demands, proceedings and costs arising from the death of, injury to, or damage suffered by, any third party, due to negligence of the purchaser in the course of, or arising out of, the removal of goods.

9. Health and Safety at Work Act 1974

The attention of the tender is directed to the requirements of Section 6 of the Health and Safety at Work Act 1974, or any statutory amendment or re-enactment thereof, and the duties it imposes in relation to the sale of goods for use at work. Any tenderer may be required to sign an undertaking to this effect.

Sale of (Asset name/type/serial number)	
<p>Further to the purchase by _____ of the above equipment. I, the undersigned, am fully aware of the condition of such equipment and as such, will absolve, on behalf of the purchasing body, the above organisation, from any responsibility whatsoever concerning the equipment.</p> <p>I accept the Terms & Conditions of sale that have been provided to me.</p> <p>In particular, this indemnity applies to personal injury or death caused to any person whilst using or in contact with the equipment however caused. Any damages to property caused by or through the equipment are also included in the terms of this indemnity as is any claim or action brought about under the Health and Safety at Work Act 1974 or relevant legislation.</p>	
Signed:	
For and on Behalf of:	
Date	

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Financial Control Procedure (FCP) 3

Month End Closedown

Version	Version 1. 23
Issue Date	20/10/2020 TBC
Next Review Date	October 2021 2022
Author	Martyn Pennell
Reviewed	Adam Dugdale
Approved	Audit & Assurance Committee – 20/10/2020 TBC

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Nov 2019	<ul style="list-style-type: none">• Amendments to reflect revised procedures that have been developed to assist the month end process	Head of Financial Accounting	Approved 22/11/19
1.2	Oct 2020	<ul style="list-style-type: none">• Added version history• Adopted standard FCP template format & headings (numbering adjustments only)• Added 'responsibilities' section• Updated job titles• Removed internal deadline for monthly closedown (This will be set monthly to reflect service requirement)	Head of Financial Accounting	Approved 20/10/20

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<u>1.3</u>	<u>Oct 2021</u>	<ul style="list-style-type: none"> • <u>Added specific responsibilities for Deputy Director of Finance</u> • <u>Updated responsibilities of Director of Finance to reflect requirements set out in updated model SFIs</u> • <u>Clarified the responsibilities of the management accountants and renamed to include 'Finance Business Partners'.</u> • <u>Updated the external reporting process in section 9</u> • <u>Updated the reconciliation template in appendix 1 to reflect additional monthly review carried out</u> 	<u>Head of Financial Accounting</u>	<u>Awaiting Approval</u>
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1. Scope & Principles

- 1.1. This procedure details the processes in place to ensure that at month end the figures reported by Health Education And Improvement Wales (HEIW) are prepared in an accurate and timely manner.
- 1.2. This procedure includes information regarding closedown of the ledger, use of detailed checklists and a reporting timetable.
- 1.3. This document is applicable to all staff that have a responsibility to complete month end tasks, processes and report on the figures produced.

2. Related and relevant documents

- 2.1. This procedure should be read alongside the following documents:
 - HEIW standing orders and standing financial instructions
 - ~~Standard system operating procedures – Oracle~~[Oracle system process notes / desktop procedures](#)
 - Financial control procedure 1 – Budgetary control
 - Financial control procedure 10 – Accounts receivable
 - Financial control procedure 11 – Accounts payable
 - Financial management timetable

3. Control Objectives

- 3.1. A prompt and efficient month end process is required in order that:
 - Data can be regularly reconciled and discrepancies investigated in a timely manner;
 - Comparative statistics can be produced on a monthly basis and trends can be identified;
 - Accurate information can be provided on a prompt and regular basis to those that need it, for example HEIW board reports can be produced and VAT returns can be sent to HMRC;
 - Checks can be made to ensure the system is posting data correctly.

4. Responsibilities

Director of Finance

- 4.1. The Director of Finance is responsible for:
 - Approving the Monthly Monitoring Return (Jointly with the Chief Executive).
 - ~~Reporting the financial position on a monthly basis to Board.~~
 - [Ensuring there are appropriate systems and processes in place for financial management performance reporting and budgetary control.](#)

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Deputy Director of Finance

4.2. The Deputy Director of Finance is responsible for:

- Preparing the monthly financial position.
- Preparing the required monthly financial reports to the Board and Executive.
- Preparing and submitting the day 5 summary return to Welsh Government.

Head of Financial Accounting

4.2.4.3. The Head of Financial Accounting is responsible for:

- Reviewing the monthly control account reconciliations
- Preparing and submitting the day 9 Monthly Monitoring Return to Welsh Government

Financial Accountants

4.3.4.4. The Financial Accountants are responsible for:

- Completion of the monthly control account reconciliations
- Identifying and resolving any unidentified balances on the control accounts
- Monitoring the monthly reporting timetable and checklists
- Completing monthly closedown routines for the Oracle and QlikView systems

Management Accountants/ Finance Business Partners

4.4.4.5. Finance Business Partners/Management Accountants are responsible for:

- Preparing monthly and full-year financial forecast figures for their service areas in the format required by the Director of Finance
- Identifying and reconciling all balance sheet transactions that relate to their service areas on a monthly basis.
- Adhering to the monthly closing timetable.

5. Overview of month end closedown

- 5.1. Each month the Financial Accounting team perform a closedown routine within Oracle (HEIW's general ledger system), ensuring that all sub-ledgers and feeds are accurately reflected in the general ledger. Following the closedown routine, the ledger is validated and adjustments are actioned by the Financial Accounting and Management Accounting teams.

6. Monthly reporting timetable and checklists

- 6.1. A financial management timetable is approved by the Head of Financial Accounting, circulated to all finance staff, and made available on the HEIW finance shared drive.

6.2. Desktop procedures ~~are also produced~~have been prepared for use by Financial Accounting staff ~~as follows~~for all recurring tasks. These are updated to reflect any system improvement or required changes.:

- ~~Bank Reconciliation~~
- ~~Accounts receivable~~
- ~~Accounts Payable~~
- ~~PANISU (Payroll & deductions)~~
- ~~VAT~~

6.3. These checklists contain a list of monthly tasks that must be completed at month end and authorised by the appropriate person. The electronic versions of the files are saved in Financial Accounting/ [Year] / [Month].

6.4. If any tasks are not completed in line with the agreed timetable, it must be promptly reported to the Head of Financial Accounting.

6.5. On a monthly basis the Head of Financial Accounting will review the reconciliations produced as part of the close down process to ensure that the processes have been completed correctly and that the figures produced are accurate and are in line with the expected values. In order to do this, the checklist in Appendix 1 is completed by the end of working day 20. The summary page of each reconciliation is to be printed off and authorised and kept with the signed version of the checklist. The Head of Financial Accounting will add details of any issues or improvements required within the 'comments' section of this checklist.

7. Numbering, saving and posting of journals

7.1. A standard numbering and naming system is to be used for all journals produced within HEIW. A central log is maintained (saved in Shared Finance/Relevant Year/Journals) that is used to issue a unique sequential number. This log also sets out the standard naming convention that is to be used.

7.2. To avoid more than one journal being posted with the same number, the journal register must be completed at the same time the journal number is obtained, with the Oracle journal posted reference being added to the register once the journal has been posted and the number is available.

7.3. All completed journals are to be saved in the folder identified above.

8. Reconciliations prepared and reviews undertaken

8.1. Once the tasks detailed on the above listed checklists have been completed, the reconciliations and reviews identified in appendix 2 are completed to ensure

the balances held on the Oracle financial system agree with the appropriate source documents / control accounts and reflect legitimate creditors or debtors of HEIW.

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9. Meetings / discussions held following month end closedown Process to agree the financial position and report to Welsh Government

9.1. ~~A monthly financial management meeting is to be held following month end closedown~~ on working day 4 or 5. The meeting is chaired by the Deputy Director of Finance and includes representatives from HEIW finance teams, and a representative from the Financial Accounting team. The primary aim of this meeting is to ~~discuss~~ agree the final income and expenditure figures for the period and the year-end financial projections.

9.2. Following ~~the financial management meeting~~ close down of the ledger, the Deputy Director of Finance will ~~discuss~~ report the draft financial position ~~with to~~ the Director of Finance, who ~~in turn will discuss the financial position with the Chief Executive and they~~ will agree the final figures to be reported to Welsh Government at the end of the 5th working day. The Chief Executive will be copied into the day 5 submission email to Welsh Government.

~~9.2.9.3.~~ When the final position has been agreed for the month a member of the management accounting team will post the final core income budget journal, then the financial accounting team will close the accounting period in the Oracle system.

~~9.3.9.4.~~ The Head of Financial Accounting will prepare the full day 9 Monthly Monitoring Return and submit it to the Director of Finance and Chief Executive for approval prior to submission to Welsh Government.

~~9.4.9.5.~~ A monthly financial management meeting is held following month end closedown. The meeting is chaired by the Deputy Director of Finance and includes representatives from HEIW finance teams, and a representative from the Financial Accounting team. The primary aim of this meeting is to discuss the final income and expenditure figures and year end financial projections.

10. Production of internal reports

10.1. Following agreement of all balances in the meetings detailed in section 0, various reports are produced by finance staff across HEIW including those detailed below:

- ~~Monitoring returns are approved by the Director of Finance and submitted to Welsh Government in line with their reporting timetable.~~
- Departmental finance teams prepare reports for their Senior Management Team (SMT)/budget holder meetings which as a minimum include details of the financial position at the end of that month and the forecast financial position at the end of the financial year. They may also provide updated details of other financial performance, for example savings made against cost improvement projects, forecast cash flows, aged debts, and the divisional performance against the public sector payment policy (PSPP) target.

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- Qlikview budget holder reports are being rolled out across HEIW giving budget managers and delegated officers access to their financial information.
- A financial report will be prepared and submitted by the Director of Finance to HEIW Board, detailing HEIW's current financial position, the forecast financial position at the end of the financial year, and any issues or further information that they should be aware of.

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Appendix 1 – Month End Reconciliation Review

Sign-off of monthly reconciliations and control accounts

To be completed by working day 20

Summary sheet for each item are to be attached to this document. Full reconciliation documents are saved in the relevant folder on sharepoint.

Month	MM YYYY
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Item	File Name	Completed:		Reviewed:		Comment
		Name:	Date:	Signed	Date:	
Bank Reconciliation						
Accounts Receivable						
<u>Salary Overpayments</u>						
Accounts Payable						
PANISU						
VAT						

I confirm that the above reconciliations/control accounts have been completed and reviewed for MM YYYY	
Signed	
Date	

Appendix 2 – Balance Sheet Reconciliations & Reviews

Reconciliation of balance sheet codes should be completed using the template in appendix 3, and a transaction report showing the movement in the reconciling period added to the workbook. The template can be modified to suit the code being reconciled if necessary but as a minimum should include:

- The opening balance brought forward from the previous period
- The movement in reconciling period
- The closing balance to be carried forward to the next period
- The details of individual reconciling items and action to be taken to address them
- The name of the person who has completed the reconciliation and date completed
- The name of the person who has reviewed the reconciliation and date reviewed

A reconciliation of the balance sheet to the trial balance is completed and saved in the folder: Financial Accounting / [year] / [month] / Balance Sheet recs. This reconciliation includes a review and clearance of the general suspense and payroll suspense codes if they have balances on them.

Upon completion of the reviews, the Financial Accountant will provide an update to the Head of Financial Accounting, and any additional actions required will be identified.

The person performing the review of a balance sheet reconciliation or a general review of a balance sheet amount should consider whether that the balance shown is a legitimate creditor or debtor to remain on the balance sheet. If they are in doubt then they should investigate further, and if unable to resolve, should highlight the matter to the Financial Accountant or Head of Financial Accounting. If necessary, the amount will be charged against / released to the income & expenditure account.

By 18th working day of each month, the completed summary of reconciled balance sheet codes must be reviewed by the Financial Accountant who will undertake a sample review of the reconciled and reviewed codes.

By 20th working day of each month, the Financial Accountant will then pass the completed summary to the Head of Financial Accounting who will undertake a further sample review of the reconciled and reviewed codes. Any outstanding issues that have been identified during the review of balance sheet codes should also be highlighted to the Head of Financial Accounting by the Financial Accountant at this point.

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Appendix 3 – Balance Sheet Reconciliation Template



HEIW%20Balance%
20Sheet%20Recs%20

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GIG
CYMRU
NHS
WALES

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

FINANCIAL CONTROL PROCEDURE (FCP) 4

RECOVERY OF PAYROLL OVERPAYMENTS POLICY

Version	Version 1. 1 2
Issue Date	20/10/2020 TBC
Next Review Date	October 2021 2022
Author	Martyn Pennell
Reviewed	<u>Lynda Phillips</u>
Approved	Audit & Assurance Committee – 20/10/2020 TBC

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Oct 2020	• Adopted standard FCP template format & headings. • Updated numbering & format (requiring some movement of text)	Head of Financial Accounting	Approved 20/10/20
<u>1.2</u>	<u>October 2021</u>	• <u>Clarified the responsibilities of line managers and the financial accounting team in recovering overpayments</u> • <u>Removed references to Theft Act throughout the FCP - Overpayments of salary made to an</u>	<u>Head of Financial Accounting</u>	<u>TBC</u>

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		<p><u>employee due to matters outside of their control would not generally be deemed a criminal theft or fraud on the part of the employee.</u></p> <ul style="list-style-type: none">• <u>Amended the option to request an extension to the repayment period for ex-employees to be consistent with policy for current staff members.</u>		
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1 Scope & Principles

1.1 HEIW's overriding aim in paying its staff is to make payment promptly and accurately. However, there will be occasions where for various reasons this may not have been possible. This could result in both over and underpayments to staff. This policy relates solely to situations where members of staff have been overpaid.

1.2 The purpose of this policy is to ensure that all monies due to HEIW are recovered on a timely basis from the member of staff or ex-employee of HEIW.

~~1.3 The principal purpose of HEIW's payroll systems and procedures is to ensure that employees are paid the correct amount at all times, however, on occasion this may not be the case.~~

1.41.3 Incorrect payments could result in either an over or underpayment to an employee and it is HEIW's aim to deal with both in a timely and efficient manner. This policy is focused on those situations where overpayments have occurred.

1.51.4 HEIW has a legal right to recover any overpayment where it arose from a mistake of fact. Whatever monies are to be recovered, HEIW will aim to do so in a fair and reasonable manner. These payments are made in good faith and are deemed to be correct at the time of issue. Mistakes of fact are where the payment was inconsistent with the facts (e.g. through clerical error, computer input, or procedural errors). Money paid out under a mistake of fact is recoverable by law.

1.61.5 This policy takes into account The Employment Rights Act 1996, section 13 which states that one of three conditions has to be met for the employer to lawfully make deductions from an employee's salary. These are that the deduction is either:

- *required or authorised by statute*
- *authorised by a relevant provision of the contract of employment and the employee has received a copy of the contract and/or appointment letter, prior to the deduction being made or*
- *prior permission in writing has been given by the employee before the deduction is made*

1.71.6 The Employment Rights Act 1996 however, also states in section 14, that section 13 does not apply in the situation where an employer makes a deduction from an employee's wages to recover an overpayment of wages, which was made by the employer to the employee, for any reason unless,

the employer has led the employee to believe that the money was rightfully his, and the employee relies on spending the money or entering a financial commitment, and the overpayment was not the worker's fault.

1.81.7 In accordance with this policy statement and Welsh Government guidance, HEIW must pursue the recovery of all amounts due to it as a result of an overpayment.

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1.91.8 HEIW must ensure that all HEIW employees / ex-employees are treated fairly.

1.101.9 All debts must be recorded by HEIW regardless of whether an agreement of repayment has been reached with the debtor.

1.111.10 HEIW will ensure a consistent approach in line with the provisions of the policy is taken when dealing with recovery of an overpayment.

1.121.11 The policy will apply to all HEIW staff, currently or previously employed, including staff on Honorary Contracts.

2 Related and Relevant Documents

2.1 This procedure should be read alongside the following documents:

- HEIW Standing Orders & Standing Financial Instructions
- Financial Control Procedure 10 – Accounts Receivables
- Financial Control Procedure 13 – Counter Fraud

3 Control Objectives

3.1 The control objectives of this financial control procedure are as follows:

- To ensure that all debts owing to HEIW as a result of salary overpayments are identified, recorded and pursued for recovery.
- To ensure that all HEIW employees / ex-employees are treated fairly and that a consistent approach is adopted when dealing with the recovery of overpayments.
- To ensure that all HEIW employees understand their responsibilities in relation to salary payments.

4 Responsibilities

HEIW Staff

- 4.1 It is the responsibility of all HEIW staff to ensure that they receive and then check their paper or on-line pay-slips to confirm that they are being paid correctly and at the correct rate/pay band.
- 4.2 On checking the paper payslip, or viewing it on-line, where an individual identifies that he/she has been or may have been overpaid, then he/she has a duty to contact HEIW and inform the Payroll Department and their Line Manager of the possible overpayment.
- 4.3 When dealing with the request for repayment of outstanding monies, a claim of ignorance, by the member of staff, in that he/she did not receive or check any pay-slip, whether provided on paper or made available on-line, will not be accepted in its own right as a reason for not repaying HEIW.
- 4.4 Staff should also be aware that the salary payment received each month on 21 (or working day prior to the 21 if that falls on a weekend / bank

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holiday) is in respect of salary for the whole of that month. For example - salary paid on 21 April is for the period worked 1 – 30 April (not for the period 21 March until 20 April). Staff leaving the employment of HEIW, between 21 – 30 of the month, may receive an overpayment if the processes to terminate their employment are not actioned prior to the processing of that month's pay which is undertaken during the first week of the month. They should therefore be extra vigilante in checking any final payslip received by HEIW and raising any queries immediately.

Managers

- 4.5 It is the responsibility of all Managers to process the appropriate pay related documentation promptly, to meet payroll deadlines. They should also ensure that all Timesheets, Termination Forms, Staff Changes Forms, On-call claim forms and/or expense forms have been completed appropriately and relevant information entered onto the Electronic Staff Record (ESR) system as soon as possible. Such documentation should be appropriately verified and authorised. As monthly salary payments are prepared by the Payroll Department during the first week of the month, any delay in a Manager processing changes or terminations could result in an overpayment to a member of staff.
- 4.6 The Line Manager will also co-ordinate support the recovery of overpayments by supporting providing the Payroll Department with explanations of overpayments and in the first instance where necessary by discussing the repayment requirements with the employee.
- ~~4.7 Repayment plans should be agreed between the employee and their line manager within a month of them becoming aware of the overpayment. The line manager should notify the Payroll Manager and the Head of Financial Accounting of the basis of the agreement in order that the appropriate charges can be made.~~
- ~~4.84.7 Any decision to write off a debt should only be made in exceptional circumstances and on an individual case of need basis. Any write off will be authorised and actioned as detailed in HEIW Standing Orders and Standing Financial Instructions.~~

Payroll Department

- 4.8 The Payroll Department will maintain an accurate log of all overpayments, providing information to the Line Manager and the employee or ex-employee as required. The payroll department must provide details of any overpayment to the financial accounting team in order that they can record the overpayment correctly on the ledger and start the recovery process.
- 4.9 The Payroll Department within NHS Wales Shared Services Partnership (NWSSP) will manage any deductions from salary for the recovery of payroll overpayments. ~~The Payroll Department will maintain an accurate log of all overpayments, providing information to the Line Manager and the employee or ex-employee.~~

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- 4.10 The Payroll Department will also provide general guidance on how pay information is displayed on a payslip, to assist staff in checking and/or understanding the entries on their payslip.
- 4.11 The calculation of any overpayment identified must be taken from the originating date of the overpayment and not the date that it was identified.
- 4.12 Where Payroll have identified that an employee or former employee would have reasonably known that an overpayment has occurred, and no agreement can be achieved with respect to repayment the case may be referred to HEIW's nominated Local Counter Fraud Specialist for advice. It may also be referred to HEIW's debt collection agency to pursue the debt on behalf of HEIW.

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Workforce and Organisational Development (OD) Department

- 4.13 The Workforce and OD department will assist the Payroll Department and Line Managers, by providing advice and support in the event of any dispute.

Financial Accounting Team

- 4.14 HEIW's Financial Accounting team will take responsibility for recording the debt in HEIW's Financial Accounting and provide the relevant invoices to the member of staff. The Financial Accounting team will also liaise with any debt collection agency if required.

- 4.15 The Financial Accounting Team will co-ordinate the recovery of any overpayment and will make recommendations on how any recovery should proceed.

- 4.16 Any decision to write off a debt should only be made in exceptional circumstances and on an individual case of need basis. Any write off will be authorised and actioned as detailed in HEIW Standing Orders and Standing Financial Instructions.

- 4.17 The Head of Financial Accounting will report any salary overpayments and progress on their recovery to the Audit & Assurance Committee as part of the Losses and Special Payments report.

5 Prevention

- 5.1 In order to take measures to prevent an overpayment occurring, it is necessary to reduce the possibilities for the occurrence in the first instance. The main reason for overpayments occurring within HEIW is the late notification of information to the Payroll Department, i.e. late termination or changes of circumstances after the effective date.
- 5.2 The payroll department calculate the salary payable during the first week of each month and therefore any changes made after that time will not impact on the next salary payment made.
- 5.3 The responsibility for the supply and action of such information lies with the employee's Manager/Supervisor. It is, therefore, of the utmost importance that the completed documentation is received in the appropriate department or input onto the ESR system in ample time for action to ensure that the overpayments do not arise.
- 5.4 Preventative measures are:

- **Termination Information** – should be notified to payroll.terminations@wales.nhs.uk or entered onto ESR as soon as the termination date of the employee is known. Usually this would be when the employee hands in their resignation to

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their manager. This should not be delayed until the last working day of the employee.

- **Changes Information** – should be completed in paper form or entered onto ESR as soon as that change is known. This should be actioned by the line manager on or before the date the employee works to the changed terms and conditions.

6 Recovery Procedure

For Current Employees:

- 6.1 ~~Where an overpayment is identified before, or up to one day after the stated pay day~~ The the Payroll Department will, in the following pay period, automatically deduct in full any overpayment that is identified ~~before, on or 1 day after the stated pay day~~. The individual will be notified, by telephone and in writing of any deduction together with a brief explanation of how the overpayment occurred. In the case of an employee, the person's Line Manager will also be advised of the overpayment by letter (see Appendix 1).

For Current Employees:

- 6.2 Where an overpayment of salary is identified ~~by HEIW~~ after the stated pay day, a letter (see Appendix 2) will be sent to the employee/individual by the Payroll Manager detailing:
- How the overpayment occurred;
 - A breakdown of the overpayment, including an explanation of the error;
 - Suggested repayment period and amount; and
 - Deadline for the response, and who the individual should contact.
- 6.3 The Payroll Manager will send a copy of the letter to the employee's manager and the Financial Accounting team. The Financial Accounting team will then raise an invoice to record the debt in HEIW's accounts.
- 6.4 The employee can request all documentation relating to the alleged overpayment, and further explanation from the Payroll Department or their Line Manager.
- 6.5 In cases, where an employee receives a payment for any arrears and therefore would not be expected to be able to calculate the final amount due, any overpayment that arose, as a result, would be dealt with by letter from the Payroll Manager as with any normal overpayment of salary and not immediately deducted.
- 6.6 Should no communication be received from the employee within 14 days of the initial correspondence, a second reminder letter (see Appendix 3) will be sent to the individual from the Payroll Department, stating that HEIW will commence deductions as outlined in their previous letter.

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- 6.7 Once the employee has agreed a repayment plan, or no response has been received following the second reminder letter, the Payroll Department will commence deductions from the next pay period. Repayments should normally be made in one single payment. However, this may be extended to a maximum period to not exceed the original overpayment period. Approval to extend the repayment period is at the discretion of the Head of Financial Accounting.
- 6.8 Where the employee has responded to the letters and no agreement can be reached, then a meeting must be arranged to take place between the employee, his/her Line Manager, a representative from the Workforce and OD team, together with the Payroll Manager or nominated deputy. A member of the financial accounting team can also attend if required.
- 6.9 The employee will have the right to be accompanied at this meeting by a Staff Representative or a friend/colleague, not acting in a legal capacity. In accordance with this, the contract of employment and Section 14 of The Employment Rights Act 1996, the Financial Accounting team will not action any collection process until this meeting has taken place, and the outcome known.
- ~~6.10 The Payroll Manager will advise the Financial Accounting team that the meeting has taken place and the outcome of the meeting.~~

6.146.10 The invoice detailing the amount owed to HEIW, plus any relevant backing documents detailing how the overpayment occurred, must be given to the employee prior to any such meeting taking place.

6.126.11 Where there is no response or no agreement has been reached with an employee, then the debt may be considered pursuable in accordance with HEIW's Debt Recovery Procedure, which is attached at Appendix 6. This decision will be made by the Director of Finance on the recommendation of the Head of Financial Accounting.

For Ex-Employees:

6.136.12 Where an overpayment is made to an ex-employee of HEIW, a letter (see appendix 4) will be sent to the line manager notifying them of the overpayment.

6.146.13 A letter (see appendix 5) will then be sent to the individual detailing:

- How the overpayment occurred;
- A breakdown of the overpayment, including an explanation of the error;
- How to make payment; and
- Who to contact with any queries.

6.156.14 The Payroll Manager will send a copy of the letter to the employee's manager and the Financial Accounting team. The Financial

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Accounting team will then raise an invoice to record the debt in HEIW's accounts and send this to the individual.

6.15 The individual can request all documentation relating to the **alleged** overpayment, and further explanation from the Payroll Department or their previous line manager.

6.16 Repayments should normally be made in one single payment. However, this may be extended on request to a maximum period to not exceed the original overpayment period. Approval to extend the repayment period is at the discretion of the Head of Financial Accounting.

6.17 If the payment is not forthcoming the debt will be pursuable in accordance with HEIW's Debt Recovery Procedure.

7 Referral to the Counter Fraud Team

7.1 In the case of current or ex-employees, if the overpayment case has been referred to HEIW's **nominated** Local Counter Fraud Specialist for further investigation into the circumstances surrounding the overpayment, then the individual concerned will be informed in writing by the Payroll Manager. ~~The letter will include reference to the fact that by receiving and retaining money from the overpayment, that he/she was not entitled to and also that he/she had made no effort to contact HEIW to stop the payments being made or notify HEIW of the overpayment, it therefore being considered that he/she may have committed criminal offences contrary to the Theft Act 1968. However, if the credit to the account was then found to have been as a result of a deception or fraud, the appropriate charge would be found under the Fraud Act 2006.~~

6.187.2 ~~The Counter Fraud Team will review the detail of the case and In such circumstances wshould it subsequently be proven that prima facie evidence of fraud exists, HEIW is within its rights to demand payment in full of monies owed and further legal advice will be sought.~~

~~6.19 The 1968 Theft Act says "A person is guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it".~~

~~6.20 It goes on to say "A person is guilty of an offence if - (a) a wrongful credit has been made to an account kept by him or in respect of which he has any right or interest; (b) he knows or believes that the credit is wrongful; and (c) he dishonestly fails to take such steps as are reasonable in the circumstances to secure that the credit is cancelled."~~

6.247.3 Examples of cases and their outcomes are detailed in Appendix 7.

Additional Requirements

7.48.1 All correspondence in relation to salary overpayments must be retained by the Payroll Manager and if an official HEIW invoice has been raised, then

copies of any correspondence relating to the outstanding debt must be retained by all departments (i.e. Payroll Services, Financial Accounting team and line manager) in strict chronological order.

~~7.28.2~~ Where an individual who has been overpaid terminates employment the matter must be referred immediately to the Financial Accounting team, by the Payroll Manager, to ensure that all outstanding debts are recovered, ~~in full~~, in accordance with the process set out in this policy.

~~7.38.3~~ All outstanding salary overpayments are included in a monthly aged debt report prepared by the Financial Accounting team ~~and circulated to HEIW Finance Managers.~~

89 Implementation & Policy Compliance

~~8.49.1~~ HEIW reserves the right to take appropriate disciplinary action up to and including termination for non-compliance with this policy.

~~8.29.2~~ This policy will be maintained by the Head of Financial Accounting. Executive Directors and Managers need to be aware of their responsibilities for advising employees accountable to them of their responsibilities in connection with the policy.

910 Equality Impact Assessment Statement

~~9.410.1~~ HEIW is committed to ensuring that, as far as is reasonably practicable, the way it provides services to the public and the way it treats its employees reflects their individual needs and does not discriminate against individuals or groups.

~~9.210.2~~ HEIW has undertaken an Equality Impact Assessment (EQIA) and received feedback on this policy and the way it operates. HEIW wanted to know of any possible or actual impact that this procedure may have on any groups in respect of gender (including maternity and pregnancy as well as marriage or civil partnership issues) race, disability, sexual orientation, Welsh language, religion or belief, transgender, age or other protected characteristics.

~~9.310.3~~ The assessment found that there was no impact to the equality groups mentioned and this policy will have a neutral impact on all of the 'protected characteristic' groups. Where appropriate HEIW will make plans for the necessary actions required to minimise any stated impact to ensure that it meets its responsibilities under the equalities and human rights legislation.

4011 Getting Help

~~40.411.1~~ Queries relating to this policy should be directed to the Head of Financial Accounting.

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Appendix 1

Letter from Payroll Department advising Manager of Overpayment made to Existing Employee

4th Floor
Companies House
Crown Way
Cardiff
CF14 3UB

[Date]

Enquiries to: [Name of Payroll Officer]
Direct Line: [Tel number]

[Name of Line Manager]
[Contact details of Line Manager]

Dear [Name of Line Manager]

Ref: [Name of Employee & Payroll Number]

I wish to advise you that due to late notification of a reduction in hours, [name of Employee] has been overpaid.

A letter will be sent in due course to [name of Employee] detailing the calculation of the overpayment, together with a proposal of repayment.

All overpayments are currently being monitored so that appropriate actions can be taken to try and reduce overpayments caused by late or incorrect information being received by Payroll.

I trust that your assistance in this trying to resolve this problem can be relied upon.

Yours sincerely

[Name of Payroll Officer]

English Catherine
10/15/2021 14:56:56

Appendix 2

Letter to Current Employee Advising of Overpayment

4th Floor
Companies House
Crown Way
Cardiff
CF14 3UB

[Date]

Enquiries to: [Name of Payroll Officer]
Direct Line: [Tel number]

[Name of Employee]
[Contact details of Employee]

Dear [Name of Employee]

Ref: [Payroll Number]

I regret to inform you that an overpayment has occurred in the salary you received on [date].

[Details of how overpayment arose and period of overpayment.]

The gross overpayment amounts to £[] which, after refunds of Pension Contributions £[]), National Insurance (£[]) and Tax (£[]) leaves a net overpayment of £[] outstanding. An invoice for this amount will follow shortly for your records. The request for payment in 14 days detailed on this invoice is not applicable if you agree to the overpayment being deducted from your salary.

Unless I hear to the contrary, within 14 days of this letter, I propose to recover this over a period of [] months, commencing with the salary you will receive on [date]. You may however wish to repay this amount in full by following the instructions on the invoice. If you choose this option please would you contact me so that I can stop the deduction from your salary?

If you have any other queries please do not hesitate to contact me and I will be able to discuss the overpayment with you in more detail and explain the repayment procedure.

Please accept my sincere apologies for any concern and inconvenience caused.

Yours sincerely

[Name of Payroll Officer]

cc Financial Accounting Team
cc Manager

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10/15/2024 16:56

Appendix 3

Letter to Current Employee following no Response to Previous Letter (appendix 2)

4th Floor
Companies House
Crown Way
Cardiff
CF14 3UB

[Date]

Enquiries to: [Name of Payroll Officer]
Direct Line: [Tel number]

[Name of Employee]
[Contact details of Employee]

Dear [Name of Employee]

Ref: [Payroll Number]

I refer to my letter dated [date], regarding the overpayment of £[] in your salary.

As I have not heard from you within the 14 day timescale, as set out in the above letter, I write to confirm that HEIW will commence deductions from your [date] salary.

If you have any further queries please do not hesitate to contact me.

Yours sincerely

[Name of Payroll Officer]

cc Financial Accounting Team

English Catherine
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Appendix 4

Letter Advising Manager of Overpayment to an Ex-Employee

4th Floor
Companies House
Crown Way
Cardiff
CF14 3UB

[Date]

Enquiries to: [Name of Payroll Officer]
Direct Line: [Tel number]

[Name of Line Manager]
[Contact details of Line Manager]

Dear [Name of Line Manager]

Ref: [Name of Employee & Payroll Number]

I wish to advise you that due to [reasons] the above named employee has been overpaid.

A letter will be sent in due course to [name], detailing the calculation of the overpayment, together with contact details for the Finance department, to facilitate repayment.

All overpayments are currently being monitored so that appropriate actions can be taken to try and reduce overpayments caused by late or incorrect information being received by Payroll.

I trust that your assistance in this trying to resolve this problem can be relied upon.

Yours sincerely

[Name of Payroll Officer]

English Catherine
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Appendix 5

Letter Advising Ex-Employee of Overpayment

4th Floor
Companies House
Crown Way
Cardiff
CF14 3UB
[Date]

Enquiries to: [Name of Payroll Officer]
Direct Line: [Tel number]

[Name of Employee]
[Contact details of Employee]

Dear [Name of Employee]

I regret to inform you an overpayment has occurred in the salary/ies you have received from [date] to [date].

[Details of how overpayment arose and period of overpayment.]

The gross overpayment amounts to £[] which, after refunds of Income Tax £[] and National Insurance (£[]) leaves a net amount of £[]. An official invoice will be issued in due course and you should follow the repayment instructions on this invoice. If you wish to discuss the repayment please contact the Financial Accounting Team on 029 20316953.

Should you have any further queries regarding the calculation of this overpayment please contact me on the direct line above?

Please accept my sincere apologies for any concern and inconvenience caused.

Yours sincerely

[Name of Payroll Officer]

cc Financial Accounting Team
cc Manager

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Appendix 6

1. Debt Recovery Procedure

- 1.1 The Financial Accounting team must raise an invoice in respect of any overpayment or amount owing to HEIW upon receipt of the relevant information from the Payroll Department.

The invoice detailing the amount owed to HEIW must be sent to the Debtor.

If the overpayment relates to a current employee then the account should be placed on hold until notification is received from the Payroll Department to continue with the Debt Recovery Procedure.

If the overpayment relates to an ex-employee, then the debt will be pursued by the Financial Accounting team under the Debt Recovery Procedure.

- 1.2 If the invoice remains outstanding at the end of the month following the month of invoice, then it will go forward to be included in the collection process, unless the Payroll Department have notified the AR team of any issues or repayment plans in place. A reminder letter will be sent by the AR team requesting payment and notifying the Debtor that if payment is not made within 14 days of the date of the letter the debt will be referred to HEIW's Debt Collection Agency.

- 1.3 Should the Debtor at any time query the invoice, dispute the charge, or promise to make payment, then the collection process must be put on hold until either the query or dispute has been resolved or payment has been made. If the payment has been promised, but not made then the collection process must be resumed.

It is imperative that all queries must be noted by the AR team in order to evidence discussions and agreements. All correspondence in relation to debts must be retained by the AR / Payroll Department.

- 1.4 If there has been no success in collecting the debt either by HEIW or the Debt Collection Agency, then consideration must be given to instigating court proceedings.

Recommendation for court action for current employees must be made in writing to the Financial Accounting team by the respective Departmental Manager or Director of Service.

If court proceedings are recommended then representatives from the employing department and/or the Payroll Department should accompany the Financial Accounting team representative to court to support the case.

- 1.5 If on termination of employment with HEIW, there remains an outstanding balance on the debt and it has previously been partly recovered by payroll

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deduction the Financial Accounting team will contact the Debtor to arrange continuation of the deductions by Standing Order.

2. Write Off

- 2.1 If attempts to collect the debt either by HEIW or the Debt Collection Agency is unsuccessful and Court Action is not feasible or has failed, then a proposal should be prepared to request write off of the debt.
- 2.2 Recommendations for the write off of debts must be made by Senior Departmental staff.
- 2.3 Requests to write off debts will be considered and actioned in line with HEIW's Standing Orders and Standing Financial Instructions.

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Appendix 7

Example 1

Mr A is notified, in July, by his employer that his current post is to be revised as Band 4, due to his failure to comply with professional registration requirements.

However, due to a clerical error, he continues to be paid at Band 6, which is clearly shown on his payslip, but Mr A is aggrieved at the decision to lower grade and so Mr A decides to spend the money (£5000) and does not inform his employer at any time.

The error continues for a further 10 months until a payroll officer finds the error and notifies Mr A, but in reply Mr A, whilst accepting that he has been overpaid, claims that he has spent the money and now can only afford to repay the amount by instalments (£25 per month x 200 months).

Decision

Payroll/Financial Accounting team

The individual is contacted and requested to repay the amount in one instalment, however, with discretion to allow re-payment over the same period as the overpayment. (I.e. £500 x 10 months)

Counter Fraud

The case should also be referred, by Payroll Department or Financial Accounting team, to the Counter Fraud Team for further enquiries ~~to be made as part of a potential criminal investigation, since the onus was clearly on the individual to have notified his employer when his salary payments were not correctly adjusted and it would have been reasonable for him to have known that he was being overpaid.~~

Example 2

Miss T notifies her Line Manager that she wants to reduce her hours from 37.5hrs to 20hrs per week. However, due to a clerical error, she continues to be paid full time (37.5hrs) which is clearly shown on her payslip, but Miss T does not spend the money and then informs her Line Manager and payroll immediately of the error in writing. However, the Payroll Department do not receive the correspondence.

This continues for a further 10 months until Miss T decides to write to her employer again giving a specific date by which the employer should recover the money, but the date passes and Miss T then goes and spends the money, which she now considers to be her own.

Decision

Payroll/Financial Accounting team

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The individual has done everything reasonable, with her employer, to “secure that the credit is cancelled” and therefore should have the right to treat it as her own and then spend the money accordingly.

This loss should be recorded within the Losses and Special Payments Register by Financial Accounting team.

Counter Fraud

No action for same reason given.

Example 3

Mrs H works a number of rostered shifts including weekends and as a result receives salary payment of the enhancements, a month in arrears, for this work.

In June, the ward on which she worked stopped all weekend work and therefore, she was not required to work, however, due to a clerical error, in July and for the following 3 months, she continued to receive recurring payments, which were clearly shown on her payslip, but Mrs H did not regularly check her payslip and spends the money (£1000).

The payroll officer finds the error and then notifies Mrs H, but in reply Mrs H does not accept that she has been overpaid as she claims that she does not find it easy to check her on-line payslip and also has now gone and spent the money.

Decision

Payroll/Accounts Receivable

The individual is contacted and requested to repay the amount in one instalment, however, with discretion to allow re-payment over the same period as the overpayment. (I.e. £666 x 3 months)

Counter Fraud

The case should also be referred ~~to the Counter Fraud Team by Payroll or Financial Accounting team,~~ for further enquiries ~~to be made as part of a potential criminal investigation, since, the~~ The onus was clearly on the individual to check her payslips and to have notified her employer when she identified that her salary payments had not reduced as a result of a change in circumstances (i.e. no weekend shifts), and therefore it could be considered for it to be “reasonable” for her to have known that she was being overpaid.

Example 4

Miss J works a number of rostered shifts including weekends and as a result receives enhancements, a month in arrears, for this work.

However, due to a clerical error, she continued to receive one recurring payment a month for 10 months, but whilst Miss J does regularly check her payslip, she

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expected to regularly receive enhancement payments and therefore did not notice the error and spends the money (£500).

The payroll officer finds the error and then notifies Miss J, but in reply Miss J states that she did not notice the error and has spent the money.

Decision

Payroll/Financial Accounting Team

The individual is contacted and requested to repay the amount in one instalment, however, with discretion to allow re-payment over the same period as the overpayment. (I.e. £50 x 10 months)

Counter Fraud

No action as this is considered to be a “drip feed” overpayment in that it would have been reasonable for the individual to have expected to receive regular monthly enhancements and wouldn’t necessarily have noticed that she was being overpaid, but Miss J would still have a duty to repay any monies to her employer that she had been overpaid, as a result of the error.

Example 5

Mr R hands in his letter of resignation to his employer on 27 March stating that he wishes to leave HEIW on 21 April. His manager agrees to this termination date, and then goes on annual leave, actioning the termination on ESR upon his return on 14 April.

Mr R receives a full month’s salary on 21 April as the notification to the payroll department was done after the pay for that month had been calculated.

An overpayment for the period 22 – 30 April has therefore been made to Mr R.

Decision

Payroll/Financial Accounting team

The manager is contacted by the payroll department and asked to ensure terminations are processed in future on the date the resignation is received from the member of staff. The manager asks that any written communication sent to Mr R be sent in font size 22 as Mr R has restricted sight.

The payroll department contacts Mr R in the format requested by the manager, and requests that he repays the amount in one instalment.

Counter Fraud

No action as it would have been reasonable for the individual to have expected their final salary to be calculated correctly as they notified their manager on 27th March. However, Mr R would still have a duty to repay any monies to his employer that he had been overpaid, as a result of the error.



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Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

FINANCIAL CONTROL PROCEDURE (FCP) 5

CONSTRUCTION INDUSTRY SCHEME (CIS)

Version	Version 1. 1 <u>2</u>
Issue Date	<u>20/10/2020</u> <u>TBC</u>
Next Review Date	October 2021 <u>2022</u>
Author	Martyn Pennell
Reviewed	<u>Adam Dugdale</u>
Approved	Audit & Assurance Committee – <u>20/10/2020</u> <u>TBC</u>

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Oct 2020	<ul style="list-style-type: none">• Added version history• Clarified status of HEIW for CIS purposes• Adopted standard FCP template format & headings• Set out the control objectives of the FCP and defined the responsibilities of individuals	Head of Financial Accounting	Approved 20/10/20
<u>1.2</u>	<u>October 2021</u>	<ul style="list-style-type: none">• <u>Updated scheme registration requirements following HMRC update (effective April 2021)</u>	<u>Head of Financial Accounting</u>	<u>TBC</u>

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1 Scope and Principles

- 1.1 This procedure details the principles and requirements of HM Revenue & Customs (HMRC) Construction Industry Scheme (CIS), and the controls that are required to ensure HEIW's compliance with the scheme.
- 1.2 Under the CIS scheme organisations are deemed to be a contractor, and therefore must register with HMRC, if ~~they spend more than £1m a year on construction in any 3-year period~~their cumulative spend on construction operations reaches a threshold of £3m over a rolling 12 month period. As HEIW has not exceeded this threshold it is not covered by the CIS scheme. This FCP is in place to set out the procedures should this status change in the future and to ensure the organisation understands the requirements of the scheme.
- ~~1.3 However, the policy will remain in place in the event that in the future HEIW becomes a deemed contractor.~~
- 4.41.3 In the event that HEIW becomes a deemed contractor in the future it would operate the relevant procedures whenever it sub-contracts work that is within the scope of the scheme.
- 4.51.4 The scheme applies to specified construction work and also includes services such as installation, repairs, decoration and demolition. A comprehensive list of services that are included in the scheme can be found in Appendix C of the guide CIS340 ~~referred to in paragraph 1.2 above~~available on the HMRC website. The definition of a contractor and subcontractor is also provided within Section 1 of the guide.

2 Related and Relevant Documents:

- HMRC guide 'Construction Industry Scheme' reference CIS340
- Financial control procedure 11 – Accounts Payable

3 Control Objectives

- 3.1 The control objectives of this financial control procedure are as follows:
- To ensure that all payments covered by the Construction Industry Scheme are made correctly to suppliers; and
 - The required information is submitted to HMRC accurately and timely.

4 Responsibilities

Head of Financial Accounting

- 4.1 The Head of Financial Accounting is responsible for:
- Monitoring if HEIW exceeds the CIS threshold, and to register with HMRC accordingly.
 - Ensuring that monthly CIS returns are prepared and submitted to HMRC
 - Providing a statement of payment and deduction to each subcontractor who has been subject to deduction at the end of each tax month

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Budget Holders

4.1 Budget Holders are responsible for:

- Identifying suppliers/work carried out that falls under the requirements of the CIS scheme.

Accounts Payable

4.2 Accounts Payable are responsible for:

- Making payments in line with the requirements of the CIS scheme (based on information received from HEIW).

5 Scheme overview

5.1 What is the Construction Industry Scheme?

The scheme sets out the rules for how payments to subcontractors for construction work must be handled by contractors in the construction industry and certain other businesses, such as the National Health Service. Under the scheme, all payments made by HEIW to subcontractors must take account of the subcontractor's tax status as determined by HMRC. This may require HEIW to make a deduction, which is paid to HMRC, from that part of the payment that does not represent the cost of materials incurred by the subcontractor.

5.2 What types of work are covered by the Scheme?

The scheme covers all construction work carried out in the UK including jobs such as:

- Site Preparations
- Alterations
- Dismantling
- Construction
- Repairs
- Decorating
- Demolition

More information on the scope of the scheme can be found in [the link provided in Appendix 1](#).

5.3 Classification of Subcontractors

Subcontractors should register for the scheme for assessment by HMRC prior to commencing any work within the construction industry. Contractors will pay the subcontractor in one of the following ways:

- Gross, that is without any deductions taken from the payment
- Net of a deduction at the current standard rate of 20%
- Net of a deduction at the higher rate of 30% where the subcontractor has not registered for the scheme

5.4 All deductions made by HEIW shall be paid to HMRC.

- 5.5 HEIW shall make a monthly online return to HMRC via their website:
<https://online.hmrc.gov.uk/home>

6 Creditor set-up procedures

- 6.1 When a new supplier is to be set in Oracle a creditor set-up form must be completed. On this form, there is a section in respect of CIS which asks for the following details:
- Does the supplier undertake work that could be classed as CIS work?
 - Is the supplier registered under the CIS scheme?
 - Supplier's Company Registration Number?
 - Supplier's Unique Tax Reference?
- 6.2 If the supplier does carry out work that may be classed as CIS work, NHS Wales Shared Services Partnership (NWSSP) must send a copy of the creditor set-up form to the Financial Accounting team which will verify the supplier on the HMRC CIS on-line database using the information provided and to the NWSSP Supplier Maintenance team to ensure the Oracle CIS site tab is updated.
- 6.3 The supplier must be reminded by NWSSP when orders are placed, that for any work that falls under the CIS and where a supplier is subject to a CIS deduction of tax, an invoice must be provided that breaks down the cost of the work completed into labour and materials.

7 Accounts Payable procedures

- 7.1 When an invoice is entered into the Oracle general ledger for payment, the system will notify the Accounts Payable staff if the company being paid is registered with the CIS. If the company is registered for the CIS, the Accounts Payable staff will review the invoice to ascertain whether the work carried out falls within the scope of the scheme. If they are unsure, they should ask the Financial Accounting team for advice or contact the HMRC (CIS) Helpdesk on 0845 366 7899.
- 7.2 Where an invoice falls within the scheme the Accounts Payable staff will take the following action:
- Subcontractors who are paid gross – enter the invoice into the Oracle general ledger as normal.
 - Subcontractors who are paid net - pass a copy invoice to the Financial Accounting team. The Financial Accounting team will complete a CIS Debit Note (see Appendix 2) which calculates the amount of tax that needs to be paid over to the HMRC. Accounts Payable staff will then enter this information into the Oracle general ledger as the invoice is processed.
- 7.3 If Accounts Payable staff review an invoice that looks as if the work undertaken falls within the CIS scheme yet the Oracle CIS site tab does not have the company as registered with the CIS scheme then the invoice must be passed to the Financial Accounting team for checking. The Financial Accounting team will check the company's CIS status and if necessary, verify the subcontractor with the HMRC CIS on-line database and ask NWSSP Supplier Maintenance to amend the subcontractors Oracle CIS site tab.

- 7.4 If the Financial Accounting team ascertains that the subcontractor should be registered for CIS but isn't, a CIS Debit Note which calculates the amount of tax that needs to be paid over to the HMRC at the higher rate will need to be completed. Accounts Payable will enter both documents into Oracle.
- 7.5 The Financial Accounting Team will forward a statement of payment and deduction (Appendix 3) to each subcontractor who has been subject to deduction within 14 days of the end of each tax month i.e. by the 19th of the month. The statement can be issued on the basis of one for each tax month or one for each payment if this is more frequent. The statement must include the following information:
- Contractor's own name and employer's tax reference.
 - The end date of the tax month in which the payment was made such as "tax month ending 5th May 2009" or the date of payment where the statement relates to a single payment.
 - Subcontractor name, unique taxpayer reference number and the personal verification number if the subcontractor could not be verified and a deduction at the higher rate has been made.
 - The gross amount of the payments made (excluding VAT) to the subcontractor.
 - The cost of any materials that has reduced the amount against which the deduction has been applied.
 - The amount of the deduction.

8 Month End Procedures

- 8.1 At the close of each tax month (5th of each month), the Financial Accounting team will run off the summary and detailed CIS reports from Oracle.
- 8.2 The Financial Accounting team will complete a spreadsheet each month detailing all the amounts paid to subcontractors under the CIS scheme. Consequently, the Financial Accounting team will need to check all gross payments to ascertain which fall within the CIS scheme. The Financial Accounting team will also check the net payments.
- 8.3 If any subcontractor appears on the Oracle report that has not been verified by HEIW on the HMRC CIS on-line database, then the Financial Accounting team will need to undertake this to verify the subcontractor's tax status.
- 8.4 The Financial Accounting team will enter the payment and deduction totals of each subcontractor into a monthly return within the online HMRC system. A nil return must be made where no payments exist. The return must be finalised prior to the 19th of the following month.
- 8.5 The Financial Accounting team will arrange for the total of the deductions made via BACS payment Run to HMRC.
- 8.6 The Financial Accounting team will maintain a schedule of all subcontractors that HEIW has registered on the HMRC CIS on-line database. This list will be posted on the V:Drive so that all finance staff have access to it.

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9 Year End Return

- 9.1 At the end of each financial year HEIW is required to complete a P35 Annual Employer's Return. The total amount of scheme deductions will be included on this form.

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Appendix 1 Link to the HMRC webpage – The Scope of the Scheme: Quick Guide

<https://www.gov.uk/government/publications/construction-industry-scheme-cis-340/construction-industry-scheme-a-guide-for-contractors-and-subcontractors-cis-340>.

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Appendix 2 CIS Debit Note

CIS Debit Note Number:

Company:

CIS Verification Number:

Tax Month & Year:

Order	Invoice	Amount	Amount	VAT	Materials	Labour	Total	%	%	Total
Number	Number	Net	Gross	Rate	excl VAT	excl VAT	excl VAT	Material	Labour	
			0.00	20%			0.00	Costs	Costs	#DIV/0!
			0.00	20%			0.00	#DIV/0!	#DIV/0!	0.00
			0.00	20%			0.00			0.00
			0.00	20%			0.00			0.00
			0.00	20%			0.00			0.00
		0.00	0.00		0.00	0.00				

Calculation of Deduction:

Total payment (exclusive of VAT)	0.00	
Less cost of materials (exclusive of VAT)	0.00	
Amount liable to deduction	0.00	
Amount deducted at %		Pay to HMRC
Payment to subcontractor	0.00	Pay to Subcontractor

Completed By:

Signed:

Date:

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Appendix 3 CIS Payment and Deduction Statement

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/375454/cis-payment-deduction-statement.pdf

Construction Industry Scheme
Payment and deduction statement

Contractor details

Contractor's name

Contractor's address

Payment and deduction made in tax month ended
05 MM YYYY

05

Employer's Tax Reference

/

Subcontractor details

Subcontractor's full name

Unique Taxpayer reference (UTR)

Verification Number*

V

/

*Verification number only to be entered where a deduction at the higher rate has been made.

Gross amount paid (Excl VAT) (A)

£

•

00

Less cost of materials

£

•

00

Amount liable to deduction

£

•

00

Amount deducted (B)

£

•

00

Amount payable (A-B)

£

•

00

Subcontractors - Please keep this document safe

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HMRC 09/08



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Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

FINANCIAL CONTROL PROCEDURE (FCP) 6

Purchasing Card

Version	Version 2. 0 <u>1</u>
Issue Date	<u>20/10/2020</u> <u>TBC</u>
Next Review Date	October 2021 <u>2022</u>
Author	Martyn Pennell
Reviewed	<u>Lynda Phillips</u>
Approved	Audit & Assurance Committee – <u>20/10/2020</u> <u>TBC</u>

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
2.0	Oct 2020	<ul style="list-style-type: none">• Significant update to reflect requirements of the operating model within HEIW.• Revised type of card holders and the requirements of each• Added section on responsibilities (combining number of elements of FCP version 1.0).• Added version history• Adopted standard FCP template format & headings.	Head of Financial Accounting	Approved 20/10/20
<u>2.1</u>	<u>October 2021</u>	<ul style="list-style-type: none">• <u>Added responsibilities of Director of Finance to reflect revised SFIs</u>• <u>Added sections for VAT accounting and use of the card for overseas purchases.</u>	<u>Head of Financial Accounting</u>	<u>TBC</u>

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1 Scope and Principles

- 1.1 This procedure outlines the duties of HEIW staff in relation to the issuing, operation and governance of the HEIW purchasing Card.
- 1.2 The main objective of the purchasing card scheme is to reduce paperwork and administration time involved in the ordering and invoicing process for goods and services not covered by any purchasing agreements or contracts.
- 1.3 Identified cardholders are provided with a card that can be used to directly purchase goods or services as outlined in the guidance. The card is not to be used to purchase items that could be more appropriately purchased by the procurement department or are prohibited by the HEIW's standing orders and financial instructions.

2 Related and Relevant documents

- 2.1 This procedure should be read alongside the following documents:

- HEIW Standing Orders and Standing Financial Instructions
- HEIW Procurement Guide and regulations.
- FCP 7 – Value Added Tax

3 Control Objectives

- 3.1 The control objectives of this financial control procedure are as follows:
 - To ensure that access to purchasing cards is controlled and that the cards are issued only to authorised officers.
 - To ensure that authorised users of the cards understand their responsibilities in holding the card.
 - To ensure that expenditure incurred on purchasing cards is in line with the procurement rules, Standing Orders and Standing Financial Instructions that are in place in HEIW.

4 Responsibilities

Director of Finance

4.1 The Director of Finance is responsible for:

- Ensuring there physical security arrangements in place for payment cards;
- Ensuring there are effective control systems in place for the use of payment cards;
- Ensuring there are adequate control systems in place to minimise risk of card misappropriation.

Head of Financial Accounting

- 4.1.2 The Head of Financial Accounting is designated as the Purchasing Card Administrator (PCA) for HEIW. The responsibilities of the PCA include:
 - Approving the issue of cards to the card holder;

- Approving any requests to change the credit limit of any cards.
- The overall management of the purchasing card scheme.

Finance Officer

4.24.3 The Finance Officer is responsible for:

- Reconciling the monthly returns received from card holders to the Barclaycard statement and resolving any issues that are identified.
- Posting purchasing card transactions to the HEIW General Ledger.
- Managing the database of card details (card numbers, holders names, limits).

Card Users

4.34.4 Card users are responsible for:

- Signing the cardholder agreement form to confirm that they understand and consents to the card procedures (copy included in appendix 2)
- Ensuring the safe keeping of any card issued to them, including keeping the card in a secure location and not allowing the card number or CVV to be revealed to any unauthorised persons.
- Ensuring that the card is used only for the purposes identified in this FCP and that all expenditure is in line with the HEIW procurement rules. Cards are only to be used for business purposes, and may under no circumstances be used for private/personal transactions.
- Immediately notifying the issuing bank should the card be lost or stolen, or where fraud is suspected (Telephone: 0333 202 2051). The PCA should also be notified as soon as possible through the completion of the 'lost/stolen card incident report' form in appendix 3.
- Notifying the PCA of any required amendments to the purchasing card, including any job change or when they are leaving the employment of HEIW.
- Preparing a reconciliation of all expenditure incurred on their card on a monthly basis and sending it to the Finance Officer.
- Seeking to resolve any discrepancies in the card statement with the relevant supplier. Where the issue cannot be resolved the cardholder must contact the PCA for advice.
- Destroying the card by cutting it through the magnet strip and chip, when advised to do so by the PCA.
- Ensuring that VAT is correctly paid on items purchased with the procurement card and where VAT recovery is possible, requesting the appropriate information is provided by the supplier to enable the recovery to take place.

4.44.5 Whilst the card is embossed with the card holders name, the account, and therefore the financial liability, is in the name of Health Education & Improvement Wales. Consequently, there is no impact on the cardholder's personal credit status. However, it is important to note that the cardholder remains personally responsible that the use of the card is in accordance with these purchasing card procedures. Any fraudulent use of the card may ultimately lead to disciplinary proceedings.

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Budget Holders

4.54.6 Budget holders are responsible for the approval of any expenditure incurred on a purchasing card on their behalf. The individual limits set out in the Scheme of Delegation will apply.

5 Types of Purchasing Card Users

- 5.1 In HEIW there are two distinct types of purchasing card users, these being:
- Type A - Requisition Team – The card is used to procure items that have been requested and approved through the service desk system. The requisition team, in consultation with the procurement department where appropriate, will decide upon the most appropriate method to purchase these items. This may be through the use of the purchasing card.
 - Type B - Service Card Holders – These are approved members of staff who use the card to purchase items directly, instead of placing orders through the service desk.
- 5.2 The procurement and reporting process will differ for each of these types of cardholder. The process for each is set out in section 9.

6 Application Process

- 6.1 An initial request for a new purchasing card must be made by the budget holder to the Head of Financial Accounting (by email). This request must set out:
- The name of the proposed cardholder and their job title;
 - The reason why a purchasing card is being requested; and
 - An estimate of the maximum individual transaction value and monthly expenditure that will be placed on the card (needed to set the card limits). Note – For Type B (service card holders) the maximum transaction value cannot be more than the delegated authorisation level of the budget holder requesting the card.
- 6.2 Subject to the approval by the Head of Financial Accounting, the requester will be sent the following:
- Cardholder application form for completion (to be returned to the Head of Financial Accounting)
 - Purchasing card guidance.
- 6.3 Once complete, the authorised bank cardholder form will be sent by the Finance Officer to the card issuing bank. The bank will dispatch the card and pin number under separate cover directly to the PCA.
- 6.4 The Finance Officer will make a record of the card number, name and division of the new cardholder and will send the card and pin number separately to the cardholder. The cardholder and line manager/budget holder must then complete, sign and return the cardholder agreement form acknowledging receipt and agreeing to comply with the cards terms and conditions. Once complete, the card holder can commence using the card.

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7 Limits and Merchant Categories

- 7.1 A single transaction limit and a monthly credit limit will be set for each cardholder and noted on the purchasing card request form issued to the cardholder with the card.
- 7.2 Any request to increase either of the transaction limits must be made by email to the PCA setting out the value of the required increase, the reason for the change and the required duration. These details must be recorded on the 'Purchasing Card Approvals' spreadsheet, detailing the decision of the PCA whether to approve the increase.
- 7.3 The merchant categories to be used for the card will be set on application. This should be reviewed and amended on a case by case basis subject to approval by the Head of Financial Accounting or Deputy Director of Finance.

8 Use of the Procurement Card

- 8.1 The cardholder may only use the card for business purposes and may under no circumstances use the card for private transactions. If the cardholder requires any further clarification or information regarding this, they should contact the PCA in the first instance.
- 8.2 All purchases must be in accordance with the current procedures in operation and the HEIW standing orders and standing financial instructions.
- 8.3 The 'Purchasing Card Guidance' included at Appendix 1 sets out the requirements of using the card and will be issued to all cardholders when the application is made. The cardholder must agree to this guidance, and the requirements set out in this FCP, before the card will be made available to them.
- 8.4 The card can potentially be used at any supplier outlet displaying the Visa/MasterCard logo, provided the card has been set with the appropriate merchant categories.
- 8.5 Use for the card to pay for items such as evening meals are allowable, as per the travel and subsistence guidelines. Where alcohol is purchased this is to be paid for separately. Receipts will need to be provided.
- 8.6 The following items/commodities must not be purchased using the card:
 - Automotive fuel
 - Purchases from restaurants and bars
 - Cash
 - Goods available from Welsh Health Supplies, Central Stores in Bridgend
 - Mobile phones
 - Items covered by purchasing agreements or contracts
 - Regularly used items or services
- 8.7 Purchases using the card are subject to the same procedures that control other HEIW purchases. In particular the purchase of any medical, electrical or IT

equipment must be approved in the normal manner and in accordance with HEIW procedures.

9 Procurement & Reporting Requirements

Type A - Requisition Team

9.1 The Requisition team will use their card to procure items that have been requested and approved through the service desk system. Items must only be ordered once the appropriate approval has been granted by the budget holder through the service desk request or by separate email.

9.2 The requisition team will maintain a credit card log that outlines all transactions made on the card. This log must be updated as soon as the transaction has been made using the card. At the billing date this log will be used to reconcile the procurement card statement.

9.29.3 The team will also need to retain all receipts so that they are available for review or audit as required.

Type B - Service Card Holders

9.39.4 Service card holders will use their card to purchase items without placing a request through the service desk. At the billing date a reconciliation form must be completed outlining all expenditure on the card and the correct ledger coding. This expenditure is approved by electronic signature on the form or by email.

9.49.5 At the end of every month a purchasing card record of transactions form must be completed and sent to the PCA. If more applicable the credit card statement can be certified and coded by the cardholder which needs to be reconciled to the reports issued by Barclaycard. This details all purchases made up to that date and will be used by the PCA to reconcile transactions included on the card statement. The receipts for each transaction should be retained in a safe place by the cardholder for further inspection when requested during routine scheme audits and/or any individual transaction queries.

9.59.6 The budget holder/line manager should review and certify approval of the credit card statement/report. This provides the authorisation of the actual spend.

10 Value Added Tax

10.1 The rules for the recovery of VAT as set out in FCP 7 (VAT) apply to purchases made using the procurement card. Where HEIW is able to recover the VAT charged on a purchase the card user must request an invoice from the supplier to enable the recovery to take place. If the supplier is unable or unwilling to provide an invoice that contains the required information an explanation must be provided to the

Financial Accountant. Where the lost VAT is for a material amount or for recurring expenditure HEIW should consider alternative suppliers for future use.

11 Overseas Expenditure

11.1 Purchasing items outside of the United Kingdom can incur import tax and requires consideration of the correct VAT treatment to be applied on a case-by-case basis. Prior to using the procurement card for overseas purchases the card holder must seek the advice of the Financial Accounting Team.

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Purchasing Card Guidance

Introduction

The main objective of the purchasing card scheme is to reduce paperwork and administration time involved in the ordering and invoicing process for low value, high volume goods and services not covered by any purchasing agreements or contracts.

This procedure provides guidance for the issuing, operation, and governance of the purchasing card.

Each cardholder is issued with a copy of this document and the individual spending limits under which they can use their card. All purchases should be made in accordance with these procedures and the HEIW standing orders and standing financial instructions.

The cardholder may only use the card for business purposes and may under no circumstances use the card for private transactions. If the cardholder requires any further clarification or information regarding this, they should contact the Purchasing Card Administrator (PCA) in the first instance.

Overview of the purchasing card process

Purchasing cards will be issued at the discretion of the Head of Financial Accounting. A purchasing card request form must be completed for each new cardholder.

Certain types of goods or services will require that specific approved suppliers are used. The Procurement Department will provide further details on request.

The cardholder may conduct the card transaction over the telephone, on a face-to-face basis, via the internet (using a secure website and ensuring the card number is not included in any e-mail message/correspondence), by postal booking forms, or as a subscription request.

Within 4 working days of the transaction, the card issuing bank will pay the supplier.

The finance department receives monthly statements from Barclaycard which provides an overall summary and also individual statements detailing the transactions that have been made by each cardholder.

HEIW makes one payment per month by direct debit to the issuing bank to cover all card transactions made within that period.

Card housekeeping

Purchasing card scheme

The scheme is held in the name of Health Education And Improvement Wales and is maintained and administered by a nominated authority of the HEIW. The nominated authority is the Purchasing Card Administrator.

Purchasing card administrator (PCA)

The nominated PCA is Head of Financial Accounting based at Health Education And Improvement Wales, Finance Department, TY Dysgu, Nantgarw, Cardiff, CF15 7ZZ.

Purchasing card amendments

The cardholder must inform the PCA if for any reason the cardholder's name or other details need amending. The obsolete card should be cut in half across the magnetic strip and Chip and then returned to the PCA following receipt by the cardholder of the new card.

Purchasing card renewals

When the card reaches the expiry date, a replacement card should be received approximately 14 days prior to the renewal date. Non receipt should be advised immediately to the PCA.

Security of the purchasing card

The card issued to the cardholder is to be used by the cardholder only and should not be used by any other individual. The security of the card is the responsibility of the cardholder who must ensure that it is retained in a secure location and that the card number or CVV is not revealed to any unauthorised persons. The card must be used for business purposes only, and must not be used for personal use in any circumstances. If the card is used for a personal purchase in error, the PCA must be informed immediately and the appropriate action will be taken.

On receipt of the card, the cardholder and line manager/budget holder are required to sign a cardholder agreement form to confirm that the cardholder understands and consents to the card procedures detailed.

Lost/stolen cards

If the card is lost or stolen, the issuing bank must be advised immediately by telephone on the 24-hour customer service helpline: 0333 202 2051.

The card lost/stolen incident report must be completed and a copy forwarded to the administrator for review and action accordingly.

Job change/department change

Upon notice of a change of job and/or departmental change, the PCA must be informed as soon as possible. A decision will be made on the need for the continued use of the card.

Leaving employment

Upon leaving the employment of the HEIW, the card must be cut in half across the magnetic strip and Chip and returned to the administrator. The PCA must receive the card at least 14 days before the leaving date.

Cardholder liability/credit status

Whilst the card is embossed with the cardholder's name, the account, and therefore the financial liability, is in the name of Health Education And Improvement Wales. Consequently, there is no impact on the cardholder's personal credit status.

However, it is important to note that the cardholder remains personally responsible that the use of the card is in accordance with these purchasing card procedures. Any fraudulent use of the card may ultimately lead to disciplinary proceedings.

Purchasing card application

An initial request for a new purchasing card must be made by the budget holder to the Head of Financial Accounting (by email). This request must set out:

- The name of the proposed cardholder and their job title;
- The reason why a purchasing card is being requested; and
- An estimate of the maximum individual transaction value and monthly expenditure that will be placed on the card (needed to set the card limits).
Note – For Type B (service card holders) the maximum transaction value cannot be more than the delegated authorisation level of the budget holder requesting the card.

Subject to the approval by the Head of Financial Accounting, the requester will be sent the following:

- Cardholder application form for completion (to be returned to the Head of Financial Accounting)
- Purchasing card guidance.

Once complete, the authorised bank cardholder form will be sent by the Finance Officer to the card issuing bank. The bank will dispatch the card and pin number under separate cover directly to the PCA.

The Finance Officer will make a record of the card number, name and division of the new cardholder and will send the card and pin number separately to the cardholder. The cardholder and line manager/budget holder must then complete, sign and return the cardholder agreement form acknowledging receipt and agreeing to comply with the cards terms and conditions. Once complete, the card holder can commence using the card.

Transaction approvals and statements

All purchases must be in accordance with the current procedures in operation and the HEIW standing orders and standing financial instructions.

Where purchases are made using the card on behalf of another person (or where the card holder is a budget holder but the transaction value is in excess of their delegated limit), approval for the expenditure must be received from the budget holder before the purchase takes place. Evidence could include a service desk ticket or email authorising the expenditure.

At the end of every month the purchasing card record of transactions form must be updated or if more appropriate the credit card statement should be coded and reconciled. The transactions on this statement will be coded and reconciled to the purchase order forms/emails for the relevant month. Copies of the purchasing card record of transactions must be sent to the PCA on the 13th day of the month. The receipts for

each transaction should be retained in a safe place by the cardholder for further inspection when requested during routine scheme audits and/or any individual transaction queries.

Every month the PCA (via the team) will reconcile each cardholder's monthly account/copy credit card statement to the credit card statement or downloaded report received from the bank.

Should any queries or anomalies arise, these must be resolved by the finance department and the cardholder in an accurate and timely manner. Any irregularities are to be reported to the PCA.

Limits

Monthly credit limit

A monthly credit limit will be agreed for each cardholder and will be detailed in the purchasing card request form. If this limit is found to be insufficient for their purchasing needs, the cardholder's line manager/budget holder should contact the PCA to discuss any revision to the limits.

Transaction limit

The HEIW has an agreed maximum transaction limit for each card. The current limits for individual transactions will be detailed in the purchasing card request form. The card should not be used for purchases in excess of this limit. Attempting to purchase in excess of this limit will be met with a decline when authorisation is sought for the transaction. The total transaction limit is inclusive of any VAT, carriage charges, etc. Transactions must not be split in order to remain within the maximum transaction limits. Limits can be amended if agreed by the cardholder's line manager/budget holder and any request must be sent to the PCA.

Exceptions

The following items/commodities must not be purchased using the card:

- Automotive fuel
- Purchases from restaurants and bars
- Cash
- Goods available from Welsh Health Supplies, Central Stores in Bridgend
- Mobile phones
- Items covered by purchasing agreements or contracts
- Regularly used items or services

It must be noted that purchases using the card are subject to the same procedures that control other HEIW purchases. In particular the purchase of any medical, electrical or IT equipment must be approved in the normal manner and in accordance with HEIW procedures.

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Raising transactions/placing orders

The cardholder personally needs to place the order. This can be carried out in one of five ways:

- Ordering the goods/service by telephone and quoting the card number. Orders should be delivered to a site address and not to the cardholder's private address.
- Ordering by mail, where an application form can be completed with details of the card payment.
- Ordering by fax, providing the necessary card and delivery details.
- Personally visiting the supplier's premises and signing for goods.
- Placing an order to a supplier's secure website via the internet.

In all instances the cardholder must inform the supplier of:

- The full card number and date of expiry
- The full name of the cardholder (as shown on the card)
- The HEIW's full name
- The customer code

NB for security reasons, under no circumstances should the cardholder release the PIN except during transaction entry whilst ensuring the PIN is not disclosed. When documentation is used for ordering, the cardholder should not leave paperwork around displaying the card number.

Ordering by mail/telephone/internet

When undertaking transactions by mail, telephone ordering or over the internet, the cardholder may be asked to quote the last three digits of the number printed within the signature strip on the reverse of the card (CVV number). **The cardholder should not be asked for, nor reveal the PIN number, in any circumstances.**

The cardholder will also need to quote:

- The full delivery address
- A clear description of the goods required

The goods and delivery note should be marked prior to shipment:

"Purchasing Card, [Cardholder's name, location & department]"

Card declined

If a transaction is declined, it should be referred to the PCA. Some potential causes may be: exceeding monthly card limit, exceeding individual transaction limit or using a supplier that is within a category disallowed by the HEIW.

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Rejection of goods/goods incorrect

If the goods are rejected for any reason, the cardholder must ensure that the supplier is informed directly, as it is the supplier who will arrange a credit to the purchasing card.

If the cardholder is unable to reach a mutual agreement with the supplier, the cardholder must contact the PCA immediately.

Incorrect amount billed

When checking the card statement, the finance department may identify an erroneous transaction. In these circumstances the cardholder must contact the relevant supplier to seek an explanation/adjustment. In the event that the discrepancy remains unresolved, the cardholder should contact the PCA for further instructions. If the transaction is suspected to be fraudulent, the cardholder should immediately inform the PCA with full details. The PCA will contact the bank immediately to resolve and recover any outstanding amounts. It is advised that fraudulent transactions should not be resolved directly with the supplier as any delay may jeopardise the bank's attempt to investigate the issue.

Billed transaction prior to receipt of goods/services

The supplier should not charge the card for goods or services until they have been delivered/provided. If a charge is made in advance, the cardholder should contact the supplier to ensure that the goods have been despatched. It is against the regulations of the issuing bank to process transactions before the goods are despatched. The PCA must be informed immediately if this regulation has been breached.

Summary

The purchasing card scheme is designed to be simple and easy to use whilst providing the goods and services required to support HEIW departments in an efficient manner. It should also provide assurance that appropriate controls are continually maintained to ensure the ongoing success of the scheme.

All cardholders are expected to exercise good judgement and to act responsibly when using the card. The card is issued in individual cardholder names and all activity will be assumed to have been incurred by the cardholders.

Suspension of the card and/or disciplinary procedures if appropriate will be invoked for any improper use of the card facility. In the event of fraud or other losses, this must be recorded on the Losses and Special Payments Register.

Appendix 2

HEALTH EDUCATION AND IMPROVEMENT WALES CARDHOLDER AGREEMENT

I acknowledge receipt of NHS Purchasing Card Number

As a cardholder I agree to comply with the following terms and conditions regarding my use of the Purchasing Card (the 'card').

- a. I have received and understood that I am being entrusted with a card and will be making financial commitments on behalf of Health Education And Improvement Wales. Where stipulated I will be using designated suppliers as identified by the procurement department.
- b. I understand that Health Education And Improvement Wales is liable to the card provider for all the charges made on the card.
- c. I agree to use this card for Health Education And Improvement Wales business purchases only and agree not to charge personal purchases. I understand that the HEIW will audit the use of this card and report and take appropriate action on any discrepancies.
- d. I will follow the established procedures for the use of the card. Failure to do so may result in either revocation of my privileges and/or any other disciplinary action, including termination of employment.
- e. I have been given a copy of the purchasing card procedure and understand the requirements for the use of the card.
- f. I agree to return the card immediately upon request or upon termination of employment. Should there be any organisational change, which cause my purchasing requirements to change, I agree to return my card and arrange for a replacement, if appropriate.
- g. If the card is lost or stolen I agree to notify the card issuer immediately and the Purchasing Card Administrator as soon as possible thereafter.

Cardholder name:	
Cardholder signature:	
Date:	
Line manager/Budget holder name:	
Line manager/Budget holder signature:	
Date:	
Purchasing card administrator name:	
Purchasing card administrator signature:	
Date:	

Appendix 3

HEALTH EDUCATION AND IMPROVEMENT WALES
LOST/STOLEN CARD INCIDENT REPORT

CARD NUMBER	
CARDHOLDER NAME	
CARDHOLDER DEPT	
DATE OF INCIDENT	
INCIDENT DETAILS	
ACTION TAKEN	
<i>To be completed by cardholder:</i>	
<i>To be completed by administrator:</i>	

Cardholder Indemnity

I certify that the above describes an accurate reflection of the incident that has occurred.
I confirm that I have undertaken all the necessary actions to mitigate the incident actually occurring.

Cardholder name:	
Cardholder signature:	
Date:	
Line manager/Budget holder signature:	
Line manager/Budget holder signature:	
Date:	
Purchasing card administrator name:	
Purchasing card administrator signature:	
Date:	



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Health Education and
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Financial Control Procedure (FCP) 7

VAT Procedure

Version	Version 1. 1 2
Issue Date	20/10/2020TBC
Next Review Date	October 20212022
Author	Martyn Pennell
Reviewed	Lynda Phillips
Approved	Audit & Assurance Committee – 20/10/2020TBC

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Oct 2020	<ul style="list-style-type: none">• Added version history• Adopted standard FCP template format & headings, including addition of 'Control Objectives' and 'Responsibilities' section• Added paragraph numbering• Removed specified VAT rates to allow for any changes• Removed requirement to print VAT returns and calculations as they are now stored electronically.• Add section on the point of contact for VAT queries.	Head of Financial Accounting	Approved 20/10/20

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<u>1.2</u>	<u>October 2021</u>	<ul style="list-style-type: none">• <u>Minor amendments to wording</u>• <u>Responsibilities added for staff who arrange courses where a charge is made</u>	<u>Head of Financial Accounting</u>	<u>TBC</u>
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1 Scope & Principles

- 1.1 This procedure outlines the processes to be applied when dealing with VAT and is applicable to those staff who procure goods and services, provide a service to outside organisations, or account for VAT entries within the financial ledger.
- 1.2 This document also outlines the HEIW's responsibilities in completing and submitting returns to Her Majesty's Revenue & Customs (HMRC).

2 Related and relevant documents:

2.1 This procedure should be read in conjunction with:

- HEIW standing orders and standing financial instructions
- Financial Control Procedure 11 – Accounts Payable
- Financial Control Procedure 15 - Procurement
- VAT information available on the HMRC website

3 Control Objectives

- 3.1 The control objectives of this financial control procedure are as follows:
- To ensure that VAT is properly accounted for on all income and expenditure transactions in HEIW.
 - To ensure that all staff involved in VAT are aware of their responsibilities
 - To ensure that the required VAT returns are submitted to HMRC in accordance with the statutory monthly deadlines and that the figures contained within them are accurate.

4 Responsibilities

Head of Financial Accounting

- 4.1 The Head of Financial Accounting is responsible for:
- Ensuring that the required VAT returns are submitted to HMRC in accordance with the statutory deadlines and that the figures contained within them are accurate.
 - Ensuring that appropriate VAT guidance and training is provided to staff involved in VAT.
 - Reviewing the monthly VAT reconciliation, ensuring that it is consistent with the VAT return.

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Financial Accountant

4.2 The Financial Accountant is responsible for:

- Preparing the monthly VAT return
- Maintaining the VAT account, ensuring that it is consistent with the VAT return and reconciling it monthly.

Requisition Staff

4.3 Requisition staff are responsible for:

- Ensuring that all requisitions are raised with the correct VAT treatment and seeking advice where required. This will allow the procurement department to correctly raise orders to suppliers.

All Staff Providing Training Courses where a fee is charged

4.4 Where HEIW is providing chargeable training courses the advice of the Financial Accounting Team must be sought to ensure the correct VAT treatment is applied.

5 General information and definitions:

5.1 Value added tax (VAT) was introduced into the UK on the 1 April 1973.

5.2 There are currently four rates of tax applicable to business supplies:

- Standard rate - This is charged on the provision of most goods and services;
- Reduced rate – This is a lower rate charged on certain items, such as domestic use of fuel and power, sanitary protection, and certain urban regeneration schemes;
- Zero rate – 0% charged on food, water and sewerage services, books and certain printing matter, construction of certain buildings, dispensing of drugs, charities and children's clothing and footwear;
- Exempt rating - certain land and property transactions, postal services, education, health and welfare, burial and cremation, and fundraising events by charities. VAT exempt activities relevant to the NHS include private patients' charges and activities, vocational training, lecture fees and accommodation charges.

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- 5.3 Normally VAT is charged and recovered in the course of business and, therefore, would not be applicable to the NHS. However, NHS bodies are involved in non-business activities and VAT incurred can be reclaimed if it falls under the Contracted-out Services (COS) rules.
- 5.4 Contracted out services are those which could be performed in house by the HEIW but have instead been contracted out to a third party. A list of these items and further information is available on the HMRC website: <http://www.hmrc.gov.uk/manuals/vatgpbmanual/VATGPB9000.htm>
- 5.5 NHS organisations also have to account for VAT on business and trading activities. In these cases, VAT is chargeable on outputs and recoverable on inputs as would be the case for any other business.
- 5.6 External VAT advisors are used by NHS Organisations where this is considered to be cost effective.

6 Contracted out services

- 6.1 VAT recovery is only available on those services agreed by HMRC, provided:
- a) The supply of services is not for the purpose of any business activity
 - b) The service concerned is of a type traditionally performed in house by the NHS
 - c) That any goods for which a charge is included in the total price is incidental to the supply of that service (e.g. the cost of cleaning material in a tendered cleaning contract).
- 6.2 Any request to reclaim VAT must be supported by the existence of a VAT invoice. A VAT invoice must include the following information:
- unique invoice number
 - supplier name and address
 - supplier VAT number
 - date of supply
 - nature of supply
 - customer name and address (must state Health Education and Improvement Wales on the invoice regardless of what department has received the goods / services)
 - nature of supply
 - description of goods and services

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- total charge (net of VAT)
- details of any cash discounts
- total VAT payable
- total amount payable.

6.3 When an invoice is raised, an order is placed, or an invoice is directly input onto the financial system, any reclaimable VAT should be identified to allow the system to directly allocate the VAT to the VAT account.

6.4 Where individuals are unsure whether VAT can be reclaimed or not, they should contact their finance team. ~~If they are unable to provide guidance then they will refer the query to the~~ or the Financial Accounting team, who will advise or will contact HEIW's external VAT adviser if necessary.

7 Business and trading activities

7.1 Where HEIW undertakes an activity that can be classified as trading, output VAT will be charged on sales and input VAT will be reclaimed on the costs of providing these goods or services. In cases where goods and services are provided in such a way that only an element of the output should be treated as trading, only a proportion of that input VAT will be reclaimed.

7.2 In cases where goods and services received are charged on the same invoice and only part of the input VAT is usually recoverable, no VAT can be reclaimed.

7.3 There are some trading activities where invoices will not be raised e.g. catering sales, gift shop sales, private use of a work phone. In these cases the income received will be split coded to the VAT account and the remainder allocated to the code for the income in question. Any service to another NHS body in Wales will not incur VAT.

7.4 Where there is any doubt or query whether VAT is chargeable, an individual should contact their finance team. ~~If they are unable to provide guidance then they will refer the query to~~ the Financial Accounting team, who will advise or will contact HEIW's external VAT adviser if necessary.

8 Completion of VAT returns

8.1 The Financial Accounting team will ensure that the legal requirement to maintain a VAT account recording the summary totals of reclaimable input VAT and output VAT, and the balance due to or from HMRC, is

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accurately kept. They will also ensure that the cash subsequently received from or paid to HMRC each month is accurately and promptly posted to the financial ledger.

8.2 The team will submit monthly online VAT returns to HMRC by the required deadlines and ~~T~~the VAT account will be fully reconciled in line with the internal finance timetable. ~~It should be noted that the VAT return is submitted during the following month so there is always a month's timing difference between the balance held on the financial ledger and the processing of required adjustments.~~

8.3 All VAT return calculations will be reviewed by a second person prior to submission of the return. The calculations will be filed electronically with a clear cross reference to the online claim form and all supporting documents.

8.4 A record of all transactions will be maintained showing the amount of VAT reclaimed or paid for at least 6 years.

8.5 When errors are identified that relate to prior VAT periods, there is a legal requirement to disclose these separately to HMRC if they exceed:

- a net value of £10,000 or
- 1% of the figure entered in box 6 (subject to a maximum amount of £50,000).

8.6 Under NHS COS rules, VAT must be recovered no later than the June claim following the end of the financial year that the expenditure relates to.

~~8.6 All reclaims for a financial year must be made to HMRC prior to 30 June of the following financial year (noting that the June return will be filed by 31 July).~~

8.7 HEIW reports input VAT based on the tax point of the receipt of goods or services.

9 VAT planning opportunities

9.1 When structuring contracts, arrangements may be entered into which give the HEIW the ability to reclaim VAT where it may have been irrecoverable if the contract was structured in another way.

9.2 Consideration should be given to the efficient use of charitable funds. Certain goods, purchased or hired by NHS organisations, would be

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eligible for zero rating by the supplier if purchased out of charitable funds as opposed to being standard rated otherwise.

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10 Capital Programme VAT

10.1 The Financial Accounting team will determine the VAT treatment for small schemes following the HMRC COS guidance. However for larger schemes the Head of Financial Accounting will discuss with the HEIW's external VAT advisors the VAT reclaimable rates for each individual scheme. The VAT treatment for these schemes will be processed by the Financial Accounting team. Upon scheme completion an additional external VAT review will be undertaken to ensure the percentage of VAT reclaimable has not changed due to contract changes.

11 Partial Exemption Special Method (PESM)

11.1 On an annual basis, HEIW will complete an exercise to calculate the previous year's overall partial exemption percentage to its COS recoveries. This calculation will be prepared by September following the year end and will result in an annual adjustment to correct the value of VAT restricted to the appropriate amount for the year.

11.2 The percentage will then be applied on a monthly basis to all VAT returns once the PESH for the previous year has been agreed.

12 VAT Guidance

12.1 The primary point of contact for any VAT queries in HEIW is the Financial Accounting Team. Based upon their assessment of the issues and queries that are being raised they will tailor on-going VAT support and training for the organisation as appropriate.



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Financial Control Procedure (FCP) 8

General Ledger

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Author	Adam Dugdale
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Approved	Audit & Assurance Committee – 20/10/2020 TBC

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none"> Original document 	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Nov 2019	<ul style="list-style-type: none"> 'General Ledger Access' section renamed as 'Security' and expanded to provide more detail on passwords etc. 'Information Input & Processing' section updated with current processes. 	Head of Financial Accounting	Approved 22/11/19
1.2	Oct 2020	<ul style="list-style-type: none"> Version History added Job titles updated Table of Contents added Adopted standard FCP template format & headings 	Head of Financial Accounting	Approved 20/10/20
1.3	October 2021	<ul style="list-style-type: none"> Minor update to the responsibility of the Financial Accountant 	Head of Financial Accounting	TBC



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1. Scope and Principles

- 1.1 The General Ledger (GL) is a module of the Oracle Financial System and contains records all financial transactions for Health Education and Improvement Wales (HEIW).

2. Related and relevant documents

- 2.1 This procedure is to be read alongside:

- HEIW standing orders and standing financial instructions
- HEIW information governance policy
- Financial control procedure 1– Budgetary control procedure
- Financial control procedure 2 – Non-current assets
- Financial control procedure 3 – Month end process
- Financial control procedure 7 – VAT
- Financial control procedure 10 – Accounts receivables
- Financial control procedure 11 – Accounts payables
- Oracle standard system and operating procedures

3. Control Objectives

- 3.1 The main objectives for this financial control procedure are to ensure:

- There are sufficient controls to ensure segregation of duties.
- Adequate physical security exists.
- There should be a clearly defined audit trail from all information in the General Ledger to the source input documentation.
- Access to the General Ledger is restricted to authorised personnel only
- Feeder systems are appropriate and operate in a controlled environment
- All HEIW employees that use the General Ledger are aware of the required controls.

4. Responsibilities

- 4.1 The Director of Finance is responsible for the security, integrity and accuracy of the General Ledger.
- 4.2 The day to day responsibility and management of the General Ledger is delegated to the Head of Financial Accounting.
- 4.3 The Financial Accountants are responsible for the integrity of the hierarchical coding structure, ensuring the general ledger is in balance, uploading subledgers, opening/closing financial periods and for further developing the system.

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- 4.4 Both the Financial Accountants and e-Enablement (hosted by NHS Wales Shared Services Partnership (NWSSP)) are responsible for user maintenance and training staff on the systems functions.

5. Security

- 5.1 Access to Oracle is limited to authorised users only through the maintenance of usernames and passwords. The creation and end dating of Oracle accounts are maintained by NWSSP. HEIW are required to send Oracle account forms to NWSSP to request any changes needed.
- 5.2 All new user forms are to be completed by the individual manager and signed by the ~~Head of Financial Accounts~~Financial Accountant.
- 5.3 The Financial Accountant is to audit Oracle users on a quarterly basis following receipt of the summary report from NWSSP.
- 5.4 In addition to usernames being allocated, Oracle is a password protected system. The following controls are in place to minimise the risk of damage from misuse.
- Passwords expire every 30 days and require the user to select a new password.
 - Users are only permitted a limited number of attempts (3) to log in to Oracle before their account is disabled. The user will need to liaise with e-Enablement to unlock their account.
 - The password must be the required length of 8 characters, must be alpha/numeric and contain no consecutive repeating characters.
- 5.5 Access to the General Ledger will be controlled via access levels. The Head of Financial Accounting will determine system levels, with each individual user or group of users being allowed to certain functionalities dependent on their position or level of responsibility.

6. Maintenance of account codes and hierarchy

- 6.1 The HEIW coding structure consists of five segments

- Entity (3 characters)
- Cost Centre (4 characters)
- Subjective (5 characters)
- Analysis (4 characters)
- Other (6 characters)

When linked, all five segments form a financial code combination.

- 6.2 All requests for the creation, amendment or deletion of one of these segments must be sent to the Financial Accountant. If requesting a new

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segment, the requestor must specify where the new code fits into the segment hierarchy. Before creation, amendment or deletion, the accountant will check the validity of the request. The Financial Accountant will also maintain the appropriate documentation relating to these requests.

- 6.3 A common subjective chart of accounts is maintained by the NHS Wales Oracle Central team. Any new or amendment to codes therefore must be actioned via the All Wales Oracle team.
- 6.4 The Financial Accountant is responsible for maintaining the hierarchical coding structure and prior to period end, must run control reports to ensure the integrity of the hierarchical coding structure.
- 6.5 Financial codes will be automatically validated when combining all 5 elements of the coding structure.
- 6.6 Cross Validation rules have been put in place to ensure only correct coding combinations can be used together. E.g. revenue cost centres are not linked to capital subjective.

7. Information Input & Processing

- 7.1 There are three methods of inputting financial information into the general ledger:

- Processing interface files from feeder systems (Payroll)
- Processing of feeds as part of an integrated system (Accounts Payable, Accounts Receivable, Purchase Order)
- Web ADI journal entry

- 7.2 The processing of interface files from feeder systems forms part of the monthly tasks completed by the Financial Accountant. The Financial Accountant will be notified by Payroll when a feeder file is ready for processing. It is the Financial Accountants responsibility to ensure that the payroll files reconcile to the net and costing reports sent by Payroll.

- 7.3 The General Ledger is integrated to other modules within the Oracle system (e.g. Accounts Payable and Accounts Receivable). The system is set up to generate feeds daily. The Financial Accountant will check at each month end to ensure all feeder files have been posted to the correct financial period.

- 7.4 Web ADI journals can be entered to the General Ledger by Oracle users with appropriate system responsibilities. Each journal is uniquely identifiable, by using a unique header name. This name is generated from the Journal Tracker. Each Web ADI journal template is to be balanced, have valid financial codes, contain adequate line narrative and a completed Line DFF.

- 7.5 There are three types of journals which can be uploaded to Oracle. Standard, Reversing and Budget.

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- 7.6 A standard numbering and naming system is to be used for all journals produced within HEIW. A central log is maintained (saved in Shared Finance/Relevant Year/Journals) that is used to issue a unique sequential number. This log also sets out the standard naming convention that is to be used.
- 7.7 The Financial Accountant will audit all journals posted on a monthly basis for audit purposes and to ensure the journal population rules have been adhered to.

8. Reporting Timetable

- 8.1 Annually, an agreed timetable will be prepared by the Deputy Director of Finance to ensure HEIW's and Welsh Government's reporting deadlines are met. The timetable will define the cut off dates for the input of data into the general ledger and output days for the HEIW Budget reports.

9. Review

- 9.1 The procedure will be reviewed annually.



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Improvement Wales (HEIW)

Financial Control Procedure (FCP) 9

Petty Cash

Version	Version 1.4-2
Issue Date	20/10/2020TBC
Next Review Date	October 20212022
Author	Martyn Pennell
Reviewed	Lynda Phillips
Approved	Audit & Assurance Committee – 20/10/2020TBC

Version History

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Oct 2020	<ul style="list-style-type: none">• Version history added• Paragraph numbering updated• Adopted standard FCP template• Added control objectives• Revised responsibilities section• References to service-held petty cash floats removed. The float is held in the finance team on behalf of the whole organisation.• Rearranged paragraphs to explain the process for reimbursement.	Head of Financial Accounting	Approved 20/10/20

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<u>1.2</u>	<u>October 2021</u>	<ul style="list-style-type: none"> • <u>Added responsibilities of Director of Finance to reflect requirements set out in updated model SFIs</u> • <u>Added responsibilities for budget holders</u> • <u>Amended the required frequency of reimbursement of the petty cash reflecting the low volume of transactions that are processed.</u> 	<u>Head of Financial Accounting</u>	<u>TBC</u>
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1 Scope and Principles

- 1.1 The purpose of this procedure is to ensure that purchases made from petty cash floats operating within HEIW are restricted in value and by type of purchase. In addition this procedure is to ensure that petty cash floats are held securely and are used appropriately.
- 1.2 Health Education and Improvement Wales (HEIW) will aim to keep petty cash balances and use to a minimum and is only to be used for exceptional and low value items.
- 1.3 This procedure is applicable to all staff who have a responsibility for a petty cash float, authorise expenditure against a float, and process reimbursements for individual floats.

2 Related and relevant documents

- 2.1 This procedure should be read in conjunction with:
 - HEIW standing orders and standing financial instructions

3 Control Objectives

- 3.1 The control objectives of this financial control procedure are as follows:
 - To ensure that petty cash payments are appropriately approved and properly supported by receipts
 - To ensure that adequate physical security of petty cash exists

4 Responsibilities

Director of Finance

- 4.1 The Director of Finance is responsible for:
 - The petty Cash system, procedures, authorisation and record keeping, and ensure purchases from petty cash are restricted in value and by type of purchase in accordance with procedures

Head of Financial Accounting

- 4.14.2 The Head of Financial Accounting is responsible for:
 - Reviewing and deciding upon appropriate action of any discrepancies in the petty cash float.

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Financial Accountant

4.24.3 The financial accountant is responsible for:

- Reviewing the reconciliation of the petty cash against the balances held on a regular basis.

Finance Officer

4.34.4 The Finance Officer is designated as the 'Petty Cash Holder' and is responsible for:

- The reconciliation and reimbursement of petty cash, as detailed in section 7 below.
- Recording all receipts and disbursements of petty cash ensuring that this balances to the imprest on a regular basis.

Budget Holder

4.5 The budget holder is responsible for:

- Approving all expenditure to be reimbursed through petty cash in accordance with this Financial Control Procedure.
- Ensuring only allowable items are claimed through the petty cash system.

5 Location of the petty cash float

5.1 For HEIW the petty cash float will be held and operated by the finance team. There is no facility to hold individual floats within service departments.

5.2 All petty cash must be kept in the safe in the finance department.

6 Reimbursement from the petty cash float

6.1 The petty cash float is to provide the facility within the HEIW to enable individuals to purchase one off / urgent items that cannot be purchased through the Oracle Procurement system. It must not be used to avoid following the standard procurement rules. Where there are existing contracts in place petty cash should not be used and the standard ordering process must be followed e.g. catering for meetings.

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- 6.2 No request for petty cash should exceed £25 and under no circumstances should individual purchases be deliberately split in an attempt to circumvent this maximum limit.
- 6.3 Example of items that are acceptable for reimbursement through the petty cash float are:
- Postage stamps (where franking machines are not available)
 - One off items (required the same day) that have been agreed by the departmental finance team prior to purchase.
- 6.4 A voucher for withdrawal of money must be completed for every purchase requiring reimbursement through petty cash. It must be signed by the person requesting reimbursement and authorised by the petty cash holder. All receipts and supporting documentation must be attached to the voucher.
- 6.5 No monies can be given out in advance as all items should be purchased first and then reimbursed from the petty cash float on presentation of a receipt.
- 6.6 The petty cash float must only be used for official HEIW business and for expenditure in line with the HEIW's standing orders and standing financial instructions.
- 6.7 Payments made from petty cash which contravene this policy will not be reimbursed.

7 Reconciliation and reimbursement of the petty cash float

- 7.1 The petty cash holder shall be responsible for reconciling the float on a regular basis. Due to the amount of the activity, this may be required on a daily, weekly or monthly basis.
- 7.2 The cash in hand, plus the petty cash vouchers, plus any outstanding reimbursement requests, must agree to the authorised imprest amount. Any unresolved discrepancies must be reported immediately to the Head of Financial Accounting.
- 7.3 Reimbursement of the petty cash float should be completed when required but no less frequently than on a monthly basis but certainly on a year-end basis reflecting the volume of transactions processed, but as a minimum it must be completed at year-end.

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- 7.4 The petty cash reconciliation form will list all the individual vouchers, a brief description of the expenditure on each voucher, and be correctly coded to the appropriate expenditure subjective by the petty cash holder.
- 7.5 The form will also state the opening float balance, any outstanding reimbursement cheques and the cash remaining in the box. These should all reconcile back to the authorised imprest.
- 7.6 The petty cash holder must sign and date the form prior to sending it to the accounts payable team with all supporting petty cash vouchers. The accounts payable team will then arrange for the appropriate cheque to be raised and sent to the petty cash holder to cash at the nominated branch of the bank.
- 7.7 Within the accounts payable team, the completed request will be checked to ensure that all vouchers and receipts agree with the reimbursement amount requested, and that valid financial codes have been used. Any discrepancies shall be investigated and resolved prior to the request being processed.
- 7.8 On the last working day of March each year, the petty cash float will need to be reimbursed back to the imprest amount. Any discrepancies must be recorded on the year-end returns.

8 Procedure for planned leave

- 8.1 On the last working day before planned leave is to be taken, the petty cash holder shall carry out a reconciliation of cash and vouchers in the presence of their deputy nominated to take over during the period of absence.
- 8.2 The value of the cash in hand and vouchers shall be entered on the petty cash record sheet which both individuals will authorise and date, thereby agreeing to the transfer of the cash box, cash and vouchers.
- 8.3 The same process should be undertaken when the petty cash holder returns from leave and the deputy hands the cash in hand and vouchers back.



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Financial Control Procedure (FCP) 10 **Income, Fees & Charges including Accounts** **Receivables**

Version	Version <u>1.12.1</u>
Issue Date	<u>20/10/2020</u> <u>TBC</u>
Next Review Date	October <u>2021</u> <u>2022</u>
Author	<u>Martyn Pennell</u>
Reviewed	<u>Lynda Phillips</u>
Approved	Audit & Assurance Committee – 20/10/2020

Version Number	Review Date	Review Description	Editor	Status
1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Oct 2020	<ul style="list-style-type: none">• Added version history• Adopted standard FCP template format & headings.• Added section on responsibilities• Removed detailed categorisation of debt types (not required due to the relatively low volume/value of HEIW debtors)• Removed detailed procedure notes and appendices for debt collection process - FCP will set out overall aims and detailed process notes will be maintained in finance team.	Head of Financial Accounting	Approved 20/10/20

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<u>2.1</u>	<u>October 2021</u>	<ul style="list-style-type: none"> • <u>Expanded FCP to cover the identification, charging and receipt of all income</u> • <u>Added responsibilities of Director of Finance to reflect revised SFIs.</u> • <u>Added responsibilities for the Head of Financial Accounting, Delegated budget holders/managers and rearranged headings within this section.</u> • <u>Added requirements for use of other income processes</u> 	<u>Head of Financial Accounting</u>	<u>TBC</u>
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1 Scope & Principles

- 1.1 The purpose of this procedure is to ensure all income, fees and charges due to Health Education and Improvement Wales (HEIW) ~~is~~ are raised in line with the statutory duties of the organisation and are properly identified, collected and accounted for within appropriate controls ~~;~~ supported by timely and accurate information.

2 Related and Relevant Documents

- 2.1 This procedure is to be read in conjunction with the following:

- Standing Financial Instructions & Standing Orders;
- Financial Control Procedure 7 - VAT
- Financial Control Procedure 12 – Banking;
- Process Notes – Raising Invoices & Credits
- Process Notes – Salary Overpayments
- Process Notes – AR Closedown Procedure
- Process Notes – Unidentified and Unapplied Receipts
- Process Notes – Credit Control & Debt Recovery

3 Control Objectives

- 3.1 The main objectives for this financial control procedure are to:

- Ensure any income generation activities carried out by HEIW are done so under its statutory duty;
- Ensure there are sufficient controls and segregation of duties for the collection and receipt of income;
- Restrict relevant access to authorised personnel only;
- Ensure the existence of adequate physical security of cash and cheques;
- Enable effective and appropriate collection of all income for all goods and services provided;
- Ensure that adequate and timely management information can be generated.

4 Responsibilities

- ~~4.1 All staff involved in the income collection process have a responsibility in relation to the above and must ensure that all income due to HEIW is properly identified, recorded, collected and accounted for.~~

Director of Finance

4.1 The Director of Finance is responsible for:

- Designing and maintaining procedures to ensure compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
- Ensuring that systems are in place for the prompt banking of all monies received;
- Approving and regularly reviewing the level of all fees and charges other than those determined by the Welsh Ministers or by Statute.
- Recovering income due and for ensuring debt recovery procedures are in place to secure early payment and minimise bad debt risk on all outstanding debts.

Head of Financial Accounting

4.2 The Head of Financial Accounting is responsible for:

- Reviewing outstanding debts on a monthly basis and approving appropriate recovery action.
- Ensuring that any write-offs are approved and reported in line with the write-off procedure and are actioned within the delegated limits for losses.

Financial Accountant

4.24.3 The Financial Accountant is responsible for:

- Referring debts to HEIW's debt collection agency (or equivalent) where appropriate
- Reviewing the list of outstanding debts on a monthly basis with the Head of Financial Accounts and ~~consider~~ recommending future action.
- Applying the NHS arbitration process to aged NHS Wales debts.
- Preparing a schedule of debts to be written off for the Head of Financial Accounts, which will be presented to the Audit Committee.
- Review the month end reconciliations prepared by the Finance Officer.

Finance Officer

4.34.4 The Finance Officer is responsible for:

- Checking all income requests received have been completed correctly.
- Checking all income requests have been appropriately authorised.

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- Raising invoices and credit notes from all requests on the financial management system.
- Sending system generated invoices to customers in a timely manner.
- Produce and send out customers statements of accounts on a monthly basis.
- Receipt and allocate all cash received to invoices raised on the system.
- Liaise with the Financial Accountant with regards to any unapplied income amounts.
- Production and sending of dunning letters.
- Close the Accounts Receivable subledger within Oracle during the month end close down procedures.
- Reconcile on a monthly basis the Accounts Receivable subledger to the General Ledger and highlight any discrepancies to the Financial Accountant.

Debtor Requesters

4.44.5 Debtor requesters ~~Are are~~ responsible for:

- Initiating the raising of invoices, by the submission of a completed and authorised invoice request form to the Financial Accounts Department.
- Ensuring there is appropriate supporting documentation available to support any debtor requests to minimise payment disputes.
- Engaging in the resolution of disputes when invoices are not promptly paid.
- ~~Directorate managers are required to liaise with their Finance Business Partners to identify future income streams and to make sure these are reflected correctly in the financial accounts.~~

Delegated Budget Holders & Managers ~~Finance Officer~~

4.6 Delegated budget holders and managers are responsible for:

- Informing the Director of Finance of any income due that arises from any contracts, service levels agreements, leases, activities such a private patients or other transactions.
- Ensuring that any income generating activities are allowed under the statutory duties of HEIW, and where appropriate discussing these in advance with the Director of Finance

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~~4.54.7~~ Is responsible for:

- ~~• Checking all income requests received have been completed correctly.~~
- ~~• Checking all income requests have been appropriately authorised.~~
- ~~• Raising invoices and credit notes from all requests on the financial management system.~~
- ~~• Sending system generated invoices to customers in a timely manner.~~
- ~~• Produce and send out customers statements of accounts on a monthly basis.~~
- ~~• Receipt and allocate all cash received to invoices raised on the system.~~
- ~~• Liaise with the Financial Accountant with regards to any unapplied income amounts.~~
- ~~• Production and sending of dunning letters.~~
- ~~• Close the Accounts Receivable subledger within Oracle during the month end close down procedures.~~
- ~~• Reconcile on a monthly basis the Accounts Receivable subledger to the General Ledger and highlight any discrepancies to the Financial Accountant.~~

Financial Accountant

~~4.64.8~~ Is responsible for:

- ~~• Referring debts to HEIW's debt collection agency (or equivalent) where appropriate~~
- ~~• Reviewing the list of outstanding debts on a monthly basis with the Head of Financial Accounts and consider future action.~~
- ~~• Applying the NHS arbitration process to aged NHS Wales debts.~~
- ~~• Preparing a schedule of debts to be written off for the Head of Financial Accounts, which will be presented to the Audit Committee.~~
- ~~• Review the month end reconciliations prepared by the Finance Officer.~~

5 Income Generation

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

56 The Supply of Goods and Services

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5.16.1 Where possible and appropriate, payment should be received for the supply of goods or services in advance, or immediately after the supply has been made. In most cases this should be done by issuing a debtor invoice to ensure that:-

- the charge is invoiced to the appropriate debtor promptly;
- the charge levied is in accordance with agreed tariffs, and other charging arrangements;
- any VAT chargeable is included on the invoice;
- the debts can be properly chased and pursued, following the procedure in place for the collection of outstanding debts.

5.26.2 In all circumstances where credit has been granted an invoice must be raised by the department providing the goods or service ~~to ensure:-~~

- ~~• the charge is invoiced to the appropriate debtor promptly;~~
- ~~• the charge levied is in accordance with agreed tariffs, and other charging arrangements;~~
- ~~• any VAT chargeable is included on the invoice;~~
- ~~the debts can be properly chased and pursued, following the procedure in place for the collection of outstanding debts.~~

5.36.3 Where a service wishes to use other methods of collecting income, such as using payment cards through an online booking system, they must discuss their requirements with the Head of Financial Accounting before implementation. The Head of Financial Accounting will review the system to ensure that it is secure, cost effective and is able to provide the required information to feed into the financial system.

67 Security

6.17.1 Access to the Accounts Receivable sub-ledger is allocated through two defined Oracle responsibilities. These being:

- Enquiry access only
- Data Input access

6.27.2 Only staff within the Financial Accounts function will be given Data Input access within the AR subledger.

78 Procedures - Invoicing

Invoice Requests

7.48.1 Invoices will only be raised following receipt of an invoice request form. The request should be completed no later than 5 working days after the goods or service is supplied and sent to the Financial Accounting team at HEIW ~~Headquarters~~ to issue the invoice.

7.28.2 For the invoice to be raised promptly and correctly, and to assist in any future chasing of the debt, the invoice request must be populated with the standard information outlined in the invoice request template.

7.38.3 All invoices raised must include a contact name of the member of staff in the receiving organisation who is aware of the matter and able to progress payment of the invoice.

Raising Invoices

7.48.4 All invoices are raised in the Accounts Receivable subledger held within the Oracle Financial Management system.

7.58.5 Invoice request notes received by the Financial Accounts team will be processed and sent out to the debtor within 48 hours.

7.68.6 All invoices will be raised following the guidance provided in the 'Process Notes – Raising Invoices' document.

Cancellation of Invoices & Issuing of Credit Notes

7.78.7 All requests for the cancellation of an invoice or the issuing of a credit note must be made via email with the full reason for the cancellation of the invoice or the issuing of the credit note.

7.88.8 All credit notes must be authorised by an individual with appropriate delegated authority to do so and approved by the Deputy Director of Financial Management, Costing and Contracting or the Head of Financial Accounting.

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7.98.9 All credit notes must be allocated against the appropriate invoice immediately after raising.

7.108.10 All credit notes will be issued using the guidance provided in the 'Process Notes – Raising Credit Notes' document.

Posting of Receipts

7.148.11 All cash and cheques received are to be stored in the safe held by the HEIW finance team until they can be banked, which should be done as soon as possible. The amounts receipts are to be receipted and allocated to the corresponding invoice promptly.

7.128.12 Payments obtained from salary deductions will be allocated once the payroll feed has been posted.

7.138.13 Any receipts that differ in value from the invoice raised, or are not easily identifiable against a customer, are investigated and appropriate action taken to clear these amounts.

7.148.14 The process for dealing with unidentified and unapplied receipts is outlined in 'Process Notes – Unidentified and Unapplied Receipts'

89 VAT

8.19.1 It is the responsibility of the individual approving the invoice or credit note request to ensure that charging of VAT is considered and requested correctly. If advice is needed, this should be sought from the individual's local finance team ~~who can request further advice from~~ the Financial Accounting team ~~in HEIW Headquarters and the HEIW's external VAT advisor if necessary.~~

910 Credit Control and Debt Recovery

9.410.1 HEIW will seek to recover all debts that are owed to it. The recovery of debt will follow the process outlined in the 'Process Notes – Credit Control & Debt Recovery Document'

9.210.2 Where the standard methods of debt recovery have failed HEIW may consider court action against the debtor. The final decision on whether to apply for court action shall rest with the Deputy Director of Financial Management, Costing and Contracting/ Head of Financial Accounting.

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9.310.3 Where costs are incurred in the collection of debt HEIW will seek to pass these on to the debtor.

1011 Debt Write Off Procedures

10.411.1 Any non NHS invoices that are not recoverable or economic to pursue will be written off in line with HEIW's standing orders and standing financial instructions.

10.211.2 All debts that are written off are reported to HEIW's Audit Committee and entered onto the Losses & Special Payments Register. The register will include details of:

- Audit approval date
- Oracle cancellation date

10.311.3 Delegation limits for the write off of bad debts can be found in HEIW's Standing Orders.

1112 Month-end Procedures

11.412.1 The accounts receivable records are reconciled on a monthly basis to the overall Oracle system records in a format agreed by the Head of Financial Accounting. This reconciliation is reviewed and actioned accordingly by the Financial Accountant and a copy stored electronically. The reconciliation will form part of the monthly balance sheet review by the Head of Financial Accounting or deputy.

11.212.2 The month-end reconciliation must include an analysis of aged debts and, where an invoice is overdue, a summary of the action taken to recover that debt.

11.312.3 Where required, the Financial Accountant will meet with Head of Financial Accounting to review and, consider any write-offs to be discussed with the Director of Finance & Corporate Services, to review the summary level aged debt report, and discuss any other issues.

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Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

FINANCIAL CONTROL PROCEDURE (FCP) 11 **Accounts Payable**

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Author	Martyn Pennell
Reviewed	Adam Dugdale
Approved	Audit & Assurance Committee – 20/10/2020TBC

Version History

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2.0	Oct 2020	<ul style="list-style-type: none">• Significant update to reflect the operating requirements of the organisation and to cover all payment methods for supplier invoices.• Adopted standard FCP template format & headings.• Updated responsibilities to identify the split between NWSSP & HEIW	Head of Financial Accounting	Approved 20/10/20
<u>2.1</u>	<u>October 2021</u>	<ul style="list-style-type: none">• <u>Clarified the scope of the FCP</u>	<u>Head of Financial Accounting</u>	<u>TBC</u>

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1 Scope & Principles

- 1.1 This procedure sets out the requirements for the payment of invoices for goods and services in HEIW. The document does not cover the detailed procurement rules relating to the purchase goods and services – Further references are provided in section 2 below.
- 1.2 All payments must be made accurately and on a timely basis in accordance with the statutory guidance laid down by the Welsh Government.
- 1.3 The Welsh Government (WG) requires that HEIW pay all Non NHS trade Creditors in accordance with the CBI prompt payment code. This target is to pay all Non NHS Creditors within 30 days of receipt of goods or a valid invoice (whichever is the later).
- 1.4 The Welsh Government have also requested that procedures are put in place by each NHS Body to achieve a target payment of 10 days. This is not yet mandatory and is this target is reported and included in the monthly monitoring return to WG. The 30 day payment term remains the statutory target.
- 1.5 This document is relevant to all staff in HEIW that are involved in the procurement of goods and services, and any staff involved in the processing of supplier payments.
- 1.6 This document does not cover non-supplier payments, such as payroll nor items purchased through petty cash (see Financial Control Procedure 9).

2 Related & Relevant Documents

- 2.1 This procedure is to be read in conjunction with the following:
 - Standing financial instructions & Standing Orders
 - Scheme of delegation
 - Financial Control Procedure 6 – Construction Industry Scheme
 - Financial Control Procedure 6 – Purchasing Card
 - Financial Control Procedure 7 - VAT
 - Financial Control Procedure 12 - Banking
 - Procurement guide & Requisition Process Guide
 - Standard operating procedures and standard system procedures.
 - NHS Wales No PO No Pay Policy

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3 Control objectives

3.1 The control objectives for this financial control procedure are as follows:-

- To ensure that appropriate processes are in place to accurately pay suppliers on a timely basis in line with Welsh Government requirements.
- To ensure there are sufficient controls for the segregation of duties.
- To ensure access to the payments systems is restricted to authorised personnel only.
- To establish the specific responsibilities of HEIW staff and the NHS Wales Shared Service Partnership (NWSSP) in the payments process.

4 Responsibilities

The NHS Wales Shared Services Partnership (NWSSP)

4.1 NWSSP will, under a service level agreement (SLA), be responsible for the following:

- Provision of the Accounts Payable module that is contained within the Oracle financial ~~computer~~ management system. This includes the provision of appropriate system checks to ensure payments are correct, that duplicate payment cannot be made and ensuring that only authorised users can approve invoices.
- Recording invoices on the Oracle system and promptly processing payments to suppliers in line with the requirements of this procedure.
- Ensuring that queried invoices (on hold) are resolved in a timely basis.
- To immediately notify the Head of Financial Accounting of any concerns where financial controls may have been compromised or Counter Fraud in relation to suspected fraud.

Head of Financial Accounting & Control

4.2 The Head of Financial Accounting is responsible for:

- Maintaining an up to date list of authorised signatories for the approval of orders and manual payments and ensuring this is updated on the Oracle system.
- Approving payment runs and manual payments (delegated to Financial Accountant where required).
- Ensuring that any supplier payments made outside of the Accounts Payable system (such as faster payments/petty cash/foreign payments) are correctly accounted for on the General Ledger.

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Financial Accountant

4.3 The Financial Accountant is responsible for:

- Reconciling the General Ledger and the Accounts Payable module of Oracle on a monthly basis, and investigating any discrepancies that are identified.
- Approving payment runs and manual payments where required.

Requisition Team & Requisitioners

4.4 The Requisition Team & Requisitioners are responsible for:

- Ensuring requisitions are processed timely and accurately ~~in that orders can be created and matched to invoices~~.
- The timely receipting of goods and services following confirmation from budget holders.

Budget Holders

4.5 Budget holders are responsible for:

- Approving purchase orders or invoices in line with their agreed scheme of delegation limits.
- Notifying the requisition team when goods/services have been received so that the order can be receipted on the system.

5 No PO No Pay Policy

5.1 HEIW has adopted the NHS Wales No PO No Pay policy. This states that invoices, with the exception of an agreed list of items, will not be paid without a matching purchase order being in place. The list of exemptions is regularly reviewed by the all-Wales P2P group and the updated list is held in the finance team.

6 Public Sector Payment Policy (PSPP)

- 6.1 HEIW is required to achieve the Welsh Government PSPP target of paying 95% on all non-NHS suppliers invoices within 30 days. The processes within this Financial Control Procedure are designed to contribute towards achieving this target.
- 6.2 PSPP applies to all invoices processed by HEIW.

7 Procurement Process - Orders

- 7.1 The standard process for the procurement of goods and services that are not exempt from the No PO No Pay policy is as follows:

Requisition

- 7.2 Requisitions must be raised in line with the HEIW procurement rules and the procurement department must be contacted for all purchases in excess, or potentially in excess, of the value thresholds set out in the rules.
- 7.3 The Requisition Process Guide sets out the operational guidance for the raising of requisitions in HEIW.
- 7.4 Requisitions can only be approved by budget holders with the required delegated budget limit for their service area/cost centres.

Order Creation

- 7.5 The procurement department receive approved requisitions via Oracle and processes them by creating a purchase order sourcing the goods and services as appropriate.
- 7.6 The purchase order will be sent to the relevant budget holder for approval and then issued to the supplier.

Receipt of Goods & Services

- 7.7 Once goods or services have been received and they are checked to ensure that they match/meet the requirements of the order, the person receiving the items must notify the requisitioner who will receipt the item on Oracle. This will release payment of the invoice once it has been received and matched to the order.

Receipt of Invoices

- 7.8 All invoices must be sent to the following address to be entered onto the Oracle system:

Health Education & Improvement Wales
PO Box 123
Pontypool
NP4 4DW

or, electronically to:

NWSSP_PSU_P2P@wales.nhs.uk

- 7.9 Accounts Payable input the invoices onto the Oracle system and the date of receipt is recorded for the calculation of the PSPP target.
- 7.10 All invoices that are not on the No PO No Pay exception list must include a valid purchase order number. Where the invoice cannot be matched to a valid purchase order the accounts payable team will:
- Contact the relevant person in HEIW to request that a retrospective purchase order is raised. Any such orders will be reported to the Audit & Assurance Committee for information and review.
 - Contact the supplier to notify them that the invoice will not be paid until a valid PO number is given (Frequency of contact will be set out in the all-Wales No PO No pay guidance).
- 7.11 Where there is a query on an invoice it must be flagged as being 'in dispute' with the Accounts Payable Team as soon as possible. Only when the dispute has been resolved should it be released for payment.

Payment

- 7.12 Payments are made in line with the process identified in section 9.

8 Procurement Process – Exempt Items

- 8.1 The procurement process for items that are exempt from the No PO No Pay policy will vary depending on the nature of the goods or service. However, it is essential that the requirements of the HEIW procurement rules are followed. Advice should be sought from the procurement department.
- 8.2 Where invoices are received for items on the exception list the Accounts Payable department will contact HEIW to establish who should approve the invoice in line

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with the agreed scheme of delegation. Approval can be granted by email to the Accounts Payable team.

- 8.3 Budget holders must only approve invoices when they have confirmed that the invoice is correct and that the goods/service have been received and are as expected.
- 8.4 Invoices for exempt items are included within the PSPP requirements and therefore approval should be given as soon as possible.

9 Payment Methods

- 9.1 Payments for goods and services are to be made in HEIW using the following methods:

Accounts Payable system

- 9.2 This is the default method of payment as it uses agreed all-Wales processes built into the Oracle system. These processes have been designed to ensure that payments are made accurately and that the correct approvals are received at various stages. The system includes appropriate reporting facilities to track payments and to identify holds allowing the appropriate remediation action to be taken. Oracle also includes a number of automated stages that speed up processing and ultimately the payment of invoices.
- 9.3 The Head of Financial Accounting will decide upon the required frequency for payment runs and notify the Accounts Payable team. Additional payment runs or amendments can be arranged to reflect local circumstances or timings e.g. year-end or bank holidays.
- 9.4 For each payment run, Accounts Payable will issue an Oracle system report outlining the proposed invoices to be paid. This report will be reviewed by HEIW and authorisation to proceed must be given by the Head of Financial Accounting or Financial Accountant before it can be processed by the Accounts Payable team.
- 9.5 HEIW is able to set a pre-approved limit for the processing of payment runs. Where this is done, approval must be given to the Accounts Payable team by email and a copy must be retained for evidence.
- 9.6 The default payment method through the Accounts Payable system is BACS transfer. Where bank account information is not held cheques will be issued.

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Faster Payments

- 9.7 This is the manual payment of invoices directly through the HEIW bank. When making payment through this method the same controls must be followed as outlined in sections 7 and 8 above. This process should only be used for the following items:
- Urgent payments that cannot be made within the Accounts Payable system timescales.
 - Invoices payable to foreign suppliers with non-Sterling bank accounts.
 - Bulk CPD payments (cannot be processed through Accounts Payable as they would require the setting up of a high number of single-use supplier accounts).
- 9.8 For all faster payments a 'Payment Request Form' must be completed and authorised.
- 9.9 Financial Control Procedure 12 (Banking) sets out the controls for making payments through the bank account, including the required segregation of duties.
- 9.10 Once a payment has been made, HEIW must notify Accounts Payable in order that it is recorded on Oracle. This will:
- Prevent a duplicate payment being made;
 - Add the transaction to a 'wire-run', which will process the accounting entries in the general ledger.

Purchasing Card

- 9.11 Certain payments can be made using the HEIW purchasing card – Further information is provided in Financial Control Procedure 6.

10 Month End Reconciliation

- 10.1 At the end of each accounting period the Accounts Payable team will ~~closing~~ close the Accounts Payable accounting period and issue the system reports to HEIW.
- 10.2 HEIW will reconcile the Accounts Payable reports to the General Ledger and resolve any differences identified. Should any material issues be identified these must immediately be raised with the Head of Financial Accounting and the Accounts Payable manager.

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11 Construction Industry Scheme

- 11.1 Financial Control Procedure 5 covers the requirements of the Construction Industry Scheme.

12 Value Added Tax

- 12.1 Financial Control Procedure 7 provides the necessary guidance on VAT.
- 12.2 VAT will be reclaimed on Contracted Out Services (COS), in accordance with the relevant guidance issued by HMRC.
- 12.3 VAT will only be paid on receipt of a valid VAT invoice and on invoices raised to Health Education & Improvement Wales. All VAT will be coded correctly on the payment of any invoice.

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Financial Control Procedure (FCP) 12

Banking Arrangements – HEIW Operating Account

Version	Version 1. 2 3
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Author	Martyn Pennell
Reviewed	Lynda Phillips
Approved	Audit & Assurance Committee – 20/10/2020 TBC

Version History

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1.0	Oct 2018	<ul style="list-style-type: none">• Original document	Interim Head of Financial Accounting	Approved 02/10/18
1.1	Nov 2019	<ul style="list-style-type: none">• Removed names of post holders• Clarified system amendments that require dual authorisation• Increased payment authorisation levels to reflect service requirements• Removed detailed process notes for officer availability	Head of Financial Accounting	Approved 22/11/19
1.2	Oct 2020	<ul style="list-style-type: none">• Version history added• Job titles and responsibilities updated• Added section on cash forecasting	Head of Financial Accounting	Approved 20/10/20

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		<ul style="list-style-type: none"> • Amended audit of system amendments from half-yearly to monthly • Revised requirement to update and reconcile the bank from daily to at least weekly to reflect the volume, value and nature of transactions. 		
<u>1.3</u>	<u>October 2021</u>	<ul style="list-style-type: none"> • <u>Updated responsibilities of Director of Finance to reflect requirements set out in updated model SFIs</u> • <u>Amended responsibilities section to highlight roles of individual post holders and created separate 'Access Levels & Responsibilities' section</u> • <u>Amended Authorisation Approval Limit for Head of Financial Accounting to £4m (relates to release of payment only, not approval of expenditure)</u> • <u>Added requirements for safe keeping of bank access devices and passwords.</u> 	<u>Head of Financial Accounting</u>	<u>TBC</u>

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1. Scope & Principles

- 1.1. This procedure sets out how the banking arrangements operate within HEIW, including who can access and make changes to the bank accounts. The document also states who is authorised to make payments through the banking system.
- 1.2. This document describes how the HEIW's bank records and statements for these bank accounts are reconciled to the HEIW's own records and ledger in a timely manner.

2. Related and Relevant Documents

- 2.1. This procedure should be read against the following documents:

- HEIW standing orders & standing financial instructions
- Financial control procedure 10 - Accounts receivable
- Financial control procedure 11 - Accounts payable
- Government banking customer guide

3. Control Objectives

- 3.1. The objectives of this financial control procedure are as follows:

- To ensure there are sufficient controls in place maintaining segregation of duties
- To restrict access to the bank account to authorised personnel only and to ensure they are available when required
- To have adequate and appropriate physical security over cash, cheques and the bank accounts in place
- To have a clear defined audit trail for all information relating to the bank accounts to the source input documentation
- To ensure that Commercial and Government Banking Service (GBS) bank accounts have been properly established and are maintained in accordance with the HEIW's regulations.

4. Responsibilities

Director of Finance

- 4.1. The Director of Finance is responsible for:

- Establishing bank accounts and ensuring that the Government Banking Service is utilised for main Health Board business transactions;
- Establishing additional commercial accounts only exceptionally and where there is a clear rationale for not utilising the Government Banking Service;
- Establishing separate bank accounts for HEIW's non-exchequer funds;
- Ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- Ensuring accounts are not overdrawn except in exceptional and planned situations.
- Reporting to the Board all arrangements made with HEIW's bankers for accounts to be overdrawn;
- Monitoring compliance with Welsh Ministers' guidance on the level of cleared funds.
- Ensuring there are appropriate instructions in place for the operation of bank accounts and ensuring there are sound controls over the day-to-day operation of the accounts.

Head of Financial Accounting

4.1. The Head of Financial Accounting is responsible for:

- The Head of Financial Accounts maintainsMaintaining a list of signatories for each bank account as authorised by the Chief Executive and Director of Finance.
- Maintaining the access of authorised bank account users.
- Ensuring that that the cash book as per general ledger is updated and reconciled to the HEIW bank account on a regular basis. As a minimum this should be done at least once a week, although more frequent reconciliations may be appropriate depending on the volume, value and nature of transactions posted.
- Forecasting the cash requirements of the organisation and liaising with Welsh Government to ensuring funding is drawn down as required.
- Ensure that payments are made in accordance with the timescales set out by the Government Banking Service
~~This is included in section 4 above.~~

~~The Director of Finance is responsible for the security, integrity and accuracy of the HEIW bank accounts.~~

Finance Officer

4.2. The Finance Officer is responsible for:

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- The day to day ~~responsibility and~~ management of the HEIW bank accounts in accordance with the requirements set out in this Financial Control Procedure ~~are delegated to the Finance Officer.~~

5. Access Levels & Responsibilities

4.1.5.1. The individuals (or equivalent post holders as a result of approved changes to the Board structure) shown in table A below are set up on the bank mandate and hold the authority to:

- Authorise the setting up of a new bank account
- Authorise a regular payment / standing order (note that 2 signatories are required)
- Authorise amendments to BACS Primary Security Contacts (note that 2 signatories are required)
- Authorise amendments to the RBS Customer Contact Details (note that 2 signatories are required)
- Authorise amendments to the cheque panels (note that 2 signatories are required)
- Sign indemnities (note that 2 signatories are required)
- Authorise the renaming of accounts (note that 2 signatories are required).

Table A

Role
Chief Executive
Director of Workforce & Deputy Chief Executive
Director of Finance
Medical Director
Director of Nursing
Board Secretary

4.2.5.2. The individuals shown in table B below have been given access to:

- Set up, create, edit, suspend and delete users (note that two individuals need to make this request)
- Reactivate disabled users (note that two individuals need to make this request)
- Order new activation codes and smartcard readers

- Specify how often users must change their passwords (note that two individuals need to make this request, one of which must be the Head of Financial Accounting)
- Manage the users profile adding and deleting responsibilities (note that two individuals need to make this request)
- Manage which actions require dual authorisation and set payment limits (note that two individuals need to make this request, one of which must be the Head of Financial Accounting)
- Restrict access to bank accounts and mark accounts as confidential (note that two individuals need to make this request)

4.3.5.3. Where amendments identified in paragraph 5.2 are made these must be recorded on the 'Bankline System Amendment Record' spreadsheet saved in Financial Accounting/Bank. As part of the month-end bank reconciliation process this record is to be reconciled to the audit report available on Bankline and approved by the Head of Financial Accounting.

Table B

Role
Head of Financial Accounting
Financial Accountant
Finance Officer

4.4.5.4. The individuals shown in table C below have been set up on the bank mandate to:

- Key payments if Treasury Officers are unavailable
- Authorise payments from the bank account up to the values specified in the table below (note that two signatories are required for payments above that amount and the bank will require additional verbal confirmation for any keyed payments exceeding £5,000,000).
- Search payment details and foreign exchange rates
- Manage direct debits and standing orders
- Manage customer templates
- Manage bulk lists

Table C

Role	Authorisation Approval Limit** £
Head of Financial Accounting	3,500,000 4,000,000

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Financial Accountant	500,000
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****Note** – Authorisation relates to the payment process only. Approval to make the payment must be in line with the Scheme of Delegation.

4.5.5.5. The individuals who are able to enter payments onto the system are detailed in table D below:

Table D

Role
Finance Officer
Finance Assistant

In the absence of the two individuals shown above, a member of staff from table C may enter a payment. Another individual (or two, dependant on the amount involved) in table C would then need to authorise it.

4.6.5.6. As requested changes and appropriate authorisation can only be given by certain named individuals, it is important to ensure their appropriate availability.

4.7.5.7. Wherever possible, advance notice of payments should be given to ensure that appropriate officers are available to process the transaction. Where staff are not available alternative arrangements will include:

- Ensuring access can be obtained from a remote venue and an alert sent to the individual when the authorisation is required
- Changing existing commitments, for example moving the time or venue of a meeting
- Contacting those likely to require authorisation of a payment and making them aware that authorisation may not be available during a set period of time.

5.6. Banking Arrangements

5.1. ~~The Director of Finance is ultimately responsible for authorising the opening and closing of bank accounts, and this is undertaken as described in the section above.~~

5.2.6.1. ~~HEIW operating account are held~~must only hold bank accounts with RBS (under the trading name of NATWEST) and are overseen by Government Banking Service.

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6.2. Only authorised personnel are allowed entry to the online bank accounts via controlled access levels. Individuals must ensure the safe keeping of devices used for online and mobile banking and must immediately notify the Director of Finance if the devices are lost or if access passwords have been compromised.

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

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

5.3.6.5. Cheques are issued by NHS Wales Shared Services Partnership (NWSSP) on behalf of HEIW. NWSSP procedures cover the requirements of controlled stationary for cheques and payable orders.

5.4.6.6. ~~The Head of Financial Accounts maintains a list of signatories for each bank account as authorised by the Chief Executive and Director of Finance. This is included in section 4 above.~~

6.7. Administration and Reconciliation of Bank accounts

6.1. ~~The Head of Financial Accounts, via the team members, ensures that that the cash book as per general ledger is updated and reconciled to the HEIW bank account on a regular basis. As a minimum this should be done at least once a week, although more frequent reconciliations may be appropriate depending on the volume, value and nature of transactions posted.~~

6.2.7.1. At month end, the HEIW cash book as recorded in the General Ledger is reconciled to the bank statements as part of the closedown procedures and the reconciliation is checked and signed by the Head of Financial Accounts. The reconciliation should include an audit of any banking system amendments as identified in paragraph 5.3 above.

8. Review

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

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HEALTH EDUCATION AND IMPROVEMENT WALES (HEIW)

Financial Control Policy (FCP) 13

Counter Fraud Policy and Response Plan

Policy Author: Local Counter Fraud Specialist

<u>Version</u>	<u>Version 1.2</u>
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<u>Author</u>	<u>Craig Greenstock</u>
<u>Reviewed</u>	<u>Nigel Price</u>
<u>Approved</u>	<u>Audit & Assurance Committee – TBC</u>

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1.0	Oct 2018	• Original document	Craig Greenstock	Approved 02/10/18
1.2	October 2021	• Refined wording throughout document. • <u>Removed reference to Memorandum of Understanding with Association of Chief Police Officers (ACPOs) as the organisation no longer exists – Awaiting update from NHS Counter Fraud Authority on revised provision.</u> • <u>Updated contact information</u>	Nigel Price	TBC

Reference: FCP 13

Approved by: Audit Committee DATE TBC

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EXECUTIVE SUMMARY

Counter Fraud Policy and Response Plan

Overview:	One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against fraud and other illegal acts involving dishonesty or damage to property. For simplicity all such offences are hereafter referred to as "fraud", except where the context indicates otherwise. This document sets out HEIW's policy and response plan for detected or suspected fraud.
	It is essential that all staff are aware of, and are able to access up-to-date, accurate HEIW policies to ensure they are aware of current approved practices to help reduce risk.
Who is the policy intended for:	This document is intended to provide direction and help to those officers and directors who find they have to deal with suspected cases of theft, fraud or corruption. It gives a framework for response, advice, and information on various aspects and implications of an investigation.
Key Messages included within the policy:	The three crucial public service values which must underpin the work of the health service: accountability, probity, and openness.
	HEIW is absolutely committed to maintaining an honest, open, and well intentioned atmosphere within the organisation. It is therefore committed to the elimination of any fraud within HEIW, and to the rigorous investigation of any such cases.
	HEIW wishes to encourage anyone having reasonable suspicious of fraud to report them <u>concern that a fraud has or may be occurring to contact Counter Fraud. Therefore it is also HEIW's policy, which will be rigorously enforced; It is HEIW's policy</u> that no employee will suffer in any way as a result of reporting reasonably held suspicion <u>their concerns</u> .
	The flowcharts in section 6.2 describe HEIW's intended response to a reported suspicion of fraud <u>when a referral is made to Counter Fraud</u> . The flowcharts are intended to provide procedures that allow for evidence gathering and collation in a manner that will facilitate informed initial decisions, while ensuring that evidence gathered will be admissible in any future criminal or civil actions.
PLEASE NOTE THIS IS ONLY A SUMMARY OF THE POLICY AND SHOULD BE READ IN CONJUNCTION WITH THE FULL POLICY DOCUMENT	

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Issue No. 1

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Counter Fraud Policy and Response Plan

1. Introduction

One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against fraud and other illegal acts involving dishonesty or damage to property. For simplicity all such offences are hereafter referred to as “fraud”, except where the context indicates otherwise. This document sets out HEIW’s policy and response plan for detected or suspected fraud.

HEIW already has procedures in place that reduces the likelihood of fraud occurring. These include Standing Orders, Standing Financial Instructions, documented procedures and a system of internal control and a system of risk assessment. In addition HEIW tries to ensure that a risk (and fraud) awareness culture exists in HEIW.

<http://howis.wales.nhs.uk/sites3/page.cfm?orgid=34&pid=38003>

This document is intended to provide direction and help to those officers and directors who find they have to deal with suspected cases of theft, fraud, or corruption. It gives a framework for response, advice, and information on various aspects and implications of an investigation. This document is not intended to provide direction on prevention of fraud.

HEIW has appointed as the Local Counter Fraud Specialist, Craig Greenstock, a Counter Fraud Manager who works for Cardiff & Vale University Health Board, under a Service Level Agreement. He will report directly to the Director of Finance and Corporate Services and will produce an agreed work plan to follow, to fulfil the requirements of the role.

2. What is Fraud?

2.1 Fraud is defined as:

“The intentional distortion of financial statements or other records by persons internal or external to the organisation carried out to conceal the misappropriation of assets or otherwise for gain or cause loss to another.

2.2 Corruption can be defined as:

“The offering, giving, soliciting of an inducement or reward that may influence the actions taken by a body, its members or officers”

Source: The Code of Audit Practice – Audit Commission

Areas where fraud and corruption may occur include:

- Travel and expense claims
- Petty cash vouchers
- Items of Service claims from independent contractors
- Time sheets
- Fraudulent use of authorised leave
- Overpayment of salary/wages
- Fraudulent use of HEIW resources

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- Working whilst on the sick
- Handling of cash
- Misappropriation of equipment

2.3 Bribery Act 2010

The Bribery Act 2010 received Royal Assent on 8th April 2010 and came into force on 1st July 2011. The Bribery Act 2010 will abolish all existing UK Anti-Bribery Laws and replace them with a suite of new offences markedly different to what has gone before. The Bribery Act 2010 makes it a criminal offence to “give, promise or offer a bribe and to request, agree to receive or accept a bribe either at home or abroad”. It will increase the maximum penalty for bribery to 10 years imprisonment, with an unlimited fine. In addition, the Act introduces a ‘corporate offence’ of failing to prevent bribery by the organisation not having adequate preventative procedures in place. An organisation may avoid conviction if it can show that it had such procedures and protocols in place to prevent bribery. The ‘corporate offence’ is not a standalone offence, but always follows from a bribery and/or corruption offence committed by an individual associated with the company or organisation in question.

3 Public Service Values Source: WHC (2006) 090 ‘The Codes of Conduct and Accountability for NHS Boards and the Code of Conduct for NHS Managers Directions 2006’.

The codes reinforce the seven principles of public life (The Nolan Principles) and focuses on the three crucial public service values which must underpin the work of the health service: accountability, probity, and openness.

Accountability: Everything done by those who work in the NHS in Wales must be able to stand the test of scrutiny by the Welsh Government, public judgments on propriety and professional codes of conduct. Probity: There should be an absolute standard of honesty in dealing with the assets of the NHS in Wales: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of the NHS in Wales’s duties. Openness:

There should be sufficient transparency about the NHS in Wales’s activities to promote confidence between the NHS body and its staff patients and the public.

4 HEIW’s Policy

HEIW is absolutely committed to maintaining an honest, open, and well intentioned atmosphere within HEIW. It is therefore also committed to the elimination of any fraud within HEIW, and to the rigorous investigation of any such cases.

HEIW wishes to encourage anyone having reasonable suspicions of fraud to report them. Therefore it is also HEIW’s policy, which will be rigorously enforced; that no employee will suffer in any way as a result of reporting reasonably held suspicions.

All members of staff can therefore be confident that they will not suffer in any way as a result of reporting reasonably held suspicions of fraud. For these purposes “reasonably held suspicions” shall mean any suspicions other than those which are raised maliciously and found to be groundless.

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5 Roles and Responsibilities

5.1 Executive Director of Finance

Responsibility for investigating fraud has been delegated to the Executive Director of Finance. She is responsible for ensuring that there is a person accredited to investigate fraud. This person is known as a Local Counter Fraud Specialist (LCFS), authorised to receive inquiries of staff confidentially and anonymously.

The LCFS is also authorised to decide whether the matter raised needs to be reported to the Director of Finance.

The LCFS shall also be responsible for informing third parties such as NHS Counter Fraud Service (Wales), NHS Protect, External Audit and/or the Police when appropriate. The LCFS shall inform and consult the Director of Finance and/or Chief Executive in cases where the incident may lead to adverse publicity.

Where a member of staff is to be interviewed under caution the LCFS shall liaise with the Director of Finance and OD department. Where a member of staff is to be disciplined, HEIW's Disciplinary Policy will be followed with guidance from the Workforce and OD Department

The Executive Director of Workforce and OD shall advise those involved in the investigation in matters of employment law and in other procedural matters, such as disciplinary and complaints procedures, as requested.

Finally, all staff has a duty to protect the assets of HEIW. Assets include information and goodwill as well as property.

5.2 Local Counter Fraud Specialist

Local Counter Fraud Specialists (LCFS) are located in each NHS organisation. The Lead LCFS is appointed by the Executive Director of Finance and will be responsible for investigating cases of fraud up to £15,000. All investigations involving more than £15,000 and/or Corruption must be referred to the NHS Counter Fraud Service (Wales) Regional Team.

Only individuals who are accredited as Counter Fraud Specialists will be responsible for investigating cases of fraud. The LCFS will be responsible for notifying all cases of fraud to NHS CFS (Wales) in the appropriate manner and via the FIRST Case Management System.

The LCFS shall:

- Report to Executive Director of Finance.
- Provide a written report at least annually to HEIW on counter fraud work within HEIW.
- Be entitled to attend Audit Committee meetings and have a right of access to all Audit Committee members and the Chairman and Chief Officer of HEIW.
- Undertake, as agreed with HEIW's Executive Director of Finance, proactive work to detect cases of fraud and corruption, particularly where systems weaknesses have been identified. This work shall be carried out so as to complement the detection of potential fraud and/or corruption by auditors in the course of routine audits.

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- Proactively seek and report to CFS (Wales) opportunities where details of counter fraud work (involving action on prevention, detection, investigation, sanctions or redress) can be used within presentation or publicity in order to deter fraud and corruption.
- Investigate cases of suspected fraud in accordance with the division of work specified in the Directions as amended and replaced from time to time. Refer to CFS (Wales) all cases appropriate to them.
- Inform CFS (Wales) of all cases of suspected fraud investigated by HEIW.

5.3 NHS Counter Fraud Service (Wales)

The NHS Counter Fraud Service (CFS) (Wales) will investigate all cases that do not fall within the responsibility of the Local Counter Fraud Specialist.

NHS CFS (Wales) will be responsible for the investigation of cases above £15,000, all corruption cases, and any case at the request of the LCFS, where the CFS (Wales) specialist knowledge and resources could assist with the investigation.

The LCFS will be responsible for maintaining records and data of all cases investigated and reporting to NHS CFS (Wales).

5.4 NHS Protect (formerly Counter Fraud Security Management Service)

NHS Protect was established to counter Fraud and Corruption in the NHS. The Head of Counter Fraud Service (Wales) has overall responsibility for all work to counter fraud and corruption within the NHS in Wales and has the responsibility for ensuring all instances of suspected fraud and corruption are properly investigated.

NHS Protect has the central co-ordinating directing role, revising policy and processes to prevent fraud arising, providing information to target counter fraud action, continuously identifying the nature and scale of the problem of fraud and corruption and setting and monitoring the standards of counter fraud work. The Director has access to Ministers and reports directly to the NHS Chief Executive/Permanent Secretary.

5.5 HEIW Management

HEIW Managers have a responsibility to ensure that the Local Counter Fraud Specialist or other persons authorised to carry out investigations, has access, as soon as practicable, or within 7 days of a request to premises, records and data and also staff who may have relevant information.

6 The Response Plan

6.1 Introduction

The flowcharts in section 6.2 describe HEIW's intended response to a reported suspicion of fraud. The flowcharts are intended to provide procedures that allow for evidence gathering and collation in a manner that will facilitate informed initial decisions, while ensuring that evidence gathered will be admissible in any future criminal or civil actions. Each situation is different; therefore the guidance in

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the flowcharts will need to be considered carefully in relation to the actual circumstances of each case before action is taken.

Further details on the processes in the flowchart are provided in section 6.3 (Commentary on Flowchart Items).

It should be noted that no unauthorised contact should be made with any representative of the press, TV, radio or any another third party about a suspected fraud without the express authority to do so.

~~A Memorandum of Understanding currently exists between NHS Protect and the Association of Chief Police Officers (ACPO) which has been agreed and outlines each of their roles. This provides a framework for the exchange of information for the prevention, detection, investigation, and prosecution of matters of fraud and corruption. It is intended to facilitate good working relationships between all parties and develop clear lines of communication.~~

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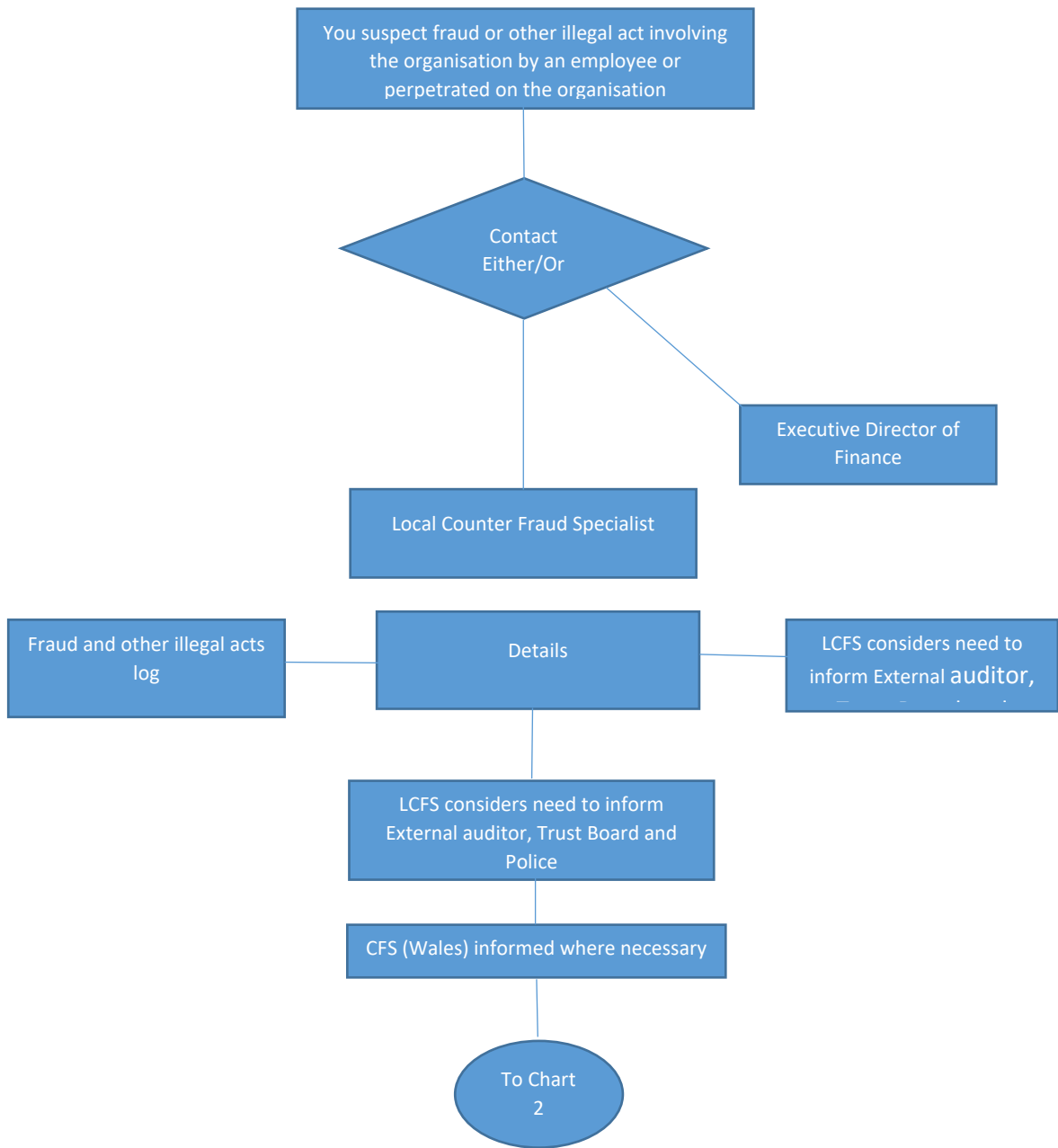
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6.2 Flowcharts

Chart 1 - Reporting Fraud



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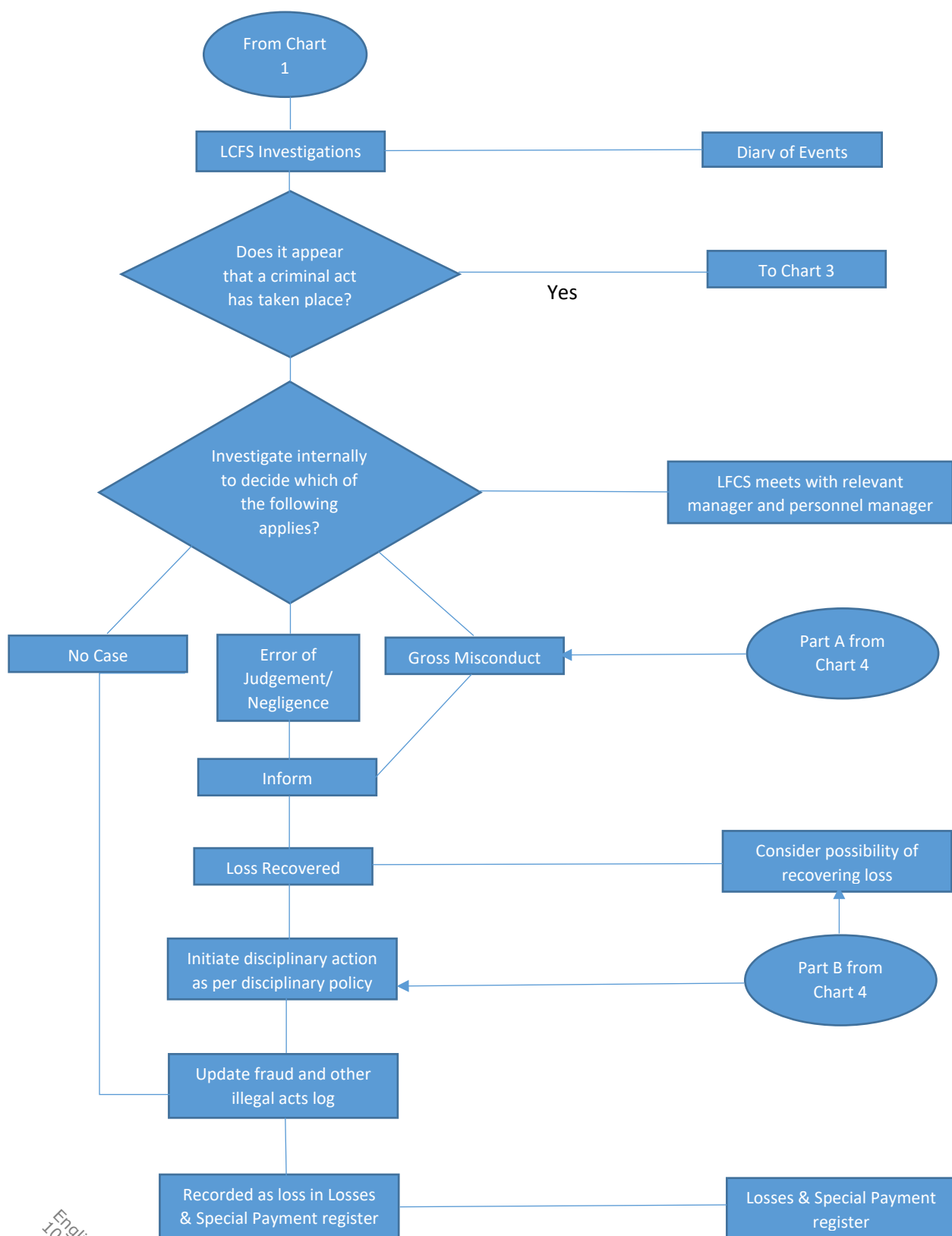
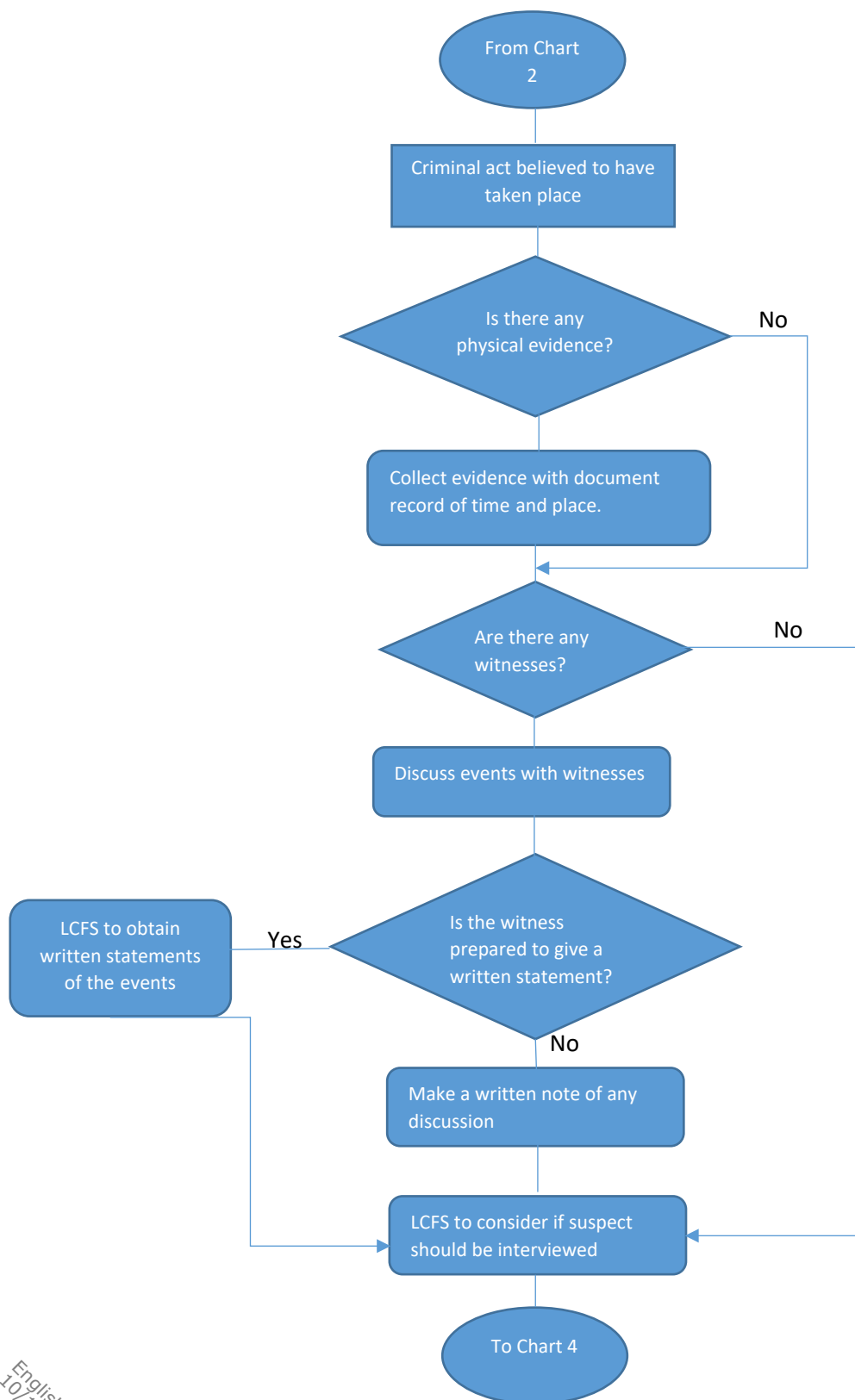
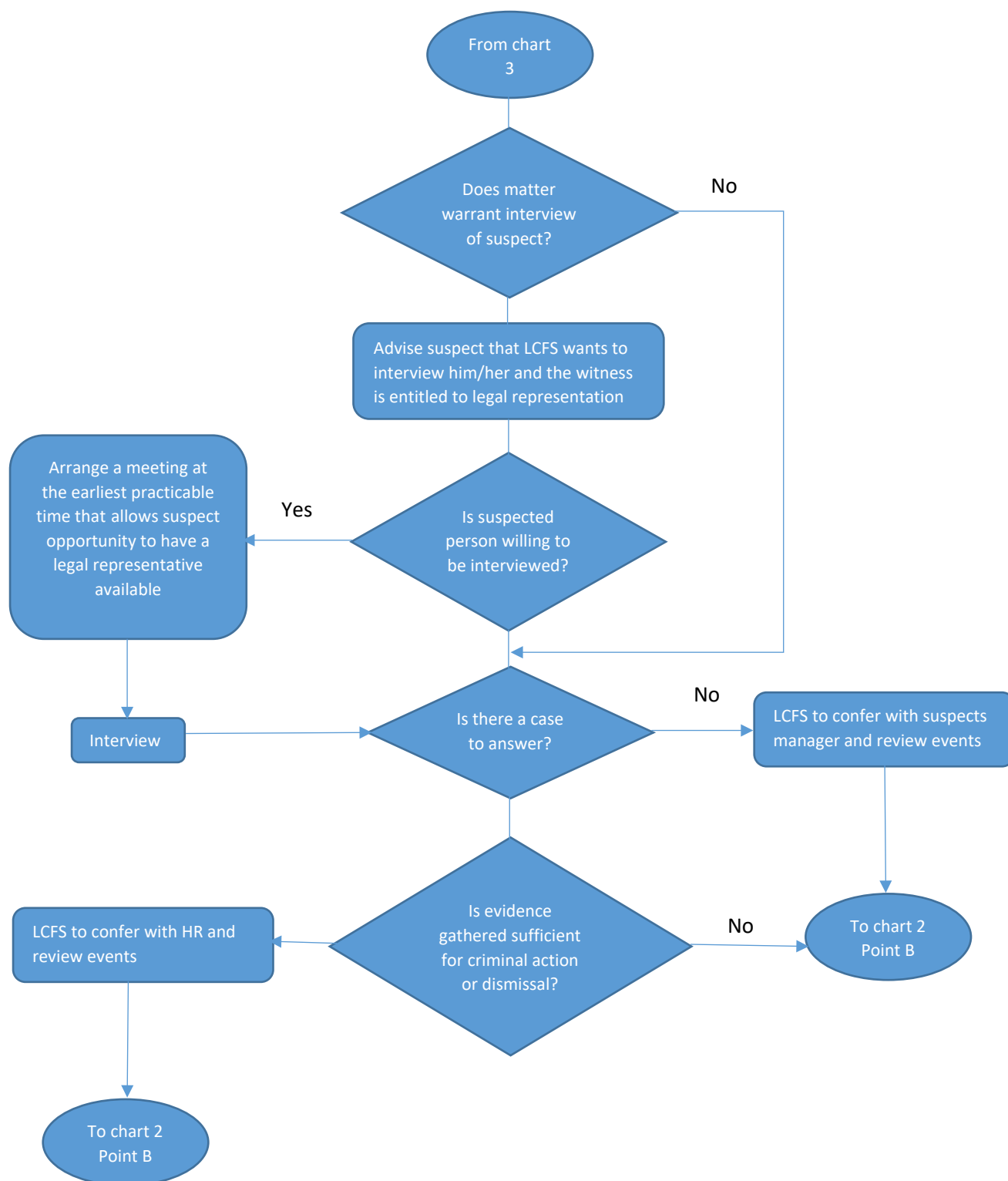
Chart 2 - Managing the Investigation

Chart 3 – Gathering Evidence



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Chart 4 – Interview Procedure



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6.3 Commentary on Flowchart Items

Further explanation of many items is also given elsewhere in this document.

CHART 1 – REPORTING FRAUD

6.3.1 The Local Counter Fraud Specialist (LCFS)

The Lead LCFS will be authorised to treat inquiries confidentially and anonymously if so requested by the individual making the referral.

The LCFS will receive appropriate skill based training leading to professional accreditation and will be able to respond tactfully and appropriately to concerns raised by staff.

The current Lead LCFS role is provided as part of a Service Level Agreement with Cardiff & Vale University Health Board based on an agreed number of days.

6.3.2 Suspicion of Fraud or Any Irregularities/Anomalies

If any HEIW employee has any concerns that a fraud has or is taking place, then he/she should discuss any suspicions in the first instance with the Nominated Lead LCFS on 02921 836265.

However, an employee may choose instead to contact the “NHS Fraud & Corruption Reporting Line” on 0800 028 4060.

Time may be of the utmost importance to prevent further loss to HEIW.

6.3.3 LCFS Records Details Immediately In a Log

A daily log of any progress of the individual investigations is kept. The log will contain details of all reported suspicions and the progress against each individual case.

6.3.4 Court Action, Adverse Publicity and/or Police Involvement

Where the investigation reaches a stage where the case is likely to end up in a criminal prosecution via the criminal justice system and likely to attract any adverse publicity, then the LCFS must liaise with the Finance Director and HEIW’s Communications Dept. Where a fraud is suspected and the need to use the police to carry out an arrest and/or search, then advice will be sought from NHS CFS (Wales) in discussion with the Finance Director.

CHART 2 - MANAGING THE INVESTIGATION

6.3.5 Diary of Events

The Local Counter Fraud Specialist in charge of the investigation will keep a diary log of events to record the progress of the investigation.

6.3.6 Does it appear a Criminal Act Has Taken Place?

In some cases this question may be asked more than once during an investigation. The answer to the question obviously determines if there is to be fraud investigation (or other criminal investigation).

In practice it may not be obvious if a criminal act has taken place. If a criminal event is believed to have occurred, the matter will be dealt with by the LCFS/CFS (Wales). If other criminal offences are

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involved e.g. theft, criminal damage, consideration should be given to reporting the matter, after consultation with the LCFS, to the police.

Section 8 gives further details of the more common offences relevant to fraud.

6.3.7 Investigate Internally

If, after discussion with the LCFS, it appears a criminal act has not taken place the next step should be an internal review to determine the facts. The review may recommend various courses of action; instigate an investigation under HEIW's Disciplinary Policy and Procedure; establish what can be done to recover a loss and what may need to be done to improve internal control to prevent the event happening again.

In each case the LCFS should consider what can be done to recover any loss and whether anything should be done to improve control to prevent the event happening again.

6.3.8 Recovering a Loss

Where recovering a loss is likely to require a civil action it will probably be necessary to seek legal advice. Where external legal advisors are used the investigation manager must ensure there is coordination between the various parties involved.

6.3.9 Disciplinary Procedures

HEIW Disciplinary Policy and Procedure has to be followed in any disciplinary action taken by HEIW towards an employee (including dismissal). This may involve the investigation manager recommending a disciplinary hearing to consider the facts, the results of the investigation (a formal report) and take appropriate action against the employee.

In the event of a disciplinary investigation taking place where a suspicion of fraud exists, then the appointed investigating officer must liaise with the LCFS to agree a way forward.

CHART 3 - GATHERING EVIDENCE

NB. THE CHART CANNOT COVER ALL THE COMPLEXITIES OF GATHERING EVIDENCE. EACH CASE MUST BE TREATED ACCORDING TO THE CIRCUMSTANCES TAKING PROFESSIONAL ADVICE IF NECESSARY. Section 8.3 gives further brief guidance on gathering evidence.

6.3.10 Witnesses

If a witness to the event is prepared to give a written statement, the LCFS will take a chronological record using the witness's own words. (The witness should be prepared to sign the document as a true record).

6.3.11 Physical Evidence

Upon taking control of any physical evidence, it is very important that a record is made of the time, date, and place it is taken from and by whom, continuity is essential. If evidence consists of several items, for example many documents, each one should be tagged with a reference number corresponding to the written record.

6.3.12 LCFS to Consider if Suspect Should be Interviewed

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The LCFS, in discussion with the Finance Director, will consider whether or not the suspect should be interviewed under caution.

CHART 4 - INTERVIEW PROCEDURE

6.3.13 Interview

The requirements of the Police and Criminal Evidence Act (PACE) must be considered before any interview with a suspect is performed, since compliance with PACE determines whether evidence is admissible in criminal proceedings

6.3.14 Is the Evidence Gathered Sufficient for Disciplinary Action?

Under UK employment legislation dismissal must be for a 'fair' reason. The manner of dismissal must also be reasonable. It is therefore important that no employee should be dismissed without close consultation with the Executive Director of Workforce and OD. The Executive Director of Workforce and OD should be consulted about the provision of references for employees who have been dismissed or who have resigned following suspicions of a fraud.

6.3.15 Review of Available Evidence

Whether or not the evidence gathered is thought sufficient for dismissal or prosecution, if there is evidence of any another criminal offence, then the Police may be consulted at this stage.

6.3.16 Losses and Compensations Register

All cases of fraud must be reported for inclusion on the register.

6.4 Insurance

The possibility of recovering a loss through insurance should not be overlooked. There may be time limits for making a claim and in certain cases claims may be invalidated if legal action has not been taken.

6.5 More Detailed Investigation

The flowchart covers the basics of reporting fraud, initial evidence gathering, interviewing, and management action. It will be necessary to decide whether further investigation is required, and if so, by what means it should be undertaken. The remainder of this chapter discusses some of the considerations in cases of fraud and corruption, with special regard to the often conflicting objectives of maximising control and minimising cost.

Points of Good Practice For Any Investigation Include:

- a) Having an established line of communication with SW Police and other police forces.
- b) Liaison between the LCFS and the person appointed to conduct the disciplinary investigation, who should be independent of the area under investigation.
- c) Define the objectives.
- d) Define scope, timing and likely outputs.
- e) Seek advice where necessary.

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- f) Agree resources required.
- g) Define responsibilities
- h) Monitor resources used (cost and time).
- i) Monitor progress and inform as required.
- j) Consider lessons to be learned, e.g. how control can be improved.
- k) Draw up an action plan based on lessons learned.
- l) Keep proper records including a diary of the events.

6.6 Involving the Police

Once a fraud has been identified or suspected, then some managers may mistakenly choose to involve the Police. However, any allegation or suspicion of fraud and/or corruption must be referred directly to HEIW's Nominated Lead LCFS on 02921 836265.

7. Investigation Resource

7.1 After completion of initial fact finding in accordance with procedures given in the flow charts, the following options for resourcing an investigation are available to HEIW. These options are not mutually exclusive. In complex cases a number of different parties will need to be involved.

7.2 The LCFS is professionally trained and qualified in evidence gathering, investigations, PACE and is therefore equipped to deal with investigations from the outset. This resource should be utilised in all cases of suspected fraud and corruption. The LCFS will also be familiar with HEIW and the investigation will remain within the control of HEIW.

8 The Law and its Remedies

8.1 Introduction

Criminal action will impose sanctions on the defendant for causing loss to the organisation, while civil action may assist HEIW to recover any loss.

With any civil action, the method of concealment (in the case of fraud) is unlikely to be a key factor in the value of compensation or the drafting of the statement of claim.

In any criminal action, the nature of the deceit is highly relevant in the framing of charges, but the law is not primarily concerned with restitution or recovery of the proceeds of fraud or theft - although there are statutory powers to award compensation and to order restitution or forfeiture in some circumstances. However, criminal action now requires the financial benefits (to the villain) to be quantified as part of the investigation process. The proceeds direct, and indirect, can now be seized and dealt with by the court of trial.

There is no reason why the criminal prosecution and civil process cannot be taken at the same time if the evidence supports such action. But there are dangers in unilateral un-coordinated action.

8.1.1 Civil Action

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The following is a brief description of some of the commoner civil action remedies. It is not comprehensive and legal advice should be sought before action is taken.

8.1.2 Monies

Had and Received The claim will refer to funds of the plaintiff, which have been 'had and received' by the defendant at the plaintiff's expense - and will seek their recovery.

8.1.3 Interest

The plaintiff may be entitled to interest on the amount lost, and there are claims for interest under court rules and statute.

8.1.4 Tracing

Tracing is an equitable remedy for the recovery of assets. Its meaning is that the trail by which assets have been removed must be followed through the hands they pass through after leaving control of the plaintiff.

8.1.5 Proceeds of Crime Act

In some cases a court order can be used to freeze the assets of a person suspected of fraud or a person who has been convicted of a criminal offence in respect of their fraudulent activity.

8.2 Criminal Law

The following are brief descriptions of some of the criminal offences most relevant in this context. It is not comprehensive, and legal advice should be sought before action is taken.

8.2.1 Theft

The misappropriation of HEIW assets for gain or otherwise.

Section 1 Theft Act 1968 defines where ..."A person who dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it".

8.2.2 Fraud Act 2006

The Fraud Act came into force on 15th January 2007.

The following offences have been repealed:

Theft Act 1968

- Obtain property by deception (section 15)
- Obtain money transfer by deception (section 15A)
- Obtain pecuniary advantage (section 16)
- Procure execution of valuable security (section 20)

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Theft Act 1978

- Obtain service by deception (section1)
- Evade liability (section 2)

The new Act simplifies the original deception offences. There is no need to prove that any person was deceived. The Act now outlines three ways to commit fraud:

- Fraud by False Representation (section 2)
- Fraud by Failing to Disclose Information (section 3)
- Fraud by Abuse of a Position of HEIW (section4)

Many original 'deception' offences will now be covered by section 2 of the Fraud Act 2006 (false representation) which has three main ingredients:

- Dishonesty
- A false representation (no limitations on how this takes place)
- Intention to commit gain or cause loss

Section 3 covers the offence of fraud by failing to disclose information where there is a legal duty to do so.

Section 4 covers the offence of fraud by abuse of position where the defendant is in a privileged position expected to safeguard (not act against) the financial interests of another person.

Section 6 covers the offence of possession of articles for use in fraud. This extends to possession or control of any article, anywhere and includes electronic data.

Section 7 covers the offence of making or supplying articles for use in fraud. It is designed to capture those who supply personal financial details for use in frauds to be carried out by others; or those who manufacture software programmes for generating credit card numbers.

Section 11 of the Fraud Act – Obtain Services Dishonestly replaces 'obtain services by deception.' This offence requires the actual obtaining of a service and must include a dishonest act or false representation.

There are three ways to commit fraud:

- Fraud by false representation (s.2)
- Fraud by failing to disclose information (s.3)
- Fraud by abuse of position (s.6)

All that has to be proved is that the defendant knew their act was dishonest, irrespective of consequential outcome.

8.2.3 Corruption

The definition (in the context of the Prevention of Corruption Acts) is the offering, giving, soliciting, or acceptance of an inducement or reward, which may influence the action of any person.

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8.3 Evidence

For the purposes of criminal proceedings, the admissibility of evidence is governed by the Police and Criminal Evidence Act (PACE). For non-criminal (i.e. civil or disciplinary) proceedings, PACE does not apply, but should nevertheless be regarded as best practice.

The collection of evidence must be coordinated if several parties are involved in an investigation, e.g. LCFS and internal audit, police and solicitors. Evidence gathering requires skill and experience and professional guidance should be sought where necessary. There is a considerable amount of case law concerning the admissibility of evidence.

Documentary evidence should be properly recorded, it will need to be numbered and include accurate descriptions of when and where it was obtained and by and from whom. In criminal actions evidence on or obtained from electronic media needs a document confirming its accuracy.

9 Interviews

9.1 General

Once it has been decided that a disciplinary investigation is to be carried out, then the investigating officer, whose purpose is to find out the facts, may conduct an interview in the first instance if a crime is not suspected from the outset. This interview should not be under caution. The investigating officer has the right to ask an employee to account for his/her actions in respect of the allegation. For this reason it is important for the LCFS and Human Resources to be involved before interviewing any member of staff. If a crime is suspected, then the matter should be referred immediately to the LCFS, who will then liaise closely with HR and the Line Manager.

As part of the disciplinary process, the person being interviewed does not have the right to refuse to answer questions about his/her actions as an employee. If the employee, knowing the criminal law, refuses to answer on the grounds that he/she might incriminate himself, that is his/her right, and if he/she asks that question he/she should be told so.

If it is decided following liaison between the LCFS and HR that an interview under caution is required, then this should be conducted under PACE.

HEIW Workforce and OD Department should be advised of any interview under caution that is taking place.

9.2 Interview Procedure

Where an interview takes place under caution the following is a summary of the procedure to be followed.

The individual will be written to and advised of the reason for the interview and that he/she is entitled to have a person present at the interview who can act in a legal capacity (i.e. solicitor), but they are not entitled to have a friend, work colleague and/or union representative present at the interview.

The person being interviewed is also to be informed that whilst their attendance at the interview is voluntary, should they not attend, then the matter may be referred to the police which could then result in their subsequent arrest.

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The interview under caution will be tape recorded and once the interview has concluded, then the person will be informed as to whether he/she is to be reported for criminal prosecution.

10. References

This policy should be read in conjunction with:

- Standing Orders
- Standing Financial Instructions
- Disciplinary Procedures
- Standards of Business Conduct
- I.T Security Policy
- Public Relations and Communications Strategy
- Whistleblowing Policy
- Dignity at Work Policy
- HEIW policies relating to:
 - Gifts
 - Hospitality
 - Conflicts of Interest
 - Procurement
 - Capital/PFI Contracts

11. Further Information

Further information and a copy of the fraud policy and response plan may be obtained from the LCFS or via HEIW intranet.

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Appendix 1: Memorandum of Understandings and Agreements

The Counter Fraud Service has a Memorandum of Understanding with the following organisations:

- ~~Association of Chief Police Officers~~
- Audit Commission
- Trade Unions

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Appendix 2: NHS Fraud and Corruption: Dos and Don'ts

FORM 1

A desktop guide for HEIW

FRAUD is the deliberate or reckless intent to permanently deprive an employer of money or goods through false representation, failing to disclose information or abuse of position.

CORRUPTION is the deliberate use of bribery or payment of benefit-in-kind to influence an individual to use their position in an unreasonable way to help gain advantage for another.

<u>DO</u>	<u>DO NOT</u>
<ul style="list-style-type: none"> Note your concerns Record details such as your concerns, names, dates, times, details of conversations and possible witnesses. Time, date and sign your notes. Retain evidence Retain any evidence that may be destroyed, or make a note and advise your LCFS. Report your suspicion Confidentiality will be respected – delays may lead to further financial loss. Complete a fraud report and submit in a sealed envelope marked 'Restricted – Management' and 'Confidential' for the personal attention of the LCFS. 	<ul style="list-style-type: none"> Confront the suspect or convey concerns to anyone other than those authorised, as listed below Never attempt to question a suspect yourself; this could alert a fraudster or accuse an innocent person. Try to investigate, or contact the police directly Never attempt to gather evidence yourself unless it is about to be destroyed; gathering evidence must take into account legal procedures in order for it to be useful. Your LCFS can conduct an investigation in accordance with legislation. Be afraid of raising your concerns The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct procedures. Do nothing!

If you suspect that fraud against the NHS has taken place, you must report it immediately, by:

- directly contacting the Local Counter Fraud Specialist, or
- telephoning the free phone NHS Fraud and Corruption Reporting Line, or
- Contacting the Director of Finance.

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[Do you have concerns about a fraud taking place in the NHS?](#)

If so, any information can be passed to the NHS Fraud and Corruption Reporting Line:

0800 028 40 60

All calls will be treated in confidence and investigated by professionally trained staff

Your nominated Local Counter Fraud Specialist is:

Craig GreenstockNigel Price, who can be contacted by telephoning **02921 836265836481**, or emailing **craig.greenstock@wales.nhs.uk****nigel.price@wales.nhs.uk**

If you would like further information about the NHS Counter Fraud Service, please visit **www.nhsbsa.nhs.uk/fraud** protecting your NHS

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Appendix 3: NHS Fraud and Corruption Referral Form

FORM 2

NHS fraud and corruption referral form

All referrals will be treated in confidence and investigated by professionally trained staff

Note: Referrals should only be made when you can substantiate your suspicions with one or more reliable pieces of information. Anonymous applications are accepted but may delay any investigation.

1. Date

2. Anonymous application <Delete as appropriate>

Yes (If 'Yes' go to section 6) or No (If 'No' complete sections 3–5)

3. Your name

4. Your organisation/profession

5. Your contact details

6. Suspicion

7. Please provide details including the name, address and date of birth (if known) of the person to whom the allegation relates.

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8. Possible useful contacts

9. Please attach any available additional information. Submit the completed form (in a sealed envelope marked

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Reference: FCP 13

Approved by: Audit Committee DATE TBC

Effective Date: TBC

Issue No. 1

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Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Meeting Date	October 2021	Agenda Item	2.2
Report Title	Internal Audit Progress Report		
Report Author	Internal Audit		
Report Sponsor	Head of Internal Audit		
Presented by	Internal Audit		
Freedom of Information	Open		
Purpose of the Report	The purpose of the Internal Audit Progress Report is to provide the Audit and Assurance Committee with the current position regarding the work undertaken by Internal Audit as at 7 October 2021. The report provides information on the status of progress of Internal Audit reviews.		
Key Issues	<ul style="list-style-type: none"> The current position of Internal Audit against its annual plan is outlined in the Internal Audit Progress Report. Since the last meeting of the Audit Committee, Internal Audit has finalised one Internal Audit Report which provided the following level of assurance: <ul style="list-style-type: none"> Recruitment Internal Audit Report (Reasonable Assurance) 		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
	✓		
Recommendations	The Committee is asked to: <ul style="list-style-type: none"> note the Internal Audit Progress Report for assurance and note the Recruitment Internal Audit Report (Reasonable Assurance) 		
Appendices	1. Internal Audit Progress Report October 2021 2. Recruitment Internal Audit Report		

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Audit & Assurance Committee Internal Audit Progress Report

October 2021

NWSSP Audit and Assurance Services

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

Acknowledgement

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

Disclaimer notice - please note

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

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

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1 Introduction

- 1.1 This progress report provides the Audit & Assurance Committee (the 'Committee') with the current position regarding the work undertaken by Internal Audit as at **7 October 2021**. This report provides information on the status of progress of our reviews.
- 1.2 We report the progress made to date against individual assignments along with details regarding the delivery of the plans and any required updates.

2 Reports Issued

- 2.1 Since the July meeting of the Committee the report for one review has been finalised, fieldwork has been completed for one review and we have ongoing fieldwork in one area. A summary of this review is provided below in Table 1.

Table 1 – Summary of reports issued

Assignment	Assurance rating	High	Medium	Low	Total recommendations
Recruitment	Reasonable	2	4	-	6

3 Delivering the Plans

- 3.1 Our programme of work for 2021/22 is ongoing. The detail of the scheduling and progress of the audit work is outlined in the assignment status schedule, which is included at Appendix A.
- 3.2 Similar to last year, with the ongoing pandemic, a degree of uncertainty remains as to how this will affect the delivery of the plan. We continue to take both a pragmatic and agile approach, and will endeavour to support HEIW while meeting our commit to provide assurance to the Chief Executive and Board.

Table 2 – Plan 2021-22

Assignment	Status	Assurance	Timing	Notes
Annual Governance Statement	Complete	N/A	Q1	-
IG Toolkit	Final	Substantial	Q1	-
Recruitment	Final	Reasonable	Q1	-
Financial planning review	Drafting report	-	Q2	Fieldwork complete.
MARS Appraisal system	WIP	-	Q2	Fieldwork ongoing. Taking longer than planned as we have lost one of our IT experts and sickness issue.
Integrated planning arrangements	Planning	-	Q2	Due to assurance coverage through Audit Wales and our previous work in this area discussed alternative focus with Director of planning, performance and corporate: Business continuity planning. Timing to be determined - late in year or new year.
Strategic readiness for digital	Planned	-	Q3	Brief has been agreed.
Bursary system	Planning	-	Q3	Scoping meeting with Dir of Nursing 21.10.21.

Assignment	Status	Assurance	Timing	Notes
Project/ programme management	Planning	-	Q3	-

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Recruitment Final Internal Audit Report

October 2021

Health Education and Improvement Wales

NWSSP Audit and Assurance



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Review reference:	HEIW-2122-12
Report status:	Final
Fieldwork commencement:	29 June 2021
Fieldwork completion:	20 August 2021
Draft report issued:	14 September 2021
Management response received:	12 October 2021
Final report issued:	13 October 2021
Auditors:	Olubanke Ajayi-Olaoye, Principal Auditor Kenneth Hughes, Audit Manager
Executive sign-off:	Julie Rogers. Director of Workforce and OD
Distribution:	James Cogan, Interim Head of People Elspeth Roots, People Project Lead
Committee:	Audit & Assurance Committee



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Executive Summary

Purpose

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 pre-advertisement recruitment processes. The review sought to provide assurance to the Audit and Assurance Committee that risks material to the achievement of the systems objectives were managed appropriately.

Overview

Key matters arising concerned:

- Key documentation such as the ‘approval to recruit’ form and business cases for new posts are not being consistently completed as set out in the agreed procedure.
- Target timeframes for completion of the pre-recruitment stages that the organisation is responsible for have not been determined and as such, limited monitoring takes place.
- The organisation does not have any internal succession planning arrangements in place.

Report Classification

		Trend
Reasonable	Some matters require management attention in control design or compliance. Low to Moderate impact on residual risk exposure until resolved.	N/A First audit in this area

Assurance summary¹

Assurance objectives	Assurance
1 Recruitment and selection policy and procedure	Reasonable
2 Recruiting managers receive training	Reasonable
3 Long term use of temporary and agency staff is minimised	Substantial
4 Established succession plan arrangements	Limited
5 New post requests are supported with appropriately completed documentation and approved business case	Limited
6 Development and approval of job descriptions and person specifications	Substantial
7 New posts are reviewed by job evaluation panel to determine pay grade	Reasonable
8 Monitoring and reporting the pre TRAC recruitment stages	Limited

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

Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Recruitment and selection policy	1	Operation	Medium
2	Staff training	2	Operation	Medium
3	Succession planning arrangements	4	Operation	Medium
4	Recruitment approval and business case	5	Operation	High
5	Job evaluation panel and consistency reviews	7	Operation	Medium
6	Monitoring and reporting	8	Design	High

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1. Introduction

- 1.1 Our review of recruitment was undertaken in line with the 2021/22 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation'). The review sought to provide assurance to HEIW's Audit and Assurance Committee that there are effective arrangements and processes in place to manage the risks associated with aspects of the recruitment process.
- 1.2 In 2016 the TRAC recruitment system was implemented within NHS Wales. This is an interface system that links NHS Jobs, the Electronic Staff Record (ESR) system, and the Disclosure & Barring Service, and is used to manage the processing of vacancies, from advertisement through to the appointment phase. Elements of the recruitment process are managed centrally by NHS Wales Shared Services Partnership (NWSSP), with other parts managed by the recruiting organisation. There are a number of internal pre-recruitment processes that need to be completed before advertising vacancies on TRAC. These include the development of job roles, drafting of job descriptions and person specifications, and the job evaluation of roles to ensure an appropriate pay grade is applied.
- 1.3 Since its formation in October 2018 HEIW has not recruited to its full staff establishment. However, management believe that recruitment activity will increase significantly during the current financial year as lockdown restrictions are eased and projects and work programmes are established.
- 1.4 Management is concerned that the length of time taken to complete the pre-advertisement processes may affect the timeliness of the overall recruitment process. Our audit focused on the recruitment processes undertaken before new vacancies are advertised on TRAC.
- 1.5 The relevant lead for the review is the Director of Workforce and Organisational Development / Deputy Chief Executive.
- 1.6 The potential risks considered in the review were as follows:
 - Inappropriate and / or unnecessary recruitment where processes are not adhered to.
 - Failure to meet business needs or delays in recruiting to posts impacts on service delivery.

2. Detailed Audit Findings

Objective 1: The organisation has an appropriate formal recruitment and selection policy and procedure in place.

- 2.1 The recruitment and selection policy has been in draft since 2019, although work has recently recommenced to review the draft policy and revise it as necessary. **(Matter Arising 1)**
- 2.2 There is a separate approved procedure for requesting approval to recruit to vacant posts within the organisation's establishment, or to temporarily vary the establishment. However, our testing indicates that recruiting managers may need to receive refresher training on the procedure and the associated forms.

Conclusion:

- 2.3 The lack of an approved recruitment and selection policy, and the level of awareness of the approval to recruit procedure may be contributing to the timescales and inconsistencies in the recruitment processes identified during our review. We have provided reasonable assurance against this objective.

Objective 2: Recruiting managers receive training to support them through the recruitment process.

- 2.4 HEIW has developed an in-house recruitment and selection training course for recruiting managers. To date four courses have been run, with the last course in November 2020.
- 2.5 Attendance at the courses has not been high and there is no clear approach to target recruiting managers to attend the training. **(Matter Arising 2)**

Conclusion:

- 2.6 Our testing indicates the need for targeted training to be established so that recruiting managers are aware of the correct processes to follow. We have provided reasonable assurance against this objective.

Objective 3: The use of temporary and agency staff to cover unfilled posts on a long-term basis is minimised.

- 2.7 A business case, job description and order form are completed for agency and temporary appointments. These document the reason for the appointment, the initial duration, and approval.
- 2.8 Any extension to the original appointment must be approved by the recruiting manager.

Conclusion:

- 2.9 There are controls in place to ensure that the use of temporary and agency staff to cover unfilled posts on a long-term basis is minimised. As such we did not identify any matters arising from our work. We have provided substantial assurance against this objective.

Objective 4: Succession planning arrangements have been established to facilitate the development of existing staff and allow suitable internal candidates to be identified and considered alongside external candidates when recruiting.

- 2.10 HEIW has established an internal working group focussed on leadership development and undertakes work to support Health Boards in their succession planning work. However, the organisation does not have its own formal succession planning arrangements in place. **(Matter Arising 3)**

Conclusion:

- 2.11 Having formal succession planning arrangements may help the organisation minimise disruptions that could occur as a result of staff turnover at the leadership / senior management level. It will also ensure that any training investments made in staff are retained in the organisation. We have provided limited assurance against this objective, but we acknowledge that succession planning is not key to the recruitment process.

Objective 5: Requests from recruiting managers for new posts are supported by a business case that contains sufficient, relevant information, and these are subject to approval. Where the new posts relate to work on specific projects or work programmes consideration is given to wider and longer term implications of the recruitment. Proper use is made of temporary or fixed term contracts where appropriate.

- 2.12 A standard 'approval to recruit' form and business case template has been developed for use by recruiting managers. These forms are part of the procedure approved by the Executive Team. The 'approval to recruit' form should be completed for requests to recruit to the current establishment or for temporary variations to the establishment. Or a business case is required when there is to be recruitment into new or changed posts on the establishment.
- 2.13 An 'approval to recruit' form was not in place for most of the new appointments that we tested, and a business case was in place for less than half of the cases that we tested.
(Matter Arising 4)

Conclusion:

- 2.14 The completion of 'approval to recruit' forms and where necessary a business case is a requirement of the process approved by the Executive Team, so non-compliance may result in staff being recruited without proper consideration or approval. We have provided limited assurance against this objective.

Objective 6: Detailed job descriptions and person specifications that accurately reflect the requirements of the new post are developed and approved for new vacancies.

- 2.15 A job description and person specification had been prepared for all the sample of permanent and temporary vacancies that we tested.
- 2.16 Job descriptions and person specifications are reviewed and approved by the job evaluation panel and ratified by the consistency review panel.

Conclusion:

- 2.17 Detailed job descriptions and person specifications were in place for all new vacancies that we reviewed. We have not identified any matters arising to report and we have provided substantial assurance against this objective.

Objective 7: New posts are reviewed by the job evaluation panel to determine the pay grade prior to being forwarded to the TRAC team for advertising.

- 2.18 Responsibility for ensuring there are sufficient numbers of trained staff within the organisation to operate Job Evaluation Panels (JEP), as and when required, has been assigned to a specific member of staff within Workforce & OD. The organisation currently has 21 trained staff and each panel meeting requires three staff.
- 2.19 The Computer Aided Job Evaluation (CAJE) system is used to manage the job evaluation process and consistency review process.
- 2.20 The job evaluation panel and consistency review dates were not always recorded on the CAJE system and there were instances where the same staff member sat on both the job evaluation panel and the consistency review panel for the same vacancy. Timescales between the JEP and consistency review were also inconsistent, and we saw no evidence

that the recruiting manager had been notified of the outcome of the JEP and consistency review for most of the cases that we reviewed, which may have resulted in a delay starting the recruitment process on TRAC. **(Matter Arising 5)**

Conclusion:

2.21 Improvements are required to data quality and governance arrangements. We have provided reasonable assurance against this objective.

Objective 8: Appropriate arrangements are in place for monitoring and reporting on the management of vacancies to ensure that each stage of the process is completed promptly.

2.22 We understand that records of some dates for ongoing recruitments are kept and used to monitor progress on an informal basis, but despite our request, we were not provided with these records during our fieldwork. However, more formal monitoring of the processes undertaken within TRAC by NWSSP does take place.

2.23 There are no timescales set and as such there is no form of formal monitoring system in place for the pre-recruitment process across HEIW. **(Matter arising 6)**

Conclusion:

2.24 The introduction of formal monitoring arrangements aligned with target timescales may help recruiting managers progress through each stage of the recruitment process more promptly thereby reducing recruitment delays. We have provided limited assurance against this objective.

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Appendix A: Management Action Plan

Matter Arising 1: Recruitment and Selection Policy (Operation)		Impact
<p>At the time of our fieldwork the organisation's recruitment and selection policy was still in draft and only available within the workforce team. We understand that development of the policy, which has been in draft since January 2019, had lapsed due to long-term staff absence, although recently work has recommenced on reviewing and revising it.</p> <p>Currently, staff are only using the 'Request for approval to recruit to establishment and/or to temporarily vary establishment' procedure.</p>		Inappropriate and / or unnecessary recruitment where processes are not adhered to.
Recommendations		Priority
<p>Management should ensure that the review of the recruitment and selection policy that is currently in draft is completed and approved and made available to staff within a reasonable timescale. It should be ensured the revised policy cross references the recruitment procedure.</p>		Medium
Agreed Management Action	Target Date	Responsible Officer
The Recruitment and Selection Policy is currently under review with a target date for completion of 30 th November 2021, following this it will go through the approval process for new policies including going out for general consultation within HEIW	30/11/2021	Emma Carrington, People Projects Lead / James Cogan Interim Head of People and OD

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Matter Arising 2: Staff Training (Operation)		Impact
HEIW has developed an in-house recruitment and selection training course for recruiting managers. Our review of the course attendance records show that the course was last run in November 2020 but was attended by just one delegate. The previous three courses run in 2020 were attended by a total of 14 delegates, of which only seven were managers. The organisation has not undertaken any work to identify relevant managers to attend the recruitment and selection training course and no courses have been run in 2021.		Inappropriate and / or unnecessary recruitment where processes are not adhered to.
Recommendations		Priority
Potential recruiting managers should be identified and invited to attend training sessions so that the provision of recruitment and selection training can be appropriately focussed on the right delegates.		Medium
Agreed Management Action	Target Date	Responsible Officer
Recruitment and Selection training dates have been set monthly up until August 2022. The Recruitment and Selection Training presentation is being reviewed to ensure that it is fit for purpose ahead of the next training session scheduled for 21 st October 2021. Evaluation of the training will be used to inform whether additional training on recruitment selection and drafting job descriptions is required. How to target recruiting managers will be considered in promoting the training this could be done via the PADR mid-term reviews.	21/10/2021	Jeremy Ashdown OD & Leadership Practitioner / James Cogan Interim Head of People and OD

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Matter Arising 3: Succession planning arrangement (Operation)		Impact
<p>HEIW has two working groups focussed on leadership development, one of which is an all-Wales group that HEIW chair's and manages. Its remit includes work on the NHS Wales succession planning strategy. It is our understanding the Workforce and OD team manages a succession planning and talent management framework for NHS Wales. However, there are no succession plan arrangements in place for HEIW as an organisation.</p> <p>We were informed by the interim Head of People that potential internal candidates are identified prior to the external advertisement of vacant senior and middle management posts, but this is done on an informal, case by case basis.</p>		<p>Failure to meet business needs or delays in recruiting to posts impacts on service delivery.</p> <p>Loss of expertise to other organisations.</p>
Recommendations		Priority
<p>Management should consider developing a succession plan to help minimise the risk that skills, talents and knowledge existing within the organisation are not lost to other organisations and that relevant leadership skills for the current and future needs of the organisation can be met.</p>		Medium
Agreed Management Action	Target Date	Responsible Officer
<p>A paper on internal talent and succession arrangements has been drafted and will be considered at Executives Committee on 6th October 2021. In addition to participation in the aspiring directors programme HEIW will look at identifying and developing future leaders at Band 7/8 and provide a development package to enable them to be ready for their next career move.</p>	31/3/2022	Helen Thomas, Assistant Director Succession & Leadership / James Cogan Head of People and OD

Matter Arising 4: Recruitment Approval and Business Case (Operation)	Impact
<p>We tested a sample of 15 appointments made after January 2021 for compliance with the recruitment procedure. The sample included permanent, fixed term and agency staff. Ten of the appointments were to existing posts on the establishment and five were for new posts Our testing identified:</p> <ul style="list-style-type: none"> • Recruitment approval forms were not in place for 8/10 appointments. Of the two recruitment forms that we saw, one was not fully authorised. • Of the five appointments within our sample that required a business case we were only provided with two, neither of which had been authorised. • For a further two appointments, a business case had been unnecessarily completed, although neither had been authorised. • Where completed, business case documentation was not in a consistent format. <p>Our testing indicates that recruiting managers may need refresher training in relation to the recruitment procedure and the requirement to complete the documentation within it.</p>	<ul style="list-style-type: none"> • Inappropriate and / or unnecessary recruitment where processes are not adhered to. • Failure to meet business needs or delays in recruiting to posts impacts on service delivery.
Recommendations	Priority
4.1 It should be ensured that staff are aware of requirements set out in the recruitment procedure. (see recommendation 2 in relation to training)	Medium
4.2 Management should ensure that an authorised recruitment approval form is appropriately completed for all vacancies so as to capture the recruitment initiation process.	High

4.3 Where applicable, an appropriately completed and approved business case in a standard format should be prepared by the recruiting manager for submission, with a job description, to the job evaluation panel and subsequent consistency review panel.		High
4.4 Consideration should be given to including all necessary documentation in the form of a checklist to ensure all documents required have been completed and are available for scrutiny / approval before a vacancy can be passed to the next stage.		Low
Agreed Management Action	Target Date	Responsible Officer
4.1 Recruitment and Selection Training dates are set up to August 2022 and the People Team regularly communicates on the recruitment process via the intranet, managers are also signposted to TRAC training. The People Team also provides support for managers and trouble shooting.	21/10/2021	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD
4.2 The authorisation process in TRAC acts as the sign off process for recruitment where posts are like for like replacements or posts are within existing budgets and no new job description is required. As generic job descriptions are used more widely this will be the commencement of the recruitment process.	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD
4.3 For new posts we will ensure that an approved business case in line with HEIW process is completed and signed off, however in ensuring that we are able to respond to service and organisational needs there will be occasions when new	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD

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posts are approved directly from Executives and Executive approval acts as the signed off business case (Plans on a page including staffing requirements and the IMTP).		
4.4 We will consider the use of a checklist within the context of using TRAC as the primary tool for recruitment and CAJE for job evaluation. Consideration will be given to using a form for Job Evaluation.	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD

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Matter Arising 5: Job Evaluation Panel & Consistency Reviews (Operation)	Impact
<p>The Computer Aided Job Evaluation (CAJE) system is used to manage the job evaluation and consistency review process. We tested to ensure that each appointment new establishment had been reviewed by the Job Evaluation Panel and had been subject to independent review at a Consistency Panel meeting. We tested a sample of 12 cases taken through the panel. Our testing identified the following:</p> <ul style="list-style-type: none"> • One job evaluation panel date and two consistency panel dates were not recorded on the CAJE system so timeliness could not be determined. • Two cases had the same member of staff sitting as a panel member at both the job evaluation panel and consistency review for the same vacancy. • There were delays in excess of three weeks between the job evaluation panel meeting and the consistency review meeting for five appointments, and ten months for one appointment. • There was no evidence for 10/12 cases that Workforce & OD had notified the recruiting manager that the job description had been reviewed by the Job Evaluation Panel and Consistency Panel and that recruitment via TRAC could commence. 	Inappropriate and / or unnecessary recruitment where processes are not adhered to.
Recommendations	Priority
5.1 Consistency reviews should be undertaken within a reasonable timescale of the job evaluation panel meeting. (see recommendation 6.1 in relation to setting timescales)	Medium

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5.2 Staff that have been involved in the job evaluation process should not be involved in the consistency review meeting for the same appointment.		Medium
5.3 The CAJE system should be updated with all relevant information and dates on a timely basis.		Medium
5.4 Workforce & OD should ensure that recruiting managers are notified of the outcome of the job evaluation and consistency panel in a timely manner and this information is adequately recorded. (see recommendation 6.1 in relation to setting timescales)		Medium
Agreed Management Action	Target Date	Responsible Officer
5.1 Job Evaluation Panels and Consistency Checks are being scheduled weekly to manage demand, some job descriptions are difficult to match and are returned to managers for amendment with feedback from the panel or consistency check, we will use the job evaluation spreadsheet to calculate the timescale between a job description being received for matching to being released to the manager so timescales can be monitored.	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD
5.2 An increased number of job evaluators will mean that staff who match a job description will not be required to consistency check as well. This occurred as a result of capacity challenges particularly in having staff side representative available and pressure to get job descriptions matched and released.	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD

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5.3 CAJE is updated during evaluation and consistency checking meaning that it should be up to date. Consideration will be given to auditing the data in CAJE.	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD
5.4 The spreadsheet contains a check to ensure that managers are e-mailed the outcome of job matching and this will be reviewed regularly, and evidence stored in the relevant folder in Sharepoint.	Immediately	Elspeth Roots, People Business Partner / James Cogan, Head of People and OD

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Matter Arising 6: Monitoring and reporting (Design)	Impact
<p>The overall recruitment process is split between pre-recruitment which is undertaken outside of the TRAC system and the stages that take place within TRAC. The key stages within TRAC have target completion times and are monitored by NWSSP. A similar level of capturing data and monitoring performance in relation to processes that happens outside of TRAC is not in place.</p> <p>We understand that Workforce & OD staff record the date that some of the pre-recruitment processes are completed for some vacancies, but they were unable to provide us with any such records to review. Furthermore, no target timescales have been set to monitor performance for example the timeframe between when a 'request to approve' form is authorised and the JE panel met or when the consistency review panel should then meet.</p> <p>As such, it appears that there is no consistent monitoring of the completion of each stage of the pre-recruitment process undertaken outside of the TRAC system.</p>	<p>Failure to meet business needs or delays in recruiting to posts impacts on service delivery.</p> <p>Failure to identify poor performance in the process and undertaken actions to improve.</p>
Recommendations	Priority
<p>6.1 Management should set indicative timescales for completion of each stage of the pre-recruitment process as documented in the procedure approved by the Executive Team in January 2019.</p>	<p>High</p>
<p>6.2 The completion of each stage of the pre-recruitment process should be recorded and monitored by Workforce & OD to identify any slippage in the process or potential training needs of recruiting managers.</p>	<p>High</p>

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Agreed Management Action	Target Date	Responsible Officer
6.1 We will look at setting indicative timescales for each part of the process however outside of the job evaluation process and the recruitment process once initiated in TRAC, timescales would only be indicative as there are a number of possible variables to consider for example where a business case has agreement for additional staffing there may be discussions on how the additional staffing is to be sourced before a job description is submitted for matching.	31/12/2021	James Cogan, Head of People and OD
6.2 In terms of pre-recruitment process this is difficult to track, recruitment may start at different stages, for like for like replacement posts recruitment would commence from the time the vacancy is loaded in TRAC. For new posts this may be when a business case is completed or a job is submitted for job evaluation, work is coming out of the Right Sizing Group is going to look at this process to see how it can be improved.	31/12/2021	James Cogan, Head of People and OD

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Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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Edited by Catherine
18/05/2021 14:56:56



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

Meeting Date	21 October 2021	Agenda Item	2.3
Report Title	Audit Wales – Progress Report		
Report Author	Audit Wales		
Report Sponsor	Audit Wales		
Presented by	Audit Wales		
Freedom of Information	Open		
Purpose of the Report	The purpose of the Audit Wales Progress Report is to provide the Audit and Assurance Committee with an update on current and planned Audit Wales work. Accounts and performance audit work are considered, and information is also provided on the Auditor General's wider programme of national value-for-money examinations and the work of our Good Practice Exchange (GPX).		
Key Issues	<ul style="list-style-type: none"> The Progress Report summarises the status of Audit Wales' key accounts audit work which is to be reported during 2021. The Progress Report also sets out the performance audit work included in current and previous Audit Plans, summarising work that is currently underway and planned work not yet started. 		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	The Committee is asked to note the Audit Wales Progress Report for assurance.		
Appendices	Appendix 1 - Audit Wales Update Report (Update)		

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Audit and Assurance Committee Update – Health Education and Improvement Wales

Date issued: October 2021

Document reference: HEIWAACU202110

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Audit and Assurance Committee Update

About this document

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

Accounts audit update

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

Exhibit 1 – Accounts audit work

Area of work	Current status
Annual Accounts	<p>Accounts work 2020-21</p> <p>Accounts audit undertaken May 2021, board approval received 10 June 2021, AGW certified 15 June 2021 and accounts laid at the Senedd 16 June 2021.</p> <p>Accounts work 2021-22</p> <p>Audit planning will commence in January 2022.</p> <p>Ongoing liaison</p> <p>Quarterly meetings with the Chair, Chief Executive and Chair of the Audit and Assurance Committee have continued throughout the period.</p> <p>Meeting held with officers to discuss arrangements for hosting the Office of the Chief Digital Officer, and any impact upon our accounts work for 2021-22/2022-23.</p>

Performance audit update

- 3 The following tables set out the performance audit work included in our current and previous Audit Plans, summarising:
- work that is currently underway (**Exhibit 2**); and
 - planned work not yet started (**Exhibit 3**).

Exhibit 2 – Work currently underway

Topic and relevant Executive Lead	Focus of the work	Current status and Audit and Assurance Committee consideration
Structured Assessment 2021 Executive Lead: Dafydd Bebb	<p>Structured Assessment continues to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. This year, the work is in two phases.</p> <ul style="list-style-type: none"> Phase 1 – examined the effectiveness of operational planning arrangements whilst NHS bodies continued to respond to the pandemic and recover and restart services. Phase 2 – examines how well NHS bodies are embedding sound arrangements for corporate governance and financial management, as well as drawing on lessons learnt from the initial response to the pandemic. 	<p>Phase 1 – Complete. Final report issued on 18 May 2021 and presented to Audit Committee on 21 July 2021. The report is now available on the Audit Wales website.</p> <p>Phase 2 – Fieldwork completed in September, aiming to issue the draft report in October/early November and final report in December.</p>
2020 Local Project: Review of Annual Commissioning Arrangements.	<p>Commissioning is HEIW's core function and its biggest investment. This piece of work looks to review its annual commissioning arrangements to ensure they are effective and helping to meet the wider needs of the NHS in Wales in terms of education and training.</p>	<p>Currently undertaking fieldwork, interviews due to take place mid-end October. Aiming to issue the draft report in December/early January.</p>

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Exhibit 3 – Planned work not yet started

Topic and relevant Executive Lead	Focus of the work	Current status and Audit and Assurance Committee consideration
2021 Local Project	To be confirmed.	<p>At the July 2021 Audit Committee, the Chair asked for an update on our 2021 and 2022 local project work.</p> <p>Clare James (Interim Audit Director) wrote to the Chair on 27/07/21 explaining that it was too early to make a decision on the project scope and subject matter for our 2021 local project. This is because we intend to use the findings from our Phase 2 Structured Assessment and review of annual commissioning arrangements (2020 local project) to help shape this work.</p> <p>There is the option to roll the 2021 local project budget into our 2022 project budget, which would enable a more comprehensive piece of work. We will scope the work in conversation with HEIW and would welcome views on potential topic areas.</p>

Good Practice events and products

- 4
- In addition to the audit work set out above, we continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research.
- 5
- In response to the Covid-19 pandemic, we have established a **Covid-19 Learning Project** to support public sector efforts by sharing learning through the pandemic.

This is not an audit project; it is intended to help prompt some thinking, and hopefully support the exchange of practice. We have produced a number of outputs as part of the project which are relevant to the NHS, the details of which are available [here](#). This includes the material from our COVID-19 Learning Week held in March 2021.

- 6 Details of future events are available on the [GPX website](#).

NHS-related national studies and related products

- 7 The Audit Committee may also be interested in the Auditor General's wider programme of national value for money studies, some of which focus on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts Committee at the Senedd to support its scrutiny of public expenditure.
- 8 We have published two NHS-related or relevant national studies reports since we last provided the Committee with an update. **Exhibit 5** provides information on these reports.

Exhibit 5 – NHS-related or relevant national studies reports

Title	Publication Date
Picture of Public Services 2021	September 2021
Updated infographic on the NHS (Wales) summarised accounts for 2020-21	September 2021

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Meeting Date	21 October 2021	Agenda Item	2.4
Report Title	Review of HEIW Procurement Systems and Processes – Update of Action Plan		
Report Author	Christine Thorne, Head of Procurement		
Report Sponsor	Eifion Williams, Director of Finance		
Presented by	Christine Thorne, Head of Procurement		
Freedom of Information	Closed		
Purpose of the Report	This report presents a further update on the delivery of outstanding actions arising from the ' <i>Review of HEIW Procurement Systems and Processes</i> '.		
Key Issues	<p>Key points of this paper are to demonstrate progress of completed actions; outstanding actions and newly identified actions.</p> <p>This activity relates to the achievement of HEIW's '<i>Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs</i>'</p> <p>The key risk to report has been the unavailability of Local Procurement resource, caused by long term sickness absence and vacancies across the team. This risk is now mitigated against by staff returning to work.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	Members are asked to Note the assurances provided.		

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REVIEW OF HEIW PROCUREMENT SYSTEMS AND PROCESSES FURTHER UPDATE OF ACTION PLAN

1. INTRODUCTION

Recommendations identified in the HEIW Procurement Process Review were first reported to the Audit and Assurance Committee (AAC) in March 2021. An agreed action plan was presented to the AAC in July 2021. This report provides a further update on the progress made to date in delivering the agreed actions, outstanding actions with a revised timetable, and newly identified actions as a demonstration of how HEIW and NWSSP Procurement Services colleagues continue to work in partnership together.

2. BACKGROUND

On 7th April 2021, the Audit and Assurance Committee (AAC) (closed session) received a report entitled 'Independent Review of HEIW's Procurement Systems and Processes'.

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

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

On 25th May 2021 a meeting was held between HEIW and Procurement Services to discuss the recommendations; proposed actions, and agree an Action Plan. The Action Plan was presented to the AAC on the 21st July 2021, with a view to both teams working together to complete all actions by the end of September 2021.

Unfortunately, shortly after presenting the Action Plan to the AAC in July, further long terms sickness absence across the Procurement Team, and a high vacancy factor (staff achieving promotion positions elsewhere) has hindered the delivery of the agreed Action Plan.

Senior staff have since returned to work, and the majority of vacancies within the Local Procurement Team are now fulfilled.

3. PROPOSAL

Procurement Service and HEIW colleagues have since met during September and October to review the Action Plan and agree a revised timetable for the remaining outstanding actions. This revised plan is included within Appendix 1.

Both teams continue to work together in partnership to ensure the delivery of these deferred actions is completed. In order to monitor on-going progress and continually

improve, the bi-monthly meetings and quarterly reviews are now diarised as reflected in the Action Plan in Appendix 1.

A further meeting was held on the 10th September between the Assistant Director of Procurement Services, Deputy Head of Sourcing – Commissioning, and the Pharmacy Dean, to discuss the current programme and the alignment of resources from within the wider Procurement Services.

It is proposed a further report be presented to the AAC at the next meeting in February 2022 with a view to providing confirmation all actions have been completed and for the AAC to confirm it is satisfied the monitoring and management of procurement activity is sufficiently robust. Also, that any further updates requested be included in the standing agenda item 'Procurement Compliance' Report.

4. GOVERNANCE AND RISK ISSUES

There are no matters in this report which carry a significantly increased level of risk for HEIW apart from the availability of procurement resource. This has since been mitigated with the additional resource allocated from the Central Sourcing Commissioning team within Procurement Services.

Continuing to implement the Action Plan will help HEIW meet the requirements set out in its Standing Orders and Standing Financial Instructions.

5. FINANCIAL IMPLICATIONS

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

6. RECOMMENDATION

Members are asked to **Note** the assurances provided.

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Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
There is no impact on quality, safety and patient experience.			
Financial Implications			
There are no direct financial implications.			
Legal Implications (including equality and diversity assessment)			
There are no legal implications			
Staffing Implications			
Staffing implications of the Local Procurement Services team are resolved and new work planned for the Pharmacy Directorate is to be supported by the Central Sourcing Team for Commissioning.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
None for this report.			
Report History	<ul style="list-style-type: none"> 7th April 2021 - report entitled 'Independent Review of HEIW's Procurement Systems and Processes'. 21st July 2021 – Procurement Systems and Processes Action Plan. 		
Appendices	Appendix 1 – Revised Process Review Actions		

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Report Title	Procurement Improvement Plan – Action Plan
Report Author	Christine Thorne Head of Procurement, NWSSP–Procurement Services

NB: Actions shaded in grey are complete.

No.	Action	Original Proposed Deadline	New Proposed Deadline	Responsible Area
2	Increase site presence at Ty Dysgu	Complete		NWSSP Procurement
3	Understanding of HEIW colleague's actual expectations from procurement services and senior management engagement.	Complete		NWSSP Procurement & HEIW Finance
5	Share Performance Data from Procurement Process Presentation	Complete		NWSSP Procurement
6	Reinstate highlight report, format to be agreed HEIW to ensure relevant detail covered	Complete		NWSSP Procurement
7	List of Finance Business Partners required along with their designated areas.	Complete		HEIW Finance
8	Procurement Dashboard to be presented within P2P meetings	Complete		NWSSP Procurement
10	Share performance data and undertake quarterly reviews - to include performance data, key pressures, delivery against IMTP.	Complete		NWSSP Procurement
12	Procurement Manual Seminar	Complete		NWSSP Procurement
14	Share data of single tenders and file notes per department within HEIW.	Complete		NWSSP Procurement
17	NWSSP Procurement services to provide a full level of service and will continue to do so.	Complete		NWSSP Procurement
18	Internal Procurement Department refresher training for purchase order processing.	16.08.2021	29.10.2021	NWSSP Procurement

9	Analysis of data to be completed to understand orders raised and where catalogues can be established. However, noted and agreed due to HEIW being a Special Health Authority and due to the requirements, it will be difficult to achieve a high volume of items onto a catalogue. Information will feed into bi-monthly meetings for action and quarterly reviews for performance.	17.09.2021	20.10.2021	NWSSP Procurement
11	Review of approval mechanism to ensure correct approvals in place before proceeding with tender activity. To be discussed at first bi-monthly meeting.	Reopened.	18/10/2021	NWSSP Procurement & HEIW Finance and Strategic Planning
13	Engagement required before submission of single tender requirements and before detail submitted to service desk. Agreed the service desk focus on completion of transactional process and not the provision of professional procurement advice.	16.08.2021	20.10.2021	HEIW Finance
15	Create Procurement awareness sessions for HEIW colleagues	31.08.2021	20.10.2021	NWSSP Procurement
18	Introduction of advice shop where member of HEIW can 'drop in' and speak with Procurement Team	16.08.2021	02.11.2021	NWSSP Procurement

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Meeting Date	21 October 2021	Agenda Item	2.5
Report Title	HEIW Procurement Compliance Report		
Report Author	Rhian Sadler, Procurement Business Manager, NWSSP		
Report Sponsor	Eifion Williams, Director of Finance		
Presented by	Christine Thorne, Head of Procurement		
Freedom of Information	Open		
Purpose of the Report	The purpose of this report is to provide the Audit and Assurance Committee with an update regarding the procurement activity which has been undertaken during the period 16 th June to 23 rd September, and in accordance with reference 1.2 (Schedule 2.1.2 Procurement and Contracts Code for Building and Engineering Works) of the Standing Financial Instructions.		
Key Issues	An explanation of the reasons, circumstances and details of any further action taken is included in the appendices of the report.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	Members are asked to note the report for assurance		

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HEIW PROCUREMENT PROCESS COMPLIANCE REPORT

1. INTRODUCTION

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

2. BACKGROUND

The purpose of this report is to keep the Audit and Assurance Committee informed on activity in relation to procurement activity undertaken during the period 16th June to the 23rd September 2021, and in accordance with reference to the Standing Financial Instructions.

3. PROPOSAL

The following table summarises the items to be brought to the attention of the Audit and Assurance Committee for the reporting period. An explanation of the reasons, circumstances and details of any further action taken is also included in the appendices of this report.

SFI Reference	Description	Items
3.5	Single Quotation Actions	0
4.2	Single Tender Actions	2
5.3	Single Tenders for consideration following a call for an OJEU Competition	0
10.8	Contract Extensions	2
14.2	Award of additional funding outside the terms of the contract (executed via Contract Change Note (CCN) or Variation of Terms)	0

4. GOVERNANCE AND RISK ISSUES

None of the matters in this report are identified as carrying a specific risk to HEIW.

5. FINANCIAL IMPLICATIONS

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

6. RECOMMENDATION

The committee is asked to **note** the report for assurance.

Governance and Assurance			
Link to IMTP strategic aims <i>(please ✓)</i>	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	✓		
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
There are no definite quality and safety implications related to the activity outlined in this report.			
Financial Implications			
FIs, SOs, Financial controls and accounting systems and processes form the basis of many organisational controls, which form part of the delivery of financial targets and good governance. The overarching guidelines on the spending of public money are that it should be carried out in a fair, transparent and open manner, ensuring that competition is sought wherever possible. Therefore, the number of single-action requests should be kept to a minimum.			
Legal Implications (including equality and diversity assessment)			
There are no specific legal implications related to the activity outlined in this report.			
Staffing Implications			
There are no specific staffing implications to the activity outlined in this report.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
Not applicable to this report.			
Report History	Standard submission as part of the standing agenda item.		
Appendices	Appendix 1 Summary Information		

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Health Education Improvement Wales - Audit Committee Report – October 2021

Appendix 1 – Summary Information

Trust	Division	Procurement Ref No	Period of Agreement/Delivery Date	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue	Compliance Comment	Procurement Action Required	First Submission or repeat
HEIW	Dental	HEIW-SQA-547EXT	01/08/21 - 31/01/22	Single Quotation Extension	Maxinity Software	Maxinity	£15,840.00	Extension required to allow continuity of service whilst new procurement is being undertaken.	Endorsed	Continue with tender activity of new Learning Management System.	First Submission.
HEIW	Workforce	HEIW-STA-540EXT	01/07/21 31/12/21	Single Tender Action Extension	Suite of Evidence Based, Compassionate Leadership Courses and the Delivery of an Executive Leadership Programme	The Kings Fund	£80,000.00	Extension of time issued to complete all evidence work required, delay with delivery due to Covid-19. No additional expenditure has been incurred	Endorsed	Ensure consideration of potential delays due to remote working are considered and appropriate action is taken within timescales of contract.	First Submission

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HEIW	Workforce	HEIW-STA-579	01/08/21 - 31/07/22	Single Tender Action	Executive Mentoring	Tracy Mayhill	£52,000.00	Delivery of succession planning strategy outlined within the IMTP. Supplier has specific knowledge of Executive structure within NHS Wales.	Endorsed	Future engagement with market required.	First Submission
HEIW	Corporate	HEIW-FN-091	01/04/21 – 31/10/21	File Note	Welsh Translation Services	Cymen	£70,000	Staff absence and increase workload across HEIW & Procurement Services resulted in continuation of engagement with provider.	Endorsed	New agreement currently in process to ensure contractual cover over a longer period of time.	First Submission

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Meeting Date	21st October 2021	Agenda Item	2.6
Report Title	Counter Fraud Progress Report – for the period 1st July 2021 to 30th September 2021 and Counter Fraud Newsletter circulated May 2021		
Report Author	Nigel Price, Local Counter Fraud Specialist		
Report Sponsor	Eifion Williams, Director of Finance		
Presented by	Nigel Price – Local Counter Fraud Specialist		
Freedom of Information	Open		
Purpose of the Report	The purpose of the Counter Fraud Progress Report is to provide the Audit and Assurance Committee with an update of NHS Counter Fraud work undertaken, for HEIW, between 1 st July 2021 and 30 th September 2021. The report's style has been adopted, in consultation with the Director of Finance, to inform and update the Audit and Assurance Committee members of the outline detail of significant changes in cases that have been worked on during the period, in addition to any current operational issues.		
Key Issues	<p>In compliance with the Secretary of State for Health Directions on Countering Fraud in the NHS, regular progress update reports are required to be presented to the Health Bodies' Audit and Assurance Committee, which should outline the current standing of any Counter Fraud and Corruption work carried out within the Health Body as at the date of the Audit and Assurance Committee meeting.</p> <p>The Local Counter Fraud Specialist to plan and agree, with the Director of Finance, an Annual Work-Plan containing a suggested number of days that is a framework on which to build and develop Counter Fraud arrangements and which recommends, to the Health Bodies' Audit and Assurance Committee, the resources necessary to do the work effectively.</p>		
Specific Action Required (please ✓ one only)	Information	Discussion	Assurance
	✓		
Recommendations	<p>The Audit and Assurance Committee is asked to:</p> <ul style="list-style-type: none"> • Receive and discuss the Counter Fraud Progress Report; and • Note the progress made to date. 		

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COUNTER FRAUD PROGRESS REPORT – 1 JULY TO 30 SEPTEMBER

1. INTRODUCTION

The purpose of the Counter Fraud Progress Report is to provide the Audit and Assurance Committee with an update report of all NHS Counter Fraud work undertaken for the period ended 30th September 2021.

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

2. BACKGROUND

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

The Local Counter Fraud Specialist to plan and agree, with the Director of Finance Director, an Annual Work-Plan containing a suggested number of days that is a framework on which to build and develop robust Counter Fraud arrangements and which recommends, to the Health Bodies' Audit and Assurance Committee, the resources necessary to do the work effectively.

3. GOVERNANCE AND RISK ISSUES

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

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

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

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

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

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

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

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

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

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

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

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

4. FINANCIAL IMPLICATIONS

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

The work of the Health Body's Counter Fraud staff is done in order to reduce the level of fraud or corruption within HEIW to a minimum and keep it at that level.

5. RECOMMENDATION

The Committee is asked to:

- **receive** and **discuss** the Counter Fraud Progress Report
- **note** the progress made to date

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Governance and Assurance			
Link to corporate objectives (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	✓		
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
None identified			
Financial Implications			
<p>Fraud committed against the NHS has a financial impact, since the Health Body would have suffered an initial financial loss as a result of the subject's actions.</p> <p>The work of the Health Body's Counter Fraud staff is undertaken in order to attempt to reduce the level of fraud or corruption within HEIW to a minimum and keep it at that level in order to free up resources for patient care.</p>			
Legal Implications (including equality and diversity assessment)			
Where there is any evidence of prima facie fraud identified then advice as to how best to proceed and whether there is sufficient evidence to support a criminal prosecution is sought from the CPS Specialist Fraud Division.			
Staffing Implications			
None			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
None			
Report History	None		
Appendices	Appendix 1 - Summary of Planned vs. Actual Days for 2020-2021 CF Plan Appendix 2 - Counter Fraud Newsletter May 2021		

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Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

NHS WALES

Health Education & Improvement Wales

Audit & Assurance Committee 21st October 2021
Counter Fraud Update

Nigel Price
Local Counter Fraud Investigator
Cardiff and Vale University Health Board

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AUDIT AND ASSURANCE COMMITTEE 21st October 2021

COUNTER FRAUD UPDATE

1. Introduction
2. Case Update
3. Progress and General Issues
4. Appendix 1 – Plan Summary
5. Appendix 2 May 2021 Newsletter

Mission Statement

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

1. INTRODUCTION

In compliance with the Directions on Countering Fraud in the NHS, Counter Fraud is required to provide updates to the Audit and Assurance Committee on the work that has been carried out against the agreed work-plan. This report provides the Audit and Assurance Committee with an update for the period 1st July 2021 to 30th September 2021

2. CURRENT CASE UPDATE

There are no investigations linked to HEIW

3. PROGRESS AND GENERAL ISSUES

During this reporting period, 26.5 days have been spent on counter fraud work for HEIW which are detailed in **Appendix 1**. The days have been spent investigating the organisation's high-risk matches on the National Fraud Initiative database; preparing, delivering and analysing the feedback from the fraud awareness presentations; reviewing HEIW policies; preparing reports for, and attending the organisation's **Audit and Assurance Committees** and developing risk assessments specifically for the organisation.

18 days have been allocated this year for any investigations, sanctions and redress that should occur. As there have been no cases requiring investigation to date, these days have not been used but can be used for alternative purposes with the agreement of the Director of Finance.

A counter fraud newsletter was circulated in May 2021, which is attached in **Appendix 2**. The next newsletter is planned to be produced at the end of the year.

As required under the Government Functional Standard GovS 013: Counter Fraud, HEIW has nominated a Fraud Champion during 2021/22. The role of the Fraud Champion is to support and promote the fight against fraud at a strategic level and with other colleagues within their own organisation. The Fraud Champion will also support the Local Counter Fraud Specialists in the work that they already do. During the second half of the financial year a number of days will be spent providing training for the Fraud Champion and planning the internal work programme.

3.1 Fraud Awareness Presentations

Face-to-face fraud awareness sessions for HEIW staff have been cancelled due to COVID-19 restrictions. No sessions have been delivered during this reporting period. The organisation's inductions start again this month, and fraud awareness is a key part of that induction.

Feedback from previous presentations shows that 100% of the delegates "strongly agreed" they feel more comfortable discussing any concerns with counter fraud. The session also improved their knowledge of how a counter fraud referral is investigated, the potential outcomes of committing fraud and how to report any concerns they may have.

3.2 System Weaknesses and Lessons Learned from investigations

Nothing to report for this period.

3.3 National Fraud Initiative 2020/21

As reported at previous meetings of the Audit and Assurance Committee, HEIW has participated in the National Fraud Initiative (NFI) 2020/21. The NFI is designed to help Public Bodies build their fraud detection capability through data matching at a national level.

The data was released on the 31st January 2021, which showed 26 priority matches and 96 low-risk matches in HEIW for consideration and review. All the priority matches have been investigated, no fraud was found, and they have been closed.

3.4 Risk Assessments

On the 9th September 2021, a meeting was held with the Director of Finance and the Head of Financial Accounting to discuss potential risk assessment exercises on behalf of HEIW. It was agreed that it would be beneficial to review the due diligence checks that employment agencies use before supplying staff to HEIW.

A list of agencies and personnel has been provided, and inquiries have begun into that exercise. Progress will be reported at the next meeting of the Audit and Assurance Committee.

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APPENDIX 1

COUNTER FRAUD SUMMARY PLAN ANALYSIS 2021/22

AREA OF WORK	Planned Days	Days to Date
General Requirements		
LCFS Attendance at All Wales Meetings	1	1
Planning/Preparation of Annual Report and Work Programme	1	2
Production of Reports and attendance at Audit & Assurance	4	3.5
Liaison with the DoF, NHS CFA, Welsh Government	0	3
Self Review Tool (SRT) and QA Assessment	1	4
Annual Activity		
Create an Anti-Fraud Culture	2	1
Presentations, Briefings, Newsletters etc.	15	3
Fraud Awareness Events	0	0
Deterrence		
Review/develop Policies/Strategies	2	2
Prevention		
The reduction of opportunities for Fraud and Corruption to occur.	0	0
Detection		
National Pro-Active Exercises (e.g. Procurement)	2	2
National Fraud Initiative 2020/21	4	5
Investigation, Sanctions and Redress		
The investigation of any alleged instances of fraud	15	0
Ensure that Sanctions are applied to cases as appropriate	1	0
Seek redress, where fraud has been proven to have taken place	2	0
TOTAL HEALTH EDUCATION IMPROVEMENT WALES	50	26.5

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Who are we?

It is HEIW's Counter Fraud Service's responsibility to investigate all allegations of fraud against the organisation. If a fraud is proved, whoever committed it could face a criminal prosecution, a disciplinary hearing or be made to repay money through the civil courts.

In complex cases the counter fraud service is supported by the Counter Fraud Service (Wales). We also work with the police and other agencies, for example: The Home Office and Immigration Enforcement.

In addition to investigations we conduct fraud awareness sessions to NHS staff, explaining fraud and giving examples of recent cases and conduct pro-active work to look for weaknesses and vulnerable areas in NHS systems.

Recent Investigations

Fraud by False Representation

Information was passed to Cardiff & Vale UHB alleging that the subject had been working agency hours when she should be working her contracted hours. After carrying out an investigation a disciplinary hearing was held which resulted in the subject being dismissed from her role.

False Sickness Absence

Social media images suggested an individual had given false information to managers about her personal circumstances; which may have resulted in the subject receiving a salary to which she was not entitled. After being questioned about the social media posts the subject made a repayment to the health board and resigned with immediate effect.

Failing to Disclose Information

The subject of this investigation submitted several job application forms claiming to have experience and qualifications that were false. The investigation resulted in the subject appearing at Cardiff Magistrates Court and was sentenced to a 12 month community service order of 120 hours of unpaid work, ordered to pay £250 costs to the NHS and a victim surcharge of £85.

If you suspect fraud has been or is being committed against HEIW you should report it immediately to one of your Local Counter Fraud Specialists. Please see the LCFS contact details on page 4.

Fraud may be reported on Freephone 0800 028 40 60 or online at www.reportnhsfraud.nhs.uk

Mandate Fraud

Mandate frauds are also known as a 'change of bank account scams', 'payment diversion fraud' or 'supplier account takeover fraud'. A fraudster, by a series of deceptions, persuades an organisation to change a direct debit, standing order or bank transfer mandate, by appearing to be from a known supplier. These frauds are sophisticated and persuasive.

IT IS ESSENTIAL THAT EARLY ACTION IS TAKEN. CONTACT THE COUNTER FRAUD SERVICE (WALES) on: 01495 334100

Points to look for

- Initial contact from a known supplier stating it is changing its bank details. Emails may contain a recognised template with the contractor's name, logo, and genuine office addresses. The emails request information about the procedure to change bank account details for future payments.
- The fraudster subsequently sends an email to the contractor purporting to be from the NHS organisation (using a fake email domain and email signature from the NHS organisation's finance department) to request any outstanding invoices due for payment.
- A credible-looking email purporting to be from a genuine supplier is sent to the NHS organisation, with a request to change bank account details.
- Email correspondence is designed to appear genuine. The fraudster socially engineers information from both the NHS organisation and their contractors to appear genuine to both parties. All requests to change bank details are to be compared with historic correspondence as part of the verification process.

Look for spelling mistakes, poor grammar and minor changes to email addresses. If in doubt CONTACT THE COUNTER FRAUD SERVICE (WALES) on: 01495 334100

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Fraud may be reported on Freephone 0800 028 40 60 or online at www.reportnhsfraud.nhs.uk

National Cases

NHS Accountant stole thousands for holiday and high life

An accountant abused his senior position of trust to steal thousands of pounds from the NHS Supply Chain in Derbyshire. The subject discovered a flaw in the payment system which he exploited, stealing more than £58,000 over a ten month period.

Derby Crown Court heard how the subject had gambling debts and started using the money to pay off credit cards he had used for gambling. He also used the money to pay for a holiday to Cyprus, spent money at a portrait studio, on clothes, a helicopter flight for his unknowing wife and towards a deposit for a house in Scotland. He had also been convicted of theft by employee back in 2005.

The court heard that the subject started working at the NHS Supply Chain in 2011 and, in 2013, held the position of financial controller and left the post on June 2016.

The prosecutor said, "After the defendant left, anomalies were found which related to the sum of £58,404 between June 2015 and March 2016." The court heard how the payments were traced back to the subject. He attended a voluntary interview in August 2019.

The subject pleaded guilty to one count of fraud.

The judge handed him an immediate custodial sentence, jailing him for 18 months.

GP Surgery Manager jailed for stealing almost £700,000 of NHS money to play gambling apps

A GP surgery manager was jailed for over three years after she plundered almost £700,000 of NHS money to play gambling apps on her mobile phone. The subject falsified patient records to divert money earmarked for medication, staff wages and medical supplies to her two bank accounts over a fifteen month period. She used most of the money to log into online betting apps including Sky Bet, Gala Bingo and Bet Fred. On one occasion she won £120,000 and a free bottle of champagne, but frittered away her winnings on other bets in just days.

The subject was eventually found out when the doctors at the medical practice launched a probe into why they had to arrange a £25,000 overdraft to pay the staff. It emerged £582,265.65 had gone missing in 327 illicit transactions since their manager was appointed on a £38,000 a year salary. She had executed the scam by falsifying hundreds of patient records and wrongly marked down nine of them as "end of life care".

Four of the five doctors at the surgery subsequently had to leave or take early retirement as a result of the theft.

Police discovered the subject had also stolen £77,000 from another GP practice nearby when she falsified paperwork over medical supplies while working there between 2012 and 2016.

At Minshull Street Crown Court, Manchester, the subject admitted two charges of fraud by abuse of position and was jailed for three years and four months.

Fraud may be reported on Freephone 0800 028 40 60 or online at www.reportnhsfraud.nhs.uk

Local Counter Fraud Team

Name	Telephone	E-mail
Craig Greenstock Counter Fraud Manager	029 2183 6265	Craig.Greenstock@wales.nhs.uk
Emily Thompson Local Counter Fraud Specialist	029 2183 6262	Emily.Thompson@wales.nhs.uk
Nigel Price Local Counter Fraud Specialist	029 2183 6481	Nigel.Price@wales.nhs.uk
Shaun Ablett Counter Fraud Admin Assistant	029 2183 6264	Shaun.Ablett@wales.nhs.uk

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

Fraud may be reported on Freephone **0800 028 40 60** or online at www.reportnhsfraud.nhs.uk



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Fraud may be reported on Freephone 0800 028 40 60 or online at www.reportnhsfraud.nhs.uk



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Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Meeting Date	21 October, 2021		Agenda Item	2.8
Report Title	Annual Review of the Board Assurance Framework			
Report Author	Dafydd Bebb, Company Secretary			
Report Sponsor	Dafydd Bebb, Company Secretary			
Presented by	Dafydd Bebb, Company Secretary			
Freedom of Information	Open			
Purpose of the Report	To provide the Audit and Assurance Committee (AAC) with an annual review and an update on the Board Assurance Framework (BAF) – attached at appendix 1.			
Key Issues	<p>The report highlights that :</p> <ul style="list-style-type: none"> the BAF has been operational since September 2019 and will continue to be developed; the Committee has received an annual report in respect of the BAF and also receives an update on the Corporate Risk Register on a quarterly basis; the BAF has been amended to incorporate the Strategic Risks Control Framework, which was considered at the July meeting of the AAC. 			
Specific Action Required <i>(please one only)</i>	Information	Discussion	Assurance	Approval
				✓
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> to review and note the BAF for assurance; recommend that the BAF be considered and approved by the Board. 			

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ANNUAL REVIEW OF THE BOARD ASSURANCE FRAMEWORK

1. INTRODUCTION

The purpose of this report is to provide the Audit and Assurance Committee (AAC) with an annual review and update on the further development of the Board Assurance Framework (BAF).

2. BACKGROUND

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

HEIW's BAF has been operational since September 2019, when it was approved by the Board.

3. PROPOSAL

In January, the Board approved the organisation's Risk Appetite and Risk Tolerance and in July approved the Strategic Risk Control Framework. The Strategic Risk Control Framework identifies and maps the controls and key sources of assurance against HEIW's strategic risks. HEIW's Strategic Objectives are also incorporated within the BAF. The updated BAF, which incorporates the Strategic Risk Control Framework, is attached at Appendix 1.

The Corporate Risk Register is focused on the key objectives of HEIW and identifies the principal risks and key controls. Given this, the Corporate Risk Register (CRR) is the vehicle for providing regular assurance on the BAF. Over the past year, the CRR has been reviewed by the Executive Team and Senior Leadership Team once a month. The AAC has reviewed the CRR on a quarterly basis, while the Board has reviewed the register every six months.

HEIW's annual BAF schedule is as follows, and it is proposed that this approach continues over the next year:

Action	Executive Lead	Date
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 Strategic Risk Control Framework	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
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4. GOVERNANCE AND RISK ISSUES

It is essential that there is an effective and efficient framework in place to give sufficient, continuous and reliable organisational stewardship and the management of the major risks to organisational success and delivery of improved, cost-effective public services.

5. FINANCIAL IMPLICATIONS

No direct financial implications arising from this report. The BAF is a core element of HEIW's corporate governance structure.

6. RECOMMENDATION

Members are asked to:

- to **review** and **note** the BAF for assurance;
- **recommend** that the BAF be considered and approved by the Board.

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

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Ensuring the Board has an effective and evolving BAF that supports the Board in delivering the current one year plan, is an essential component of the Board's Governance arrangements going forward.

Staffing Implications

There are no staffing implications.

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

No impact identified.

Report History

The Audit and Assurance Committee receives a quarterly update in respect of the BAF through the Corporate Risk Register. It reviews the BAF on an annual basis.

Appendices

Appendix 1 – Updated Board Assurance Framework.

BOARD ASSURANCE FRAMEWORK

2021-22

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.

The Assurance Cycle

The Board will undertake an annual self-assessment of its performance through completing a self-assessment questionnaire and a Board maturity matrix. The process identifies areas where the Board requires additional focus and informs the development of the forward work programme for the Board Development Sessions.

The assurance system is designed to ensure that the Board can make an 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:

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 strategic aims of HEIW are:

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

These strategic aims are incorporated within HEIW’s Plan 2021-22.

Risks

Risks which may stop the organisation from achieving its aims need to be identified and set out. 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 risks as part of the decision-making process.

The organisation has a Strategic Risks Control Framework, which identifies and maps the controls and key sources of assurance against HEIW’s Strategic Risks. This is detailed in Appendix 1 below.

The organisation also has a Corporate Risk Register which details the top high level risks for the organisation on an operational basis.

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

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 several methods to obtain assurance through internal and external sources.

Internal assurance methods include:

- the Performance Report;
- 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 work undertaken by the Audit Wales, 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 Figure 1

A further source for receiving external assurance is ensuring that external reports are reviewed to ensure that lessons are learnt and embedded within HEIW's policies and procedures.

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 Corporate Risk Register allows the Board to identify what risks need to be reported upon.

HEIW's Performance Report 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 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.

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.

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.

Education Commissioning and Quality Committee

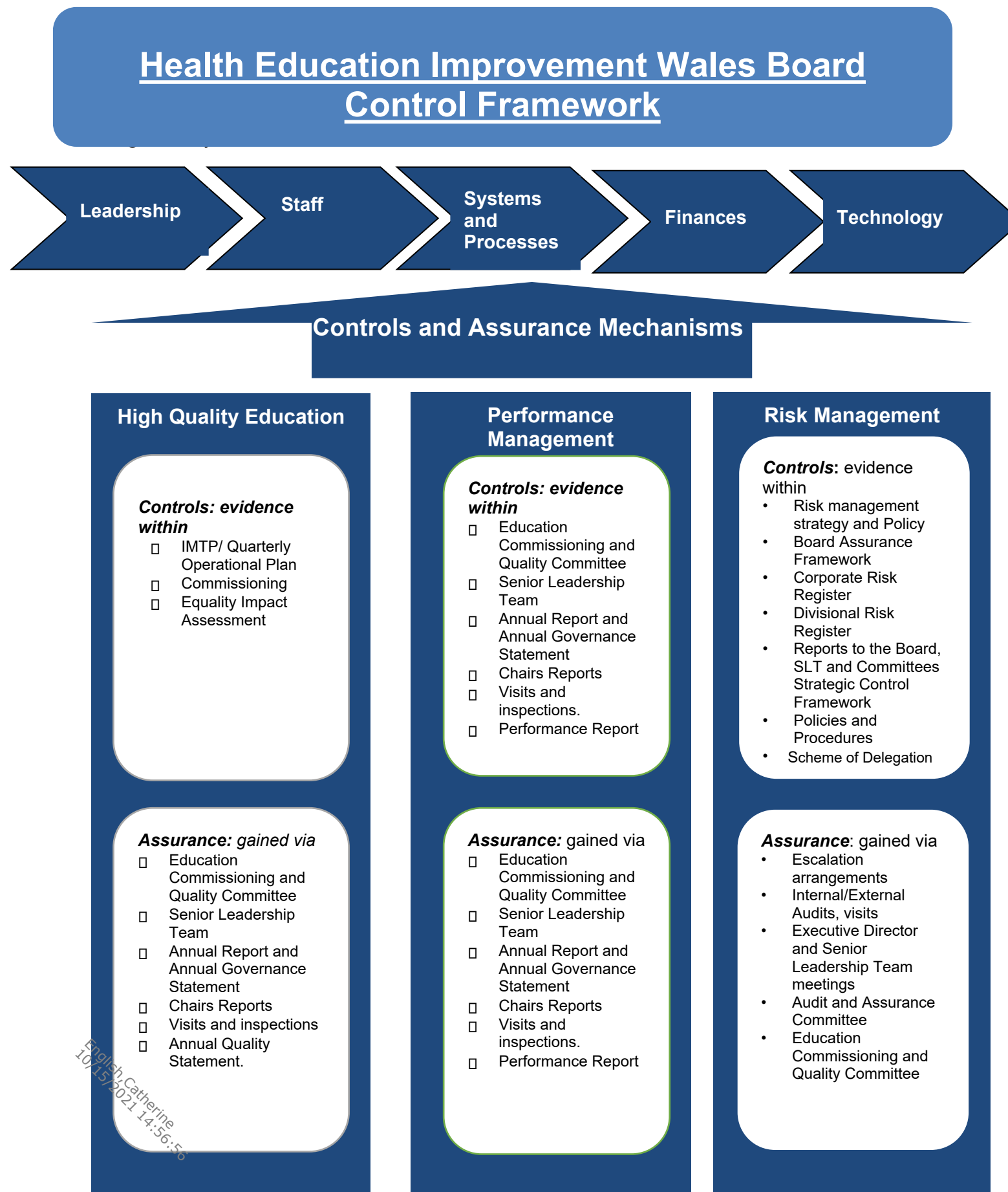
The Board's Education Commissioning and Quality Committee advises and assures the Board in respect of the Commissioning of Education and the Quality of Education.

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.

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Figure 1 1: Methods of internal and external assurance



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
- Education Commissioning and Quality Committee
- Remuneration Committee
- Health and Safety Groups etc

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



Third Line Independent

- ❑ Internal Audit Plan
- ❑ Audit Wales
- ❑ External Audits (e.g. Annual Accounts and Annual Report)
- ❑ HIW Inspections
- ❑ Regulators
- ❑ Reviews and Reports by Royal Colleges
- ❑ External visits and accreditations
- ❑ Independent Reviews

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Appendix 2

HEIW Strategic Risks Control Framework 2021/22

Strategic Risk1

Strategic Risk 1: Workforce skills and expertise given the specialist nature of organisation. There is a risk that HEIW may find itself without the workforce with the requisite skills it requires to deliver on its Strategic Objectives. This could be caused by a lack of staff with relevant skills in the external market or education system or internally due to a lack of staff skills, career mobility, succession planning and skills management, or due to undesirable employee attrition and sickness absence of key individuals.				
Executive Lead: Julie Rogers		Assuring Committee: Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure management of the appropriate risk.	Form of Assurance - these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance - areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
<p>Each line manager needs to identify specific skills needed for the role when recruiting, replacing, or modifying.</p> <p>Ensure that training is in place where required.</p>	<p>HEIW is a relatively small organisation within NHS Wales, recruitment is monitored through NHS Wales Shared Services Partnership (NWSSP) returns and also by the People & Organisational Development Team.</p> <p>Issues are escalated to the Executive Team where appropriate; quarterly recruitment reports are also provided to the Executive Team.</p> <p>Regular monitoring and reporting of workforce Key Performance Indicators including sickness and turnover.</p>	<p>There is no systematic reporting of training other than in relation to statutory and mandatory targets. Wider training overview is to be added to quarterly reporting.</p>	<p>This is subject to a manager's knowledge and expertise.</p>	<p>The HEIW People & Organisational Development Strategy will include analysis of roles and the shape of workforce as well as actions around recruitment, retention, and succession planning, and workforce development.</p>

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Strategic Risk 2

Strategic Risk 2: Capacity to deliver a growing range of functions and responsibilities. The risk of lack of capacity may be caused by a lack of sufficient workforce capacity to deliver the growing functions of the organisation, which could be a result of insufficient planning and an over reliance on existing ways of working, not embracing innovation, new ways of working and not investing in appropriate technology.				
Executive Lead: Julie Rogers		Assuring Committee: Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure management of the appropriate risk.	Form of Assurance - these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance - areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
<p>The Organisation's capacity review is undertaken alongside the development of the Annual Plan/Integrated Medium Term Plans.</p> <p>The corporate infrastructure is revisited when new projects or programmes are introduced/being considered.</p> <p>Ensuring that staff have access to appropriate training to meet the growing needs of the organisation.</p>	<p>The Executive Team receiving and considering the capacity review outcomes.</p> <p>Regular updates to the Senior Leadership Team and the Executive Team on rightsizing projects.</p>	Training to be added to regular workforce reporting.	Challenge of influencing staff to embrace new technology and ways of working – and avoid a culture where the expectation is that the solution will always be additionality/more staff.	<p>Rightsizing review and paper signed off by Executive Team. Group established and will deliver agreed actions.</p> <p>HEIW digital literacy will be a strand of the People & Organisational Development Strategy.</p>

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Strategic Risk 3

Strategic Risk 3: Cultural change required to deliver an integrated, multi professional approach. There is a risk that HEIW could fail to develop a positive organisational culture which enables, encourages and develops staff engagement in embracing the multi professional approach. This could be caused by an over reliance on existing ways of working or a lack of time and attention focused on Organisational Development and a failure to embed Compassionate Leadership principles.				
Executive Lead: Alex Howells		Assuring Committee: Audit and Assurance Committee		
Key Controls – these are the mechanisms in place to ensure management of the appropriate risk.	Form of Assurance - these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance - areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
Establishment of cross cutting priorities as part of the Annual Plan that take multi professional rather than uni professional approaches in many areas e.g. leadership, simulation, primary care, mental health, clinical pathways group and require matrix working across professional areas and organisational boundaries.	Performance management reports on key objectives within the Annual Plan and across the range of activities under the remit of HEIW across all professions.	Some gaps in performance management resulting from some teams still not understanding requirement for them to report on their activities as part of HEIW.		Ongoing development of performance management framework across HEIW. Development programme for the Senior Leadership Team.
Mid and end of year review process with individual Directorates and teams.	Mid and end of year review meetings and notes.	Mid and end of year reviews identify that in some areas there has been less of a multi professional focus, and the pandemic has resulted in a reversion to the previous organisational silos.		Revise template used for mid-year reviews to focus more on this issue.
Implementation of the People and Organisational Development Strategy and roll out of Compassionate Leadership modules.	Internal audit reports and staff surveys.	People and Organisational Development Strategy not yet finalised.		Finalise People and Organisational Development Strategy.

All staff meetings and conferences to bring whole workforce together across organisational boundaries to share developments and good practice	Staff surveys.	Questions on multi professional working could be strengthened.		Review questions for staff questionnaire.
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Strategic Risk 4

Strategic Risk 4: Effective engagement to ensure that we are influencing and shaping the agenda as system leader and can deliver our plans. Acting as a system leader will require effective horizon scanning and insight into the NHS system and workforce trends and clear communication and engagement for coalition building to encourage system change. The risk of failing to influence the agenda as system leader could be caused by a failure to communicate and engage effectively with stakeholders within health and social care.				
Executive Lead: Nicola Johnson		Assuring Committee: Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	Form of Assurance - these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance - areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
Communication and Engagement Strategy.	Through reports outlining steps taken to communicate and support system leadership.	Can't guarantee that stakeholders will engage with HEIW as system leader.	Need of a stakeholder survey to measure levels of engagement.	Stakeholder survey (*) to measure impact of HEIW as System Leader.
Annual Plan/ Integrated Medium Term Plan (IMTP).	The annual rolling process to develop the plan includes an annual engagement phase with key stakeholders across health, social care, government, regulators, trades unions and others. The aim is to maximise stakeholder engagement with the Annual Plan/IMTP through involving them in the process of developing the document.	As above.	oes the NHS Wales Planning Framework require NHS organisations to engage sufficiently with HEIW on workforce matters.	Ensure that the need to engage with HEIW is reiterated in the NHS Wales Planning Framework.
Executive membership of NHS Peer Network Groups, 'hosting' of Team Wales and membership of other national programme boards.	Active influencing through Team Wales and Peer Network Groups and membership of national programmes.	Need to measure the impact.	Need of a stakeholder survey to measure levels of engagement.	Stakeholder survey (*) to measure impact of HEIW as System Leader. *same Stakeholder survey as referenced for strategic risk 5.

Strategic Risk 5

Strategic Risk 5: Effective engagement with our partners to ensure the delivery of shared objectives and aims. The successful implementation of HEIW's aims and objectives in several areas will rely on engagement and co-operation with our partners in health, social care and education. The risk of failing to deliver in these areas could be caused by insufficient capacity, not engaging with partners effectively or a failure to achieve buy in from our partners.				
Executive Lead: Alex Howells		Assuring Committee: Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	Form of Assurance- these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance- areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
Communication and Engagement Strategy.	Through reports outlining progress on implementing the strategy and communication activities such as stakeholder bulletins. Internal audit report.	No issues highlighted in internal audit.	Lack of a Stakeholder survey.	Stakeholder survey to measure impact of HEIW as System Leader. Update on comms and engagement strategy implementation.

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Strategic Risk 6

Strategic Risk 6: Volatility of HEIW's financial position including the reliance on commissioning plans, student choices and associated budgets. This could be exacerbated by the increasing financial challenges faced by government and our education providers particularly post COVID, leading to a reduction in our flexibility to respond to developments.				
Executive Lead: Eifion Williams		Assuring Committee: Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	Form of Assurance- these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance- areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
Through contracts and through ensuring that the estimation process in respect of finances is cautious and conservative and takes into account the particular difficulties in forecasting the number of self funders.	Ensure the contracts are executed and are in place. Approval of the Financial Plan and the underlying assumptions are understood. Regular reporting of monitoring provisions through the Financial Board Report.	It is not possible for HEIW to control actual recruitment figures as this is undertaken by the education providers. It is also for students to determine individually whether they wish to take up the bursary.	Timing of the information is skewed towards the second half of the year. This is because students primarily choose place in August. They then have three months to decide whether to choose to self-fund or fund through the bursary. Given this the information is not available until at least December.	Regular dialogue and meetings between HEIW and the Education Providers. Regular dialogue and meetings between Welsh Government and Welsh Government Finance.

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Strategic Risk 7

Strategic Risk 7: Workforce intelligence and Data. The risk that the quality of workforce intelligence captured and reported within the NHS does not support accurate decision making and planning for the NHS's future workforce requirements. This could lead to both overcapacity and under capacity within the workforce.				
Executive Lead: Julie Rogers		Assuring Committee: Audit and Assurance Committee		
Key Controls - these are the mechanisms in place to ensure the management of the appropriate risk.	Form of Assurance - these are the mechanisms to provide evidence that the organisation is operationally effective in relation to the specific risk.	Gaps in Control - areas where controls mechanisms highlight issues of concern.	Gaps in Assurance - areas where scrutiny mechanisms do not provide adequate assurance.	Agreed Action Plan - Actions to correct shortcomings in control and assurance.
Annual Plan objective. Ensure vision for new Centre of Excellence is articulated and shared. Ensure benefits are described. Through securing sign up from NHS partners.	Evidence of working in partnership with Health Boards and Trusts as well as NHS Wales Shared Services Partnership and other Special Health Authorities to take them with us. Regular updates on project development.	We do not have control over the data that we receive from Health Boards and Trusts via the Electronic Staff Survey (ESR).	Depends on the willingness of other NHS organisations to share their data as well as the views of the Data Controller.	Annual Plan includes work to develop the HEIW vision for Centre of Excellence on workforce intelligence and analytics. This will flush out some of the risks, issues and potential solutions, creating a new partnership agreement and delivering better access to data which will feed workforce intelligence.

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

Meeting Date	21 October 2021	Agenda Item	2.9.1
Report Title	Key Issues Report – Information Governance and Information Management Group (IGIMG) meeting held on the 28 September 2021		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	The purpose of the report is to outline discussions undertaken by the IGIMG.		
Key Issues	This report focuses on the key issues raised at the IGIMG meeting held on 28 September 2021.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendation	Members of the Committee are asked to: <ul style="list-style-type: none"> • Note the content of the report for assurance. 		

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KEY ISSUES REPORT – INFORMATION GOVERNANCE AND INFORMATION MANAGEMENT GROUP MEETING HELD 28 SEPTEMBER 2021

1. INTRODUCTION

The purpose of the report is to provide an update on matters considered by the Information Governance and Information Management Group (IGIMG). The Audit and Assurance Committee (Committee) is asked to note the summary report from the Chair.

2. BACKGROUND

The IGIMG provides assurance to the Audit and Assurance Committee as a subgroup. Its purpose is to support and drive the broader Information Governance agenda and provide the Audit and Assurance Committee with the assurance that effective Information Governance best practice mechanisms are in place within the organisation.

3. PROPOSAL

The IGIMG met on 28 September 2021, and Appendix 1 provides the Committee with a summary of the areas considered at the meeting. The formal record of the meeting remains the approved minutes.

4. GOVERNANCE AND RISK ISSUES

There are no governance and risk implications for the Committee to consider.

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider/approve.

6. RECOMMENDATION

Committee Members are asked to **note** the content of the report for **assurance**.

Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	✓	✓	✓

	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
	✓	✓	✓
Quality, Safety and Patient Experience			
Ensuring the Committee carries out its business appropriately and aligned with its standing orders is a key factor in the quality, safety and experience of patients receiving care.			
Financial Implications			
None			
Legal Implications (including equality and diversity assessment)			
It is essential the Committee complies with its standing orders, which includes receiving updates from its sub-groups.			
Staffing Implications			
None			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
n/a			
Report History	This report is a standing item on the Committee agenda.		
Appendices	Appendix 1 – IGIMG, Chairs Summary		

APPENDIX 1

Meeting Date	21 October 2021	Agenda Item	2.10
Freedom of Information	Open		
Reporting Sub-Group	Information Governance and Information Management Group		
Report Author	Catherine English, Corporate Governance Manager		
Chaired By	Dafydd Bebb, Board Secretary and Senior Information Risk Officer		
Lead Executive Director	Dafydd Bebb, Board Secretary		
Date of Last Meeting	28 September 2021		
Summary of key matters considered by the sub-group and any related decisions made:			
<p>The Group received the Audit Recommendations Tracker relating to IG and IM and considered progress against the implementation of audit recommendations arising from the IT Review Internal Audit and Audit Wales Structured Assessment.</p> <p>The Group considered its Terms of Reference, which had been updated to reflect its remit, membership and the hosting of the Office of Chief Digital Officer. The Group supported the amended Terms of Reference being considered for approval by the Audit and Assurance Committee.</p> <p>The Group received the IT Asset Management Systems Report. It was noted that the report had been considered and approved by the Executive Team on 22 September 2021 and that HEIW would now move towards procuring the agreed training, software and services.</p> <p>The Group received the Information Governance Delivery and Implementation Plan 2021/22 Quarter 2 Update and noted the progress made in relation to the activities outlined in the plan for quarters one and two. It was confirmed that there were 44 actions in the plan identified as deliverables by the end of quarter two. Of those actions, 37 were green, 5 amber and 2 red. The group considered the overdue actions and it was confirmed work was underway to complete them during quarter 3. The Group received an update on the 'Joiners, Movers and Leavers' process and agreed it would be added to the Information Governance Risk Register for further monitoring. The Group were satisfied with the progress made in relation to the workplan to date and noted the planned activity for quarters three and four.</p> <p>The Group received an update on the Information Asset Register and noted progress to date. The Group agreed it was important to ensure engagement within directorates continued and discussed the benefit of ensuring the Groups membership included representatives from each department as a mechanism for encouraging engagement and holding directorates to account.</p> <p>The Group received an update on the Cyber Security Workplan. It was confirmed the Cyber Incident Response Plan and Cyber Incident Response Guidelines had</p>			

been approved by the Executive Team and would be implemented during October. It was also confirmed that the new Cyber Security Analyst was now in post. The Group agreed the Acceptable Use Policy and Anti-Virus Policy be removed from the HEIW website.

The Group received an update on the **Network and Information System (NIS) Regulations** and noted an assessment of the NIS Regulations would be presented to the Audit and Assurance Committee in the future.

The Group received the draft **Information Governance and Information Management Report**. It was confirmed that 7 Freedom of Information (FOI) requests had been received during the reporting period, and all but one had been responded to within time. It was confirmed that the request had been delayed due to the volume of data requested and that the requestor had been advised that there would be a delay in responding to the FOI. Overall, FOI compliance was confirmed as 86%. The Group considered whether the report adequately reflected and updated on the work of the Group, and it was confirmed the report format would be changed to that of a Key Issues Report. A separate paper of the IG Workplan would be added to the Audit and Assurance Committee Agenda.

The Group received a **Policy Update**, and it was noted work to introduce a single repository for current HEIW policies was underway and linked to the ongoing SharePoint project. The Group noted the new Data Protection Impact Assessment Procedure, and it was confirmed the **Records Management Policy** and **Cyber Security Policy** would be submitted to the Executive Team for approval. The **Data Breach Reporting Protocol** was approved by the Group.

The Group received updates on **Cyber and Information Incidents** and were satisfied with the action taken to date.

The Group received the **Information Governance Risk Register** and noted no risks were identified as requiring escalation.

It was confirmed that the **Mandatory Training Figure** was 64% and that there had been a 5% increase in compliance since the last meeting. The Group agreed improving the compliance rate was a priority and considered ways to increase compliance among staff.

It was confirmed the first phase of the **Four Nations Data Sharing Agreement** with colleges has commenced, and the Group received the **Data Protection Impact Assessment Log** for information.

Key risks and issues/matters of concern of which the Board needs to be made aware:

n/a

Recommendations for Audit and Assurance Committee to consider:

The Group recommended the Committee approve the **updated IGIM Terms of Reference** (included as a separate item on the Committee agenda).

Delegated action by the Committee:	
n/a	
Main sources of information received:	
<ul style="list-style-type: none"> • Audit Recommendations Tracker • IT Asset Management Systems Report • HEIW Information Governance Delivery and Implementation Plan 2021/2022 Quarter 2 Update • IG Update Report • Information Asset Register Plan • Cyber Security Update Report 	<ul style="list-style-type: none"> • Draft Cyber Incident Report Plan • Draft Cyber Security Policy • Draft DPIA Process • Draft Records Management Policy • IG Risk Register • DPIA Log • Data Breach Reporting Protocol • IGIM Workplan
Highlights from sub-groups reporting to this Committee:	
n/a	
Matters referred to other Committees:	
None identified.	

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

Meeting Date	October 2021		Agenda Item	2.9.2
Report Title	HEIW Information Governance Delivery and Implementation Plan 2021/2022 Quarter 2 Update			
Report Author	Emma Garland, IG Manager			
Report Sponsor	Sian Richards, Director of Digital Development			
Presented by	Sian Richards, Director of Digital Development			
Freedom of Information	Open			
Purpose of the Report	To update the Committee on the IG delivery plan. The aim of the plan is to achieve improved compliance against the Information Governance Toolkit when a mandatory return is submitted in March 2022.			
Key Issues	<p>Following a low-level compliance score in the voluntary submission in March 2021, an improvement delivery plan was developed. It is a plan that set out the work programme for the year ahead.</p> <p>The plan was designed that when the Toolkit submission is completed in March 2022, a significant amount of work will be completed towards achieving Level 2, therefore increasing the compliance score. The actions are focused on development of comprehensive documentation and the creation of processes to support the information governance function.</p> <p>The delivery plan has been agreed by the Executive Team the plan will be monitored by the Information Governance and Information Management Group (IGIMG) and updates will be provided to the Audit and Assurance Committee.</p> <p>This paper provides an update for the position at the end of quarter 2.</p>			
Specific Action Required (please ✓ one only)	Information	Discussion	Assurance	Approval
			✓	
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • note the progress made in relation to the activities outlined in the plan for quarter one and quarter two; and • note the activity planned for quarters three and four. 			

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HEIW INFORMATION GOVERNANCE DELIVERY PLAN

1. INTRODUCTION

This paper is to update the Committee on the progress made against the Information Governance and Delivery Plan.

2. BACKGROUND

To assess and improve Information Governance (IG) compliance, NHS Wales have adopted the Welsh Information Governance Toolkit for NHS Organisations. HEIW completed a voluntary submission to the IG Toolkit in March 2021, following initial work from the Information Governance Officer and approval from the Director of Digital and the Executive Team. This paper is to provide an update for quarter 2.

4. IG Implementation and Delivery Plan

Following the completion of the IG Toolkit submission, an implementation and delivery plan was devised in order to enable the organisation to work towards a higher level of compliance. This plan was approved by the Executive Team in May 2022, and performance is monitored by the Information Governance and Information Management Group (IGIMG).

Of the 76 actions identified in the complete annual plan, there are 44 actions identified as deliverables by the end of quarter 2. The position at the end of quarter 2 is as follows, 37 are Green, 5 Amber and 2 are now Red. These Red actions concern reviewing the processes for access to systems for joiners, movers and leavers and ensuring role-based access is used across HEIW systems. These are Red as other activities have taken priority. Activity for these actions will commence in quarter 3.

The full plan is attached for information in the appendix. Significant progress is being made across the workplan with work commenced already on the areas identified for completion by the end of quarter four.

5. GOVERNANCE RISK AND FINANCIAL ISSUES

Under the Data Protection Act the Information Commissioners Office (ICO) has the power to issue a monetary penalty for an infringement of the provisions. The higher maximum amount is £17.5 million or 4% of the total annual worldwide turnover in the preceding financial year, whichever is higher. Whilst HEIW is unlikely to receive a financial penalty in the first instance, the reputational damages of poor IG practices can be very damaging. It is also noted that an internal audit is planned in 2021/22 to review IG standards, and an external view of the progress and plans will also be provided. To address the Red areas identified in the plan, the Executive Team agreed at the beginning of the financial year to support the IG department with an additional band 5 resource. This additional resource will support the general completion of the plan and allow time to be focused on developing an audit function and the right of

erasure and portability. As described above, these areas have seen progress, and these areas of the plan are now Amber.

6. RECOMMENDATION

The Audit and Assurance Committee is asked to

- **note** the progress made in relation to the activities outlined in the plan for quarter one and quarter two; and
- **note** the activity planned for quarters three and four.

Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
		✓	✓
Quality, Safety and Patient Experience			
N/A			
Financial Implications N/A			
Legal Implications (including equality and diversity assessment)			
<ul style="list-style-type: none"> • Compliance with General Data Protection Regulation (2016) • Data Protection Act (2018) • Public Records Act (1958) • Access to Health Records Act (1990) • Freedom of Information Act (2000) • Computer Misuse Act (2000) • Environmental Information Regulations (2004) • Common Law Duty of Confidentiality • Wales Accord on the Sharing of Personal Information (WASPI) • Data Quality Standards and WHC • Information Security Assurance - ISO 27001:2005 & 2013 Information security management (formerly BS7799) • Networks and Information Systems (NIS) Directive • Records Management, NHS Code of Practice • Other appropriate legislation 			
Staffing Implications			
None			

Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)	
N/A	
Report History	This follows the IG toolkit paper presented to AAC in July 2021, which also detailed the IG delivery plan.
Appendices	Appendix 1 – IG Delivery and Implementation Plan Delivery

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Appendix 1



Information Governance Delivery & Implementation Plan 2021-2022 (Q2 Update)

Executive Sponsor & Function:

Director for Digital Development

Document Author:

Information Governance Officer

Approved by:

Executive Team

Approval Date:

19th May

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

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

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

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

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

			<p>Conduct a gap analysis to identify where further policies are required, including Physical security and Records Management.</p> <p>Work to ensure Information Governance is referenced in appropriate policies.</p> <p>Develop IG guidelines, procedures and resources, such as - DPIA completion, IAR guidance, SAR guidance, retention and destruction incident reporting guidance.</p>				<p>Work to continue to develop records management policies and processes.</p> <p>The development of guidance has been a priority for quarter 2.</p> <p>Gap analysis has been completed which has indicated the need for a Physical Security Policy. This has been added to the list for q3/4.</p> <p>Retention and destruction guidance nationally not locally.</p>
Level 2	There is a review process in place for all policies and procedures and any changes are communicated to staff		Policy Review process to be confirmed, and work with corporate governance to use policy digest.		IG Officer	Corporate Governance Manager Board Secretary	The process for policy reviews has been confirmed. Policy digest to continue to be used with option for Sharepoint in future.
Level 3	Compliance with policies and procedures are regularly monitored to ensure they have been adopted in practice				IG Officer	Corporate Governance Manager	This will be achieved in 2022/2023.

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

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				<ul style="list-style-type: none"> • Healthboards • HEIs • Providers <p>Other sharing agreements where necessary eg Nurse Staffing Programme.</p>			<p>colleges in final stages.</p> <p>Ongoing work on sharing agreements where required.</p>
Level 3	There is a review process in place to ensure agreements are kept up to date. Any changes or updates are reflected in the Information Sharing Register			Review process developed for register, allowing IGIM and DPO to monitor where necessary.	IG Officer	IG Officer	This activity is out of scope for 2021/2022.
2.4 Contracts and Agreements Level 1	Data protection and IG contracts and agreements are in place with all suppliers, contractors, third parties and staff, who have access to/process personal data, which include data protection /IG requirements		NHS standard terms and conditions are used where appropriate		IG Officer	Corporate Governance Manager	
Level 2	All contracts and agreements are documented to allow easier assessment of current contracts/agreements already in place and due diligence checks are		Contracts Register is already in place	Due diligence documentation to be developed in relation to procurement under £5000 and SLAs.	IG Officer	Corporate Governance Manager	

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

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

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

Business Management, risk and audit							
3.1 Business Continuity Plan	This should be assessed in the organisation's individual Welsh Cyber Assurance Process (WCAP)				Head of Cyber Security	Head of Cyber Security	
3.2 IG Risk Register Level 1	The organisation analyses IG risks regularly and documents in a formal IG risk register		<p>Risk register to be reported to IGIM, with escalation where necessary.</p> <p>Board Secretary to rewrite the risk policy to reflect that IG risks need to be registered centrally.</p>		IG Officer	IG Officer Board Secretary Data Protection Officer	<p>Risk register is now standard item on IGIM agenda, with process for escalation.</p> <p>Board secretary to confirm the process for IG risk register to be referenced in the risk policy.</p> <p>Current risk processes ensure that IG risks can be reflected across the organisation.</p>
Level 2	There is a clear understanding and management of the identified IG risks		Risk register monitoring to be established.		IG Officer	IG Officer	Risk register is now presented to IGIM and monitored.
Level 3	Regular review of processes and the IG risk register are undertaken to ensure they remain up to date, with mitigations regularly checked to				IG Officer	IG Officer	Further development to be established in 2022-2023.

	ensure they remain effective						
3.3 Auditing** Level 1	Organisations have audit processes in place to oversee all aspects of the Information Governance agenda			Audit capability to be explored and researched	IG Officer	IG Officer	This is still in consideration. The activity is highlighted for Q3/4.
Level 2	Audit processes are used to regularly monitor appropriate use of personal information				IG Officer	IG Officer	
Level 3	There is a review process on all the auditing programmes the organisation undertakes to ensure it remains relevant and feedback is acted on				IG Officer	IG Officer	Further development to be established in 2022-2023.
Individuals Rights							
4.1 Right of access Level 1	There is a documented procedure and guidance in place for Subject Access Requests (SARs) that sets out clear responsibilities for responding to information requests			All templates and process docs to be developed and approved. Then placed on intranet, as a	IG Officer	IG Officer	Access to information procedure is currently in draft. The actions around the Access to Information Protocol

	efficiently and in accordance with the law			resource for staff.			have been downgraded to amber as the document is in draft, and activities are for Q3/4. Access to Information
Level 2	Staff members who manage requests have been appropriately trained. A register of requests is maintained			Provide staff with relevant documentation Identify relevant staff who process this information through the Information Asset Register process.	IG Officer	IG Officer	
Level 3	There is a robust review process in place in the event of appeals, internal reviews and complaints. Performance figures in relation to SARs are regularly reported to the Board/Committee/Management Team, as appropriate		Complaints, reviews and monitoring to be included in the documentation		IG Officer	IG Officer	These processes to be established in 2022/23.
4.2 Right to be informed ** Level 1	The organisation has developed and made available privacy information to respect individuals rights to comply with the General Data Protection Regulation			Corporate privacy notice to be reviewed. Then further privacy notice		SLT	Corporate privacy notice has been reviewed and update. Staff privacy notice currently in development.

	and the Data Protection Act			<p>needs to be identified.</p> <p>All systems and functions that use personal information must be covered by a privacy notice, as a legal requirement. To do this, engagement is required across HEIW to ensure compliance.</p> <p>Privacy notice register to be developed and maintained.</p> <p>Ensure privacy information is in place for staff.</p>			<p>Further work required to ensure a layered approach to privacy notices is adopted.</p> <p>Privacy Notice register has been developed and is maintained regularly.</p>
Level 2	Privacy information accommodates a diversity of individuals and is made available and accessible by varied means e.g. health board website etc.			<p>Opportunities for further accessibility within privacy notices within systems to be explored</p>	IG Officer	Digital Accessibility Officer Digital Manager	

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Level 3	All privacy information is regularly reviewed to ensure they remain fit for purpose to reflect the current nature of all the processing undertaken by the organisation Privacy information is approved by the relevant person with responsibility, IG team/department and documented and linked to the Information Asset Register			Privacy notices fully linked to IAR assets Review schedules to be confirmed.	IG Officer	IG Officer	Action for delivery in 2022/23.
4.3 Right to object, erasure, rectification and portability Level 1	There are documented procedures and guidance in place to manage objections and requests for rectification, erasure and portability that sets out clear responsibilities for responding to information requests efficiently and in accordance with the law		Documentation on subjects' rights requests to be developed as part of the Subject Access documentation		IG Officer	IG Officer	Access to information procedure is currently in draft.
Level 2	Procedures have been implemented by all staff members and those who manage requests have been appropriately trained. A register of requests is maintained			Staff training to be developed on the management of requests. Register of requests to be created and maintained.	IG Officer	IG Officer	

Level 3	There is a review process in place for all requests in relation to erasure, rectification, portability and the objection to processing including a robust process for internal reviews, complaints and appeals. Performance figures in relation to submitted requests are regularly reported to the Board/Committee/ Management team, as appropriate		Review processes to be included within SAR documentation		IG Officer	IG Officer	
Rights related to profiling and automated decision making that has a significant impact on the data subject Level 1	The organisation has identified any solely or partly automated decision making / profiling that has a significant impact on data subjects and has relevant policies and procedures in place to protect data subject's rights in relation to that processing. Appropriate lawful bases have been identified and care is taken to ensure the rights of children and vulnerable people are protected		Identify where automated decision making or profiling is occurring within the organisation. Profiling and automated decision making highlighted during DPIA process		IG Officer	IG Officer	This will be established within ongoing IAR completion.

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Level 2	Individuals are made aware that data protection rights apply to automated decision making. Staff involved in procuring, managing and operating relevant systems are appropriately trained in data protection. DPIAs have been undertaken on any automated decision making that has a significant impact on data subjects		Any automated decision making to be included within the privacy notice to inform data subjects		IG Officer	IG Officer	This requirement has been identified
Level 3	Automated decision making systems are regularly reviewed, including for accuracy and bias. Identified staff are authorised to undertake reviews, investigate complaints and where necessary change decisions as a result of their findings. The use of all forms of automated decision making is overseen by the appropriate Board / Committee / Management Team, as appropriate		Opportunities for Board/committee oversight identified as appropriate.		IG Officer	IG Officer	To be established in 2022/2023.
Managing and Securing Records							

5.1 Management of Records 5.1.2 Corporate Records Level 1	There are processes and procedures for staff to follow for the creation, management, retention, and archiving of records			Documentation to be developed to ensure there is guidance on the creation, usage and destruction of records.			
Level 2	Procedures have been embedded within the organisation and all staff have been informed			Increased awareness of staff of records management and retention through further guidance.	IG Officer	IG Officer	
Level 3	Procedures are regularly reviewed and maintained and spot checks are made to ensure the procedures are enforced across the organisation			Records management action included within the audit programme	IG Officer	IG Officer	To be established in 2022/2023.
5.2 Information Asset Register** Level 1	The organisation has an extensive Information Asset Register (IAR)		Whilst there is a current draft of the IAR, significant work is required to enhance the current content by further engagement with Information Asset Owners. Every department to identify Information Assets and Owners and		IG Officer	IG Officer Support from all directorates is required. SLT	This continues to be a priority. Further engagement work has occurred, with an IAR plan presented to IGIM. Work to continue to engage with teams and identify information assets. Further work in Q2 has continued to identify Assets,

			<p>to take responsibility for their items.</p> <p>This can then be monitored by IGIM. Mechanisms to be developed so that IAOs are accountable to IGIM. Information Asset Register Plan to be developed.</p>				<p>including enegagement with departments. In line with other departments priorities, This work needs to continue to Q3/Q4, it's anticipated that there will be a more robust IAR in time for toolkit reporting.</p>
Level 2	There is a reporting procedure available to notify the responsible department of any new/changes with the processing activities and to highlight any areas of non compliance			<p>Process to be developed to ensure that IAOs can maintain and update the IAR as necessary.</p> <p>Launch the IAR on Sharepoint.</p>	IG Officer	IG Officer Support from all directorates	
Level 3	The IAR is a working document and the reporting procedure is regularly reviewed to ensure it remains effective and up to date			Draft to be made available for staff to update as appropriate with review processes as necessary.	IG Officer	IG Officer	

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<p>5.3 Data Accuracy 5.3.2 Corporate Records Level 1</p> <p>English Catherine 10/15/2021 14:56:56</p>	<p>The importance of data accuracy is recognised by the organisation and there is supporting guidance and procedures in place to ensure information is updated when necessary</p>		<p>Identify any data accuracy or validation rules in place</p>		<p>IG Officer</p>	<p>Head of Digital Head of Workforce Analytics</p>	<p>Q2 update - HEIW has established a number of measure to review and improve the data accuracy of its systems these include Set up of a data governance working group. The intrepid team are currently holding user workshop to map and review system and data quality issues The analytics teams are reviewing data quality as part of the board performance reporting HEIW is considering its approach to business intelligence which will further strengthen data quality in the organisation. Strategically a maturity assessment of data and information in HEIW is being planned, which will provide a road map for data improvements.</p>
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Level 2	System validation processes exist within the organisation, active steps are taken to address any systems lacking validation			Align to the creation of the service catalogue and the digital strategy.	IG Officer	Head of Digital Director for Digital	
Level 3	All procedures are regularly reviewed and where available spot checks are made to ensure the procedures are enforced across the organisation				Head of Digital	Head of Digital	
5.4 Retention Schedules, Secure Destruction and Disposal Level 1	The organisation holds retention schedules for the processing and disposal of personal data which outline different retention periods dependent on the categories of personal information			<p>Policies and guidance to be created in relation to creation, usage and destruction of records.</p> <p>Awareness work needed across the organisation to ensure departments take responsibility for their own records management.</p>		SLT	
Level 2	Management of organisational records is embedded within the organisation			Work to embed records management	IG Officer	SLT	

				within the organisation			
Level 3	Such policies and guidance are regularly reviewed and regular audits are conducted to ensure the organisation is keeping to the retention periods in practice				IG Officer	IG Officer	2022/2023
Technical, Physical and Organisational Security Measures							
6.1 Physical Security Measures Level 1	The organisation has policies and procedures in place addressing security of the premises and has undertaken a risk assessment on its premises to identify privacy and confidentiality risks			Security to review existing policy arrangements. Then any further requirements can be identified.	IG Officer	Security Manager Head of Cyber security	
Level 2	Improvements identified by the risk assessment are being made to secure the premises, equipment, records and other assets including staff. Staff are actively made aware of the policies and procedures and any updates made			Process for identification of risks to be identified	IG Officer	Security Manager	

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Level 3	All reasonable steps have been taken to ensure the premises, equipment, records and other assets are physically secured. Physical security measures are subject to regular risk assessment. Supplementary policies and procedures are regularly reviewed and approved			Ensure physical security measures are all in place as required.	IG Officer	Security Manager	
6.2 Technical Security Measures Level 1	An Information Security Policy must be approved by the Practice Management Team and communicated to all staff. A process for user registration and de-registration across all systems must be in place, whether electronic or manual systems. This is linked to the Starters, Movers and Leavers process(es)		Starters, movers and leavers processes review, particularly around access to information and systems.		Head of IM&T	Head of IM&T	The process has been reviewed, and it is noted that further work is required in this area in q3.
Level 2	Staff roles are linked to IT accounts and any changes to their roles are reflected by an IT account administration process. Policy and controls are in place for Corporately Owned and Personally Enabled devices		Role based access and document lists to be collated.		IG Officer	Head of Digital Head of IM&T	The process has been reviewed, and it is noted that further work is required in this area in q3.

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Level 3	All reasonable steps have been taken to ensure technical measures provide sufficient security by undertaking regular risk assessment. Any improvements are considered and implemented where necessary. The Practice carry out regular auditing of their IT systems to monitor activity. All staff are informed that their activities on IT systems will be monitored			Users are aware that activity is monitored, Audit capability.	IG Officer	IG Officer Head of Digital IM&T	
6.3 Organisational Measures (Training and Awareness) Level 1	There are appropriate measures in place which consists of relevant policies and procedures to ensure the secure destruction and disposal of records and disposal of IT equipment		<p>Consider requirements for guidance for disposal of records.</p> <p>Mandatory training figure to be increased with support from all directorate.</p> <p>Intranet guidance to be developed for staff on a broad range of IG matters.</p>		IG Officer	Head of IM&T IG Officer	<p>To be established with records management guidance.</p> <p>Training figure has been reported to IGIM and ways to increase this are being explored.</p> <p>Guidance has been issued on relevant matters and this continues.</p> <p>National guidance has been issued on this in England which is</p>

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							likely to also be adopted by Wales. Mandatory training figure has currently increased from 59% to 64%.
Level 2	Guidance and procedures are made available to staff to ensure there is a consistent approach in dealing with destruction of records and the disposal of IT equipment			Guidance for disposal of physical and electronic records	IG Officer	Head of IM&T Facilities Manager	
Level 3	Policies and Procedures are regularly reviewed to incorporate any changes and routine checks are made to ensure the organisation remains compliant			Consider appropriate spot checks for compliance	IG Officer	Head of IM&T	Action for 2022/2023
6.6 Surveillance Systems Level 1	The organisation has defined policies and procedures around the use of surveillance systems in use, including CCTV on the premises, body worn recording devices and any other surveillance systems in use within the organisation		Requirements for a CCTV DPIA to be explored		IG Officer	Facilities Manager	It has been confirmed that currently there is no requirement. If anything alters about current CCTV provision, a DPIA will be necessary.

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Level 2	Training has been provided to all staff who manage or operate recording devices. Identified risks are highlighted with current and new recording equipment		Any remaining CCTV risks identified		IG Officer	Facilities Manager	No further requirements in relation to CCTV provision have been identified at this point.
Level 3	There is an effective review process and audit mechanisms are in place to ensure legal requirements, policies and standards are complied with in practice. Compliance reports and issues of concern are reported to the appropriate forum			CCTV requirements to be included within the IG audit programme.	IG Officer	Facilities Manager	This activity is out of scope for 21/22.
Incident Management							
8.1 Reporting Data Breaches** Level 1	There are supporting policies and procedures available to inform individuals of the reporting structure of any Information Governance related incidents. Such policies and procedures also detail the requirements around the reporting of data breaches to the ICO, data subjects and Welsh Government (when required). These are made easily available to		Breach processes to be revised in line with all Wales guidance. Guidance to be created to ensure staff can identify and reporting incidents and escalation including Exec, Welsh Govt and the ICO where necessary. Alignment with cybersecurity reporting		IG Officer	IG Officer	Breach process has been developed, including breach provision for Breach process has been developed. Alignment of processes with cyber has been discussed and will be explored further in q3/q4.

	staff so they are aware of their responsibilities		<p>procedures to be considered.</p> <p>Ensure breach figures are monitored, reported to IGIM and exec.</p> <p>Develop and maintain an incident log.</p>				<p>Breach figures are reported to IGIM.</p> <p>Incident log is maintained.</p>
Level 2	A confidential system for reporting security breaches internally is actively used and appropriate communication is had with external contacts by the IG Leads/Team to manage the effects of data breaches. IG incidents and near misses are appropriately documented and managed		Breach log and DATIX arrangements to be confirmed	Establish audit process after a breach occurs to ensure good compliance with IG procedures and policies.	IG Officer	IG Officer	<p>Incident procedure to be developed in q2.</p> <p>New Datix system not currently live yet and arrangements for breach reporting may need to be updated when this occurs.</p>

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Level 3	Improvements are made to reduce the chance of re-occurrence and are reported to the Board. A review process is in place to ensure the notification procedure remains relevant and works in practice			IGIM and trend monitoring to be established.	IG Officer	IG Officer	To be completed in 2022/2023
Ongoing Information Governance Tasks**	While the document details HEIW's Plan for 2021-2022, it is important to note that the capability of the IG Officer to meet completion target dates will be influenced by the operational day-to-day tasks that the IG Officer facilitates.		A non-exhaustive list of these tasks is available below; <ul style="list-style-type: none"> • Support the Director for Digital Development to raise the profile of Information Governance on the executive. • Breach management – internal • Breach management – external • Liaise with ICO on serious incidents • Project support and guidance • SIRO and Caldicott Guardian support • Data sharing support • SARs support • Preparation for IGIM • Risk review and management • Annual submission of Toolkit assessment • Provide support and guidance to the digital team, and the wider 				

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			<p>organisation with use of information in systems.</p> <ul style="list-style-type: none">• Privacy notice support• DPIA completion support and advice• DPO duties and support• National IG input, through representation at IGMAG• General advice and queries• General team admin• Keep IG knowledge up-to-date• Support for data mapping• Stakeholder engagement to continue to raise the profile of information governance.			
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GIG
CYMRU
NHS
WALES

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

Meeting Date	21 October 2021	Agenda Item	2.10
Report Title	Review of Declaration of Interest Register		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To provide the Audit and Assurance Committee with an update in relation to declarations of interest.		
Key Issues	It is a requirement within HEIW's Standing Orders that all Board members and those employed by HEIW declare any personal or business interests they may have, which may affect, or could be perceived to affect, the conduct of their role as a Board member or employee of HEIW.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
	✓		
Recommendations	The Committee is asked to note the report and the appended Declarations of Interest Register for information .		

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REVIEW OF DECLARATIONS OF INTEREST REGISTER

1. INTRODUCTION

It is a requirement within HEIW's Standing Orders that all Board members and those employed by HEIW declare any personal or business interests they may have, which may affect, or could be perceived to affect, the conduct of their role as a Board member or employee of HEIW.

2. BACKGROUND

To observe good governance, it is a requirement of the Standing Orders that the Audit and Assurance Committee (Committee) review and report to the Board upon the adequacy of the arrangements for declaring, registering and handling interests on an annual basis. This report provides for the Committee the current register of interests declared by Board Members and HEIW staff as at October 2021 as part of the annual reporting of these registers to the Committee.

3. PROPOSAL

That the report be noted for information.

4. GOVERNANCE AND RISK ISSUES

4.1. 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.

The Board Secretary holds the Register of Interests. This is updated during the year, as appropriate, to record any new interests or changes to the interests previously declared. An annual review is also undertaken to ensure that all Board members review their Declarations of Interest and these are reported in the Annual Accountability Report as part of the Annual Report and within the Declarations of Interest Register. The Declarations of Interest Register and Annual Report are published annually on HEIW's website.

Declarations of Interest are also a standard agenda item at each Board and Committee meeting to enable individual Board members to declare any interests in relation to any specific aspect of the agenda. Any declarations made are formally recorded within the minutes of the meeting.

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4.2. Staff Interests

Members of staff who are budget holders and/or may influence the procurement process are also asked to make annual declarations.

Work is taking place at a national level via the Board Secretaries Network to develop an All-Wales Declaration of Interest Policy and it is anticipated that will be in place by July 2022. Discussions are also taking place around an on-line declarations system which would facilitate declarations being made from all staff groups.

5. FINANCIAL IMPLICATIONS

There may be financial consequences of individual actions however there is no direct financial impact associated with this report at this stage.

6. RECOMMENDATION

The Committee is asked to **note** the report and the appended register for information.

Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To transform healthcare education and training to improve opportunity, access and population health.	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop national workforce solutions to support the delivery of national service priorities and high-quality patient care.	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
		✓	✓
Quality, Safety and Patient Experience			
Ensuring good governance is critical part of providing good education and training which ultimately supports the quality and safety of the patient experience.			
Financial Implications			
There may be financial consequences of individual actions however there is no direct financial impact associated with this report at this stage.			
Legal Implications (including equality and diversity assessment)			
None			
Staffing Implications			
None			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			

None identified.	
Report History	The report is presented to the Committee annually and was last received in October 2020.
Appendices	Appendix 1 – Declarations of Interest Register

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Declaration of Interest Register - MASTER

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Alexander, Ronnie	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	1) Director of RA and CJ Consulting Limited 2) Non – Executive Director of Estyn 3) Independent Member – Powys Teaching Health Board 4) NEM Independent Monitoring Authority 5) Blaenau Gwent County Borough Council – Chair of Standards Committee 6) South Wales Fire and Rescue Service – Member of Standards Committee 7) Vale of Glamorgan Council – Member of Standards Committee 8) Lay Assessor - UKAS	02/10/2021	01/10/2022
Allan, Margaret	Pharmacy Dean	Senior Leadership Team	1) Honorary Professor , Cardiff University, School of Pharmacy and Pharmaceutical Sciences	04/05/2021	03/05/2022
Anstey, Liam	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	1) Director for Wales – General Pharmaceutical Council	29/09/2021	28/09/2022
Ashdown, Jeremy	Leadership and OD Practitioner	Budget Holder	1) Director of Merthyr Leisure Trust 2) Vice Chair, CIPD Wales	05/10/2021	04/10/2022
Babbage, Elizabeth	Speciality Training Manager	Budget Holder	Nothing to declare	20/07/2021	19/07/2022
Baker, Darrell	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	06/10/2021	05/10/2022
Baker, Helen	Director, Secondary Care	Senior Leadership Team	Nothing to declare	20/07/2021	19/07/2022
Bant, Sarah	Head of Healthcare Science Transformation	Senior Leadership Team	1) Principal Clinical Scientist with Betsi Cadwaladr University Health Board	01/10/2021	30/09/2022
Beavan, Jay	Head of Digital Services	Senior Leadership Team	Nothing to declare	04/10/2021	03/10/2022
Bebb, Arfon Wyn	Learning Facilitator Pharmacy	Other	<u>Self</u> 1) Director and Share Ownership, Fferyllwyr Llyn Cyf, Dispensing Chemists 2) Pharmacists, Fferyllwyr Llyn Cyg 3) Pharmacist, BCUHB <u>Brother</u> 1) Dafydd Bebb, Board Secretary, HEIW	09/10.2021	08/10/2022
Bebb, Dafydd	Board Secretary	Senior Leadership Team	<u>Brother</u> 1) Pharmacist and Director of Fferyllwyr Llyn Cyf (Welsh Pharmacy Company) 2) Occasional trainer/employee of HEIW.	09/03/2021	08/03/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Beckett, Rhiannon	Deputy Director of Finance	Senior Leadership Team	Nothing to declare	16/04/2021	15/04/2022
Beech, Catherine Mary	GP Organisational Lead	Budget Holder	Nothing to declare	20/07/2021	19/07/2022
Biggs, Steffan	Senior Team Manager, RSU	Budget Holder	1) Co-Director in T&J Property Lettings Ltd	28/09/2021	27/09/2022
Brady, Tracey	GP Appraiser	Budget Holder	1) Company Director/Owner, Private limited company, Gower Medical Aesthetics 2) GP Principal, Estuary Group Practice Swansea	01/09/2021	31/08/2022
Broad, Bethan	Foundation Pharmacist programme Operational Lead	Budget Holder	<u>Spouse</u> 1) Self employed dentist with Cox and Hitchcock Dental Group	21/07/2021	20/07/2022
Butler-Griffiths, Nichola	Quality Assurance Lead for Pre and Post Pharmacy Technician Education and Training	Budget Holder	Nothing to declare	29/07/2021	28/07/2022
Campbell, Fraser	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	<u>Self</u> 1) Director, Swinson Parry Limited - - operates two community pharmacies in Denbighshire both with NHS contracts. <u>Spouse</u> 1) Director, Swinson Parry Limited - operates two community pharmacies in Denbighshire both with NHS contracts. 2) Trustee, Dolanog Residential Home, Rhyl	26/07/2021	25/07/2022
Carpenter, Rebecca	Educational Resource Developer	Budget Holder	1) Other employment with a pharmacy education organisation, Buttercups Training Ltd	22/07/2021	21/07/2022
Cassidy, Simon	Programme Manager, Education Nursing	Manager	1) Honorary Teaching Contract with Swansea University 2) Daughter is a student nurse at Bangor University	10/09/2021	09/09/2022
Chamberlain, Rebecca	Education Officer	Budget Holder	1) General Pharmaceutical Council Associate – Investigating Committee 2) UKCPA Standards and Consultation Lead 3) Self-employed Education and Training Pharmacy Technician for ProPharmacy 4) General Pharmaceutical Council Associate - Accreditation and Recognition Panel Team Leader/Chair 5) Qualification Development Writer & Subject Specialist (EPA) for Pearson	26/07/2021	25/07/2022

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Name	Job Title	Group	Current Declarations of Interest	Current	Due
Clemo, Rachel	Educational Resource Developer	Budget Holder	<u>Self</u> 1) Self-employed as a locum pharmacist <u>Spouse</u> 2) Director of Sugar Creative Studios. Creative agency which may provide graphic design services (e.g. websites/design work/branding) to HEIW.	04/10/2021	03/10/2022
Cooper, Justine	Planning and Performance Business Partner	Manager	Nothing to declare	29/09/2021	28/09/2022
Cunningham, Ryan	Head of Workforce Data and Analytics	Senior Leadership Team	Nothing to declare	03/08/2021	02/08/2022
Davidge, Janette	Workforce Development Support Unit Manager	Manager	Nothing to declare	19/07/2021	18/07/2022
Davies, Melanie	Administrator	Other	Nothing to declare	02/09/2021	01/09/2022
Donnelly, Tina	Independent Member	Board Member	1) Non Executive Director - Hafod Housing/Hafod Care/Hendre 2) Fellow University of South Wales 3) Fellow Royal College of Nursing 4) South Wales Policy Youth Trust - Trustee	14/03/2021	13/03/2022
Donovan, Marc	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	1) Director, Company Chemist Association 2) Employment - Walgreens Boots Alliance 3) Various pharmacy positions across UK, including CPOW, Workforce development group, welsh pharmaceutical committee	02/10/2021	01/10/2022
Doyle, Joanne Caroline	All Wales Nurse Staffing Programme Manager	Manager	Nothing to declare	28/09/2021	27/09/2022
Doyle, Laura Jane	Head of Pre-Registration	Senior Leadership Team	1) Employee of Cardiff University 2) Employee of Boots 3) Board of Assessors for General Pharmaceutical Council 4) Accreditation Panel for General Pharmaceutical Council	27/07/2021	26/07/2022
Dudley, Joanne	North Wales Regional Lead for Pharmacy Technician Training Education and Development	Manager	Nothing to declare	28/07/2021	27/07/2022
Eilertsen-Feeney, Kerri	Head of Nursing Midwifery Transformation	Senior Leadership Team	Nothing to declare	16/04/2021	15/04/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Evans, Foula	Head of People and OD	Senior Leadership Team	<u>Self</u> 1) Company Director - Superspanner Wholesale Ltd – Automotive Motor Factor, Cardiff <u>Spouse</u> 1) Company Director - Superspanner Wholesale Ltd – Automotive Motor Factor, Cardiff	19/07/2021	18/07/2022
Fleming, Gail	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	1) Employed by Royal Pharmaceutical Society 2) General Optical Council; and 3) Social Work England	05/10/2021	04/10/2022
Frowen, Beverlea Jayne	NHS Bursary Relationship Manager	Manager	Nothing to declare	20/07/2021	19/07/2022
Graf, Samantha	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	05/10/2021	04/10/2022
Griffiths, Lisa	Regional Lead for Pharmacy Technician Education, Training and Development	Manager	Nothing to declare	21/07/2021	20/07/2022
Griffiths, Samantha	Tutor/Assessor	Other	<u>Self</u> 1) GPhC - Associate/Partner - revalidation, return to practice 2) PTHB - Senior Pharmacist - Medicines Management <u>Spouse</u> 1) Pharmacist, Abersychan Pharmacy	29/07/2021	28/07/2022
Groves, Caroline	Lead for Quality Unit and Postgraduate Educational Support	Manager	Nothing to declare	20/07/2021	19/07/2022
Groves, Krysia	Primary Care Programme Manager - Workforce Modernisation	Manager	Nothing to declare	27/09/2021	26/09/2022
Gumberton, Mark	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	05/10/2021	04/10/2022

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Name	Job Title	Group	Current Declarations of Interest	Current	Due
Hall, Ruth	Independent Member	Board Member	<u>Self</u> 1) Former Non-Executive Director of National Resources Wales (until October 2018) 2) Former Co-Chair, Mid Wales Health Care Collaborative and of Rural Health and Care Wales (until March 2018) 3) Member of National Trust Council 4) Member Glandwr Cymru Board 5) Member Canal and River Trust Council 6) Visiting Chair, University of West of England 7) Advisory Board Member, Centre for Public Policy Wales, Cardiff University 8) Member/Fellow of Royal College of Physicians (RCP) 9) Member/Fellow of Royal College of Paediatric and Child Health 10) Member/Fellow of Faculty of Public Health Medicine (of the RCP) 11) Member/Fellow of British Medical Association 12) Member/Fellow of Welsh Paediatric Society 13) Member/Fellow of Royal Institution for Public Health 14) Member/Fellow of Royal Society for Medicine <u>Daughter in law</u> 1) Chief Executive, Relate / Cheshire and Merseyside <u>Spouse</u> 2) Fellow of Gladstone's Library, Hawarden <u>Son</u> 1) Trustee of Gladstone's Library, Hawarden	14/03/2021	13/03/2022
Ham, Catherine	Regional Lead SE Wales for Pharmacy Technician Education and Training	Manager	<u>Daughter</u> 1) Employed in Pharmacy Department at Prince of Wales Hospital	28/07/2021	27/07/2022
Hambridge, Lloyd	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	06/10/2021	05/10/2022
Hargest, Elizabeth	Education Development Manager, Nursing	Manager	Nothing to declare	28/09/2021	27/09/2022
Harris-Huntley, Gail	Workforce Modernisation Manager	Manager	Nothing to declare	19/07/2021	18/07/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Harris, Hayley	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	<u>Self</u> 1) Interburns Limited 2) Employed by Swansea University as an academic <u>Spouse</u> 1) Employed by Swansea University as an academic 2) Hospital consultant at Singleton Hospital (Swansea Bay University Health Board)	13/10/2020	N/A
Hill-Tout, John	Vice Chair	Board Member	1) Director of Dragon Savers Credit Union	04/03/2021	03/03/2022
Hodgson, Cath	Pharmacy Associate Dean Head of Delivery and Foundation Practice	Manager	<u>Spouse</u> 1) Trustee for Citizens Advice Bureau in Bridgend and Monmouth 2) Lay representative for HEIW	22/07/2021	21/07/2022
Holmes, Sarah	Speciality Training Manager	Budget Holder	<u>Spouse</u> 1) Company Director Recruit 1-2-1 (Recruitment Company for IT SAP Services)	01/10/2021	30/09/2022
Howells, Alex	Chief Executive	Board Member	1) Lay Member, Academi Wales Board	11/03/2021	10/03/2022
Huish, Joanne	Foundation Programme Manager	Manager	<u>Spouse</u> 1) F1 Educational Supervisor Cwm Taf Morgannwg UHB	26/07/2021	25/07/2022
James, Emily	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	1) Employed by the Company Chemist Association (CCA)	04/10/2021	03/10/2022
Johnson, Nicola	Director of Planning, Performance and Corporate Services	Senior Leadership Team	<u>Spouse</u> 1) Compliance Officer, Cardiff University	29/03/2021	28/03/2022
Jones, Chris	Chair	Board Member	Nothing to declare	04/03/2021	03/03/2022
King, Helen	Regional Lead, Pharmacy Technician Education Training and Development	Manager	Nothing to declare	28/07/2021	27/07/2022
Lawson, Tom	Postgraduate Medical Dean	Senior Leadership Team	1) Honorary Chair Cardiff University 2) Member of Management and Policy Board for MRCP RCP London 3) Chair of Standard setting group for year one Cardiff University 4) Chair of RCP Rheumatology SCE Exam 5) Consultant Rheumatologist Cardiff and Vale UHB	28/04/2021	27/04/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Leighton, Katie	Senior Manager - Revalidation and Quality	Manager	<u>Spouse</u> 1) Director, The Boat Shed Training Centre	03/03/2020	02/03/2022
Lewis, Gill	Independent Member	Board Member	<u>Self</u> 1) HBA Business Associates Ltd – joint partner with spouse 2) Glan y Llyn Management Company Ltd – joint partner with spouse 3) Interim Chief Officer for Finance, Change and Transformation at Bridgend County Borough Council 4) Affiliate, Jersey Audit Office Affiliate <u>Spouse</u> 1) HBA Business Associates Ltd – joint partner with spouse 2) Glan y Llyn Management Company Ltd – joint partner with 3) Cardiff Medical Sports and Social Club 4) Director of Finance at Welsh Wound Innovation Ltd 5) Director of Finance at Respiratory Innovation Wales Ltd 6) Affiliate, Jersey Audit Office	09/03/2021	08/03/2022
Liddington, Katherine	Dental Team Administrative Officer for Wales	Other	Nothing to declare	21/07/2021	20/07/2022
Llewellyn, Emma	Education Resource Developer	Other	Nothing to declare	27/07/2021	26/07/2022
Llewellyn, Lisa	Director of Nurse and Health Professional Education	Board Member	Nothing to declare	12/07/2021	11/07/2022
Lloyd, Gabrielle	Dental Foundation Training Manager	Manager	Nothing to declare	20/07/2021	19/07/2022
Lloyd, Stacy	QIST Manager	Manager	Nothing to declare	21/07/2021	20/07/2022
Love, Christine	Deputy Head of Education, Commissioning and Quality	Senior Leadership Team	Nothing to declare	20/07/2021	19/07/2022
Lyons, Kate	Deputy Business Manager	Manager	Nothing to declare	27/07/2021	26/07/2022
Mangat, Pushpinder	Medical Director	Board Member	1) Honorary Professor Swansea Medical School 2) Dental Anaesthetists at Private Dental Practice 3) Clinical Advisor to Sancta Maria Private Hospital	30/03/2021	29/03/2022
Marchant, Jamie	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	29/09/2021	28/09/2022
Martin, Mandy	Quality Manager	Manager	Nothing to declare	20/06/2021	19/06/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Matthews, Phil	Director of GP Education	Senior Leadership Team	<u>Self</u> 1) Director of Phil Matthews Investments Limited 2) GP Partner with the Gower Medical Practice <u>Spouse</u> 1) Director of Phil Matthews Investments Limited	12/05/2021	11/05/2022
McNally, Colette	GP Deputy Director	Senior Leadership Team	Nothing to declare	27/07/2021	26/07/2022
Middlemiss, Charlette	Head of Workforce Modernisation	Senior Leadership Team	Nothing to declare	26/07/2021	25/07/2022
Mogford, Mike	Senior People Business Partner	Manager	Nothing to declare	23/07/2021	22/07/2022
Monks, Claire	People Business Partner	Manager	Nothing to declare	28/09/2021	27/09/2022
Moons, Kirsty	Dental Dean	Senior Leadership Team	Nothing to declare	23/07/2021	22/07/2022
Morris, Andrew	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	<u>Self</u> 1) Member of Pharmacy Delivering a Healthier Wales Delivery Board <u>Spouse</u> 2) Pharmacist with Cardiff and Vale UHB and Cwm Taf UHB	29/09/2021	28/09/2022
Nallon, Julie	RSU Organisational Lead	Manager	Nothing to declare	28/07/2021	27/07/2022
Negrotti, Ceri	Business Manager, Dental	Manager	Nothing to declare	27/07/2021	26/07/2022
Nirula, Rajnesh	Associate Dean SAS	Senior Leadership Team	Nothing to declare	21/07/2021	20/07/2022
O'Hara, Helen Louise	DCT Manager	Manager	Nothing to declare	28/09/2021	27/09/2022
Oliver, Angela	Deputy Director of Workforce and OD	Senior Leadership Team	Nothing to declare	16/04/2021	15/04/2022
Parry, Angela	Interim Director of Nursing	Board Member	1) Honorary Senior Lecturer of Healthcare Science, Cardiff University	07/04/2021	06/04/2021
Payne, Chris	Deputy Director Planning, Performance and Corporate Services	Senior Leadership Team	<u>Spouse</u> 1) Deputy Director of Finance, NWSSP	20/07/2021	19/07/2022
Pennell, Martyn	Head of Financial Accounting	Senior Leadership Team	Nothing to declare	22/07/2021	21/07/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Penny, Wendy	Head of Pharmacy Technician Training	Budget Holder	<u>Son</u> 1) Pharmacy Technician for an independent pharmacy in Newport (Pill Pharmacy)	28/07/2021	27/07/2022
Phillips, Heidi	Independent Member	Board Member	<u>Self</u> 1) Key Care Property Limited 2) Associate Professor Swansea University Medical School 3) GP Neurodevelopmental Service (ADHD/Autism) 4) GP Locum <u>Spouse/Partner</u> 1) Keycare Property Limited 2) Gower College, Swansea	07/03/2021	06/03/2022
Porter, Claire	Deputy Speciality Training Manager	Budget Holder	Nothing to declare	04/10/2021	03/10/2022
Powell, Jane	Planning and Performance Business Partner	Budget Holder	Nothing to declare	20/07/2021	19/07/2022
Price, Angharad	Head of Communications and Engagement	Senior Leadership Team	Nothing to declare	09/06/2021	08/06/2022
Price, Christopher John	Head of Revalidation Support Unit	Senior Leadership Team	<u>Spouse</u> 1) 50% Shareholder in Tipdatabase Limited	16/04/2021	15/04/2022
Price, Clem	Head of Workforce Strategy and Planning	Senior Leadership Team	Nothing to declare	23/07/2021	22/07/2022
Price, Hannah	QIST Officer	Budget Holder	Nothing to declare	27/07/2021	26/07/2022
Richards, Sian	Director of Digital	Board Member	Nothing to declare	04/03/2021	03/03/2022
Ridley, Nicola	Executive Officer (Evidence and Monitoring)	Other	Nothing to declare	22/07/2021	21/07/2022
Riley, Martin	Deputy Director of Education, Commissioning and Quality	Senior Leadership Team	<u>Spouse</u> 1) Assistant Director of Finance, Cwm Taf Morgannwg University Health Board	26/07/2021	25/07/2022
Roberts, Debra	Associate Pharmacy Dean Head of Programme Development and Advanced Practice	Budget Holder	1) Tutor for the prescribing course at Cardiff University - occasionally deliver teaching sessions for the same course.	27/07/2021	26/07/2022
Roberts-Burt, Victoria	Postgraduate Education Support and Development Officers	Budget Holder	Nothing to declare	23/07/2021	22/07/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Rogers, Julie	Director of Workforce and OD	Board Member	1) Nephew is a GP Trainee	24/03/2021	23/03/2022
Rogerson-Davies, Kathryn	Business Support Manager	Budget Holder	<u>Spouse</u> 1) Palliative Care Consultant, City Hospital	28/07/2021	27/07/2022
Roots, Elspeth	People Projects Lead	Budget Holder	Nothing to declare	29/09/2021	28/09/2022
Schrikker, Thomas	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	1) Cardiff University Student Representative	30/09/2021	29/09/2022
Sehrawat, Michelle	Head of Workforce Planning Pharmacy	Senior Leadership Team	<u>Self</u> 1) External Examiner, Nottingham University School of Pharmacy <u>Spouse</u> 1) Community Pharmacy Representative on Royal Pharmaceutical Society Welsh Board 2) Pharmacist - Director and Superintendent of 4 Community Pharmacies in Wales (Pharmacy Ltd)	20/07/2021	19/07/2022
Sheen, Nicholas	Head of Optometry Transformation	Senior Leadership Team	1) General Optical Council (GOC) Non UK assessor for applications to the register to practice optometry in the UK	24/04/2021	23/04/2022
Smith, Claire	Workforce Programme Manager	Budget Holder	Nothing to declare	28/09/2021	27/09/2022
Stafford, Gemma	Education Resource Developer (Pharmacy)	Other	1) Locum pharmacist and standard setter/question writer for GPhC but no conflict with role	21/07/2021	20/07/2022
Thomas, Helen	Assistant Director of Leadership and Succession	Senior Leadership Team	Nothing to declare	16/04/2021	15/04/2022
Thomas, Hillary	Administrative Assistant	Other	Nothing to declare	23/08/2021	22/08/2022
Walsh, Leona	Professional Support Unit Manager	Budget Holder	1) Director of Displaced People in Action Ltd . This is a voluntary position on the Board of Directors. DPIA provides support for the Wales Asylum Seeking and Refugee Doctors Group (WARD). The WARD group is managed and financially supported by the Professional Support Unit, HEIW.	27/09/2021	26/09/2022
Walters, Kaye	Postgraduate Education Support and Development Manager	Budget Holder	Nothing to declare	20/07/2021	19/07/2022
Wilkinson, Wendy Maria	Head of Allied Health Professions Transformation	Senior Leadership Team	Nothing to declare	19/04/2021	18/04/2022

Name	Job Title	Group	Current Declarations of Interest	Current	Due
Williams, Cath	Executive Support Manager	Budget Holder	Nothing to declare	19/07/2021	18/07/2022
Williams, Eifion	Director of Finance	Board Member	1) Member of Finance Committee of Swansea University 2) Deacon of Yorath Capel Cwmgiedd	04/03/2021	03/03/2022
Williams, Elenor	Speciality Training Manager	Budget Holder	Nothing to declare	06/10/2021	05/10/2022
Williams, Ellen	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Self 1) Association of Pharmacy Technicians UK (APTUK) 2) Director (under Ltd by Guarantee status) 3) Vice President of APTUK 4) Director of Regional Pharmacy Training, Pharmacy Workforce Development South	11/10/2021	10/10/2022
Williams, Gwennan	Assessor - Pharmacy	Budget Holder	1) Part time employment with BCUHB	20/07/2021	19/07/2022
Windsor-Jones, Catrin	Regional Co-ordinator (Mid & West Wales) Pharmacy	Manager	Self 1) Travel/Family blog (Silver Nugget Adventure) Social Media 2) PGCert Medical Education, Cardiff University - Completed June 20 and funded by HEIW 3) School Governor, Llanddarog School Spouse 1) Director of The Dispensing Doctors Association Limited 2) Partner at Llanfair GP Surgery, Llandovery	05/08/2021	04/08/2022
Wisby, Lee	Associate Dean (Quality)	Budget Holder	Nothing to declare	10/05/2021	09/05/2022
Workman, Rob	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	29/09/2021	28/09/2022
Young, Geraint	HEIW Pharmacy Board Member	HEIW Pharmacy Board Member	Nothing to declare	14/10/2021	13/10/2022

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

Meeting Date	21 October 2021		Agenda Item	2.11
Report Title	Review of Gifts, Hospitality and Sponsorship Register			
Report Author	Catherine English, Corporate Governance Manager			
Report Sponsor	Dafydd Bebb, Board Secretary			
Presented by	Dafydd Bebb, Board Secretary			
Freedom of Information	Open			
Purpose of the Report	To provide the Audit and Assurance Committee with an annual update in relation to Gifts, Hospitality and Sponsorship.			
Key Issues	<p>It is a requirement within HEIW's Standing Orders that all Board Members and employees have a personal responsibility to volunteer information in relation to offers of gifts, hospitality, and sponsorship, including those offers that have been refused.</p> <p>There have been no recorded offers of gifts, hospitality or sponsorship for the period 1 October 2020 to 30 September 2021.</p>			
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval
	✓			
Recommendations	The Committee is asked to note the report for information			

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REVIEW OF 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 1 October 2020 to 30 September 2021.

2. BACKGROUND

In line with HEIW's Standing Orders, Board Members and employees must declare to HEIW for recording in the register of gifts, hospitality, and sponsorship, any offers of gifts, hospitality, and/or sponsorship whether accepted or declined. Board Members and employees have a personal responsibility to volunteer information in relation to offers of gifts, hospitality, honoraria, and sponsorship, including those offers that have been refused. In line with HEIW's commitment to openness and transparency, the register of gifts, hospitality, and sponsorship is available publicly on the HEIW website. The Standards of Behaviour Policy outlines the process by which gifts, hospitality and sponsorship can be accepted by staff. Any offers, whether accepted or declined, must be declared and logged onto the register.

3. PROPOSAL

That the Committee note there have been no recorded offers of gifts, hospitality, or sponsorship for the period 1 October 2020 to 30 September 2021.

4. 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 and Assurance Committee to ensure that there is no risk to the organisation. The Audit and Assurance Committee shall review the register on an annual basis. It is acknowledged that the number of entries in the register is low and that this in part reflects the impact of the Covid lockdown.

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider.

6. RECOMMENDATION

The Committee is asked to **note** the report for information.

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Governance and Assurance			
Link to IMTP strategic aims <i>(please ✓)</i>	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To transform healthcare education and training to improve opportunity, access and population health.	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop national workforce solutions to support the delivery of national service priorities and high-quality patient care.	Strategic Aim 5: To be an exemplar employer and a great place to work.	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
		✓	
Quality, Safety and Patient Experience Ensuring 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.			
Financial Implications None			
Legal Implications (including equality and diversity assessment) 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.			
Staffing Implications None			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015) None			
Report History	The report is presented to the Committee annually and was last received in October 2020.		
Appendices	None		

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Meeting Date	21 October 2021	Agenda Item	2.12
Report Title	Review of Risk Policy		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To highlight proposed changes to HEIW's Risk Management Policy and to ask the Committee to recommend the amended policy for Board approval.		
Key Issues	Wales Audit's Structured Assessment and the Internal Audit Report on HEIW's Risk Management made several recommendations on HEIW's management of risk. Implementing these recommendations includes HEIW amending its Risk Management Policy. The amended draft policy is attached at appendix 1. This report highlights the proposed amendments to HEIW's Risk Management Policy and asks the Committee to consider the amendments and to recommend that the Board approve the updated policy.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			Approval ✓
Recommendations	The Committee is asked to: <ul style="list-style-type: none"> • consider the proposed amendments to the HEIW's Risk Management policy (Appendix 1; and • recommend to the Board that it approve the amended policy. 		

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REVIEW OF THE RISK MANAGEMENT POLICY

1. INTRODUCTION

This report sets out to highlight proposed changes to HEIW's Risk Management Policy (Appendix 1) and to seek approval for the same.

2. BACKGROUND

The Counter Fraud review recommended that risk assessments of fraud be integrated within the wider risk management framework. In response to this recommendation, the Risk Management Policy was amended to require that the risk of fraud be a standard item on Directorate Risk Registers.

In subsequent discussions with the Acting Counter Fraud Manager, it was agreed that fraud should only appear on a risk register when identified as a risk and the Local Counter Fraud Service should be notified of any identified fraud risks.

Proposed Amendments to the Risk Management Policy

The proposed amendments to HEIW's Risk Management policy to implement this recommendation is detailed below:

- The reference to the Corporate Risk Register in Section 2.6 'Fraud Risk' be removed from the Risk Policy.
- Section 2.6 be amended to confirm any identified fraud risk is to be reported to the Local Counter Fraud Service.

3. PROPOSAL

That the updated Risk Management Policy be considered by the Committee and recommended to Board for approval.

4. GOVERNANCE AND RISK ISSUES

The Risk Management Policy sets out the basis for HEIW to manage and mitigate risk together with focussing upon achieving its objectives

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider. Risk Management is a core requirement for HEIW.

6. RECOMMENDATION

The Committee is asked to

- **consider** the proposed amendments to HEIW's Risk Management policy (Appendix 1); and
- **recommend** to the Board that it approve the amended policy.

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Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To transform healthcare education and training to improve opportunity, access and population health.	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
	Strategic Aim 4: To develop national workforce solutions to support the delivery of national service priorities and high-quality patient care.	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
Effective management of risk will support HEIW in the delivery of its objectives and will support NHS Wales in the delivery of Quality, Safety and Patient Experience.			
Financial Implications			
There are no financial implications associated with this report. Risk management is a core requirement for HEIW.			
Legal Implications (including equality and diversity assessment)			
None			
Staffing Implications			
None			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
None			
Report History			
Appendices	Appendix 1 – Risk Management Policy		



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RISK MANAGEMENT POLICY

Executive Sponsor & Function: Board Secretary

Document Author: Board Secretary

Approved by: HEIW Board

Approval Date: 30 July 2020

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: July 2021

Version: v2

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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. At the time of developing this policy HEIW's risks are managed through the use of risk registers (for operational risk) and the Board Assurance Framework for strategic risks. Health and safety risks are however, managed through Datix.

All Senior staff and managers are required to attend mandatory training in Corporate Risk Management.

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

1.1 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.¹

¹ In the interests of brevity, the term 'staff' is used throughout this document to refer to staff, contractors, agency staff, trainees, volunteers, and secondees and visitors.

1.2 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.

1.3 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.

1.4 Strategic Context

HEIW is required 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.

1.5 Roles and Responsibilities

1.5.1 HEIW Board

The role of the Board is to govern HEIW effectively. 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 once per year for the purpose of scrutiny and challenge. Through the scheme of delegation, the Audit and Assurance Committee meetings will also receive the BAF once per year.

The Corporate Risk Register is focussed on HEIW's key objectives and identifies the principal risk and key controls. Given this the Corporate Risk Register shall be the vehicle for providing regular assurance for the BAF. The Corporate Risk Register shall be reviewed by the Board twice a year and by the Audit and Assurance Committee on a quarterly basis.

1.5.2 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.

1.5.3 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.

1.5.4 Executive Directors

Are responsible for:

- the management of risk both collectively as the Executive Team and 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 enough resource for their Directorate to enable effective management of their risks;
- the individual Directorate Risk Register.

1.5.5 Deputy Chief Executive / Director of Workforce and Organisational Development

In addition to the Executive Director responsibility is also responsible for:

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

1.5.6 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.

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1.5.7 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.

1.6 Allocation of Responsibility for a Risk

Executive Directors shall take responsibility for managing risks within their Directorates. Where a risk arises from a project, programme or matter undertaken on a cross-Directorate basis the risk will be allocated to the Executive Lead as detailed within the IMTP.

1.7 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, other members of the senior leadership team and managers 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 bespoke training required for those charged with managing the Risk Management System.

Section 2 – Categories of Risk

2.1 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 Integrated Medium Term Plan (IMTP). Strategic Risks are identified at Board level during the annual development of the IMTP. All strategic objectives are assigned an Executive Lead within the IMTP. This person will review their strategic risks and associated action plans on a regular basis and provide updates to both the Executive Team and the Board.

2.2 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
- Public Relations Risk

All these risks will be captured and managed through risk registers and a system of policies and procedures.

2.3 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.

2.4 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.

2.5 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.

Most 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.

2.6 Fraud Risk

~~To ensure enough focus is given to counter-fraud, and the steps taken to mitigate the risk of the same, it is a requirement that Fraud be a standard item on each Directorate Risk Register.~~

The Local Counter Fraud Service (LCFS) must be notified of any identified fraud risks promptly.

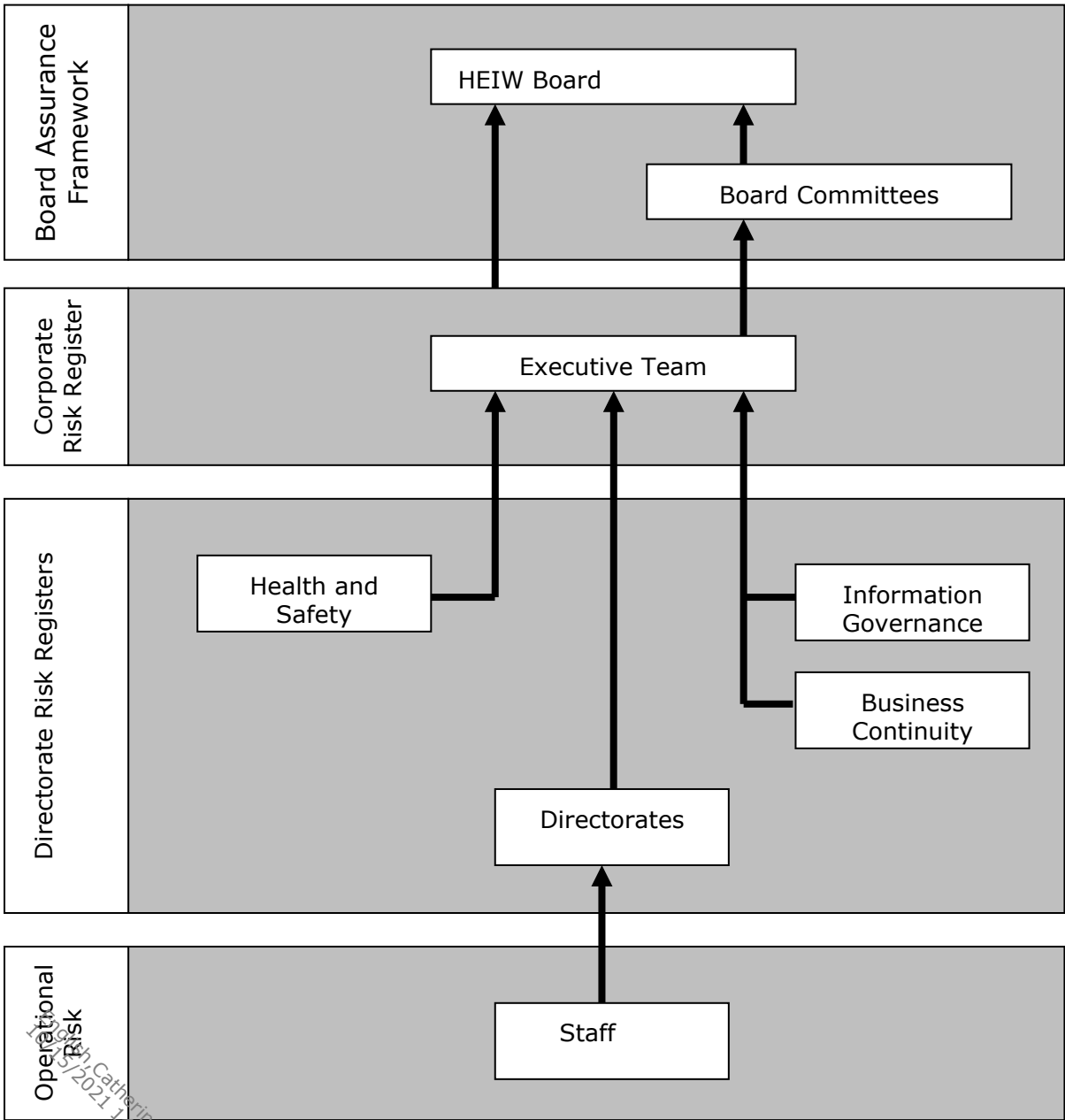
Section 3 – Management of Risk

Introduction

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

3.1 Risk Architecture

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



3.2 Risk Appetite

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. HEIW's Risk Appetite levels are detailed in Annex 1.

3.3 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 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.

3.4 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.

HEIW's risk registers will utilise the risk assessment, risk appetite and scoring method outlined in Annex 1. HEIW's template risk register is attached at Annex 2. All HEIW Directorate Risk Registers shall use the template attached at Annex 2. All HEIW programme and project risk register will use this template as the basis for their risk register.

3.5 Ongoing Risk Management

Once a risk has been properly identified, articulated and assessed it can then be managed.

3.6 Escalation

As previously stated, to be effective, risk needs to be managed at the lowest appropriate level. A risk that is deemed sufficiently material by its lead Director may be escalated onto the Directorate Risk Register. A risk will be escalated from the Directorate Register to the Corporate Risk Register when the Directorate either have concerns about their capacity or authority to manage the risk, or they do not have the resources (e.g. budget, staff etc) to manage it, risk requires c or it is deemed to represent a significant public relations risk.

Not having capacity or authority to manage a risk should not be viewed as a lack of capability, but rather a recognition that a risk is either so severe that it needs to be managed

at a higher level, or possibly that it transcends more than one area of business or Directorate. It is anticipated, although this is not a binding requirement, that such a risk when being escalated onto the Corporate Risk Register will have a minimum risk score of 14.

In the event of a requirement to escalate a risk, from the Directorate Risk Register to the Corporate Risk Register, the matter will require the approval of the Executive Team.

3.7 Removal

The removal of a risk from the Corporate Risk Register shall require the approval of the Audit and Assurance Committee.

Risk should not be removed from the system until such time as the risk has been eliminated. Risks may reduce in their importance over time, and so may be de-escalated down to an appropriate level of management.

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Annex 1

Risk Assessment and Scoring

In order to effectively assess a risk, it is necessary to consider two factors: Likelihood and Impact.

HEIW utilises a common form of risk scoring referred to as a 5x5 risk matrix. Likelihood and Impact are assessed on a scale of 1 to 5, and then the two scores are multiplied together to arrive at the final risk score.

As scoring is a subjective process guidance is provided through the tables below.

Risk Scoring Matrix

Level	Colour	Score Range
Low		1-6
Moderate		7-14
High		15-25

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

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Risk Appetite Levels

Appetite Level	Described as:	What this means
None	Avoidance of risk and uncertainty is a key organisational objective.	Avoidance of loss is key objective, play safe, avoidance of developments. Priority for tight controls and oversight.
Low	Minimal, or as little as reasonably possible, is preferred for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.	Prepared to accept the possibility of very limited financial loss if essential. Win any challenges re compliance. Innovations avoided unless essential.
Moderate	Cautious is preferred for safe delivery options that have low degree of inherent risk and may only have limited potential for reward.	Prepare to accept some possibility of some financial loss. Limited tolerance for sticking neck out. Tendency to stick with status quo, innovation in practice avoided unless really necessary
High	Open and willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and Value for Money).	Prepared to invest for return & minimise the possibility of financial loss. Value and benefits considered. Gains outweigh adverse consequences. Innovation supported.
Very High	Seek and be eager to be innovative and too chose options offering potentially higher business rewards (despite greater inherent risk). Or also described as mature and confident in setting high levels of risk appetite because controls, forwards scanning and responsiveness systems are robust.	Investing for best possible return & acceptance of possibility of financial loss. Chances of losing any challenge are real and consequences would be significant. Desire to break the mould. High levels of devolved authority – management by trust not control.

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Annex 2 – Template for the HEIW Risk Register

[Risks should be scored on the basis of the Risk Scoring Matrix and Risk Appetite Levels contained within Annex 1]

Date Added	Ref (Risk Area)	Risk Description and [Executive/Manager] Owner	Inherent Risk			Risk Appetite	Mitigating Action	Residual Risk			RAG Status	Progress
		Details of risk If...then... impact...	Impact	Probability	Overall Score	None Low Moder. High V.High	Summary of action to date or proposed action to reduce risk impact or proximity – this should include a deadline or timetable for completing actions	Impact	Probability	Overall Score	R/A/G & trend	
1.		[Ifthen impact] [Insert the name of the owner]					[please populate this section in accordance with the above guidance]					

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WALES

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

Meeting Date	21 October 2021	Agenda Item	2.13
Report Title	Corporate Risk Register		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To provide an overview of the risks currently detailed within the Corporate Risk Register.		
Key Issues	<p>This report provides an update on the Corporate Risk Register (CRR), which is attached at Appendix 1.</p> <p>The CRR confirms that HEIW currently has ten risks which are assessed as follows:</p> <ul style="list-style-type: none"> • Two 'red' status risk • Seven 'amber' status risks • One 'green' status risk. 		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	<p>The Audit and Assurance Committee is asked to:</p> <ul style="list-style-type: none"> • Note the report for assurance; and • Approve that the one 'green' status risks, risk 17, is removed from the Corporate Risk Register. 		

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CORPORATE RISK REGISTER

1. INTRODUCTION

The Audit and Assurance Committee is asked to note the current position regarding the Corporate Risk Register (Appendix 1) as outlined in this report.

2. BACKGROUND

Since the last reporting period, there are currently **10** risks on the Corporate Risk Register. These risks have been assessed as follows: **two** red status, **seven** amber status and **one** green status. Further commentary in respect of the red risk together with any material changes to the CRR during the reporting period are detailed below.

2.1. Red Risk

Risk 8 – If HEIW does not ensure that all reasonable steps are taken in respect of cyber security it may be vulnerable to a data breach, possible fines from the Information Commissioners Office and associated bad publicity.

Mitigation: This requires the implementation of recommendations highlighted within HEIW's Cyber Security Assessment Report. The Cyber Security Implementation Plan to be drafted and implemented.

Progress: The recommendations within HEIW's Cyber Security Assessment Report have or are being implemented.

Recent developments: Activities to support the delivery of the cyber security plan are underway.

- The Cyber Security Analyst is now in post.
- The Cyber Security Awareness plan has been approved and tactical planning for the delivery of the plan is underway.
- NIS cyber assessment work is progressing.

2.2. Risk with an Increased Score

There has been one risk with an increased score since the last report.

Risk 21: If HEIW fails to identify and implement a national data capture and reporting solution, Health Boards/NHS Trusts will be unable to access the data required to meet the requirements of the Nurse Staffing Levels (Wales) Act and adhere to the 'Once for Wales' approach.

Mitigation: To complete the Data Protection Impact Assessment. Work collaboratively with the HEIW IT team, Health Boards, Trusts, National Data Resource (NDR) unit, Digital Health Care Wales to identify means of support. Identify responsibilities for organisations and formalise arrangements.

Progress: We were unable to appoint to the Senior Information Analyst and Digital Programme Manager posts. The Nurse Staffing Programme Team are reviewing key IT priorities and exploring options for progressing key actions. Exploring options to commission support to complete key actions.

Assessment: This risk was assessed as 8 and an 'Amber' status. However, the risk has been reassessed due to the issues with recruitment and the score has increased to 12.

2.3. Risks with a Reduced Score

There have been two risks with a reduced score since the last report.

Risk 16: If there is an increase in cases of COVID-19 that impacts on 'usual' service delivery there may be disruptions to placement opportunities for trainees and students thereby impacting their ability to progress, graduate or complete training in the field. This in turn will impact the workforce with shortages that may have a long-term effect on service delivery.

Mitigation: Work would continue to support education providers and services to implement HEIW's placement recover principles. HEIW would continue to engage with regulators, education providers, the Council of Deans and medical colleges to ensure continuity of education.

Progress: HEIW continues to work with cross-professional stakeholders on innovative placement capacity solutions to support student's timely registration across nursing, midwifery and allied health professions. This will continue to be reviewed through the HEIW led All-Wales Placement Reference Group. A HEIW Head of Placement Experience and Improvement has been appointed and is developing a Programme Initiation Document detailing HEIW objectives in relation to future work to support Welsh healthcare student/trainee placements.

Assessment: This risk was assessed as 12 being an 'Amber' status. However, the risk has been reassessed and has resulted in the score decreasing to 9. The risk remains Amber status.

Risk 17: If there is a lack of interest from education providers in lots as detailed in the Invitation to Tender (ITT), then this may result in an interruption to the workforce pipeline and a reputational risk to HEIW. While extensive consultation took place when developing the ITT, the landscape for education providers shifted in 2020 due to the COVID-19 pandemic.

Mitigation: HEIW engaged in detailed consultation with all stakeholders in developing the ITT. Education which was previously hard to recruit was incorporated into larger lots, ensuring there would be bidders. All Health Care Science Practitioner Training Programmes were incorporated into one lot, increasing the numbers and funding associated with the lot.

Progress: All the lots were awarded without legal challenge.

Assessment: This risk was assessed as 8 being an 'Amber' status. However, the risk has been reassessed and has resulted in the score decreasing to 2 which is assessed as a 'Green' status. It is recommended this risk is closed.

2.4. Risk Removal

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Since the last report, two risks have been assessed as 'Green' status and removed from the CRR following approval by the Audit and Assurance Committee.

Risk 10 – If the suspension of routine dentistry and the suspension of aerosol producing procedures in response to COVID-19 is affecting dental training processes both in undergraduate and postgraduate arenas is not mitigated, this will affect when and how dental students and foundation dentists gain the relevant level of experience in order to qualify and may impact on the NHS workforce and service delivery.

Risk 11 – If there is a second or multiple peaks of Covid-19 and HEIW does not re-assess its Quarterly Plan, it will not be able to re-allocate resources to provide the necessary support to the NHS workforce during the crisis and fail to manage expectations in the delivery of its objectives.

2.5. New Risks

One new risk has been added to the CRR since the last report.

Risk 22 - If implementation of the single lead employer model processes does not meet expected standards and impacts on trainee experience, then this would potentially have an adverse reputational impact for HEIW and for Wales as a place to train.

Mitigation – A group has been established between NWSSP, HEIW and University Health Boards to begin process mapping of data flow and other employment processes to identify weaknesses. HEIW has paused the roll out for secondary care specialties from December 2021 until there is clarity around how the existing issues will be resolved. NWSSP will review and, where appropriate, address internal capacity to deliver the service. The HEIW Executive Team will receive weekly progress updates.

Progress – The mitigating actions will be implemented from the end of September 2021 and monthly reviews of progress will be provided from the end of October 2021.

Assessment – The risk has been assessed as 16 and 'Red' status.

3. GOVERNANCE AND RISK ISSUES

Risk management through the Corporate Risk Register is a core tool for the governance of risk within HEIW.

4. FINANCIAL IMPLICATIONS

Risk management through the Corporate Risk Register is a core function of HEIW as a Special Health Authority. There are no anticipated additional cost implications.

5. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Note** the contents of the report and
- **Approve** that the one 'green' status risk, risk 17, is removed from the Corporate Risk Register.

Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
The Corporate Risk Register is the core tool to ensure effective risk management within HEIW. A robust approach to the management of risk is more likely to impact favourably on the safety and experience of patients and staff.			
Financial Implications			
Risk management is a core function of HEIW as a Special Health Authority. There are no anticipated additional costs.			
Legal Implications (including equality and diversity assessment)			
n/a			
Staffing Implications			
n/a			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
The Corporate Risk Register is HEIW's core tool to manage risk going forward.			
Report History	The Corporate Risk Register is presented to the Executive Team and Senior Leadership Team monthly and to the Audit and Assurance Committee quarterly.		
Appendices	<ul style="list-style-type: none"> • Appendix 1 - Corporate Risk Register 		

HEIW CORPORATE RISK REGISTER (2021)

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score			Impact	Probability	Overall Score		
		Details of the risk. If... then... impact				None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.				R/A/G & Trend	
8. April 2020	1	If HEIW does not ensure that all reasonable steps are taken in respect of cyber security it may be vulnerable to a data breach, possible fines from the Information Commissioner's Office and associated bad publicity. Board Secretary	5	5	25	LOW	This requires the implementation of recommendations highlighted within HEIW's Cyber Security assessment report. This includes the recruitment of a Head of Cyber Security. Cyber Security Implementation Plan to be drafted and implemented	5	4	20		The recommendations within HEIW's Cyber Security assessment report have or are being implemented. The new Head of Cyber Security joined HEIW on 29 June and commenced working on a new Cyber Security Implementation Plan. <ul style="list-style-type: none"> Digital Services Recovery Plan has been shared with members of SLT. Executive paper to be drafted. Cyber Incident Response Guidelines have been approved. September 2021 <ul style="list-style-type: none"> Cyber Security Analyst is now in post. Cyber Security Awareness plan has been approved and tactical planning for the delivery of the plan is underway. NIS cyber assessment work is progressing.
12. July 2020	1.	If HEIW is unable to access workforce data from other NHS organisations, then its workforce will not be able to provide modelling data and fail to meet expectations in respect of the same and have an adverse impact on NHS workforce planning. Director of Workforce and Organisational Development	4	3	12	LOW	HEIW to request access to live data from ESR and other workforce information systems as well as the current Data Warehouse information Requests for additional access to information in line with NHS Digital/Health Education England.	4	2	8		Discussions with Welsh Government and NHS Wales Shared Services Partnership (NWSSP) to take place to understand the remit and responsibilities for each organisation. Data access discussions with NWSSP in progress 28th September 2021 – the meeting with NWSSP is being rescheduled for October.
13. July 2020	1.	If HEIW does not have sufficient capacity this may have an impact on its ability to support the NHS, delivery of Annual Plan	4	4	16	LOW	Assessment and costing of workforce requirements made as part of the development of the Quarterly/ Annual plans.	4	2	8		Plans actively reviewed and monitored to assess delivery trajectories and inform revisions/mitigation. 'Reset' under consideration in context of draft 2021-22 annual plan to ensure

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If... then... impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
		commitments and levels of performance. Director of Workforce and Organisational Development										that capacity and resources are aligned to priority areas 28th September 2021 - No change - An update was shared with SLT, 19th August on progress in delivering the 5 recommendations identified within the approved workforce resourcing and utilising paper
15. Aug 2020	2	If there are insufficient employment opportunities available for graduating Allied Health Professionals (AHP's) and Health Care Science (HCS) students who have opted into the bursary tie in the investment in education for these students may be lost. Director of Nurse and Health Professional Education	3	5	15	LOW	A deep dive to examine underlying reasons for employment shortages and the bursary appeals process that releases/enforces students from their bursary responsibilities. Enhanced monitoring (September 2020) and Targeted Support (October – December 2020) the whereabouts of graduates was confirmed, Revised recruitment approach implemented for 2021 graduates Existing appeals process paused due to the pandemic and revised to include a two-stage process incorporating a review stage. Weekly verbal updates provided to Executive with written reports to Executive and to Board as needed. Welsh bursary relationship manager post recruited to act as a reference point for all stakeholders and to progress EIA processes and communications. Implement a revised managed process (Streamlining) for all AHP and HCS students graduating	4	3	12		02.9.21 Evaluation of 2021 AHP and HCS process submitted to Exec Team 4/8/21 Principles for streamlining process agreed Revised process being implemented in collaboration with Health Boards (HB's), Shared services and Higher Education Institutions (HEI's) 29.09.21 The revised approach to work with Directors of Workforce within each health board/ NHS trust has been welcomed. NWSSP will be scheduling meetings for October to commence formal planning and preparation for streamlining opening in Jan 2022. A table has been produced to inform each employer of the commissioned, IMTP and anticipated numbers available for recruitment. This will provide early information on what needs to be in place for maximum numbers being recruited and any malalignment with anticipated and planned vacancies.
16. Aug 2020		If there is an increase in cases of COVID 19 that impacts on 'usual' service delivery there may be disruptions to placement opportunities for trainees and students thereby impacting their ability to progress, graduate or complete training in their field. This in turn will impact	4	3	12	LOW	<ul style="list-style-type: none"> Continuation of the mapping of cohort/programme delays Supporting Education Providers (EP's) and service to implement HEIWs placement recovery principles Continuous engagement with regulators, EPs Council of Deans (CoD's) medical Colleges 	3	3	9		Medicine 11.10.2021 Analysis of this years' ARCPs is still being undertaken to acquire an accurate picture of the impact of COVID to date. This should be available shortly and the risk could be adjusted from a Medical Point of view

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If... then... impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
		<p>the workforce with shortages that may have a long-term effect on service delivery.</p> <p>Director of Nurse and Health Professional Education & Medical Director</p>					<p>and other statutory educational bodies (4 nation approach) to ensure continuity of education.</p> <ul style="list-style-type: none"> • Placement recovery principles. • Revised processes for Annual Reviews of Competence Progression (ARCPs) and curriculum derogations for medical trainees to continue until September 2021 to support progression • Established communication channels with Local Education Providers (LEP's) for medical trainees to ensure time limited approach to any redeployment in context of second wave • Data gathering at individual medical and dental trainee level • The UK approval of a Covid 19 vaccine on 2/12/20, with NHS staff prioritised, followed by the wider UK population provides assurance that programmes will be able to revert to pre Covid approaches by spring 2021. 					<p><u>Nursing & Allied Health</u> <u>29.9.21</u></p> <p>HEIW continues to work with cross-profession stakeholders on innovative placement capacity solutions to support students' timely registration across nursing, midwifery, and allied health professions. This will continue to be reviewed through the HEIW led All-Wales Placement Reference Group including representation from all Welsh universities and placement providers.</p> <p>A HEIW Head of Placement Experience and Improvement has been appointed, and is currently developing a Programme Initiation Document detailing HEIW objectives in relation to future work to support Welsh healthcare student/trainee placements.</p>
17. Oct 2020	English Cather... 15/15/2021 14:56:06	If there is a lack of interest from Education Providers in lots as detailed in ITT. Then this may result in an interruption to the workforce pipeline and a reputational risk to HEIW. Whilst extensive consultation has been undertaken in developing the ITT, the landscape for education providers has shifted in 2020 due to the COVID pandemic and resurgence.	5	4	20	LOW	<ul style="list-style-type: none"> • Detailed consultation with all stakeholders in developing the ITT. Development of carefully crafted lots. • Education which has previously been difficult to recruit to has been incorporated in larger lots ensuring that there will be bidders – for example Radiography Assistant Practitioners has been incorporated into the largest Diagnostic Radiography lot 	2	1	2		<p><u>Nursing update 27/7/21</u></p> <p>All lots have been awarded; no legal challenge has been forthcoming within allowed timeframe. Risk reduced and to be closed.</p> <p><u>2.9.21 – Risk closed</u></p>

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If... then... impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
		Director of Finance/ Director of Nurse and Health Professional Education					<ul style="list-style-type: none"> All Healthcare Science Practitioner Training Programmes (PTP's) have been incorporated into one lot – therefore increasing numbers and funding for the lot which should result in all small HCS PTPs being commissioned 					
19. Dec 2020		<p>If we continue to commission post reg and post grad education from HEI's in England and Wales without a contract, then HEIs may withdraw education provision or fail to provide high quality education that can be performance managed in the usual contractually governed way.</p> <p>Director of Nurse and Health Professional Education</p>	3	6	18	MEDIUM	<p>Strategic review 2 Project plan, timetable, and risk register.</p> <p>Strategic Review 2 Board, reporting to Executive Team.</p> <p>HEIW subject experts linked to programmes, supported by strategic education adviser</p> <p>Strategic review phase 2 to be a standing item in contract meetings with HEI's.</p> <p>Engage with regular discussions with the National School (4 countries meetings held quarterly)</p> <p>Phased approach with those programmes most at risk in first wave.</p>	3	4	12		<p>02.9.21 Strategic Review 2 Board in place. Strategic education adviser appointed</p> <p>29.09.21 Project manager commencing Oct 4th Work progressing across 5 educational areas Engagement events held x3</p>
20.		<p>Strategic Review 1 If successful HEIs fail to mobilise the new programmes within the time specified by contract, then new students will be unable to benefit from programmes in 2022.</p> <p>Director of Nurse and Health Professional Education</p>	3	4	12	Medium	<p>Strategic Review 1 Implementation Board Implementation plan agreed with each HEI. Reports to Strategic Review 1 and Executive Team. Senior member of the Education, Commissioning and Quality Team (ECQ) on each HEIs implementation project board to ensure processes are followed for validation, recruitment, and curriculum implementation.</p>	2	4	8		<p>Update 10.08.21 Phase 1 Implementation Programme Board on 10.08.21. Terms of reference. risk register and reporting arrangements being developed</p> <p>02.9.21 HEI Implementation meetings commenced. Strategic Review 1 Implementation Board Terms of Reference agreed by Executive Team 1/9/21</p> <p>27.9.21</p>

Date Added	Ref (Risk Area)	Risk Description and Executive Owner	Inherent Risk			Risk Appetite	Mitigating Actions	Residual Risk			RAG Status	Progress
		Details of the risk. If... then... impact	Impact	Probability	Overall Score	None Low Moderate High Very High	Summary of action to date or proposed action to reduce risk, impact, or proximity – this should include a deadline or timetable for completing actions.	Impact	Probability	Overall Score	R/A/G & Trend	
												First meeting of Implementation Board held on 28.09.21 to agree any corrective action needed.
21		Nurse Staffing Programme If HEIW fails to identify & implement a national data capture and reporting solution health boards/NHS Trusts will be unable to access the data required to meet the requirements of the Nurse Staffing Levels (Wales) Act and adhere to the 'Once for Wales' approach. Director of Nurse and Health Professional Education	4	3	12	Moderate	Undertake scoping of existing and requirements of national solution. Identify & implement a national data capture and reporting solution. Implement the use of Power BI across section 25B areas Appoint to IT posts Scope IT systems & map data flows. Complete Data Protection Impact Assessments (DPIA's) Collaborative working with IT team/HEIW, health boards/trusts, NDR unit/ Digital Health Care Wales (DHCW) to identify means of support. Identify responsibilities for organisations – formalise arrangements.	4	3	12		Updated 29.09.2021 Unable to appoint to senior information analyst – post readvertised. Unable to appoint digital programme manager – post to be readvertised. NSP team reviewing key IT priorities and exploring options for progressing key actions. Exploring option to commission support to complete key actions.
22 October 2021		If implementation of the single lead employer model processes does not meet expected standards and impacts on trainee experience, then this would potentially have an adverse reputational impact for HEIW and for Wales as a place to train. Medical Director	4	5	20		<ul style="list-style-type: none"> Group established between NWSSP, HEIW and UHBs to begin process mapping of data flow and other employment processes to identify weaknesses Paused roll out for secondary care specialties from December 2021 until clarity on resolution of existing issues NWSSP to review and where appropriate address internal capacity to deliver the service Weekly updates for HEIW executive team on progress 	4	4	16		Mitigating actions implemented from end of Sept 2021- for monthly review of progress from end of October 2021

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Risk Scoring Matrix

L I K E L I H O O D	Probable	5	10	15	20	25	Level	Colour	Score Range
	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							

Low		1 – 6
Moderate		7 – 14
High		15 – 25

Risk Appetite Levels

Appetite Level	Described as:	What this means
None	Avoidance of risk and uncertainty is a key organisational objective.	Avoidance of loss is key objective, play safe, avoidance of developments. Priority for tight controls and oversight.
Low	Minimal, or as little as reasonably possible, is preferred for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.	Prepared to accept the possibility of very limited financial loss if essential. Win any challenges re compliance. Innovations avoided unless essential.
Moderate	Cautious is preferred for safe delivery options that have low degree of inherent risk and may only have limited potential for reward.	Prepare to accept some possibility of some financial loss. Limited tolerance for sticking neck out. Tendency to stick with status quo, innovation in practice avoided unless really necessary
High	Open and willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and Value for Money).	Prepared to invest for return & minimise the possibility of financial loss. Value and benefits considered. Gains outweigh adverse consequences. Innovation supported.
Very High	Seek and be eager to be innovative and too chose options offering potentially higher business rewards (despite greater inherent risk). Or also described as mature and confident in setting high levels of risk appetite because controls, forwards scanning, and responsiveness systems are robust.	Investing for best possible return & acceptance of possibility of financial loss. Chances of losing any challenge are real and consequences would be significant. Desire to break the mould. High levels of devolved authority – management by trust, not control.



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

Meeting Date	21 October 2021	Agenda Item	2.14
Report Title	Audit Recommendations Tracker		
Report Author	Catherine English, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	<p>To present to the Audit and Assurance Committee, for compliance and assurance purposes, the Audit Recommendations Tracker (Tracker). The Tracker contains the current agreed actions in response to the recommendations and advisory considerations within Audit reports received from sources such as Internal Audit and Audit Wales.</p> <p>To provide an update on the RAG status of a number of recommendations following a review of the progress of the actions within the Tracker by the Executive Team.</p>		
Key Issues	<p>The Tracker, the status of which is represented using a Red; Amber; Green (RAG) rating, currently covers 26 recommendations and advisory considerations.</p> <p>The Tracker is attached at Appendix 1.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			Approval
Recommendations	<p>The Audit and Assurance Committee is asked to:</p> <ul style="list-style-type: none"> • Note the report; • Consider the progress; • Approve the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker. 		

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AUDIT RECOMMENDATIONS TRACKER

1. INTRODUCTION

In line with good practice, the Audit and Assurance Committee (Committee) should closely monitor progress with the programme of internal and external audit reports undertaken at HEIW. A detailed Audit Recommendations Tracker (Tracker) has been established to record the progress of all the recommendations contained within each of the Internal and External Audit reports completed since the establishment of HEIW.

The Tracker will be a source of assurance for the Audit and Assurance Committee that those recommendations are being progressed, monitored and completed.

2. BACKGROUND

The Committee should play a crucial role in supporting the effective governance of HEIW. It should play a pivotal role in ensuring that HEIW functions in accordance with good governance, applying appropriate accounting and auditing standards, and adopting appropriate risk management arrangements.

3. GOVERNANCE AND RISK ISSUES

In line with good governance, the coordination and reporting of organisational actions for audit activity are key elements of HEIW's overall assurance arrangements.

The Tracker closely monitors the status of Internal and External Audit recommendations and advisory considerations. This provides HEIW with a workable tool that allows for closer scrutiny of audit recommendations and is designed to provide a more detailed focus as to the reasons why recommendations are overdue or have not progressed within the agreed timeframes. This will highlight areas that may require additional support and ensures there are clear mechanisms in place to raise any issues.

The Tracker is an Excel spreadsheet and separated into six tabs:

- Internal Audit Reviews
- External - Wales Audit Office Reviews and other External Reviews
- Internal Advisory Reviews
- Internal Audit Review Complete
- External Audit Review Complete
- Internal Advisory Complete

Prioritisation of Recommendations

Audit recommendations are categorised according to their level of priority and, as a guide, should be completed within the following time frames unless a more appropriate timeframe is agreed at the time of the audit.

High – to be completed immediately

Medium – to be completed within one month

Low – to be completed within three months

- **Tab 1 – Internal Audit Reports Summary**

At the time of issuing the report, there are **23** current internal audit recommendations on the tracker.

The Tracker indicates those recommendations that have been completed and are proposed to be taken off the tracker, those that have made significant progress but are still not fully complete and those where some progress has been made but a number of factors still remain which prevents the action being fully completed.

The **23** recommendations within the internal audit tab are categorised in the table below:

Red	0	No progress and outside the original target deadline. Revised deadlines dates have been assigned.
Green	11	Action has been assessed as completed or is complete.
Amber	12	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.

Total Overdue Internal Audit Recommendations

There are **10** recommendations overdue on the tracker which are placed into context below.

Some of the overdue recommendations within the internal audit relate to the Performance Dashboard. There has been a demonstrable increase in focus in this area following the appointment of the Director of Planning, Performance and Corporate Services.

Several of the overdue recommendations within the internal audit relate to the governance arrangements of our category A groups. Working is ongoing in this area and we are awaiting confirmation that the recommendations have been fully implemented in each of the directorates.

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The overdue recommendations are separated by level of priority as described in the table below:

Priority Level	No of Overdue Recommendations
High	1
Medium	6
Low	3
Total	10

The recommendation with a 'High' rating relates to inventory lists being prepared to support all grouped assets on the asset register and the requirement that each asset listed in the asset register is allocated against a named asset manager.

Originally, it was envisaged that HEIW would need to buy in a single system to list, manage and discover IT assets. However, further research highlighted that the proposed system would not fit HEIW's needs. The Executive Team agreed in September that HEIW's internal IT Team would build a hardware asset list and that a tender process be undertaken for a 'discovery tool'.

The number of overdue recommendations by assurance ratings are detailed below:

Assurance Rating	No of Overdue Recommendations
Limited	0
Reasonable	8
Substantial	2
Not Rated	0
Total	10

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

• **Tab 2 – External Audit Reports Summary**

Tab 2 describes the recommendations made following the Audit Wales Structured Assessments and any other external audit reports. At the time of issuing the report, there are **3** current external audit recommendations on the tracker.

The table overleaf describes the status of current external audit recommendations:

Status	No of Recommendations
Overdue	0
Not Yet Due	1

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Completed this period	2
Ongoing	0
Total	3

Work is underway to ensure the remaining action on the database is completed as agreed.

- **Tab 3 – Internal Audit Advisory Reviews Summary**

There are no outstanding advisory considerations.

Status	No of Recommendations
Overdue	0
Not Yet Due	0
Completed this period	0
Ongoing	0
Total	0

4. FINANCIAL IMPLICATIONS

There may be financial consequences of individual actions; however there is no direct financial impact associated with this report at this stage.

5. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Note** the report;
- **Consider** the progress;
- **Approve** the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker.

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Governance and Assurance			
Link to IMTP strategic aims (please ✓)	Strategic Aim 1: To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To transform healthcare education and training to improve opportunity, access and population health.	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop national workforce solutions to support the delivery of national service priorities and high-quality patient care	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
Impact on quality, safety and patient experience where appropriate will be highlighted within the individual actions and assurance requirements.			
Financial Implications			
There may be financial consequences of individual actions however there is no direct financial impact associated at this stage.			
Legal Implications (including equality and diversity assessment)			
There are no legal implications.			
Staffing Implications			
There are no staffing implications.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
WBFGA considerations will be included within the consideration of individual actions where appropriate.			
Report History	Reviewed at Executive Team		
Appendices	<ul style="list-style-type: none"> Audit Recommendations Tracker Appendix 1. 		

Internal Audit Open Recommendations

Ref. No.	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register?
61	Board and Committee Governance Arrangements November 2019	Substantial	Board Secretary	Board Secretary	Medium	The Board should undertake a self-assessment of their effectiveness, within an appropriate timeframe, and thereafter on an annual basis. While we acknowledge that the Education, Commissioning and Quality Committee has been in existence for less than 12 months, the Board should consider when it would be appropriate for the Education, Commissioning and Quality Committee and Remuneration and Terms of Service Committee to undertake a self-assessment, and plan accordingly.	A self-assessment for the Remuneration and Terms of Service Committee scheduled for Q4 of 2020/21.	Mar-20	Complete	Complete	Due to the increasing priority of Coronavirus, the self-assessment has been delayed until further notice.	Progress as at January 2020: All self-assessments are scheduled into the appropriate Forward Work Programme. Progress as at July 2020: It was planned for the Committee to undertake its self-assessment in Q4. However, due to the increased priority of Coronavirus, the draft Self Assessment Checklist will be considered at the July RATS Committee. Progress as at October 2020: Consideration of the self-assessment took place at November RATS Committee. The checklist has been issued for completion by 4 January 2021 with the evaluation to be presented to the RATS Committee at the end of January 2021. Progress as at January 2021: The RATS Committee considered the draft self-assessment checklist at its meeting in November. Completion of the checklist expected by early January 2021 with evaluation anticipated to be presented to the RATS Committee at the end of January 2021. Progress as at May 2021: The RATS Committee began the process of completing the self-assessment and it has been determined that the self-assessment checklist requires further development. The self-assessment process is postponed until the Summer 2021 and FWP has been updated accordingly. Current Progress (Sept 21): Self Assessment process for RATS has been postponed pending the outcome of the external report on the Board's self-assessment process which shall be received at the October 2021. Self Assessment has been added to the Forward Work Programme for RATS in November 2021.	Sep-21	18				
77	Performance Management March 2020	Reasonable	Director Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	An assessment should be undertaken to identify the link between KPIs and projects and work programmes aimed at achieving the strategic objectives. Where no existing KPIs are identified in relation to a strategic objective, consideration should be given to developing relevant KPIs that will allow monitoring of progress to achieve the strategic objective.	Following approval of our MTP, where feasible and through iterations of the report and dashboard, we will look to incorporate this recommendation where possible.	Jun-20	Partially complete	Overdue	Delayed due to COVID-19 Pandemic.	Progress as at July 2020: This has been delayed given the impact of COVID-19 on normal activities. Following revision to the MTP moving forward we will aim to consider KPIs that can feasibly measure progress of objectives. Progress as at October 2020: The drafting of the performance framework has provided an opportunity to look at the data that we report on as well as the data that we had planned to commence reporting on pre-COVID. Work to ensure validated data is available to enhance performance reporting continues. In parallel, with the additional capacity provided by the new Director, and the impetus of the draft PM Framework, we are commencing a review of the data we hold and our KPIs to ensure that we have the information and KPIs we need to measure and assure progress of our strategic aims on a sustainable basis. Progress as at January 2021: Following the appointment of the new Director of PPC's a Performance Dashboard Steering Group has been established to drive the development of KPIs and the Dashboard, framing it around the Six Strategic Aims. Departments were asked to identify local KPIs through the mid-year Service Review which took place in November 2020. Development of KPIs for Strategic Aims 2 and 4 have been agreed as the priorities. Progress as at May 2021: The Performance Dashboard Steering Group are making steady progress with the development of the priority KPIs for Strategic Aims 2 and 3 and this action aligns with HEW Ref 133. Progress as at June 2021: Progress and developments have been shared and discussed with the Executive Team and at the Board Development Session in June. Current Progress (Sept 21): Work continues to be taken forward with sections in line with the agreed workplan. Performance information in relation to the Education and Training Pipeline and Leadership has been readiness assessed for inclusion in future quarterly reports and shared with the Executive which will support the development of KPIs.	Jan-21	15				
78	Performance Management March 2020	Reasonable	Director Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	Consideration should be given to include a wider range of KPIs within the performance management dashboard, that fall in line with the aims of performance reporting as outlined in performance management framework. The performance management dashboard should be further developed to include targets against each KPI and comparisons against previous quarters.	Work is ongoing with respective teams to consider data and information options that will enable monitoring and analysis of the value work being undertaken on education, training and quality. A range of qualitative and quantitative options have been identified following meetings with teams to increase the range of metrics available to be reported and will be included over a period of report iterations.	Jun-20	Partially complete	Overdue	Delayed due to COVID-19 Pandemic.	Progress as at July 2020: This has been delayed given the impact of COVID and the restricted data currently available. Progress as at October 2020: We had identified additional data to add value to performance reports prior to COVID-19 but implementation of this was put on hold. Work has continued however to ensure validated data is available to enhance performance reporting. Progress as at January 2021: Following the appointment of the new Director of PPC's a Performance Dashboard Steering Group has been established to drive the development of KPIs and the Dashboard, framing it around the Six Strategic Aims. Departments were asked to identify local KPIs through the mid-year Service Review which took place in November 2020. Development of KPIs for Strategic Aims 2 and 4 have been agreed as the priorities. Progress as at May 2021: The Performance Dashboard Steering Group are making steady progress with the development of the priority KPIs for Strategic Aims 2 and 3. Progress as at June 2021: Progress and developments have been shared and discussed with the Executive Team and at the Board Development Session in June. Current Progress (Sept 21): Work continues to be taken forward with sections in line with the agreed workplan. Performance information in relation to the Education and Training Pipeline and Leadership has been readiness assessed for inclusion in future quarterly reports and shared with the Executive which will support the development of KPIs.	Jan-21	15				
80	Performance Management March 2020	Reasonable	Director Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Low	The dashboard KPIs reported could be extended to improve the information used for decision making. For example, the 'Y10 Rate' is reported for a number of professions. Reporting of the associated 'Attrition Rate' would add an extra dimension to the management decision making process.	Work is ongoing with teams to enhance the data available to add value and insight and support future decision making. This includes furthering team interaction to learn from each other and share best practice.	Jun-20	Partially complete	Overdue	Delayed due to COVID-19 Pandemic.	Progress as at July 2020: This has been delayed given the impact of COVID-19. As information flows re-commence, we will review the feasibility and requirements for additional information. This will undoubtedly include COVID-19 specific information. Progress as at October 2020: We had identified additional data to add value to performance reports prior to COVID-19 but implementation of this was put on hold. Work has continued however to ensure validated data is available to enhance performance reporting. This will be articulated in the performance framework when finalised. Progress as at January 2021: See the entries above for development of the KPIs and the Dashboard. The Glossary will continue to be updated as the KPIs are agreed and the Dashboard is developed. Progress as at May 2021: A Performance Dashboard Steering Group has been established to drive the development of KPIs and the Dashboard, framing it around the Six Strategic Aims. Departments were asked to identify local KPIs through the mid-year Service Review which took place in November 2020. Development of KPIs for Strategic Aims 2 and 4 have been agreed as the priorities and the Performance Dashboard Steering Group are making steady progress with the development of the priority KPIs for Strategic Aims 2 and 3 with a particular focus on enhancing the dashboard aligned to information related to the Education and Training pipeline. Progress as at June 2021: Progress and developments have been shared and discussed with the Executive Team and at the Board Development Session in June. Current Progress (Sept 21): Work aligned to developing detailed performance information on the various stages of the education and training pipeline across professions within HEW is ongoing with a readiness assessment of data availability being undertaken and shared with the Executive team which included a recommendation to consider a HEW approach to managing data standards.	Jan-21	15				
94	IT Resilience Audit 2020	Reasonable	Digital Manager/IT Manager/Head of Cyber Security	Director of Digital	Low	Work should continue to complete the Disaster Recovery Plan.	This is acknowledged. This work will be progressed further following appointment of Cyber Security Lead (offer made) and allowing for recovery after the impact of COVID-19.	Sep-20	Partially complete	Overdue	Delayed due to COVID-19 Pandemic.	Current Progress (Sept 21): Work aligned to developing detailed performance information on the various stages of the education and training pipeline across professions within HEW is ongoing with a readiness assessment of data availability being undertaken and shared with the Executive team which included a recommendation to consider a HEW approach to managing data standards. Current Progress (September 21): The Digital Services Recovery Plan was shared with members of the SLT 15/07/2021 for comment. The updated plan will be presented to the IGM group 28/09/2021. Further Update (October 21): The Digital Services Recovery Plan is on the whole complete. Some minor updates relating to supporting infrastructure and recovery positions for a small number of managed essential functions are still to be documented but are due to be completed immediately. Once completed the Digital function senior team will be meeting to discuss service and support arrangements (15th Oct 2021).	Apr-21	12				
116	Financial Systems January 2021	Reasonable	Director of Finance	Director of Finance	High	1. Inventory lists should be prepared to support all grouped assets on the asset register. 2. Each asset listed in the asset register should be allocated as the responsibility of a named asset manager in line with the requirements of the Asset Register Financial Control Procedure.	1. Agree - A full inventory list will be prepared to provide the required backing to the asset register. 2. Agree - The asset management paper has now been sent to Execs for consideration on 22/09/2021. Paper outlines SharePoint based asset management complemented by a hardware discovery tool to track assets and their use.	Mar-21	Partially complete	Overdue	Progress as at March 2021: Work is ongoing at the paper submission deadline for the Audit & Assurance Committee and it is anticipated that this will be complete by the end of March. Most assets have been identified and recorded and any discrepancies will be dealt with as part of the accounts closure process during April. Progress as at 17/06/2021: Paper outlining the recommendation of an asset management solution has been created and submitted to the Information Governance and Information Management group. Once approved this will go to the executive team for approval. Following this, it is hoped that a solution will be in place early in quarter 2. Progress (Sept 21): The asset management paper has now been sent to Execs for consideration on 22/09/2021. Paper outlines SharePoint based asset management complemented by a hardware discovery tool to track assets and their use. Current Progress (Oct 21): revised board paper was taken to execs that outlined the following approach: • HEW IT would build hardware asset lists into SharePoint and migrate information from multiple spreadsheets into this single, manageable list. (work has started and will be completed in Q4) • HEW IT would write a feature specification for a 'discovery tool' to go to procurement and to go to tender (This will be in place by the end of Q3)	Mar-21	6					
127	Workplace Culture February 2021	Reasonable	Board Secretary	Board Secretary	Low	HEW should consider / determine whether the Executive Team and Board Chair require any specific training to deal with concerns raised by staff.	The Board has regular 'development' days. Legal and Risk Services Team of the Shared Services Partnership (NWSP) provided training on Upholding Professional Standards to Board and Executive on 19th December 2020. Training on the Raising Concerns policy and procedure for Board and Executive is currently under discussion with Legal Risk Team. The date to be confirmed.	Apr-21	Complete	Complete	Complete	Progress as at June 2021: Training session has been organised with Legal and Risk for August 2021. Current Progress (Sept 21): Completed - Training session with Legal and Risk took place on the 12 August.		1				
133	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	2. Where possible targets should be developed for all the data sets reported in the dashboard, which should also show the direction of travel from the previous performance report and comparative data from the previous year where this is relevant.	Agreed - As part of our agreed programme of work, during 2021/22 work will be undertaken to agree targets (where relevant) and indicate trends in data movement where not provided currently.	Dec-21	Partially complete	Not yet due		Progress as at June 2021: Work is being taken forward by the Performance Management Steering Group and directorate teams to enable comparative data to be included in future reports as applicable. Current Progress (Sept 21): Work continues to be taken forward by the Performance Management Steering Group and directorate teams to enable comparative data to be included in future reports as applicable. This is a complex area of work and it is unlikely all areas will have targets by December 2021.		0				
135	Performance Management May 2021	Substantial	Assistant Director of Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Low	The success factors, as defined in the organisation's MTP, should also be included in the integrated performance report with progress monitored and reported quarterly.	Agreed - For the Annual Plan 2021-22, success measures have been identified for each objective and the Plan will be Board approved and submitted to Welsh Government by the end of June (and will therefore be in the public domain). The inclusion of quantifiable success factors in the report and dashboard will be tested with the Leadership programme (Strategic Aim 3), with the aim of rolling out across the rest of our Strategic Aims through the planning/performance cycle.	May-22	Partially complete	Not yet due		Progress (June 21): This will be taken forward following the end of the financial year within the End of Year Performance Report to enable reflection and reporting of whether indicated success factors defined in the plan have been achieved. Current Progress (Sept 21): This will be taken forward following the end of the financial year within the End of Year Performance Report to enable reflection and reporting of whether indicated success factors defined in the plan have been achieved.		0				
136	Pharmacy Registration Review 2021	Reasonable	Director of Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	1/2. A standardised PID should be developed for future projects that includes the requirement to include clearly defined project roles and responsibilities and the project review and decision-making process.	We accept these findings. Our planning functions have matured since this business case was developed, with the appointment of a Director of Planning and we have an improved approach - an example is the Pharmacy RTP programme which has a programme board, steering group, and 7 workstreams. A Project Management Framework will be agreed by the Executive team which will include a standardised PID template.	Aug-21	Complete	Complete	Complete	COMPLETE The Project Management Framework which includes a PID template was signed off by the executive team in July 2021.		0				
136	Pharmacy Registration Review 2021	Reasonable	Director of Planning, Performance & Corporate Services	Director of Planning, Performance & Corporate Services	Medium	2/2 Guidance on how to complete a PID should also be drawn up and made available to all staff.	We accept these findings. Our planning functions have matured since this business case was developed, with the appointment of a Director of Planning and we have an improved approach - an example is the Pharmacy RTP programme which has a programme board, steering group, and 7 workstreams. A Project Management Framework will be agreed by the Executive team which will include a standardised PID template.	Aug-21	Complete	Complete	Complete	COMPLETE The Project Management Framework which includes a PID template was signed off by the executive team in July 2021.		0				

Internal Audit Open Recommendations

HEW Ref. No.	Year	Report Title	Assurance Rating	Responsible Officer	Director	Priority Level	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue	Progress	Proposed completion date (Date completed)	No. of months past agreed deadline	If action is complete, can evidence be provided upon request?	If closed and not complete, please provide justification	ET Sign Off	Risk Register? Yes/No
137	2021	Pharmacy Pre-Registration Review, 2021	Reasonable	Medical Director/Director of Planning, Performance and Corporate Services	Medical Director	Medium	Management should establish a clear process for conducting and documenting post project or gateway reviews that are in line with best practice guidance on undertaking such reviews should be made available to all relevant staff.	Again, we recognise this issue and will adopt NHS best practice for Gateway Review processes.	Aug-21	Complete	Complete	Complete	October 2021 - HEW board agreed HEW Project Management Framework in July 2021 and was launched to all staff in August 2021. The framework clearly outlines the process for closure evaluation of projects when transitioning from Stage 4 - Live Project to Stage 5 - Closure & Evaluation.		0				
138	2021	Pharmacy Pre-Registration Review, 2021	Reasonable	Medical Director	Medical Director	Low	To strengthen governance arrangements in future projects, consideration should be given to having wider project board membership.	Complete - We recognise this recommendation and have already implemented this in our revised IETP programme management arrangements.		Complete	Complete	Complete	Completed		0				
139	2021	Governance Arrangements	Reasonable	Board Secretary	Board Secretary	Medium	Whilst we acknowledge that there are wide differences between each group's remit, their Terms of Reference should be in a set format that can be tailored to suit their needs, as a minimum should include: • The group's overall objective and purpose. • Their links to the organisation's strategic aims and functions. • The group's forum. • The frequency of meetings. • The reporting hierarchy. • The approval date and frequency of review.	The Terms of Reference for Category A Groups will be amended to include the following: • The group's overall objective and purpose. • Their links to the organisation's strategic aims and functions. • The group's forum. • The frequency of meetings. • The reporting hierarchy. • The approval date and frequency of review.	Aug-21	Partially complete	Overdue		October 2021 - Work to standardise the ToR across category A groups is ongoing and we are awaiting confirmation that the recommendation has been fully implemented in each of the directorates.	Nov-21	2				
140	2021	Governance Arrangements	Reasonable	Board Secretary	Board Secretary	Medium	If appropriate, meetings that are not quorate should be rescheduled until such time that sufficient members can attend. Groups should ensure that meetings are held in line with their ToR. Where the actual frequency of meetings is no longer aligned to that recorded in the ToR, the ToR should be reviewed and updated. The Dental Management Executive Group should determine how often meetings should be held and update their ToR accordingly.	We will engage with the Groups to ensure that: • meetings which are not quorate are re-scheduled • meetings are held in line with terms of reference and that frequency of meeting reflects current requirements and are captured within all terms of reference going forward (including the Dental Management Executive Group)	Aug-21	Partially complete	Overdue		October 2021 - Work to ensure meetings are quorate and held in line with the ToR across category A groups is ongoing and we are awaiting confirmation that the recommendation has been fully implemented in each of the directorates.	Nov-21	2				
141	2021	Governance Arrangements	Reasonable	Board Secretary	Board Secretary	Low	Meeting notes should include the names of all attendees and should be an accurate record of discussions held. They should clearly document any decisions made, any actions arising, the name of the officer responsible for undertaking the action and an indicative date for completion. We would also recommend that an Action Log be completed after every meeting to monitor the progress of actions between meetings.	We will engage with the Groups to ensure that minutes include the following (and that the terms of reference be updated to reflect the same): • Record attendees and apologies. • Record of actions, action owner and action deadline • Action log to monitor progress.	Aug-21	Partially complete	Overdue		October 2021 - Work to standardise the minutes/action logs across category A groups is ongoing and we are awaiting confirmation that the recommendation has been fully implemented in each of the directorates.	Nov-21	2				
142	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Medium	1/1 Separate job descriptions should be drawn up for the SRO, DPO and Caldicott Guardian roles that clearly define the roles and their detailed responsibilities, or alternatively these should be incorporated into their existing job descriptions.	Accept the recommendation and action will be taken to update job descriptions, provide training, review and update privacy notices and these actions will be added to the delivery plan	Aug-21	Partially complete	Overdue		Current Progress (Sept 21) - Draft profiles have been created. Subject to final amendments and then will be issued by the Chief Exec.	Sep-21	1				
142	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Medium	2/4 Appropriate training should be provided for the SRO, DPO and Caldicott Guardian roles.	Accept the recommendation and action will be taken to update job descriptions, provide training, review and update privacy notices and these actions will be added to the delivery plan	Aug-21	Partially complete	Overdue		Current Progress (Sept 21) - Suitable courses have been identified and will be shared to the individuals with the role profile.	Sep-21	1				
142	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Medium	3/4 A 'layered approach' should be used for privacy notices using a combination of short notices and additional layers of more detailed information, as required by the toolkit.	Accept the recommendation and action will be taken to update job descriptions, provide training, review and update privacy notices and these actions will be added to the delivery plan	Aug-21	Complete	Complete	Complete	Current Progress (Sept 21) - COMPLETED - This approach has been adopted by the organisation and future privacy notices will fall within this tiered approach.	Aug-21	0				
142	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Medium	4/4 The above requirements should be added to the IG Delivery and Implementation Plan and the toolkit self-assessment scores adjusted until such time as the above requirements have been met.	Accept the recommendation and action will be taken to update job descriptions, provide training, review and update privacy notices and these actions will be added to the delivery plan	Aug-21	Complete	Complete	Complete	Current Progress (Sept 21) - COMPLETED - Actions have been amended within the plan in readiness for next year's assessment.	Aug-21	0				
143	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Medium	1/2 The original Level 1 self-assessment scores should be adjusted where outstanding requirements have been identified in the Delivery and Implementation Plan.	Agreed the plan will be updated. The self-assessment scores will be refined in next years submission	Aug-21	Complete	Complete	Complete	Current Progress (Sept 21) - COMPLETED - Actions have been amended within the plan in readiness for next year's assessment.	Aug-21	0				
143	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Medium	2/2 Progress in the form of a RAG rating should be recorded where Level 3 requirements have been included in the Delivery and Implementation Plan for 2023/22.	Agreed the plan will be updated. The self-assessment scores will be refined in next years submission	Aug-21	Complete	Complete	Complete	Current Progress (Sept 21) - COMPLETED - Level Three activities were clarified as being out of scope for this year, unless there was already activity ongoing. In this case, a RAG rating was given.	Aug-21	0				
144	2021	IG Toolkit	Substantial	Director of Digital	Director of Digital	Low	The organisation should consider whether it may be beneficial to set up a centralised, shared folder to store the toolkit evidence already collected, and to assign responsibilities for updating the documentation to nominated area leads across the organisation to help ensure documentation is updated in year as necessary. The nominated leads could also assist the IGO in delivering the IG Delivery & Implementation Plan. For example, by obtaining new supporting documentation. The involvement of area leads would also help raise the profile of Information Governance and help embed good practice across the organisation.	Agreed - shared folder to be created	Dec-21	Complete	Complete	Complete	Current Progress (Sept 21) - COMPLETED - Shared folder has been created by the IGO team ready for use for next year's tracker.	Aug-21	0				

Key
Less than 3 months
Between 3 and 6 months
Between 6 and 12 months
Over 12 months

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External Audit Open Recommendations

HEIW Ref. No.	Year	Report Title	Responsible Officer	Recommendation	Management Response	Agreed Deadline	Status	Due	Reason overdue / Reason closed	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	ET Sign Off	Risk Register? Yes/No
68	2019	Structured Assessment 2019 January 2020	Director of Digital	Developing Strategic Plans: R6 HEIW should strengthen its strategic approach to digital and IT by: a) developing and approving a Digital and IT strategy;	Recommendation to be amended in line with discussions. a) Following our first operational year, we are to consider the appropriateness of a digital and IT strategy given changes proposed to NWIS and NHS Executive function.	Summer 2020	Complete	Complete	Complete	Progress as at July 2020: The appointment to Director of Digital has yet to be made. As such we anticipate following recruitment processes being undertaken this to commence in Q4. Progress at at October 2020: The Digital and IT Strategy is in early development and will be completed following the recruitment of the Director of Digital. It is expected that recruitment into the post of Director of Digital will be completed in Q4 2020/21. It is anticipated that the development of the Digital Strategy should be concluded by the end of Q1 2021/22. Progress: Director of Digital has been appointed and is due to commence in February 2021. Progress as at March 2021: Director of Digital commenced in post February 2021. Digital delivery plans will be developed by the end of Q2 2021/22 and will inform the strategic direction for digital and the development of the Digital and IT Strategy. Progress (Sept 2021): Annual plan and roadmap for 21/22 completed and approved by the organisation. This will be foundations phase of the digital strategy. Current Progress (October 2021) - It has been agreed by the Executive Team that the Digital Strategy will be a deliverable in 2022/23. This will ensure that the national Welsh government digital strategy for NHS Wales and the data strategy for the National Data Resources are published first and the HEIW will strategy will align to these national strategic documents. In the interim the digital road map and improvement plan continues to be developed	Sep-21	12		
68	2019	Structured Assessment 2019 January 2020	Director of Digital	Developing Strategic Plans: R6 HEIW should strengthen its strategic approach to digital and IT by: c) developing and reporting IT KPIs for challenge and scrutiny.	IT KPI's will be considered within the iterative development of the Performance report. It would be helpful to understand examples from other health boards to ascertain applicability to HEIW.	Ongoing	Partially complete	Not yet due	Not yet due	Progress as at October 2020: The overarching performance framework will be finalised now that the Director of Performance, Planning & Corporate Services has commenced in post. However, the further development to include IT KPI's within the performance reporting will be undertaken once the Director of Digital is recruited. It is expected that recruitment into the post of Director of Digital will be completed in Q4 2020/21. Progress as at January 2021: The Director of Digital has been appointed and is due to commence in February 2021. Progress as at March 2021: Work is in progress to develop plans with Directorates and Departments to inform the measures and Digital and IT KPIs aligned to the Digital and IT Strategy. Current Progress (Sept 21): Annual plan and roadmap for 21/22 completed and approved by . Monthly performance meetings are scheduled to review performance and develop KPI's.	Sep-21	18		
109	2020	Effectiveness of Counter Fraud Arrangements - HEIW September 2020	Head of Counter Fraud/ Board Secretary	Recording and Monitoring of Economic Fraud Risk: Implement consistency in the recording and monitoring of economic fraud risk in line with the HEIW's risk management policy and strategy. Intended Outcome Benefit: To ensure prevention of fraud features prominently within the organisation's risk management framework.	As part of the Health Body's ongoing review of its risk management framework, fraud risk assessments relating to fraud will also be integrated within the wider risk management framework. This will ensure that wider corporate ownership and active management of risks can be implemented.	Mar-21	Complete	Complete	Complete	Progress as at January 2021: Fraud to be added as a standard risk on the Directorate Risk Registers to ensure it has a sufficient profile and that steps to mitigate the risk are considered and implemented. Progress at March 2021: Acting Head of Counter Fraud and Board Secretary have agreed that fraud should only appear on a risk register when identified as a risk. The Risk Management Policy will be amended to reflect this at its next annual review and will include narrative regarding the notification of any identified fraud risk to the Local Counter Fraud Service. The revised policy will be presented to the Audit and Assurance Committee in July 2021. Current Progress: The revised policy is to be considered for approval at the Audit & Assurance Committee in October 2021.	Jul-21	4		

Key
Less than 3 months
Between 3 and 6 months
Between 6 and 12 months
Over 12 months

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HEIW Ref. No.	Year	Report Title	Responsible Officer	What We Found	What Could Be Done Differently	Comments	Agreed Deadline	Status	Due	Reason overdue / Reason closed	Progress	Proposed completion date / Date completed	No. of months past agreed deadline	ET Sign Off	Risk Register? Yes/No
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Key
Less than 3 months
Between 3 and 6 months
Between 6 and 12 months
Over 12 months

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GIG
CYMRU
NHS
WALES

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

Meeting Date	21 October 2021		Agenda Item	2.15
Report Title	Information Governance and Information Management Group's Terms of Reference			
Report Author	Catherine English, Corporate Governance Manager			
Report Sponsor	Dafydd Bebb, Board Secretary			
Presented by	Dafydd Bebb, Board Secretary			
Freedom of Information	Open			
Purpose of the Report	To ask the Audit and Assurance Committee to consider the Information Governance and Information Management Group's (IGIMG) Terms of Reference and recommend Board approval.			
Key Issues	<p>The IGIMG supports the broader IG governance function and provides assurance to the Audit and Assurance Committee.</p> <p>The Terms of Reference have been reviewed by the IGIMG and the Executive Team.</p> <p>The IGIMG's proposed Terms of Reference are attached at Appendix 1.</p>			
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval
				✓
Recommendations	<p>The Audit and Assurance Committee is asked to:</p> <ul style="list-style-type: none"> • consider the Information Governance and Information Management Group's Terms of Reference and recommend they be approved by the Board. 			

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REVIEW OF THE INFORMATION GOVERNANCE AND INFORMATION MANAGEMENT GROUP'S TERMS OF REFERENCE

1. INTRODUCTION

The purpose of this paper is to request that the Audit and Assurance Committee (AAC) consider the Information Governance and Information Management Group's (IGIMG) Terms of Reference, which are attached at Appendix 1, and recommend that they be approved by the Board.

2. BACKGROUND

The purpose of the IGIMG is to support and drive the broader information governance agenda and provide the AAC with the assurance that effective Information Governance best practice mechanisms are in place within the organisation.

Information Governance is focused on ensuring that organisations collect, use and store information in lawful ways.

A Key Issue Report, providing a summary of the IGIMG meeting, will be provided to the next available meeting of the AAC. The IGIMG is accountable to the AAC as a subgroup of the Committee and meets on a quarterly basis.

Membership of the Committee will include representatives from each directorate. These representatives will be required to support the implementation of IG and IM policies within their areas, thus ensuring ownership of the work of the IGIMG throughout the organisation.

3. PROPOSAL

The Audit and Assurance Committee are asked to review the Information Governance and Information Management Group's Terms of Reference and recommend they be approved by the Board.

GOVERNANCE AND RISK ISSUES

The Terms of Reference support appropriate scrutiny and assurance arrangements in respect of IG and IM and will be reviewed on a regular basis in line with good practice.

4. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider/approve.

5. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **consider** the Information Governance and Information Management Group's Terms of Reference and recommend they be approved by the Board.

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Governance and Assurance			
Link to IMTP strategic aims <i>(please ✓)</i>	Strategic Aim 1: To lead the planning, development, and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'	Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs	Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels
		✓	
	Strategic Aim 4: To develop the workforce to support the delivery of safety and quality	Strategic Aim 5: To be an exemplar employer and a great place to work	Strategic Aim 6: To be recognised as an excellent partner, influencer and leader
Quality, Safety and Patient Experience			
Ensuring the Board carries out its business appropriately through its Committees and aligned with its standing orders is a key factor in the quality, safety and experience of students and trainees.			
Financial Implications			
None			
Legal Implications (including equality and diversity assessment)			
None			
Staffing Implications			
None.			
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)			
None			
Report History			
Appendices	Appendix 1 – Information Governance and Information Management Group's Terms of Reference		

Information Governance and Information Management Group (IGIMG)

Terms of Reference

1. Purpose

The Information Governance and Information Management Group (IGIMG) is accountable to the Audit and Assurance Committee as a subgroup. Its purpose is to support and drive the broader Information Governance agenda and provide the Audit & Assurance Committee with the assurance that effective Information Governance best practice mechanisms are in place within the organisation.

Information Governance is about ensuring that organisations collect, use and store information in lawful ways. This includes carrying out Data Protection Impact Assessments (DPIAs) where new processing occurs and implementing appropriate documentation where information is shared with other organisations. Information Governance works to ensure HEIW is compliant with relevant legislation such as the Data Protection Act 2018 by ensuring the organisation has relevant policies and procedures in place, including requirements such as the use of privacy notices and investigation of data breaches.

IGIMG papers and reports will be reviewed by the HEIW Executive Team prior to submission to the IGIMG.

2. Remit

Key responsibilities of the IGIMG:

- To provide assurance that an appropriate and comprehensive information governance framework and systems are in place and being developed throughout the organisation in line with national standards;
- To develop the Information Governance Strategy, policies and guidance material and monitor compliance;
- To support the monitoring of the organisations Information Governance work programme;
- To monitor compliance and effectiveness of Information Governance and Information Security training in the organisation taken by staff as necessary to support their role;
- To receive lessons learnt from Information Governance and Cyber incidents to ensure the risk of future incidents is mitigated;
- Reviewing and monitoring recommendations relating to Information Governance and Information Management aspects arising from internal and external audit reports.
- Receiving key performance reports including on mandatory IG training, National Intelligent Integrated Auditing Solution (NIIAS), IG incidents, Freedom of Information Act (FOIA) requests and Subject Access Requests (SARs)
- Receiving reports on the Information Asset Register progress to ensure that it is robust

- Receiving reports on HEIW's information-sharing activities and make recommendations or take appropriate actions accordingly
- Ensuring Service Directorates' participation in the IG annual programme of work, including consultation and responsibility in the development and implementation of standards to achieve compliance.
- Providing oversight for the Cyber Security Programme, Strategy and Work Implementation Plan;
- Promoting a culture of cyber security awareness throughout HEIW;
- Reviewing the results arising from cyber security risk assessments and the status of risk treatment plans;
- Examining opportunities to continually improve the cyber security programme;
- Providing regular management reports regarding the status of cyber security to the Executive Team;
- Supporting the Senior Information Risk Officer.
- Providing a forum for the Data Protection Officer to monitor compliance with data protection legislation
- Providing briefing reports on IG issues to the Audit Committee
- Liaising with other HEIW committees and working groups in order to promote/address IG issues

3. Membership

Membership of the IGIMG will normally comprise of the following members; however other individuals with the relevant expertise may be asked to join the group.

Team/Role	Department
Board Secretary/SIRO	Executive
Director of Digital Development/ DPO	Digital
Head of Digital Strategy and Planning	Digital
Head of Digital Services	Digital
Digital IT Manager	Digital
Head of Cyber Security	Digital
Information Governance Manager	Digital
Representative from the Office of the Chief Digital Officer	Office of the Chief Digital Officer
Medical Director/Caldicott Guardian	Medical
Postgraduate Medical Dean	Medical
Pharmacy Dean	Pharmacy
Dental Dean	Dental
Representative from the RSU	RSU
Representative from Finance	Finance
Representative from Workforce and Organisational Development	Workforce and OD
At least one Representative from the Director of Nurse and Health Professional Education	Nurse and Health Professional Education

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Representative from the Director of Planning, Performance and Corporate Services	Planning, Performance and Corporate Services
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4. Chair

The Senior Information Risk Officer will Chair the meeting. Secretariat services to be provided by the Digital team.

5. Quorum

- 5.1 The quorum necessary for the transaction of business shall be 4 members.
- 5.2 A duly convened meeting of the IGIMG at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Group

6. Frequency of meetings

- 6.1 The IGIMG will normally meet at on a quarterly basis (or more frequently as required) a month in advance of the Audit & Assurance Committee to fulfil its remit, reporting cycle and otherwise as required;
- 6.2 IGIMG members should attend all meetings. The Secretariat of the IGIMG shall maintain a register of attendance.
- 6.3 Task and finish groups will be established where necessary and will report back to the IGIMG.

7 Papers

The meeting agenda and supporting papers will be distributed at least five (5) working days in advance of the meetings to allow time for members' due consideration of issues. All papers will clearly state the agenda reference, the author and the purpose of the paper, together with the action to be taken.

8 Recording of Meetings

Action notes and a comprehensive action log will be kept of the proceedings and submitted for approval and progress updates at the next IGIMG meeting, prior to submission to the Audit & Assurance Committee. A key issue report providing a summary of the IGIMG meeting will be provided to the next available Audit & Assurance Committee meeting.

9. Other

In order to fulfil its remit, the IGIMG may obtain any professional advice it requires and invite, if necessary, external experts and relevant staff representatives to attend meetings.

10 Notice of Meetings

Meetings of the IGIMG may be called by its Secretariat at the request of any Group member where agreed by the Group's Chair.

11. Reporting/Authority

- 11.1. The IGIMG will report to the Audit & Assurance Committee quarterly.
- 11.2. The IGIMG is authorised by the Audit & Assurance Committee to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the IGIMG.
- 11.3. The IGIMG is also authorised to implement any activity which is in line with the terms of reference, as part of the ongoing IG work programme, which shall be signed off by the Audit & Assurance Committee.
- 11.4. The Executive will receive reports on relevant matters requiring escalation.

12. Review

The Terms of Reference for the IGIMG will be reviewed annually.

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Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Alex Howells
Chief Executive
HEIW
Ty Dysgu
Ty Dysgu Cefn Coed
Cardiff
CF15 7QQ

Our Ref: AG/MR/SB

9 August 2021

Dear Alex

Joint Escalation and Intervention Arrangements

As you are aware, under the Joint Escalation and Intervention Arrangements, the Welsh Government meets with Audit Wales and Healthcare Inspectorate Wales twice a year to discuss the overall assessment of each Health Board, Trust and Special Health Authority in relation to the arrangements.

A tripartite meeting has recently taken place and I write now to let you know your organisation's status.

On the basis of the tripartite group discussion, Welsh Government officials will be recommending to the Minister that the escalation status of HEIW would remain at 'routine arrangements'.

The group felt you had continued to discharge your functions effectively and had added value with the development of the workforce strategy, succession planning, compassionate leadership and the change to university arrangements. There has been positive interactions with the regulators.

Welsh Government colleagues will continue to have regular JET and IQPD meetings with subject specific discussions as and when considered necessary.

Yours sincerely

Dr Andrew Goodall CBE

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BUDDSODDWYR | INVESTORS
MEWN POBL | IN PEOPLE

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