

Bundle Audit & Assurance Committee - Open 22 November 2019

10:00-10:30 - COMMITTEE MEMBERS PRIVATE DISCUSSIONS WITH INTERNAL AND EXTERNAL AUDITORS

AGENDA

[Agenda Audit_Assurance Committee_2019-11-22 \(Open\) V6.docx](#)

- 1 PART 1 - PRELIMINARY MATTERS
 - 1.1 Welcome and Introductions
 - 1.2 Apologies for Absence
 - 1.3 Declarations of Interest
 - 1.4 Draft Minutes of the Audit and Assurance Committee meeting held on 15 July 2019
 - 1.4 - Unconfirmed Minutes [Audit_Assurance Committee_2019-07-15 \(Open\)_V6.docx](#)
 - 1.5 Action Log following the meeting held on 15 July 2019
 - 1.5 - Action Log [Audit_Assurance Committee_2019-11-11 \(Open\)_V4.docx](#)
 - 1.6 Matters Arising
- 2 PART 2 - MATTERS FOR CONSIDERATION
 - 2.1 Progress on Achieving Compliance with Mandatory Training on ESR
 - 2.1 - Statutory and Mandatory Training [PADR update.docx](#)
 - 2.2 Finance Project Plan Close Down Report
 - 2.2a - Financial Update Report - November 2019.[docx](#)
 - 2.2b - Finance Update Appendix 1.[pdf](#)
 - 2.3 Annual Review of Financial Control Procedures
 - 2.3a - Annual Review of Financial Control Procedures_[Cover Paper.docx](#)
 - 2.3b - Appendices for Annual Review of Financial Control Procedure - Nov 19.[docx](#)
 - 2.4 Full Declarations of Interest Register
 - 2.4a - Declaration of Interest Register_November 2019.[docx](#)
 - 2.4b - Declaration of Interest Register (Full) (V6) AS AT 06-11-2019.[docx](#)
 - 2.5 Information Governance Progress Report and Work Plan
 - 2.5a - Information Governance Update (29.10.19) (DB)(1).[docx](#)
 - 2.5b - Appendix 1 IG Workplan Update (04.11.19).(DB) (F) (002).[docx](#)
 - 2.6 Freedom of Information Report
 - 2.6a - FOI Report 04.11. 2019.doc(F)x.[docx](#)
 - 2.6b - FOI REGISTER as at 04-11-2019.[pdf](#)
 - 2.7 Data Subject Access Request (DSAR) Report
 - 2.7a - DSAR Report 05.11.19 (F) (DB).[docx](#)
 - 2.7b - Appendix 1 - DSAR Register.[docx](#)
 - 2.8 Procurement Compliance Report
 - 2.8 - Procurement Compliance Audit Report Nov 19 (HEIW) MP.[docx](#)
 - 2.9 Wales Audit Office:
 - 2.9.1 • Progress against the WAO Annual Plan
 - 2.9a - WAO November 2019 Audit Assurance Committee cover paper.[docx](#)
 - 2.9b - WAO HEIW Audit Assurance Committee Update November 2019.[pdf](#)
 - 2.10 Internal Audit:
 - 2.10.1 • Progress Report
 - 2.10a - HEIW - AC report 22.11.19 - November 2019.[pdf](#)
 - 2.10.2 • Casual Workers Employment Status Follow-Up Internal Audit Report
 - 2.10b - HEIW-1920-14 Casual Workers Employment Status Follow-up Final Report.[pdf](#)
 - 2.10.3 • Freedom of Information Internal Audit Report

- 2.10c - HEIW 1920 09 foi final report.pdf
- 2.10.4 • Governance Internal Audit Report
2.10d - Governance Arrangements Final Internal Audit Report.pdf
- 2.11 Counter Fraud:
- 2.11.1 • Counter Fraud Progress Update
2.11a - HEIW Audit Committee LCFS Update - 22nd November 2019.doc
- 2.11.2 • Counter Fraud Quarterly Newsletter
2.11b - Counter fraud August 19.pdf
- 2.12 Audit Recommendations Tracker
2.12a - Audit Recommendation Tracker Cover Report_November.docx
2.12b - Audit Recommendations Tracker Database_ November 2019 V7.docx
- 2.13 Job Evaluation and Recruitment
2.13 - Recruitment Job Evaluation update.docx
- 2.14 To Review the Corporate Risk Register
2.14a - Corporate Risk Register AAC Cover Paper_November 2019.docx
2.14b - Corporate Risk Register (Updated November 2019) (F) V2.docx
- 2.15 To consider the Revised Standing Orders and Revised Committee Terms of Reference
2.15a - Review of Standing Orders (11.11.19) (DB).docx
2.15b - Appendix 1 - Future Ways of Working (19.09.19) (F)_ (003).docx
2.15c - Appendix 2 - Standing Orders (Draft for Nov A&AC) (clean).pdf
- 3 PART 3 - FOR INFORMATION/NOTING
- 3.1 Completed Committee Self-Assessment Checklist
3.1 - Completed Audit and Assurance Committee Self Assessment Checklist 2018-19_2019-07-15 V2.docx
- 3.2 Forward Work Programme
3.2 - Draft Audit_Assurance Committee Work Plan 2019-2020 V2.pdf
- 4 PART 4 - CLOSE
- 4.1 Any Other Business
- 4.2 Date of Next Meeting: Monday, 27 January 2020 at 10.30am in the HEIW Conference Room, Ty Dysgu, Nantgarw

AUDIT AND ASSURANCE COMMITTEE
Friday, 22 November 2019
HEIW Conference Room, Ty Dysgu, Nantgarw

**COMMITTEE MEMBERS PRIVATE DISCUSSIONS WITH
INTERNAL AND EXTERNAL AUDITORS**
10.00am – 10.30am

FULL AUDIT AND ASSURANCE COMMITTEE
10.30am – 12.30pm

AGENDA

PART 1	PRELIMINARY MATTERS	10.30-10.45
1.1	Welcome and Introductions	Chair/ Oral
1.2	Apologies for Absence	Chair/ Oral
1.3	Declarations of Interest	Chair/ Oral
1.4	Draft Minutes of the Audit Committee meeting held on 15 July 2019	Chair/ Attachment
1.5	Action Log following the meeting held on 15 July 2019	Chair/ Attachment
1.6	Matters Arising	Chair/ Attachment
PART 2	MATTERS FOR CONSIDERATION	10.45-12.15
2.1	Progress on Achieving Compliance with Mandatory Training on ESR	Director of Workforce & OD
2.2	Finance Project Plan Close Down Report	Interim Director of Finance/ Attachment
2.3	Annual Review of Financial Control Procedures	Interim Director of Finance/ Attachment
2.4	Full Declarations of Interest Register	Board Secretary/ Attachment
2.5	Information Governance Progress Report and Work Plan	Board Secretary/ Attachment
2.6	Freedom of Information Report	Board Secretary/ Attachment
2.7	Data Subject Access Request (DSAR) Report	Board Secretary/ Attachment

2.8	Procurement Compliance Report	Interim Director of Finance/ Head of Procurement/ Attachment
2.9	Wales Audit Office: <ul style="list-style-type: none"> Progress against the WAO Annual Plan 	Wales Audit Office/ Attachment
2.10	Internal Audit: <ul style="list-style-type: none"> Progress Report Casual Workers Employment Status Follow-Up Internal Audit Report Freedom of Information Internal Audit Report Governance Internal Audit Report – subject to meeting timescale for paper 	Internal Audit/ Attachments
2.11	Counter Fraud: <ul style="list-style-type: none"> Counter Fraud Progress Update Counter Fraud Quarterly Newsletter 	Counter Fraud Manager Cardiff & Vale UHB/ Attachments
2.12	Audit Recommendations Tracker	Board Secretary/ Attachment
2.13	Job Evaluation and Recruitment	Director of Workforce & OD/ Attachment
2.14	To Review the Corporate Risk Register	Board Secretary/ Attachment
2.15	To consider the Revised Standing Orders and Revised Committee Terms of Reference	Board Secretary/ Attachment
PART 3	FOR INFORMATION/NOTING	12.15-12.25
3.1	Completed Committee Self-Assessment Checklist	Chair/ Attachment
3.2	Forward Work Programme	Board Secretary/ Attachment
PART 4	CLOSE	12.25-12.30
4.1	Any Other Business	Chair
4.2	Date of Next Meeting: Monday, 27 January 2020 at 10.30am in the HEIW Conference Room, Ty Dysgu, Nantgarw	

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

UNCONFIRMED

**DRAFT Minutes of the Audit and Assurance Committee
held on 15 July 2019
in the Conference Room, HEIW, Ty Dysgu, Nantgarw, CF15 7QQ**

Present:

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

In Attendance:

Eifion Williams Interim Director of Finance
Dafydd Bebb Board Secretary
Martyn Pennell Head of Financial Accounting
Mike Usher Engagement Director, Wales Audit Office
Helen Goddard External Audit Manager, Wales Audit Office
Clare James Performance Audit Lead, Wales Audit Office
Simon Cookson Director of Audit and Assurance, NWSSP
Emma Samways Deputy Head of Internal Audit, NWSSP
Nigel Price Local Counter Fraud Specialist, Cardiff and Vale UHB
Kay Barrow Corporate Services Manager (Secretariat)

PART 1	PRELIMINARY MATTERS	Action
AAC: 15/07/1.1	Welcome and Introductions	
	The Chair welcomed everyone to the meeting and confirmed a quorum was present.	
AAC: 15/07/1.2	Apologies for Absence	
	Apologies were received from Paul Dalton (Head of Internal Audit) and Craig Greenstock (Counter Fraud Manager, Cardiff and Vale UHB).	
AAC: 15/07/1.3	Declarations of Interest	
	There were no declarations of interest.	
AAC: 15/07/1.4	Minutes of the Meeting held on 29 May 2019	
	The Committee received and approved the minutes of the meeting held on 29 May 2019.	

AAC: 15/07/1.5	Action Log from the Meeting of 29 May 2019	
	<p>The Committee received and considered the Action Sheet from the meeting held on the 29 May 2019.</p> <ul style="list-style-type: none"> • AAC 29/05/2.8.2 Transition Management Internal Audit Report: The Committee received the update in relation to the uptake of mandatory training and staff appraisals via ESR (Electronic Staff Record). The Committee challenged the level of compliance for Mandatory Training, which was reported on ESR at 42.1% as at 8 July 2019, against a confirmed target of 75%. Compliance with mandatory training had not been highlighted within the audit report as the findings from the fieldwork had indicated that there was still a period of grace remaining for staff to complete any outstanding mandatory training. It was noted that, as the audit had a reasonable assurance rating overall, a Follow-Up Audit would not routinely be undertaken by Internal Audit as these were only undertaken for Limited Assurance reports. Any recommendations highlighted in the Audit Report would be followed up via the Audit Recommendations Tracker. However, it was highlighted that the routine reporting of workforce metrics, such as, compliance with Mandatory Training and Personal Appraisal and Development Review (PADR), will be included as part of the Performance Dashboard that was currently under development. 	
Resolved	The Committee agreed that a written note be provided that detailed the progress in relation to the percentage of staff undertaking Mandatory Training on ESR.	JR
AAC: 15/07/1.6	Matters Arising	
	There were no matters arising from the previous meeting.	
PART 2	MATTERS FOR CONSIDERATION	
AAC: 15/07/2.1	Finance Update	
	<p>The Committee received the report.</p> <p>Eifion Williams advised that the month 3 financial position was an underspend of £55k. However, he highlighted that delays in the receipt of invoices from some commissioning bodies has meant that the reported position was prudent and an assumed spend prediction.</p> <p>In presenting the report, Martyn Pennell highlighted the progress made in relation to the Finance Project Plan developed as part of the transition arrangements and establishment of the HEIW finance function. He explained that the feedback received from Welsh Government in relation to the monitoring returns was a two-way process and was working well.</p> <p>In terms of the progress, Martyn Pennell advised that the recruitment to the remaining posts was ongoing and it was anticipated that all posts would be filled by November 2019. The 'How do I...?' Desktop Notes for the Finance Accounting Team were aligned to the Financial Control Procedures (FCPs)</p>	

	<p>which were the overarching financial requirements contained within the Standing Orders and Standing Financial Instructions. It was clarified that an All Wales Technical Accounting (TAG) Financial Control Procedure Task & Finish Group was reviewing FCPs across Wales with the aim of developing a national suite of FCPs. It was anticipated that the Desktop Notes would be completed by the end of July 2019, with a continuous process of updating as changes occurred.</p> <p>The Committee was pleased to see the progress and that the remaining areas were expected to be completed by November 2019.</p>	
Resolved	The Committee agreed that an update on the residual project areas be provided at the November meeting with a view to closing the Finance Project Plan.	EW
AAC: 15/07/2.2	Wales Audit Office:	
	<p>Progress against the WAO Annual Plan</p> <p>The Committee received the report.</p> <p>In presenting the report, Mike Usher explained that the format of the report provided an overview of the progress against the annual plan, the wider work relevant to HEIW and the Good Practice Exchange.</p> <p>The financial audit work had concluded for 2018/19 and the WAO Management Letter from that process was a separate item on the Committee agenda for discussion.</p> <p>Clare James provided an update in respect of the performance audit and, in particular, the ongoing areas of work related to the 2019 Structured Assessment.</p> <p>The Committee's attention was drawn to the wider Auditor General studies and reports and, in particular, the implementation of an interactive data tool to accompany the reporting that allowed the interrogation of the comparative data across NHS Wales. Work was due to commence in the summer to revisit the preparations in Wales for a 'no deal' Brexit.</p> <p>In relation to Counter Fraud arrangements in the Welsh public sector, it was highlighted that this was of particular interest to the Public Accounts Committee (PAC) and that WAO had undertaken a landscape review for the PAC. A follow up would be carried out to review the effectiveness of Counter Fraud services.</p> <p>The NHS Wales finances data tool, published in June 2019, is an interactive resource in place of the usual WAO report. This allowed the data within the tool to be interrogated to review trends in NHS finances for the whole of Wales and at individual NHS bodies. However, it was noted</p>	

	<p>that HEIW does not feature in the current reporting within this resource but would be included for the 2019/20 reporting.</p> <p>In terms of the Integrated Care Fund publication that was due to be published on 18 July 2019, it was highlighted that there were a number of areas that were relevant to HEIW and its involvement.</p> <p>The Committee particularly welcomed the reporting format, which included financial audit and performance audit in one document, and, in particular, the inclusion of the links to NHS-related national studies and publications and the Good Practice Exchange.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the report; • agreed to the format of the report as outlined above for future meeting. 	WAO
	<p>WAO Management Letter</p> <p>The Committee received the WAO Management Letter.</p> <p>In presenting the Management Letter, Helen Goddard explained that the position in relation to the pension benefits data included in the remuneration report, reported at the Committee on 29 May 2019 and to the HEIW Board at its meeting on 30 May 2019, remained unchanged within the final Accounts. The Auditor General certified HEIW's Accounts on 11 June 2019.</p> <p>A summary was provided of the issues identified in the Audit of Financial Statements Report; the recommendations arising from the audit work for the period ended 31 March 2019 and the Management Responses in response to the those recommendations; and the significant audit risks and areas of audit attention.</p> <p>It was highlighted that the majority of the recommendations had been fully accepted by HEIW, except for recommendation 8, which was partially accepted. This was because HEIW was to undertake a full review of the individual case identified for appropriateness. The Committee received assurance that a further 4 individuals had subsequently been identified and would also be included in the full review.</p>	
Resolved	<p>The Committee noted the report.</p>	
	<p>Update on Baseline Review – Structured Assessment</p> <p>Clare James informed the Committee that the feedback from the Review had been presented at the HEIW Board Development Session on 27 June 2019. She explained that the review findings were positive and formed a good baseline in advance of the 2019 Structured Assessment.</p> <p>The Committee Chair questioned whether there were any matters that required Audit and Assurance Committee or Education, Commissioning and Quality Committee attention. An assessment of the Review findings</p>	

	to be undertaken to determine if any relevant matters need to be added to the appropriate Committee Work Plan.	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • agreed that an assessment of the Review findings be undertaken to determine if any relevant matters need attention by a Committee and added to the appropriate Committee Work Plan. • agreed that progress against the recommendations be picked up via the Audit Recommendations Tracker. 	<p>DB</p> <p>DB</p>
AAC: 15/07/2.3	Internal Audit:	
	<p>Internal Audit Progress Report</p> <p>The Committee received the report.</p> <p>In presenting the report, Simon Cookson highlighted the progress against the delivery of the 2019/20 Internal Audit Plan and, as discussed at the last meeting, the inclusion of the additional follow up Workforce Review as a result of the 2018/19 Limited Assurance review on the Employment Status of Casual Workers.</p> <p>Simon Cookson advised that the Freedom of Information and Data Protection Audit was scheduled into the Audit Plan in Q4 however, the Freedom of Information audit was currently in progress to align with the review being undertaken at all Health Organisations in Q2. He explained that the scope and objectives of the Data Protection aspects would take place later in the financial year. This could include cyber security and/or other areas of Information Governance.</p> <p>Planning was in progress in relation to the Service Review Audit due to take place during Q2 and the Strategic Planning Audit was scheduled to take place during Q3. However, the timing of the Service Review audit would need to be adjusted to reflect the impact of the slippage of the Welsh Government's decision regarding the Bursary, which had been delayed by an academic year.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the report. • agreed that the Audit Plan be updated to take account of the slippage in the Welsh Government's decision regarding the Bursary position. 	Internal Audit
	<p>Values and Behaviours Framework Internal Audit Report</p> <p>The Committee received the report which had received an overall assessment of reasonable assurance.</p> <p>In presenting the report, Emma Samways highlighted that the report was positive, and reflective of the time and hard work associated with the development of the Framework. The findings from the review highlighted two Medium priority issues and one Low priority issue that were classified</p>	

	<p>as weaknesses in the operation of the designed control for the Values and Behaviour Framework Review.</p> <p>The Committee was disappointed with the findings in the report given the positive feedback from the Staff Event that had taken place on 19 June 2019. It was clarified that the findings and related recommendations would allow the organisation to build on the good work that has been done in developing the framework and would allow monitoring going forward.</p>	
Resolved	The Committee noted the report and the positive messages.	
	<p>Health and Safety Internal Audit Report</p> <p>The Committee received the report which had received an overall assessment of reasonable assurance.</p> <p>In presenting the report, Emma Samways highlighted that the report was positive given the age of the organisation, and demonstrated a number of areas of good practice. The review highlighted three medium priority issues that were classified as weaknesses in the system control/design for health and safety.</p>	
Resolved	The Committee noted the report.	
AAC: 15/07/2.4	Audit Recommendations Tracker	
	<p>The Committee received the Audit Recommendation Tracker.</p> <p>In presenting the Tracker, Dafydd Bebb highlighted that it was a 'live' working document that currently contained 25 recommendations arising from audit reports that were in progress. An overview of the 5 'Red' status recommendations was provided and he recommended that the 11 'Green' status recommendations that have been assessed as completed, or are complete, be withdrawn from the Tracker with the agreement of the Audit and Assurance Committee.</p> <p>The Committee considered the content and status of the recommendations, but raised concerns in relation to the growth of the Tracker as the number of audit recommendations increased. It was clarified that the Tracker was the overarching monitoring tool for all audit actions, and would be kept under continuous review as a 'live' working document. As actions were progressed through the RAG status, those that had been completed would be removed.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the Tracker and that the level of detail within the Tracker was sufficient. • agreed that if a recommendation was 'Green' and had been fully completed, that it could be removed from the Tracker. • agreed to keep the growth of the Tracker under review. 	<p>DB</p> <p>DB</p>

AAC: 15/07/2.5	Counter Fraud Progress, Quarterly Newsletter and Lessons Learnt	
	<p>The Committee received the progress report, quarterly Newsletter and Lessons Learnt.</p> <p>In providing the Counter Fraud reporting, Nigel Price highlighted that a total of 15 days had been spent on counter fraud work within HEIW and that 3 further awareness sessions were planned with the Finance and Senior Leadership Teams throughout July and August.</p> <p>The content of the Newsletter was a mix of general information about Counter Fraud Services, lessons learnt and a selection of case studies and their outcomes. The sharing of lessons learnt also highlighted that when a weakness was identified, there was a closing of the loop in terms of strengthening process to ensure the risk of further fraud was mitigated. The Committee welcomed the introduction of a regular Newsletter and that it was well written, easy to read and kept the reader's attention.</p> <p>The Committee queried the nil return against investigations of an alleged instances of fraud. It was confirmed that no new referrals had been received. Whilst this was not usual, it was highlighted that HEIW was a unique entity and, it was likely that procurement fraud would be the most likely area of risk. However, it was anticipated that as awareness raising sessions were undertaken the level of referrals was likely to increase.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the progress against the Annual Work Plan. • noted the sharing of lessons learnt. • noted and approved the content of the Newsletter and, for its publication and wider distribution within HEIW 	
AAC: 15/07/2.6	Development of the Board Assurance Framework	
	<p>The Committee received the draft Board Assurance Framework.</p> <p>In presenting the draft Board Assurance Framework, Dafydd Bebb provided an overview of the work being undertaken on the development of a Board Assurance Framework. The Corporate Risk Register, which is aligned to HEIW's strategic objectives as detailed within the Annual Plan, would be the mechanism by which assurance would be provided around the effectiveness of the risk management arrangements and controls in place within the organisation. It was acknowledged that the organisation's Risk Management Policy was yet to be approved by the Board however, as part of the due process; it was a separate item on the Committee agenda for consideration and recommendation to the July Board.</p> <p>The Committee welcomed the draft Board Assurance Framework which set out the basic foundations of assurance. The Committee queried the methods of internal assurance, particularly the operational reporting mechanisms and the key business drivers that feed into the Committees.</p>	

	It was highlighted that HEIW's Performance Framework would need to be included as a source of assurance in terms of its key performance indicators, as well as the requirements set out within the Welsh Government's Remit Letter.	
Resolved	The Committee: <ul style="list-style-type: none"> • noted the progress with the development of the Board Assurance Framework. • requested that the further work be undertaken in relation to the mechanisms of assurance and, in particular, those that feed into the Committees. 	DB
AAC: 15/07/2.7	To Receive the Declarations of Interest Register	
	<p>The Committee received the Declarations of Interest Register.</p> <p>In presenting the Register, Dafydd Bebb advised that the Register was a formal record of interests declared by Board members and included details of all Directorships and other relevant material and pecuniary interests, which have been declared by Board members. A formal annual review of the Register is undertaken to confirm the accuracy and completeness of the Register.</p> <p>The Committee questioned whether other levels of staff were included in the process and it was clarified that members of the Senior Leadership Team also completed an annual Declaration of Interest, as well as those staff members who influence the procurement process.</p> <p>The Committee emphasised that all staff of the organisation should be aware of the requirements to declare their interests or potential conflicts, irrespective of the seniority of their position within HEIW.</p>	
Resolved	The Committee: <ul style="list-style-type: none"> • noted the Declarations of Interest Register • requested sight of the full Declarations of Interest Register at the next Committee meeting for completeness. 	DB
AAC: 15/07/2.8	To Receive the Gifts, Hospitality and Sponsorship Register	
	<p>The Committee received the Gifts, Hospitality and Sponsorship Register.</p> <p>In presenting the Register, Dafydd Bebb highlighted that a range of actions are in place to raise awareness of the requirement, in line with the Standards of Business Conduct, to ensure that any gifts, hospitality and/or sponsorship are declared.</p> <p>The Committee was pleased to see that staff were also declaring when declining however, were surprised with the low numbers on the Register.</p>	
Resolved	The Committee noted the Gifts, Hospitality and Sponsorship Register.	

AAC: 15/07/2.9	Annual Review of Financial Control Procedures	
	This item was covered as part of minute reference AAC 15/07/2.1 Finance Update.	
AAC: 15/07/2.10	To Approve the Risk Management Policy	
	<p>The Committee received the Risk Management Policy.</p> <p>In presenting the Policy, Dafydd Bebb explained that approval of the Policy was a matter reserved for the Board and therefore the Committee was being asked to review the content of the document and recommend its approval to the Board.</p> <p>The Committee considered the Policy. Concerns were raised in relation to the DATIX risk reporting system and the difficulties being experienced by other NHS Wales organisations. Simon Cookson clarified that access to the DATIX system nationally had been an issue recently however, he was not aware of any other issues relating to the system.</p> <p>The Committee questioned whether the Policy needed to articulate HEIW's risk appetite, and the degree of risk exposure it was willing to tolerate to achieve its objectives. It was acknowledged that the Board would need to make choices in setting its risk appetite, which was not a single fixed concept, but would be a range of appetites for the differing risks that may vary over time.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • agreed to recommend the Policy for Board approval, subject to further consideration being taken to HEIW's approach to risk tolerance. 	DB
AAC: 15/07/2.11	To Review the Corporate Risk Register	
	<p>The Committee received the Corporate Risk Register.</p> <p>In presenting the Corporate Risk Register, Dafydd Bebb highlighted that the Risk Register was managed as a 'live' document, and provided a brief overview in relation to the changes to the assessed risks since the last report and, in particular, the 4 red risks.</p> <p>The Committee reviewed the Risk Register and raised concerns in relation to the number of risks and questioned whether some of the risks were actually reflected as issues rather than the impact of the risks.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the Risk Register • requested that the Executive Team review each risk on the Risk Register to determine its appropriateness as a risk the organisational objectives in terms of clarity of its impact and how it is being addressed. 	DB
AAC: 15/07/2.12	Information Governance	
	The Committee received the report.	

	<p>In presenting the report, Dafydd Bebb highlighted the progress being made in ensuring compliance with Information Governance principles relating to the General Data Protection Regulation/UK Data Protection Act 2018. He outlined the plans for the next quarter and advised that updated would be reported to the Committee on a quarterly basis.</p> <p>The Committee welcomed the reporting but raised concerns in relation to the resourcing and the potential risks in relation to breaches and financial penalties. It was confirmed that the number of Freedom of Information and Subject Access Requests were deemed low. It was anticipated that a full-time Information Governance Manager would be recruited into the post by the end of September 2019. In the meantime, the Information Governance Manager at NWSSP was providing support 2 days per week. Further, training that is more detailed was compulsory via e-learning on ESR and key information was available to staff via the intranet site.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the report. • requested that a Work Plan and a more detailed report be presented at the November Committee meeting. 	DB
	[Simon Cookson left the meeting]	
AAC: 15/07/2.13	Update on the Contract Register	
	<p>The Committee received the report.</p> <p>In presenting the report, Dafydd Bebb provided a summary of the progress in relation to the work being undertaken in relation to contract management and the development of the Contract Register.</p> <p>The Committee considered the draft Contract Register. It was emphasised that the approval process would need to align with the Scheme of Delegation and would need to be made explicit within the contract management arrangements.</p>	
Resolved	<p>The Committee:</p> <ul style="list-style-type: none"> • noted the content of the report. • requested that the contract approval process align to the Scheme of Delegation. • requested that the final Contract Register be presented at the November Committee meeting. 	JR JR
AAC: 15/07/2.14	Update from the Education, Commissioning and Quality Committee Development Session on its Terms of Reference	
	<p>The Committee received a verbal update from the Chair of the Education, Commissioning and Quality Committee.</p> <p>In presenting the update, Ruth Hall advised that an Education, Commissioning and Quality Committee Development Session had been held on 1 July 2019. She explained that John Hill-Tout had attended as a representative of the Audit and Assurance Committee, as well as the HEIW Chair and Chief Executive who were also in attendance. The extra</p>	

	ordinary meeting had been convened to talk through the governance relationships between both Committees and the Board, particularly in relation to commissioning and the interaction of both the Committees and their Terms of Reference.	
Resolved	The Committee: <ul style="list-style-type: none"> • noted the verbal update and the work in progress. • noted that a formal report would be presented to the August Board Development Session. 	DB
PART 3	CLOSE	
AAC: 15/07/3.1	Any Other Business	
	There was no further business	
AAC: 15/07/3.2	Date of Next Meeting	
	The Committee discussed the date of next meeting which is scheduled for 10.30am on 22 November 2019 and the potential to bring the meeting forward to October 2019 subject to reporting timelines.	
Resolved	The Committee agreed to make arrangements to bring the next meeting forward from 22 November to October 2019 subject to reporting timelines.	DB

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Gill Lewis (Chair)

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Date:

Audit and Assurance Committee (Open)
15 July 2019
Action Log

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

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 15/07/1.5	Action Log			
	<ul style="list-style-type: none"> AAC 29/052.8.2 Transition Management Internal Audit Report: A written note to be provided that details the progress in relation to the percentage of staff undertaking Mandatory Training on ESR. 	Deputy CEO/Director of Workforce and OD	November 2019	Item on the November Committee Agenda.
AAC: 15/07/2.1	Finance Update			
	<ul style="list-style-type: none"> An update on the residual project areas be provided at the November meeting with a view to closing the Project Plan. 	Interim Director of Finance	November 2019	Item on the November Committee Agenda.



Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 15/07/2.2	Progress against the WAO Annual Plan			
	<ul style="list-style-type: none"> Report format presented at July meeting to be used for future Committee reporting. 	WAO	November 2019	Completed
AAC: 15/07/2.2	Baseline Review – Structured Assessment			
	<ul style="list-style-type: none"> An assessment of the Review findings be undertaken to determine if any relevant matters need attention by a Committee and added to the appropriate Committee Work Plan. 	Board Secretary	August 2019	Completed.
	<ul style="list-style-type: none"> Progress against the recommendations be picked up via the Audit Recommendations Tracker. 	Board Secretary	Promptly	All recommendations have been added to the Audit Recommendations Tracker.
AAC: 15/07/2.3	Internal Audit Progress Report			
	<ul style="list-style-type: none"> The Audit Plan be updated to take account of the slippage in the Welsh Government's decision regarding the Bursary position. 	Internal Audit	Promptly	Audit Plan has been updated.



Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 15/07/2.4	Audit Recommendations Tracker			
	<ul style="list-style-type: none"> Remove recommendations with a 'Green' status if fully completed. 	Board Secretary	Promptly	Completed
	<ul style="list-style-type: none"> The growth of the Tracker to be kept under review. 	Board Secretary	Ongoing	Completed. Ongoing.
AAC: 15/07/2.6	Development of the Board Assurance Framework			
	<ul style="list-style-type: none"> Further work be undertaken in relation to the mechanisms of assurance and, in particular, those that feed into the Committees. 	Board Secretary	November 2019	Paper presented to the September Board in respect of the future ways of working for the Education, Commissioning and Quality Committee. The paper also considers the inter-relationship with the Board and its Committees.
AAC: 15/07/2.7	Declarations of Interest Register			
	<ul style="list-style-type: none"> The full Declarations of Interest Register to be presented at the next Committee meeting for completeness. 	Board Secretary	November 2019	Item on the November Committee Agenda.
AAC: 15/07/2.10	Risk Management Policy			
	<ul style="list-style-type: none"> Recommend the Policy for Board approval, subject to further consideration being taken to HEIW's approach to risk tolerance. 	Board Secretary	18 July 2019	Completed.



Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 15/07/2.11	Review of Corporate Risk Register			
	<ul style="list-style-type: none"> Executive Team to review each risk on the Risk Register to determine its appropriateness as a risk against the organisational objectives in terms of clarity of its impact and how it is being addressed. 	Board Secretary	August 2019	The Executive Team reviewed each risk on the Corporate Risk Register at its meeting on 21 August 2019.
AAC: 15/07/2.12	Information Governance			
	<ul style="list-style-type: none"> Information Governance Work Plan and a more detailed report to be presented at the November Committee meeting. 	Board Secretary	November 2019	Item on the November Committee Agenda.
AAC: 15/07/2.13	Contract Register			
	<ul style="list-style-type: none"> The contract approval process to align to the Scheme of Delegation. 	Deputy Chief Executive/Director of Workforce & OD	November 2019	Contract approval process reflects the Scheme of Delegation.
	<ul style="list-style-type: none"> The final Contract Register to be presented at the November Committee meeting. 	Deputy Chief Executive/Director of Workforce & OD	November 2019	Item on the November Committee Agenda.

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AAC: 15/07/2.14	Education, Commissioning and Quality Committee Development Session on its Terms of Reference			
	<ul style="list-style-type: none"> A formal report would be presented to the August Board Development Session. 	Board Secretary	August 2019	Discussed at the August Board Development Session and presented at the September Board.
AAC: 15/07/3.2	Date of Next Meeting			
	<ul style="list-style-type: none"> Arrangements to be made to bring the November Committee meeting forward to October 2019 subject to reporting timelines. 	Board Secretary	Promptly	Canvassing of a date in October undertaken however, as a quorum could not be achieved, The scheduled date of 22 November 2019 was reconfirmed with Committee members and officers.



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Meeting Date	22 November 2019	Agenda Item	2.1
Report Title	Progress on Achieving Compliance with Statutory & Mandatory Training and Staff Appraisals on ESR		
Report Author	Foula Evans Head of People & OD		
Report Sponsor	Julie Rogers, Deputy CEO/Director of Workforce & OD		
Presented by	Julie Rogers, Deputy CEO/Director of Workforce & OD		
Freedom of Information	Open		
Purpose of the Report	To provide an update on progress towards achieving compliance with statutory and mandatory training and staff appraisal (PADR) targets.		
Key Issues	There is more to do but there has been improvement in the compliance rates.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
	✓		
Recommendations	<p>Members are asked to note:</p> <ul style="list-style-type: none"> • The progress towards achieving compliance with statutory and mandatory training and PADR performance targets; • That additional training is currently taking place to improve awareness and capability on using the ESR system. 		

1. INTRODUCTION

This paper provides an update on progress towards achieving compliance with statutory and mandatory training and staff appraisal (PADR) targets.

2. BACKGROUND

The issue of low compliance on ESR for statutory and mandatory training and staff appraisals was raised at the Audit Committee meeting in July 2019. Since that time, there has been an improvement in performance against both targets.

Statutory and Mandatory Training

Between July 2019 and 31st October 2019 the completion rate recorded in ESR for all HEIW staff has increased by 7.4%, from 42.1% to 49.5%. Whilst this is an increase there is clearly more to do.

One of the issues that we still need to resolve is the recording of training undertaken by staff who are employed by two organisations (which is a significant number for us). Where staff move between organisations it is possible to transport your compliance record across to your new organisation.

ESR training also highlighted staff who have dual contracts with HEIW and other NHS organisations. As these members of staff have already completed their Statutory and Mandatory training in their other NHS employment, the People team are working with the HEIW Analytics team to record their completion on our ESR with screenshot evidence of successful completion. This has equated to four members of staff to date.

However that isn't an ideal solution and could lead to double counting nationally. One area we will therefore be exploring in the New Year is how we might differentiate in our reporting between staff groups.

In the meantime, we are taking a pro-active approach to driving up our compliance through:

- Regular communication and additional ESR training being made available to all staff to increase awareness. Attendance and impact on numbers is being monitored by the People Team.
- As part of the People and OD Strategy consultation roadshow that took place in the summer and early autumn with our remote workers, the People Team promoted ESR and offered further support if the remote staff experienced any difficulties.
- The People Team also continue to regularly promote through the staff engagement groups such as the Culture, Diversity and Inclusion, Health and Wellbeing, Senior Leadership Team and the Operational Managers Group.

- Compliance is regularly reported to Executive Team through the HEIW Performance dashboard and discussed at senior leadership team meetings.

Staff Performance Appraisal and Development Reports (PADR)

Although there has been an improvement in staff recording the completion of their PADR's on ESR (from 4% in July 2019 to 11.4% on 31st October 2019), the information on ESR on PADR is not currently accurate. The Learning and Development records which are held within the People Team, suggest that the actual rate of PADRs undertaken is 76%.

Steps are being taken to improve the data held on ESR through additional training sessions for all staff, raising staff awareness on how to use the ESR system and the importance of recording the completion of staff appraisals. Three training sessions are scheduled before Christmas with more to follow in the New Year.

The issue of non-recording was discussed at the senior leadership team earlier this month and in October. As a consequence of feedback about the system, further guidance on how to record PADRs in ESR is being circulated to all managers and made available on the HEIW intranet.

4. GOVERNANCE AND RISK ISSUES

As an NHS organisation, there is a legal responsibility to ensure that staff receive training to develop the knowledge and skills to ensure a safe and healthy workplace. We are also required to account for our performance as part of our national reporting. We have seen some improvement but overall we are not achieving the required levels. However, refreshed and strengthened actions are in place to try to drive up performance and this remains a priority for the organisation.

5. FINANCIAL IMPLICATIONS

No financial implications arising from this update.

6. RECOMMENDATION

Members are asked to note:

- The progress towards achieving compliance with statutory and mandatory training and PADR performance targets;
- That additional training is currently taking place to improve awareness and capability on using the ESR system.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
An engaged and trained workforce delivers improved quality, financial and service performance and levels of engagement directly correlate to the quality of patient outcomes.				
Financial Implications				
No financial implications from this update.				
Legal Implications (including equality and diversity assessment)				
As an NHS organisation, there is a legal responsibility to ensure that staff receive statutory and mandatory training to develop the knowledge and skills to ensure a safe and healthy workplace. No equality impact assessment is required.				
Staffing Implications				
No staffing implications.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
By continuously improving the staff engagement levels in HEIW, this will positively impact all areas of "The Well-being of Future Generations (Wales) Act 2015, 5 ways of working through the resulting overall increase in financial, quality and performance improvement.				
Report History	None.			
Appendices	None.			



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Meeting Date	22nd November 2019	Agenda Item	2.2
Report Title	Finance Project Update		
Report Author	Martyn Pennell, Head of Financial Accounting		
Report Sponsor	Eifion Williams, Interim Director of Finance		
Presented by	Eifion Williams, Interim Director of Finance		
Freedom of Information	Open		
Purpose of the Report	This paper is to provide an update on the HEIW Financial Project Plan, financial team recruitment, training and miscellaneous payments.		
Key Issues	<p>This paper shows how the Finance Project Plan has progressed, outlining how risk has been reduced or mitigated.</p> <p>As all items on the project plan are now complete, it is proposed that this is the final update to be provided to the 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"> • Note the progress achieved against the finance project plan. • Approve the closure of the transitional finance project plan and note that this is the final report on the plan to be brought to the Audit & Assurance Committee. 		

Finance Project Update

1. INTRODUCTION

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

2. BACKGROUND

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

3. GOVERNANCE AND RISK ISSUES

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

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

4. FINANCIAL IMPLICATIONS AND KEY ISSUES

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

- Item 33 – All posts have been through the job evaluation process and recruitment options are being considered, taking into account the staff already within the team.
- Item 37 – A comprehensive set of desktop procedure notes have been prepared for use within the financial accounts team. These will be subject to ongoing review to ensure that the most appropriate processes are adopted within the organisation.

As all items on the transitional project plan are now complete, it is proposed that this is the final update to be provided to the Audit & Assurance Committee. Should further high priority or high risk items emerge these will be brought to the Committee's attention through the usual reporting processes.

5. RECOMMENDATIONS

Members are asked to:

- Note the progress achieved against the Finance Project Plan.
- Approve the closure of the transitional finance project plan and note that this is the final report on the plan to be brought to the Audit & Assurance Committee.

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

Item	Finance work required	Timescale	Lead officer	01/10/2018	25/10/2018	24/01/2019	19/03/2019	15/07/2019	22/11/2019
1	Board and Senior Management Reports	29/11/2018	DN	Red	Yellow	Green	Green	Green	Green
2	Close down financial reports	20/11/2018	JD	Red	Yellow	Green	Green	Green	Green
		20/11/2018	JD-O, GR	Red	Yellow	Green	Green	Green	Green
		20/11/2018	JD-O, GR	Red	Yellow	Green	Green	Green	Green
		20/11/2018	JB	Red	Yellow	Green	Green	Green	Green
3	Monitoring returns for WG	14/11/2018	RB/MP	Red	Yellow	Green	Yellow	Green	Green
4	Financial accounts model	31/12/2018	JB	Red	Yellow	Green	Green	Green	Green
5	Chart of accounts	15/11/2018	JB	Red	Yellow	Green	Green	Green	Green
6	Budgeting	31/12/2018	JD, JD-O, GR	Red	Yellow	Green	Green	Green	Green
		30/11/2018	JD, JD-O, GR	Red	Yellow	Green	Green	Green	Green
7	Budgetary control	30/11/2018	DN, JB, JD-O, GR, JD, HS, A E	Red	Yellow	Green	Green	Green	Green
8	Budget set up in Oracle	08/11/2018	JD, JD-O, GR	Red	Yellow	Green	Green	Green	Green
9	Weekly Finance Manger meetings in October	31/10/2018	DN	Red	Yellow	Green	Green	Green	Green
10	Finance staff meeting in October	31/10/2018	DN	Red	Yellow	Green	Green	Green	Green
11	Staff Induction Programme	15/12/2018	DN, JB	Red	Yellow	Green	Green	Green	Green
12	Budget meeting with Executive Directors	15/12/2018	DN, JD-O, GR, JD	Red	Yellow	Green	Green	Green	Green
13	Financial delegation to be issued to Executive Directors	31/10/2018	JB, AE	Red	Yellow	Green	Green	Green	Green
14	Finance Business partners to be allocated to Executive Directors	15/11/2018	DN, JB	Red	Yellow	Green	Green	Green	Green
15	VAT implementation	30/11/2018	JB	Red	Yellow	Green	Green	Green	Green
16	FCP training for all finance staff	25/10/2018	JB	Red	Yellow	Green	Green	Green	Green
17	Leases	30/11/2018	JB	Red	Yellow	Green	Green	Green	Green
18	Define use of encumbrances	30/11/2018	ALL	Red	Yellow	Green	Green	Green	Green
19	Submit FCP's to audit committee and amend for comments raised	14/11/2018	JB	Red	Yellow	Green	Green	Green	Green
20	Petty Cash	20/11/2018	JB	Red	Yellow	Green	Green	Green	Green
21	Credit cards	02/11/2018	JB	Red	Yellow	Green	Green	Green	Green
22	Cashflow forecasts	31/12/2018	JB	Red	Yellow	Green	Green	Green	Green
23	Set up balance sheet reconciliations	15/11/2018	JB	Red	Yellow	Green	Green	Green	Green
24	Fixed asset accounting	31/01/2019	JB	Red	Yellow	Green	Green	Green	Green
25	Due diligence on brought forward balances	31/01/2019	JB	Red	Yellow	Yellow	Yellow	Green	Green
25b		31/01/2019	MP	Red	Yellow	Yellow	Yellow	Green	Green
26	Opening position TB	01/10/2018	AE	Red	Yellow	Green	Green	Green	Green
27	Open period 7 in Oracle	01/10/2018	AE	Red	Yellow	Green	Green	Green	Green
28	Losses and Special Payments Register (LASPAR)	30/11/2018	JB	Red	Yellow	Green	Green	Green	Green
29	Transfer order from Cardiff University opening balances	30/11/2018	JB	Red	Yellow	Yellow	Yellow	Green	Green
30	Funds flow for capital	28/02/2019	HoF	Red	Yellow	Green	Green	Green	Green
31	Journal numbering to be amended in Oracle	02/10/2018	AE	Red	Yellow	Green	Green	Green	Green
32	Shared services	30/11/2018	DN	Red	Yellow	Green	Green	Green	Green
33	Vacancies and interims in Finance directorate	31/12/2018	RB/MP	Red	Yellow	Yellow	Yellow	Green	Green
34	High level budget with Welsh Government	31/12/2018	DN	Red	Yellow	Green	Green	Green	Green
35	Finance technical briefings	31/01/2019	JB/DB/AE/IG	Red	Yellow	Green	Green	Green	Green
36	Budgetary training	31/03/2019	RB/JD-O/GR	Red	Yellow	Green	Green	Green	Green
37	How do I...? Desk notes for finance accounting team	31/01/2019	MP	Red	Yellow	Yellow	Yellow	Yellow	Green

Financial Accounts - Posts have been through the JE process and recruitment options being reviewed.
Management Accounts - Application process for 1 band 6 post recently closed with interviews to be held shortly.
Updated desktop notes have been prepared for a range of work areas and will be subject to ongoing review as necessary.

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

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



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Meeting Date	22nd November 2019	Agenda Item	2.3
Report Title	Annual Review of Financial Control Procedures		
Report Author	Martyn Pennell, Head of Financial Accounting		
Report Sponsor	Eifion Williams, Interim Director of Finance		
Presented by	Eifion Williams, Interim Director of Finance		
Freedom of Information	Open		
Purpose of the Report	This paper provides an update on the annual review of Financial Control Procedures in HEIW.		
Key Issues	The regular review of Financial Control Procedures is a requirement to ensure that HEIW is operating within the requirements of the Standing Orders and Standing Financial Instructions.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			Approval ✓
Recommendations	Members are asked to <ul style="list-style-type: none"> • Approve the updates to the Financial Control Procedures as identified in section 6 of this report. • Approve the revised FCP review dates identified in the table in appendix 1. 		

Annual Review of Financial Control Procedures

1. INTRODUCTION

This paper provides an update on the review of Financial Control Procedures in HEIW and requests that the Audit & Assurance Committee approves the updates to the FCPs proposed in section 6.

2. BACKGROUND

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

As part of the management responses to the audit, HEIW agreed that it will review its Financial Control Procedures (FCPs) on an annual basis to ensure that they remain relevant and reflect the needs and operation of the organisation. This paper provides an update on the review as at November 2019.

3. GOVERNANCE AND RISK ISSUES

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

Under the Standing Financial Instructions (SFIs), 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.

4. FINANCIAL IMPLICATIONS AND KEY ISSUES

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

5. UPDATES TO FINANCIAL CONTROL PROCEDURES

The list of current FCPs are identified in Appendix 1 along with an update on the status of each. Where revisions are proposed, the original and updated versions of the relevant FCP are included in the appendices to this report

The table in Appendix 1 also sets out proposed review dates for the FCPs over the next 12 months. Subject to approval, the published FCPs will be updated with the revised review dates and brought back to the Audit & Assurance Committee in line with the agreed timescales.

Due to the volume of changes to be made it is proposed that the detail of each FCP will not be discussed during the Committee meeting. Therefore Members are requested to read the documents in advance and any queries and proposed amendments will be considered during the meeting.

6. RECOMENDATIONS

Members are asked to:

- Approve the updates to the following Financial Control Procedures:
 - FCP2 – Non-Current Assets
 - FCP3 – Month End Process
 - FCP8 – General Ledger
 - FCP12 - Banking
- Approve the revised FCP review dates identified in the table in appendix 1.

Governance and Assurance

Link to corporate objectives <i>(please ✓)</i>				
	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
There is no impact on quality, safety and patient experience.				
Financial Implications				
The financial controls and processes which have been developed by the Finance Department, support the SO's and SFI's to provide a robust Financial Control Framework for HEIW.				
Legal Implications (including equality and diversity assessment)				
There are no legal implications.				
Staffing Implications				
There are no direct staffing implications.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
There are no long-term implications.				
Appendices	Appendix 1 provides further details of FCPs included in Appendices 2 to 9.			

Appendix 1 – Current Status of Financial Control Procedures

Number	Description	Current Status	Proposed Next Review Date	Appendix
FCP1	Budgetary Control	No amendments proposed at present.	Nov 2020	N/A
FCP2	Non-Current Assets	Full review of FCP carried out and expanded to provide further information on approval of capital expenditure and the decision process to follow when disposing of assets. Appropriate forms added as appendices to FCP.	Nov 2020	Current– App 2 Proposed – App 3
FCP3	Month End Process	Amendments to reflect revised procedures that have been developed to assist the month end process.	Nov 2020	Current – App 4 Proposed – App 5
FCP4	Over-Payment Recovery	No amendments proposed – Only a small number of overpayments have been made since the inception of HEIW and the policy works as intended.	Nov 2020	N/A
FCP5	Construction Industry Scheme	At present not relevant to the operation of HEIW therefore not a priority to review.	July 2020	N/A
FCP6	Purchasing Card	A review of purchasing cards and their usage is being carried out with NWSSP procurement. Propose to link update of FCP with this work.	Jan 2020	N/A
FCP7	VAT	EY Ltd have recently been appointed as the VAT advisors for HEIW. Propose to work with them to ensure VAT FCP is appropriate.	Feb 2020	N/A
FCP8	General Ledger	FCP amended to expand section on security and information input and processing.	Nov 2020	Current – App 6 Proposed– App 7
FCP9	Petty Cash	No amendments proposed to FCP. Due to the administration required to maintain the process proposal to remove petty cash before end of	Mar 2020	N/A

Number	Description	Current Status	Proposed Next Review Date	Appendix
		current financial year, and therefore FCP may not be required in future.		
FCP10	Accounts Receivable	Further work required to review the process. A relatively small number of debtor invoices are issued by HEIW and the level of outstanding debt is low, therefore this is considered low risk.	Jan 2020	N/A
FCP11	Accounts Payable	No amendments proposed at present.	Nov 2020	N/A
FCP12	Banking	FCP revised to refer to job titles rather than names. Also some minor amendments to the process, specifically around user access levels, auditing administration transactions on the banking system and the availability of staff. Amended the payment approval limit for the Head of Financial Accounting to £3.5m to reflect the value of payments that are made – Please Note: This relates to the physical payment element only. The actual expenditure must be approved in line with the scheme of delegation before payment can be made.	Nov 2020	Current – App 8 Proposed – App 9
FCP13	Counter Fraud	No amendments proposed to FCP.	Nov 2020	N/A
FCP14	Shared Services	FCP sets out the procedures in place in shared services. These are in line with the service that we require and are receiving. No amendments proposed.	Nov 2020	N/A
FCP15	Procurement	No amendments proposed to FCP.	Nov 2020	N/A

HEALTH EDUCATION AND IMPROVEMENT WALES (HEIW)

Financial Control Procedure (FCP) 2

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

Contents

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- 1.1 Related and relevant documents
- 1.2 Definitions

2. Capital Planning & Monitoring

- 2.1 Capital Planning & Delivery group
- 2.2 Purchasing of capital assets
- 2.3 Capital spend and monitoring

3. Disposal of Assets

4. Physical Verification

5. Trust Asset Register

- 5.1 Maintenance of the asset register
- 5.2 Reconciliation of asset register to general ledger

1 Scope & Principles

This procedure details how the assets of HEIW are safeguarded and managed by relevant staff within HEIW. HEIW is required to have appropriate arrangements in place and a system available to be able to identify, record and maintain its individual assets.

This procedure includes information on the purchase and disposal of assets, the transfer of any assets, the maintenance of the asset register and the annual validation check on assets.

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.

1.1 Related and relevant documents

This procedure should be read alongside the following documents:

- HEIW Standing Orders & Standing Financial Instructions
- NHS Wales Manual of Accounts
- Procedure for the Development of Capital Business Cases requiring Discretionary Capital Funding
- Management of Discretionary Capital Projects Procedure

1.2 Definitions

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

- 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

1.2.2 **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.

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

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

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.

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

- Costs of opening a new facility
- Costs 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

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.

2. Capital Planning & Monitoring

2.1 Each directorate of HEIW must, in the first instance, work with its finance business partners in relation to any new discretionary capital expenditure. Any discretionary capital expenditure must be subject to a business case which should be approved in line with standing order requirements.

2.2 The short (within 1 year) and medium term (1-3 years) discretionary capital expenditure for inclusion in the HEIW IMTP should be planned by Deputy Director of Financial Management, Costing and Contracting, Head of Business Planning Performance and Corporate Services, Head of Digital and the Head of Financial Accounting. This should be approved by the Director of Finance and Corporate Services.

2.3 Transfer of Assets

A list of non-current assets should be submitted to the Director of Finance and Corporate Services from each transferring body, namely, the Wales Deanery, Wales Centre for Pharmacy Professional Education (WCPPE) and Workforce Education and Development (WEDS). This list should include all transferred assets to enable an opening Statement of Financial Position to be calculated.

A list of items which will be transferred which have never been capitalised as they have been previously charged directly to the Income and Expenditure account but nevertheless form part of the infrastructure of the new body. These are inventory assets which, therefore, will not be recorded as tangible assets.

2.4 Purchasing of capital assets

A prioritised list of directorate proposed discretionary capital schemes should be submitted to the Director of Finance and Corporate Services for consideration prior to the beginning of each financial year

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

All business cases requesting funding over £100,000 must also be approved by the HEIW Board.

Once the overall Capital Plan has been approved each scheme will be given an individual cost centre by the Financial Accounting Team which is to be quoted on all Purchase Orders relating to that scheme.

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

2.5 Capital spend and monitoring

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.

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.

On an annual basis, the Financial Accounting Team will carry out a validation of all HEIW assets with support from the finance team and / or divisional managers. A guidance document is provided together with the following lists of assets from HEIW's register:

- Land and buildings
- Plant and equipment
- IT equipment
- Assets under construction
- Intangible assets

Those responsible are 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.

The asset register and the HEIW's procedures for monitoring and safeguarding assets will be audited by the HEIW's internal auditors and the external auditors, Wales Audit Office (WAO).

3. Disposal of Assets

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

An asset disposal form should be completed and forwarded to the appropriate department shown on the form. A copy should also be sent to the Financial Accounting Team so the asset can be removed from the HEIW asset register.

If the asset is to be sold, the anticipated proceeds net of VAT should be noted on the Asset Disposal form and a Debtor Invoice Request form raised, if appropriate, and attached.

Any proceeds of disposal will be credited to subjective code 37100 on the cost centre which owns the asset, and the same cost centre will be credited with the profit or charged with the loss following the disposal.

4. HEIW Asset Register

The Director of Finance and Corporate Services is required to compile and maintain 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.

The asset register contains information in line with the requirements of the NHS Wales Manual of Accounts, including the asset cost centre and the department responsible for safeguarding the asset.

The asset register calculates the annual depreciation for each asset. These charges are calculated in accordance with the guidance in the capital chapter in the NHS Wales Manual of Accounts.

4.1 Maintenance of the asset register

The HEIW uses an electronic asset register known as 'RAM'. Individual operational procedures for the use of this system are held by the Financial Accounting team.

Additions - the Financial Accounting Team will update the asset register with the total expenditure for each asset

Disposals – the Financial Accounting Team will update the asset register following disposal of an asset.

Transfers – the Financial Accounting Team will update the asset register following transfer of an asset.

Depreciation - all recorded capital assets are depreciated monthly and the depreciation is a charge to revenue. Depreciation is chargeable on assets from the start of the month following the month in which the asset first becomes available for use. The asset register automatically calculates depreciation based on the asset life input at addition and this is posted to the general ledger on a monthly basis (*note that if the indexation figure is awaiting confirmation then an estimate of depreciation is accrued in the ledger until the actual depreciation can be calculated*).

Indexation will be applied to all assets as follows:

- Land and building assets in line with indices provided by the District Valuer and / or Welsh Government
- Indices for equipment will be provided from data compiled by NWSSP
- It will be advised in September / October each year and applied retrospectively from 1st April of that year; then adjusted in January; and then again in March with the latest indices.
- Assets under construction and IT assets will not be subject to indexation

Once the indexation has been input onto the capital asset register as above, the assets will have been revalued.

The District Valuer conducts a revaluation exercise every five years, with the next exercise due for the HEIW in April 2022.

4.2 Reconciliation of asset register to general ledger

The Financial Accounting Team will, on a monthly basis, reconcile balance sheet acquisitions (purchased and donated), to the asset register and the general ledger. Differences are identified and rectified.

At year end the Financial Accounting Team reconciles the full asset register to the fixed assets (Non-Current Assets) balance held on the Statement of Financial Position.

4.3 Revaluation reserve

In the event assets are revalued and a revaluation reserve is created, the Financial Accounting Team will ensure that the reserve is reviewed regularly and at least at year end. This reserve will be held at asset level to facilitate easy reconciliation and amendment following revaluation, impairment or disposal.

4.4 Impairments

The Financial Accounting Team and the divisional teams will review on a yearly basis if there are any impairments. Any such impairments should be reviewed by the Financial Accounting Team and accounted for accordingly, both in the asset register and, if necessary, in the revaluation reserve.

CURRENT

Appendix 3 – FCP2 Non Current Assets (Proposed)



GIG
CYMRU
NHS
WALES

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

Financial Control Procedure (FCP) 2

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

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Reviewed	Adam Dugdale
Approved	

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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. HEIW is required to have appropriate arrangements in place 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.

Related and relevant documents

- 1.4. 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

Control Objectives

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

Definitions

- 1.6. **Capital expenditure** is expenditure in excess of £5,000 on:
 - 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

1.7. **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.

1.8. **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.

1.9. 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.

1.10. **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

1.11. 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.

2. Asset Register

- 2.1. The Director of Finance and Corporate Services is required to compile and maintain 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.
- 2.2. The form, type and basis of the asset register will be decided by the Director of Finance and Corporate Services, ensuring that it meets the requirements of HEIW's Standing Orders, Standing Financial Instructions and the NHS Wales Manual for Accounts.
- 2.3. 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. The asset manager will be responsible for notifying the Head of Financial Accounting of any changes to the assets under their control as soon as is practicable.
- 2.4. The Head of Financial Accounting is responsible for ensuring that the list of asset managers is reviewed annually.
- 2.5. The Head of Financial Accounting is responsible for ensuring that the asset register is updated to reflect any changes that have been notified to them.
- 2.6. The Head of Financial Accounting will ensure that that the 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.

Management of the Asset Register

- 2.7. 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

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

3. Purchase of Assets

Basic Principles

- 3.1. Assets are classified as non-current/fixed if they meet the criteria identified in paragraphs 1.6 to 1.11 above.
- 3.2. Revenue budgets cannot be used to purchase capital items.
- 3.3. 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** – 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

- 3.4. 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 using the form in Appendix 1. A deadline for submission will be agreed at the Senior Leadership Team meetings.
- 3.5. 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.

- 3.6. 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.
 - 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.
- 3.7. 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.
- 3.8. All capital funding requests over £250,000 must also be approved by the HEIW Board.
- 3.9. The authorisation limits for Capital Spend are included within the HEIW Standing Orders & Standing Financial Instructions.
- 3.10. Once a project/procurement is approved, the scheme manager will be given a specific cost centre where all capital expenditure must be coded.
- 3.11. 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.
- 3.12. 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 Capital Projects Application Process

- 3.13. The process for applying for specific capital projects will vary depending on the scheme. Early discussions with WG are encouraged to identify the funding streams available.
- 3.14. Directorates must ensure that they develop and maintain suitable evaluation measures that meet the specific requirements of any approved project.
- 3.15. The requirements in paragraphs 3.6 to 3.12 will also apply to specific capital schemes.

Record Acquisition on Asset Register

- 3.16. 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.
- 3.17. 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).
- 3.18. It is a requirement that all non-current assets are tagged in order that they can be individually identified (see exceptions in paragraph 3.19 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.
- 3.19. 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.
- 3.20. 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.

4. Disposal of Assets

Basic Principles

- 4.1. 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.
- 4.2. 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.
 - 4.3. All IT equipment (hardware and software including telephony and communications goods) must be given to the IT Department for disposal.
 - 4.4. 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.
 - 4.5. 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.
 - 4.6. 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.
 - 4.7. 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

- 4.8. 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.
- 4.9. Only those items that are considered to be safe in use can be transferred within the organisation.
- 4.10. When an asset is transferred the asset manager should complete the form in Appendix 5.

Sale of Assets

- 4.11. 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.

- 4.12. 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.
- 4.13. 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.
- 4.14. 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

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

Theft

- 4.16. Appendix 4 must be used where an asset has been stolen and should include details of the incident and a police crime number.
- 4.17. All cases of theft will be reported through the Audit & Assurance Committee.

5. Validation of Assets

- 5.1. On an annual basis, the Financial Accounting Team will carry out a validation of all HEIW assets with support from the finance team and / or divisional managers.
- 5.2. 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.
- 5.3. 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.

6. Non Compliance of Procedure

- 6.1. 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.

6.2.

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?

Options:

What options were considered?

How was the final option selected?

Name of selected supplier (if known at this point)

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:	

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:	

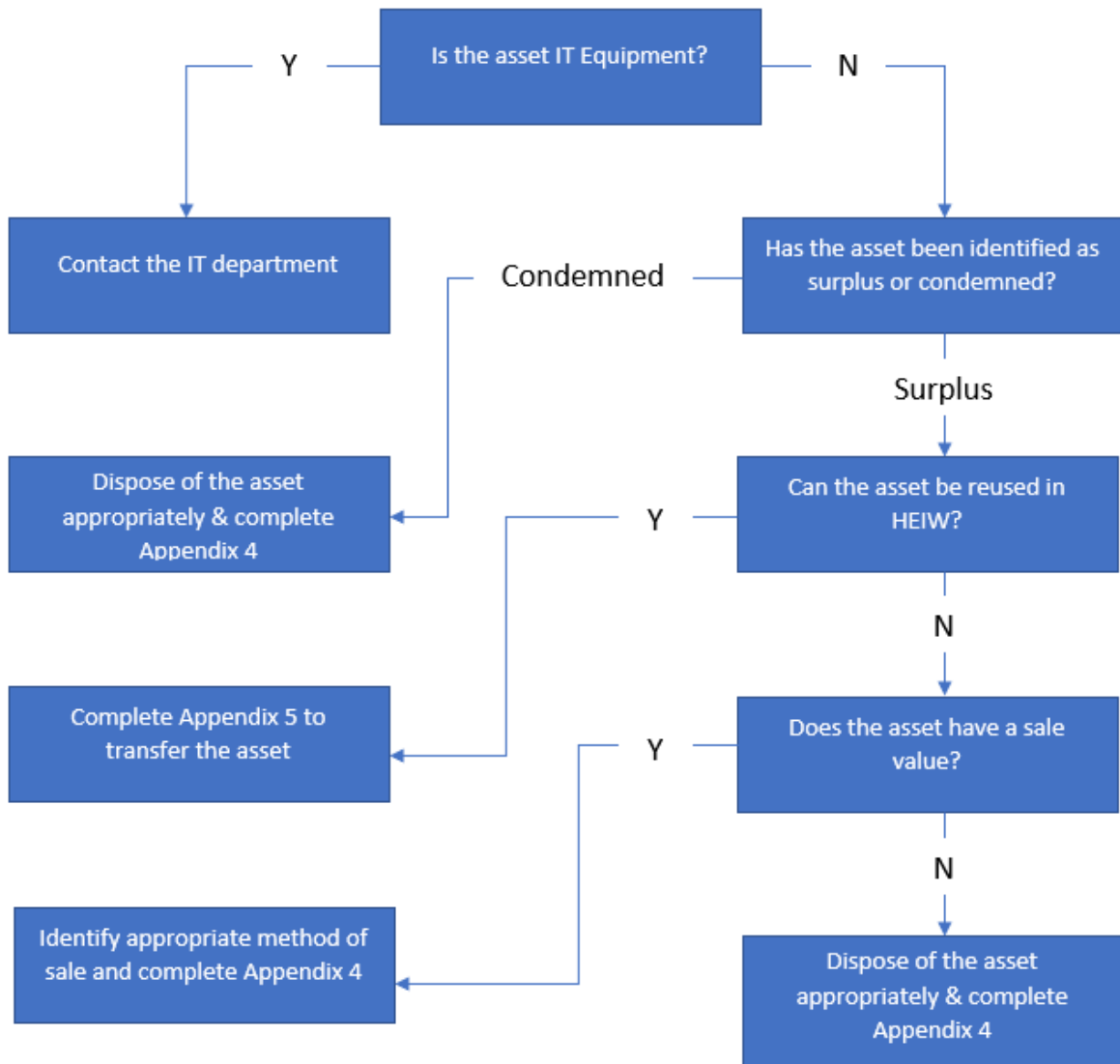
Where the purchase relates to a number of individual items the breakdown can be provided on a separate sheet.

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



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:	

PROPOSED

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

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 made. 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	

PROPOSED

HEALTH EDUCATION AND IMPROVEMENT **WALES (HEIW)**

Financial Control Procedure - 3 **Month End Closedown**

Contents

1. Purpose and scope
 - 1.1 Related and relevant documents
 - 1.2 Importance of month end closedown
2. Overview of month end closedown
3. Monthly reporting timetable & checklists
4. Numbering, saving and posting of journals
5. Reconciliations prepared and reviews undertaken
6. Meetings / discussions held following month end closedown
7. Production of reports

Appendix 1 – Oracle month end checklist

Appendix 2 – Accounts Receivable month end checklist

Appendix 3 – VAT month end checklist

Appendix 4 – Treasury month end checklist

Appendix 5 – Balance sheet reconciliations & reviews

Appendix 6 – Balance sheet reconciliation template

Appendix 7 – Summary of balance sheet codes requiring reconciliation

Appendix 8 – Transfer of balance sheet amount to I&E account

CURRENT

1. Purpose and scope

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.

This procedure includes information regarding closedown of the ledger, use of detailed checklists and a reporting timetable.

This document is applicable to all staff that have a responsibility to complete month end tasks, processes and report on the figures produced.

1.1 Related and relevant documents:

- HEIW standing orders and standing financial instructions
- Standard system operating procedures – Oracle
- Financial control procedure 1 – Budgetary control
- Financial control procedure 4 – Year end
- Financial control procedure 10 – Accounts receivable
- Financial control procedure 11 – Accounts payable
- Financial management timetable

1.2 Importance of month end closedown

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.

2. Overview of month end closedown

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.

3. Monthly reporting timetable and checklists

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.

Checklists are also produced for use by Financial Accounting staff as follows:

- Oracle closedown
- Accounts receivable
- VAT
- Treasury

Note that Accounts Payable and Payroll closedown are undertaken by those teams.

These checklists contain a list of monthly tasks that must be completed at month end and authorised by the appropriate person. The individuals responsible are outlined on each checklist and are attached in appendices 1-4. They must be saved in: Corporate Finance / Monthly Financial Statements / HEIW / [year] / [month] \ checklist.

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

4. Numbering, saving and posting of journals

Journals prepared by departmental finance teams have local procedures in place to manage processing and storage of their journals.

The Financial Accounting team store all journals electronically in a central folder within the shared drive: Corporate Finance / Journals / [year] / [month] \ [sub folder if appropriate]. The journal number ('batch name') is given a consecutive number from the journal register saved in: Corporate Finance / Journals. 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.

5. Reconciliations prepared and reviews undertaken

Once the tasks detailed on the above listed checklists have been completed, the reconciliations and reviews identified in appendix 5 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.

6. Meetings / discussions held following month end closedown

Following close down of the ledger at 2pm on the 4th working day, the Deputy Director of Finance will discuss the draft financial position with the Executive Director of Finance & Corporate Services, 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.

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.

7. Production of reports

Following agreement of all balances in the meetings detailed in section 5, various reports are produced by finance staff across HEIW including those detailed below:

- Monitoring returns are approved by the Executive Director of Finance & Corporate services 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.
- A financial report will be prepared and submitted by the Executive Director of Finance & Corporate Services 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.

Appendix 1 – Oracle Month End Checklist



FCP 3 appendix 1
[Oracle month end che](#)

Appendix 2 - Accounts Receivable Month End Checklist



FCP 3 appendix 2
Accounts Receivable r

Appendix 3 – VAT Month End Checklist



FCP 3 appendix 3
VAT month end check

Appendix 4 – Treasury Month End Checklist



FCP 3 appendix 4
Treasury month end c

Appendix 5 – Balance Sheet Reconciliations & Reviews

Reconciliation of balance sheet codes should be completed using the template in appendix 6, 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

The reviewer should update the summary of balance sheet codes requiring reconciliation to confirm the reconciliation has taken place. This summary is shown in appendix 7.

The remaining balance sheet codes do not require a formal reconciliation and are reviewed on a monthly basis by the Financial Accountant between close down of the ledger on working day 5 and reporting to Welsh Government on working day 9.

A reconciliation of the balance sheet to the trial balance is completed and saved in the folder: Corporate Finance / Monthly Financial Statements / HEIW / [year] / [month]. 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 following approval of the form attached in appendix 8.

By 25th calendar 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. The signatures on this summary should be made by hand, not typed in, and the signed sheet scanned and saved within the same folder.

By 30th calendar 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. The signatures on this summary should be made by hand, not typed in, and the signed sheet scanned and saved within the same folder. 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.

Appendix 6 – Balance Sheet Reconciliation Template



FCP 3 appendix 6
Balance sheet reconcil

Appendix 7 – Balance Sheet Code Reconciliations



FCP 3 appendix 7
Balance sheet reconcil

Appendix 8 - Transfer of Balance Sheet Amount to Income & Expenditure Account



FCP 3 appendix 8
Transfer of Balance sh

Appendix 5 – FCP3 Month End Process (Proposed)



GIG
CYMRU
NHS
WALES

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

Financial Control Procedure (FCP) 3

Month End Closedown

Version	Version 1.0
Issue Date	
Review Date	November 2020
Author	Martyn Pennell
Reviewed	Adam Dugdale
Approved	

PROPOSED

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PROPOSED

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.

Related and relevant documents

- 1.4. This procedure should be read alongside the following documents:

- HEIW standing orders and standing financial instructions
- Standard system operating procedures – Oracle
- Financial control procedure 1 – Budgetary control
- Financial control procedure 10 – Accounts receivable
- Financial control procedure 11 – Accounts payable
- Financial management timetable

Control Objectives

- 1.5. 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.

2. Overview of month end closedown

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.

3. Monthly reporting timetable and checklists

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.

Desktop procedures are also produced for use by Financial Accounting staff as follows:

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

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].

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

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.

4. Numbering, saving and posting of journals

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.

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.

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

5. Reconciliations prepared and reviews undertaken

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.

6. Meetings / discussions held following month end closedown

Following close down of the ledger at 2pm on the 4th working day, the Deputy Director of Finance will discuss the draft financial position with the Executive Director of Finance & Corporate Services, 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.

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.

7. Production of reports

Following agreement of all balances in the meetings detailed in section 5, various reports are produced by finance staff across HEIW including those detailed below:

- Monitoring returns are approved by the Executive Director of Finance & Corporate services 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.
- A financial report will be prepared and submitted by the Executive Director of Finance & Corporate Services 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.

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
-------	---------

Item	File Name	Completed:		Reviewed:		Comment
		Name:	Date:	Signed	Date:	
Bank Reconciliation						
Accounts Receivable						
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.

Appendix 3 – Balance Sheet Reconciliation Template



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

PROPOSED

HEALTH EDUCATION AND IMPROVEMENT
WALES (HEIW)
Financial Control Procedure - 8
General Ledger

Contents

- 1 Purpose and scope
 - 1.1 Related and relevant documents
- 2 Control objectives
- 3 Responsibilities
- 4 Security
- 5 General ledger system access
- 6 Maintenance of account codes and hierarchy
- 7. Information input and processing
- 8. Timetables
- 9. Reconciliations of control accounts

1 Purpose and scope

The general ledger records details of all Health Education And Improvement Wales (HEIW) financial transactions through the Oracle financial management system which is a computerised double entry book keeping system.

The general ledger is the database from which financial and management accounting information is obtained.

1.1 Related and relevant documents

This procedure is to be read alongside:

- HEIW standing orders and standing financial instructions
- HEIW information governance policy
- Financial control procedure – budgetary control procedure
- Financial control procedure – non current assets
- Financial control procedure – month end
- Financial control procedure – year end
- Financial control procedure – VAT
- Financial control procedure – accounts receivables
- Financial control procedure – accounts payables
- Oracle standard system and operating procedures

3. Control objectives

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

- sufficient controls are in place to ensure segregation of duties;
- adequate physical security exists;
- a clear defined audit trail for all information in the general ledger from the source input documentation is available;
- access is restricted to authorised personnel only; and
- feeder systems are appropriate and operate in a controlled environment.

4. Responsibilities

The Executive Director of Finance Corporate Services is responsible for the security, integrity and accuracy of the general ledger. The day to day responsibility and management of the general ledger is delegated to the Head of Financial Accounting.

The Financial Accountants are responsible for the integrity of the hierarchical coding structure and ensuring that the general ledger is in balance.

The Financial Accountants are responsible for user maintenance within the HEIW. NHS Wales Shared Services Partnership (NWSSP) are responsible for their own user maintenance, and maintenance of the HEIW's IProc users.

5. Security

Security of the Oracle ledger is maintained by allowing system access to authorised users only through the maintenance of usernames and passwords. The Oracle system is maintained under a Service Level Agreement with NHS Wales Informatics Service (NWIS). NWIS ensure that usernames, passwords, appropriate access and security upgrades made to the system, are maintained.

6. General ledger system access

Access to the general ledger will be controlled via access levels.

The Financial Accountants will determine system access levels, with each individual user or groups of users being allowed access to certain functionality dependent on their position and level of responsibility.

Access to the system will be by way of a username for each individual user. A new user form is completed and signed by the appropriate manager for access to be granted to the general ledger system. On receipt of this form, the Financial Accountant will set up and inform the user of their user name and initial password for the system. The individual is asked to change their password when they first log into the system.

The user will be asked to change their password at appropriate intervals.

Users will only be allowed a limited number of failed log in attempts (typically 3 attempts) before the account is disabled.

7. Maintenance of account code and hierarchy

There are five segments which make a valid financial code:

- Entity (3 digits)
- Cost centre (4 digits)
- Subjective (5 digits)
- Analysis (4 digits)
- Other (6 digits)

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

All subjective codes are controlled centrally by the NHS Wales Oracle central team and the Financial Accountant will therefore refer any requests in this respect to them.

The Financial Accountant is responsible for maintaining the hierarchical coding structure and, prior to month and financial year end, will run control reports to ensure the integrity of the hierarchical coding structure.

Financial codes will be automatically validated by the system, i.e. all five segments will be linked when they are used in combination for the first time. Where possible, validation rules will be set in the system to help check the validity of the financial code, for example, ensuring that revenue cost centre codes are not utilised in conjunction with capital subjective codes.

8. Information input and processing

There are four methods of inputting financial information into the general ledger:

- 1 The feeder Financial Accountant for input of information produced by subsidiary Financial Accountant form part of the monthly input carried out by the Financial Accountant. The following financial information is typical of that fed into the general ledger by interface from:
 - Payroll
 - Travel expensesThe Financial Accountant are notified electronically when a feeder file is ready for processing. It is the responsibility of the Financial Accountant to ensure all feeder files, as notified, are imported and posted promptly and accurately. Checks to the feeder control totals will be made by the Financial Accountant to ensure that no data has been lost or corrupted during the import process.
- 2 Where the general ledger is integrated with other modules, e.g. accounts payable and accounts receivable, the system is set up to generate feeds either on a daily basis, weekly basis or at month end. The Financial Accountant will check at each month and year end that all the relevant system generated feeds have been imported and posted in the general ledger.
- 3 Manual journals can be input into the general ledger by individuals who have been given appropriate rights via access security levels. Every manual journal input into the general ledger is uniquely identifiable, either by a unique header name for the journal or by a sequential number. Each journal is balanced, has valid financial codes and will contain adequate narrative to allow others to understand what the entry relates to.
- 4 Journals can be entered via a file upload, either directly from the PC or using a software application tool linked to the general ledger. Each journal is uniquely identifiable, either by using a unique header name for the journal or by a sequential number. Each journal is balanced, has valid financial codes and will contain adequate narrative to allow others to understand what the entry relates to.

The Financial Accountant maintain a month end checklist of controls. The checklist contains all the tasks that need to be undertaken and the officer who is responsible. The responsible officer signs off the tasks completed on a monthly basis.

There are 2 journal categories for actual expenditure - permanent journals and reversing journals. All reversing journals will be automatically reversed in the following period by the Oracle system.

9. Timetables

Annually an agreed timetable will be prepared by the Deputy Director of Finance (management accounts) in order to ensure that HEIW's and Welsh Government's reporting deadlines are met. The timetable will define cut off dates for input into the general ledger and output dates for the production of the reports.

At year end the Head of Financial Accounting will produce a timetable which identifies when post year end periods can be shut down in the system.

10. Reconciliations of control accounts

Reconciliations of balance sheet control accounts are carried out on an appropriate basis; monthly for the main control accounts but quarterly for some less important balance sheet accounts such as leases. This is to be done by the appropriate officer and signed off by the appropriate lead. These are detailed in the month end financial control procedure (FCP 3).

Appendix 7 – FCP8 General Ledger (Proposed)



GIG
CYMRU
NHS
WALES

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

Financial Control Procedure (FCP) 8

General Ledger

Version	Version 1.0
Issue Date	
Review Date	November 2020
Author	Adam Dugdale
Reviewed	Martyn Pennell
Approved	

1. Introduction

- 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. Aims

- 3.1 To ensure that all HEIW employees that use the General Ledger are aware of the required controls.

4. Control Objectives

- 4.1 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

5. Responsibilities

- 5.1 The Executive Director of Finance and Corporate Services is responsible for the security, integrity and accuracy of the General Ledger.
- 5.2 The day to day responsibility and management of the General Ledger is delegated to the Head of Financial Accounting.

- 5.3 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.
- 5.4 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.

6. Security

- 6.1 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.
- 6.2 All new user forms are to be completed by the individual manager and signed by the Head of Financial Accounts.
- 6.3 The Financial Accountant is to audit Oracle users on a quarterly basis.
- 6.4 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.
- 6.5 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.

7. Maintenance of account codes and hierarchy

- 7.1 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.

- 7.2 All requests for the creation, amendment or deletion of one of these segments must be sent to the Financial Accountant. If requesting a new 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.
- 7.3 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.
- 7.4 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.
- 7.5 Financial codes will be automatically validated when combining all 5 elements of the coding structure.
- 7.6 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.

8. Information Input & Processing

- 8.1 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
- 8.2 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.
- 8.3 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.
- 8.4 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.

- 8.5 There are three types of journals which can be uploaded to Oracle. Standard, Reversing and Budget.
- 8.6 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.
- 8.7 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.

9. Reporting Timetable

- 9.1 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.

10. Review

- 10.1 The procedure will be reviewed annually.

HEALTH EDUCATION and IMPROVEMENT WALES (HEIW)

Financial Control Process (FCP 12)

Banking Arrangements – HEIW Operating Account

Contents:

- 1 Purpose and Scope
 - 1.1 Related and relevant documents
- 2 Control Objectives
- 3 Responsibilities
 - 3.1 HEIW executives set up on bank mandate
 - 3.2 Account administrators of bank account
 - 3.3 Regular authorisers of bank payments
 - 3.4 Staff able to input payments
 - 3.5 Ensuring availability of required staff
- 4 Banking arrangements
- 5 Administration and reconciliation of HEIW bank accounts

1 Purpose & Scope

This procedure aims to describe how the bank account is operated and who is able to authorise changes to or deductions from the HEIW bank accounts.

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.

This procedure relates to the HEIW's operating bank account.

1.1 Related and relevant documents

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

2. Control Objectives

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, cheque's 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

3. Responsibilities

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

The day to day responsibility and management of the HEIW bank accounts are delegated to the Financial Accountant.

3.1 The individuals 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	Post holder
Chief Executive	Alexandra Howells
Director of Workforce & Deputy Chief Executive	Julie Rogers
Director of Finance and Corporate Services	Danielle Neale
Medical Director	Professor Pushpinder Mangat
Director of Nursing	Stephen Griffiths
Board Secretary	Dafydd Bebb

3.2 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 (note that two individuals need to make this request)
- Specify how often users must change their passwords (note that two individuals need to make this request)
- 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)
- Restrict access to bank accounts and mark accounts as confidential (note that two individuals need to make this request)

Table B

Role	Post holder
Director of Finance and Corporate Services	Danielle Neale
Head of Business Planning, Performance and Corporate Services*	Chris Payne
Deputy Director of Financial Management, Costing and Contracting*	Currently vacant
Head of Financial Accounting*	Currently vacant

* These posts will be reviewed and amended as the structure is completed.

3.3 The individuals shown in tab C below have been set up on the bank mandate to:

- Key payments if Treasury Officers are unavailable
- Authorise unlimited payments from the bank account.
- Search payment details and foreign exchange rates
- Manage direct debits and standing orders
- Manage customer templates
- Manage bulk lists

NOTE: this is a temporary measure in order to set up the bank account. As the other directors are appointed and the staffing structure is completed, the bank mandate will be updated to reflect the change. It is anticipated that on 1 October 2018 all relevant staff will be appointed and the section 3.4 will supersede this section.

3.4 The individuals shown in table D 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 £500,000 (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 D

Role	Post holder
Director of Finance and Corporate Services	Danielle Neale
Deputy Director of Financial Management, Costing and Contracting	Currently vacant
Head of Financial Accounting	Currently vacant
Financial Accountant (currently filled on interim basis)	Darren Blandon
Head of Business Planning, Performance and Corporate Services	Chris Payne
Financial Accountant (currently filled on interim basis)	Aled Evans
Interim Accountant	John Baker

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

Table E

Role	Post holder
Assistant Financial Accountant	Ian Gaweda
Finance Officer	Currently vacant

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

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

3.5.1 The matters requiring authorisation by HEIW executives in table A are likely to be non-urgent and have advance notification that authorisation will be required. This, together with existing procedures to ensure necessary availability of HEIW executives, means that this procedure will not outline any further ways to manage their availability.

3.5.2 As in 3.4.1, the matters requiring changes are likely to be non-urgent and have advance notification that authorisation will be required. Therefore, this procedure does not outline ways to ensure their availability.

3.5.3 As account authorisers are required more often and usually on a more urgent basis, a system is in place to review the availability of these individuals on a weekly basis.

3.5.3.1 Each Thursday a nominated account authoriser will review the availability of the others for the following week using a matrix such as that below:

Name	Mon AM	Mon PM	Tue AM	Tue PM	Wed AM	Wed PM	Thu AM	Thu PM	Fri AM	Fri PM
Danielle Neale										
Currently vacant										
Currently vacant										
Darren Blandon										
Chris Payne										
Aled Evans										
John Baker										

3.5.3.2 On occasions where two or more individuals are available no action is required.

3.5.3.3 On occasions where only one individual is available, this will be flagged to that individual so they are aware booking a meeting or taking leave will require further action to be taken so cover is in place.

3.5.3.4 On occasions where no individual is available, all authorisers will be asked if arrangements can be changed to ensure cover.

3.5.3.5 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.

3.5.4 As the individuals in table E are office based and can be covered in periods of absence by a member of staff in table D, there is no procedure outlined in this document to ensure availability.

3.5.5 For Clearing House Automated Payment System (CHAPS) there will need to be 2 authorised signatories for all payments over £25,000, from Table D. Below that level, one authoriser from Table D will suffice. It should be noted that the invoice or payroll item to be paid as an urgent matter must also be authorised by someone other than that able to make the payment. This maintains adequate segregation of duties.

4. Banking Arrangements

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

The HEIW operating account are held with RBS (under the trading name of NATWEST) and are overseen by Government Banking Service.

Only authorised personnel are allowed entry to the online bank accounts via controlled access levels.

The Head of Financial Accounts maintains a list of signatories for each bank account as authorised by the Chief Executive and Director of Finance & Corporate Services. This is included in section 3 above.

5. Administration and Reconciliation of Bank accounts

The Head of Financial Accounts, via the team members, ensures that that the cash book as per general ledger is updated on a daily basis and is regularly reconciled to the HEIW bank account by authorised personnel.

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.

Appendix 9 – FCP12 Banking (Revised)



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

Financial Control Process (FCP 12)

Banking Arrangements – HEIW Operating Account

Version	Version 1.0
Issue Date	
Review Date	November 2020
Author	Martyn Pennell
Reviewed	Adam Dugdale
Approved	

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PROPOSED

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.

Related and relevant documents

- 1.3. 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

Control Objectives

- 1.4. 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.

Responsibilities

- 1.5. The Director of Finance is responsible for the security, integrity and accuracy of the HEIW bank accounts.
- 1.6. The day to day responsibility and management of the HEIW bank accounts are delegated to the Financial Accountant.
- 1.7. The individuals 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 and Corporate Services
Medical Director
Director of Nursing
Board Secretary

- 1.8. 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)
- 1.9. Where amendments identified in paragraph 2.4 are made these must be recorded on the 'Bankline System Amendment Record' spreadsheet saved in Financial Accounting/Bank. This record is to be reconciled to the audit report available on Bankline on March 31st and September 31st each year and approved by the Head of Financial Accounting.

Table B

Role
Head of Financial Accounting
Assistant Financial Accountant
Finance Officer

1.10. 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
Financial Accountant	500,000

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

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

Table D

Role
Assistant Financial Accountant
Finance Officer

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.

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

- 1.13. 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.

Banking Arrangements

- 1.14. The Director of Finance & Corporate Services is ultimately responsible for authorising the opening and closing of bank accounts, and this is undertaken as described in the section above.
- 1.15. The HEIW operating account are held with RBS (under the trading name of NATWEST) and are overseen by Government Banking Service.
- 1.16. Only authorised personnel are allowed entry to the online bank accounts via controlled access levels.
- 1.17. The Head of Financial Accounts maintains a list of signatories for each bank account as authorised by the Chief Executive and Director of Finance & Corporate Services. This is included in section 3 above.

Administration and Reconciliation of Bank accounts

- 1.18. The Head of Financial Accounts, via the team members, ensures that that the cash book as per general ledger is updated on a daily basis and is regularly reconciled to the HEIW bank account by authorised personnel.
- 1.19. 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.



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

Meeting Date	22 November 2019	Agenda Item	2.4	
Report Title	Declarations of Interests Register			
Report Author	Kay Barrow, Corporate Governance Manager			
Report Sponsor	Dafydd Bebb, Board Secretary			
Presented by	Dafydd Bebb, Board Secretary			
Freedom of Information	Open			
Purpose of the Report	This report provides the Audit & Assurance Committee (A&AC) with the current register of interests declared by Board members and staff members as at 6 November 2019.			
Key Issues	<ul style="list-style-type: none"> • The Register of Interests relating to the Board was presented to the A&AC in July. • The Register of Interests for both Board and staff is attached at Appendix 1 in accordance with the request of the July meeting of the A&AC • HEIW's Register of Interests shall be presented to the Audit and Assurance Committee on an annual basis. 			
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval
	✓			
Recommendations	Members are asked to note the report and the Declarations of Interest Register at Appendix 1 for information.			

Declarations of Interest Register

1. INTRODUCTION AND BACKGROUND

The Chief Executive, through the Board Secretary ensures that a Register of Interests (Register) is established and maintained as a formal record of interests declared by all Board members and staff members. The Register includes details of all Directorships, and other relevant material and pecuniary interests, which have been declared by Board members and staff members. Interests of close family should also be declared. The current Register is attached to this report as **Appendix 1**.

The Register is updated regularly, as appropriate, to record any new interests, or changes to the interests declared by Board members and members of staff.

The Board Secretary also arranges a formal annual review of the Register. The Register is routinely reviewed and updated to confirm its accuracy and completeness, and to ensure that Board members and staff of the organisation are aware of the Health Authority's requirements to declare their interests or potential conflicts.

2. GOVERNANCE AND RISK ISSUES

HEIW's approach is governed and guided by its Declarations of Interest Policy, which is incorporated into the Policy for Standards of Business Conduct.

2.1 Board Members

HEIW's Standing Orders state all Board members must declare any personal, business or financial interest that may affect or be perceived to affect their role.

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.

Director's Interests are also detailed within the Annual Report.

2.2 Staff Interests

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

A range of actions are in place to raise awareness of Declarations of Interest and Gifts, Hospitality and Sponsorship. Reminders to staff are undertaken periodically via email and there is continuing work being undertaken to increase the number of declarations and raise further awareness. This includes working with key decisions

makers to ensure that conflicts of interest and declarations are actively considered as part of procurement, planning and decision making processes.

In addition, in line with HEIW’s commitment to openness and transparency, the Board Secretary ensures that HEIW’s Register is accessible to view on HEIW’s website and is referred to in the Freedom of Information Publication Scheme and the Annual Accountability Report.

It has also been agreed that the Register will be reported at least annually to the A&AC for information to ensure awareness and scrutiny of the arrangements for declaring, registering and handling interests on behalf of the Board.

3. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider.

4. RECOMMENDATION

Members are asked to **note** the report and the Declarations of Interest Register (**Appendix 1**) for information.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
Ensuring good governance is critical part of providing good education and training that ultimately supports the quality and safety of the patient experience.				
Financial Implications				
No financial implications for the A&AC to be aware of.				
Legal Implications (including equality and diversity assessment)				
No implications for the A&AC to be aware of.				
Staffing Implications				
No staffing implications for the A&AC to be aware of.				

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

No implications for the A&AC to be aware of.	
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Report History	HEIW's Register of Interest is to be presented to the A&AC on an Annual Basis. The Register of Interest containing information on the Board only was presented to the July meeting of the A&AC. The Board's Register of Interests shall be considered by the A&ACA on an annual basis.
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Appendices	Appendix 1 – HEIW Register of Interests.
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DECLARATION OF INTEREST REGISTER (AS AT 06/11/2019)

Board Members			
Name	Job title	Declaration of Interest	Date
Pushpinder Mangat	Medical Director	Anaesthetist at Parkway Dental GA Practice Swansea Clinical Advisor to Sancta Maria Private Hospital	24/1/19
Stephen Griffiths	Director of Nursing	Nothing to declare	25/1/19
Heidi Phillips	Independent Member	Associate Professor Primary Care Swansea University GP Property development and private landlord of domestic properties Husband has interest in property development and is a private landlord of domestic properties. Board Member for MSCSA	31/1/19
Ruth Hall	Independent Member	Former Non-Executive Director of National Resources Wales (until October 2018) Former Co-Chair, Mid Wales Health Care Collaborative and of Rural Health and Care Wales (until March 2018) Member of National Trust Council Member Glandwr Cymru Board Member Canal and River Trust Council Daughter in law Chief Executive, Relate / Cheshire and Merseyside Visiting Chair, University of West of England Advisory Board Member, Centre for Public Policy Wales, Cardiff University Spouse is a Fellow of Gladstone's Library, Hawarden Son is a trustee of Gladstone's Library, Hawarden Member of following: Royal College of Physicians, Royal College of Paediatric and Child Health, Faculty of Public Health Medicine (RCP), British Medical Association, Welsh Paediatric Society, Royal Society for Medicine, Royal Institution for Public Health GMC registration held	4/2/19
Alexandra Howells	Chief Executive	Lay Member of Academi Wales	18/2/19

Name	Job title	Declaration of Interest	
Gillian Lewis	Independent Member	Director of Horizon Business Associates (Dormant Company) Husband Director of Horizon Business Associates (Dormant Company) Interim Head of Finance in Bridgend Council Husband is Director of Finance for Welsh Wound Innovation Ltd	20/2/19
Julie Rogers	Deputy Chief Executive and Director of Workforce and Organisational Development	Nephew is a GP trainee.	7/3/19
Tina Donnelly	Independent Member	Independent Member, Hendre/Hafod Board Fellow University of South Wales Fellow RCN UK High Sheriff	15/3/19
John Hill-Tout	Vice Chair	Director of Dragon Savers Credit Union Governor Pontyclun Primary School	17/3/19
Christopher D V Jones	Chair	Member of Royal College of General Practitioners	18/3/19
Eifion Williams	Interim Director of Finance	Finance Director for the Powys Teaching Health Board Co-opted Member of Finance Committee for Swansea University Son is an LAT doctor in Singleton Hospital ABM Chair of Morgannwg/Llundain Welsh Methodist Presbytery.	20/5/19
Ceri Phillips	Independent Member	Non-executive member of Welsh Wound Innovation Board Head of College of Human and Health Sciences, Swansea University Chair of Council of Deans of Health Wales Executive Member of Council of Deans UK Wife is a Deputy Director of Primary Care at Welsh Government Chair All Wales Medicines Strategy Group / Cadeirydd Grŵp Strategaeth Meddyginiaethau Cymru Gyfan	2/10/19

Non Board Member			
Name	Job Title	Declarations of Interest	Date
Dafydd Bebb	Board Secretary	Wife is a Director and part owners of Old Bell 3 a Social Research Company. Brother is a Pharmacist and Director at Fferyllwyr Llyn Cyf (Dispensing Chemists). He undertakes training on behalf of HEIW. Cousin is MP for Aberconwy.	27/2/19
Other Staff Members			
Name	Job Title	Declarations of Interest	Date
Stuart Wyn 27/6/19	Member of Pharmacy Board	Nothing to Declare	
David Thomas	Dental Dean	Director of Crucorney Allotment Society Ltd Honorary Professor, Cardiff University	17/1/19
Nicholas Sheen	Eye Care transformation lead	Wales Optometry Postgraduate Centre Co-Director for Commissioned work at Cardiff University	25/1/19
Ryan Cunningham	Head of Workforce Data & Analytics	Nothing to Declare	25/1/19
Chris Payne	Head of Planning, Performance and Corporate Services	Wife is Deputy Director of Finance, NWSSP Men's Captain and on committee, Penarth Windsor Tennis Club	25/1/19
Christine Love	Education Contracting Manager	Nothing to Declare	25/1/19
Rebecca Chamberlain	Education Officer	Registrant member of the General Pharmaceutical Councils Investigating Committee. Specialist Advisor for the Care Quality Commission Member of Association of Pharmacy Technicians	25/1/19
James Colhoun	Digital Manager	Nothing to Declare	25/1/19

Name	Job Title	Declarations of Interest	Date
Angharad Price	Head of Communications and Engagement	Nothing to Declare	25/1/19
Professor Peter Donnelly	Interim Postgraduate Dean	Nothing to Declare.	28/1/19
Rachel Clemo	Educational Resource Developer	Self employed as a locum pharmacist. Spouse is the Director of Sugar Creative Studios. A creative agency which could be selected to do graphic design services (e.g. Websites/design work/branding)	29/1/19
Kath Hodgson	Head of delivery HEIW Pharmacy associate dean	Nothing to Declare	29/1/19
Debra Roberts	Head of Programme Development and Associate Dean	Works as a tutor for Cardiff University independent prescribing course. Also deliver a few workshops for the course.	29/1/19
Bethan Broad	Pre- Registration Support Manager	Spouse - Dentist, Cox and Hitchcock Dental Practice	29/1/19
Lisa Griffiths	Assessor - Pharmacy	Nothing to Declare	30/1/19
Laura Jane Doyle	Head of Pre-Registration	Employee of Cardiff University. Employee of Boots. Board of assessors for General Pharmaceutical Council.	30/1/19
Emma Llewellyn	Education Resource Developer	Employment: Boots the Chemist, Relief Pharmacist, South Wales, 18 hours per week.	30/1/19

Name	Job Title	Declarations of Interest	Date
Mrs Gemma Louise Stafford	Education Resource Developer	Personal: Contracted by The General Pharmaceutical Council (GPhC) as a standard setter and question writer for national registration exam Work for Tesco and Lloyds Pharmacy as a self-employed locum pharmacist	31/1/19
Samantha Griffiths	Tutor/Assessor	GPhC- associate/Partner- revalidation, return to practice PTHB- Bank pharmacist Spouse/Partner or other Relationship Specific to a Contract or Series of Contracts Spouse- PTHB- senior manager, putting things right	6/2/19
Michele Sehrawat	All Wales Principal Pharmacist Education and Training	Spouse is a Director of Pharmacy Ltd, Clifton Pharmacy Ltd and Medinote Ltd Spouse is an independent community pharmacist in Wales	7/2/19
Margaret Allan	Pharmacy Dean	Honorary Professor, Cardiff University, School of Pharmacy and Pharmaceutical Sciences Fellow of Royal Pharmaceutical Society Son is a Community Pharmacist	7/2/19
Rhiannon Beckett	Deputy Director of Finance	Nothing to Declare	12/2/19
Gail Amanda Harries-Huntley	Workforce Modernisation Manager	Nothing to Declare	14/2/19
Kryisia Groves	Primary Care Programme Manager, Workforce Modernisation	Nothing to Declare	15/2/19
Gwennan Mai Williams	Assessor - Pharmacy	Employment by BCUHB. 27 hours a week a lead NVQ assessor.	17/2/19

Name	Job Title	Declarations of Interest	Date
Janine Louise Edmunds	Work Based Technician Training	Nothing to Declare	18/2/19
Rebecca Carpenter	Education Project Officer, Pharmacy	Nothing to Declare	20/2/19
Foula Evans	Head of People and OD	Director with Husband – Super Spanner Wholesale Ltd Self Employed – Childcare Business – no conflict with NHS Duties	20/2/19
Clem Price	Workforce Planning Manager	Nothing to Declare	20/2/19
Catrin Windsor-Jones	Regional Co-ordinator (Mid & West) Pharmacy	Husband is Director of The Dispensing Doctors' Association Limited. Husband is Partner at Llanfair GP Surgery, Llandovery.	28/2/19
Fraser Campbell	Member of Pharmacy Board	Director, Swinson Parry Limited (joint shareholder) Swinson Parry Limited operates two community pharmacies in Denbighshire Jacqueline Campbell (partner) Director, Swinson Parry Limited (joint shareholder) Trustee of Dolanog Residential Home, Rhyl (a Registered Charity) Assistant Medical Director, Primary Care, BCUHB Salaried GP, Healthy Prestatyn Iach (BCUHB Managed Practice)	28/2/19
Caroline Murphy	Education Project Manager	Works for Well Pharmacy 2 hours a week.	29/2/19
Arfon Wyn Bebb	Learning Facilitator Pharmacy	Director and Part Ownership of Fferyllwyr Llyn Cyf, Dispensing Chemist Pharmacist, Fferyllwyr Llyn Cyg Pharmacist, BCUHB	1/3/19

Name	Job Title	Declarations of Interest	Date
Marc Donovan	Pharmacy Board Member	Board Member PSNC Board Member CPW Chair Community Pharmacy Workforce Development Group Honorary Lecturer, Welsh School of Pharmacy Board Member EGOB Chief Pharmacist, Walgreens Boots Alliance	5/3/19
Darrell Baker	Pharmacy Board Member (Pharmacy, Cardiff and Vale UHB)	Nothing to Declare	5/3/19
Wyn Parry	Pharmacy Board Member	Nothing to declare	6/3/19
Simon Cassidy	Programme Manager Education	Nothing to Declare	7/3/19
Theresa Callaghan	HCSW Career Development Program Manager	Nothing to Declare	7/3/19
Angela Jeanne Oliver	Deputy Director of Workforce & OD	Nothing to Declare	7/3/19
Helen Thomas	Assistant Director of Leadership and Succession	Nothing to Declare	7/3/19
Matt Smith	ELearning Project Manager	Nothing to Declare	8/3/19

Name	Job Title	Declarations of Interest	Date
Charlette Middlemiss	Head of Workforce Modernisation	Nothing to Declare	8/3/19
Liz Hargest	Education and Development Manager, Nursing	Partner is a Clinical Board Director in Cardiff and Vale University Health Board	14/3/19
Mrs Hilary Williams	Speciality Training Manager	Nothing to Declare	26/3/19
Beverlea Jayne Frowen (Reategui)	Trainee Progression Governance Manager	Nothing to Declare	26/3/19
Elizabeth Babbage	Specialty Training Manager	Nothing to Declare	27/03/19
Emma Ballinger	Business Support Manager	Nothing to Declare	27/3/19
Caroline Groves	Lead for Quality and Postgraduate Education Support	Nothing to Declare	27/3/19
Joanne Elizabeth Huish	Foundation Programme Manager	Nothing to Declare	28/3/19
Rajnesh Nirula	Associate Dean SAS	Nothing to Declare	31/3/19

Name	Job Title	Declarations of Interest	Date
Nicholas Meyler	Workforce Information Officer	Working on bank for NWSSP as Workforce Information Advisor	8/4/19
Andrew P Morris	Pharmacy Advisory Board Member (Head of Pharmacy, Swansea University)	Spouse is a Locum Pharmacist and works in a number of different pharmacy companies	10/4/19
K Louise Allen	Pharmacy Board Member	Director – Davies Himes (NW) Ltd (in maiden name K L Davies) Community Pharmacy Advisor, Cardiff and Value UHB	1//4/19
Ellen Marie Williams	Pharmacy Board Member	Director Association of Pharmacy Technicians UK (APTUK) (under Ltd by Guarantee status) Vice President, APTUK Director of Regional Pharmacy Training, Pharmacy Workforce Development South	13/5/19
Mark Gumbleton	Pharmacy Board Member (School of Pharmacy, Cardiff University)	Nothing to Declare	13/5/19
Sian Millar	Division Director, Primary and Community Care	Nothing to Declare	14/5/19
Gail Fleming	Pharmacy Board Member	GPhC Accreditor University of Nottingham External Examiner	14/5/19
Andrew Evans	Chief Pharmaceutical Officer	Nothing to Declare	14/5/19
Dafydd Rizzo	Pharmacy Board Member	Nothing to Declare	14/5/19

Name	Job Title	Declarations of Interest	Date
Malcolm Stammers	Lay Member	A share in Impact Counselling Ltd – Honoria depending on performance Salaried employee – part-time Guardian Service	15/5/19
Martin Riley	Head of Education, Commissioning and Quality	Spouse is Head of Finance, Cwm Taf Morgannwg University Health Board	11/6/19
Judy Thomas	Member of HEIW Pharmacy Workforce Group	Director of Contractor Services, Community Pharmacy Wales (salaried)	27/6/19
Helen Louise Davies	FP Work stream	Cardiff University School of Pharmacy and Pharmaceutical science Previous sessional work for WCPPE updating guidelines and delivering teaching sessions Cardiology and anticoagulant conferences via Bayer and Pfizer	3/7/19
Ronnie Alexander	Lay Rep	Partner is a retired health service employee who no longer works in any occupation. Director of RA and CJ Consulting – no involvement in pharmacy or the pharmaceutical industry. Committee Member of Hafod Care Association	17/7/19
Susan Murphy	HEIW Pharmacy Workforce Group	Nothing to Declare	23/7/19
Lloyd James Hambridge	Welsh Clinical Leadership Fellow	Educational speaker for British Lung Foundation and at a GSK respiratory event	9/8/19
Cynthia Kay Barrow	Corporate Governance Manager	Spouse – Engineer, Specialist Estate Services, Environmental Management and Engineering, NHS Wales Shared Services Partnership	5/11/19



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

Meeting Date	22 November, 2019	Agenda Item	2.5
Report Title	HEIW Information Governance Report		
Report Author	Tim Knifton, NWSSP Information Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Closed		
Purpose of the Report	To update the Audit and Assurance Committee on the progress undertaken in respect of the Information Governance Workplan for HEIW.		
Key Issues	<p>HEIW is implementing an Information Governance Workplan to ensure compliance with Information Governance Principles and Data Protection legislation.</p> <p>The report provides an updated of the current position in respect of the implementation of the Information Governance Workplan.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	<p>Members are asked to note for assurance:</p> <ul style="list-style-type: none"> the progress made in respect of ensuring compliance with Information Governance Workplan for HEIW. 		

HEIW INFORMATION GOVERNANCE REPORT

1. INTRODUCTION

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

The purpose of this paper is to provide the Audit and Assurance Committee (A&AC) with an update of the current position in respect of the Information Governance Workplan (Workplan) currently being undertaken by the IG function. The Workplan is attached in Appendix 1.

2. BACKGROUND

IG within HEIW has the following fundamental aims:

- to promote the effective and appropriate use of information (including confidential, personal information, and commercially sensitive data) in the NHS;
- to provide staff with the appropriate tools and support to enable them to manage information in a responsible and professional way; and
- to ensure that all processing of information is done fairly, effectively and in accordance with the law.

The overall aim of the Workplan, attached at Appendix 1, is to ensure that information within HEIW is being used effectively, efficiently, securely, responsibly and legally, regardless of format and that activity required to achieve these obligations is undertaken.

3. GOVERNANCE AND RISK ISSUES

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

4. FINANCIAL IMPLICATIONS

There are no financial implications.

5. RECOMMENDATION

Members are asked to note for assurance:

the progress made in respect of ensuring compliance with Information Governance Workplan for HEIW.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
	✓			
Quality, Safety and Patient Experience				
It is important that HEIW provides service users with assurance that Information Governance is considered and maintained within an effective culture of confidentiality.				
Financial Implications				
No financial implications to consider.				
Legal Implications (including equality and diversity assessment)				
If not considered, legal implications of a lack of IG compliance leaves the organisation open to a potential of formal investigation procedures and monetary penalties by the Information Commissioner's Office.				
Staffing Implications				
Currently, there is a seconded IG Manager in post. It is anticipated that a permanent IG Manger will be appointed in Q3.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
None identified.				
Report History	An Information Governance Report is provided to the A&AC on a quarterly basis.			
Appendices	Appendix 1 – Information Governance Workplan			

Appendix 1 – Summary of the HEIW Information Governance Work Plan (April 2019 to March 2020)

Key

Green denotes no further action required

Amber denotes some action required to complete

Red denotes that the action is outstanding and nothing has been completed to date

Grey denotes that the action will not reach a conclusion colour based on the rolling basis nature of the task

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ Complete by	Progress	Benefits
1. Review and assessment of the EU General Data Protection Regulation (GDPR) for HEIW	1.1 Ensuring that the GDPR is reflected in the documents and HEIW processes	Board Secretary/ Information Governance Manager	March 2020	Some areas have been completed. The main priority is the Information Asset Register. Work has commenced in respect of completing the Asset Register.	Provides assurance that the organisation is compliant with up to date legislation
2. Development of IG centric documentation.	2.1 Development of IG protocols and guidance to ensure that the organisation has the correct list of documentation and this includes references to GDPR legislation (including Project initiation documents) and Privacy Notices.	Board Secretary/ Information Governance Manager	Development will need to be considered in future work	The HEIW IG function has developed HEIW centric protocols, forms and documents for the IG function. This has included development of Privacy Notices for Staff.	Provides assurance that the organisation is compliant with up to date legislation
2. Information Governance involvement in requests for data sharing	2.1 Ensuring that the IG function is made aware of processes that require agreements and process documents developed and identifying where there are none	Information Governance Manager	Ongoing where the need for data sharing is identified	There is a developed standard access agreement and non-disclosure agreement for use with requests for data and for processing purposes.	Documents all parties responsibilities on what is required for acceptance

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ Complete by	Progress	Benefits
<p>3. Information Governance involvement on the creation, use and rollout of new work using Privacy by Design processes</p>	<p>3.1 Ensuring that the IG function is informed of new services being transferred from other organisations (not just NHS Wales) to HEIW and any new projects involving identifiable information</p>	<p>Project Owner/ Information Governance Manager</p>	<p>Ongoing A PIA will be developed when a service requires it</p>	<p>There will be IG involvement on the specific requirements of each service and whether confidentiality changes or use are measured and evaluated.</p>	<p>Confidentiality and IG is considered for all new projects/systems and existing changes to working/or proposals/changes</p>
<p>4. Ensure that CCTV systems are correctly sited and that the appropriate assessments have been carried out</p>	<p>4.1 Ensuring that the Information Governance Manager is informed of proposals to install CCTV security systems</p>	<p>Project Owner/lead/ Information Governance Manager</p>	<p>Completed</p>	<p>HEIW has a CCTV protocol that includes information on siting, compliance and correct signage, retention, etc.</p>	<p>CCTV is monitoring within correct compliance and does not breach any of the SCC laws or the HEIW protocol</p>
<p>5. Ensure that suspected, alleged or confirmed incidents of confidentiality breach or loss are reported and investigated reactively/proactively</p>	<p>5.1 Staff are aware of the breach reporting process and know how to identify an incident of suspected breach and where to report it.</p>	<p>Information Governance Manager</p>	<p>Ongoing The process of breach reporting will be something that will never be complete</p>	<p>The current HEIW Confidentiality Breach Reporting protocol is in place to reflect the changes made under the new Regulations. This has been approved by the Executive Team.</p>	<p>Promoting a culture of confidentiality, whilst managing risks to the organisation in regards to breaches of information and prevention of these.</p>

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ Complete by	Progress	Benefits
<p>6. Ensure that the Privacy Impact Assessment (PIA) process is used to ensure that all new processes, services, information systems, and other relevant information assets are developed, implemented and used in a secure and structured manner, whilst complying with IG Security accreditation, Information Quality, Confidentiality and Data Protection requirements</p>	<p>6.1 Documented procedures established to ensure all new processes undergo a privacy impact assessment to check compliance with confidentiality and Data Protection requirements</p>	<p>Information Governance Manager/ Project Owner/Project Manager</p>	<p>Complete</p> <p>There will be no end date to consider as processes will always require assessment under the principles</p>	<p>The PIA document is approved and being used where necessary.</p> <p>All staff are made aware of the Privacy Impact Assessment process within training and awareness sessions to ensure that the IG function is engaged when new projects or services are proposed within the organisation.</p>	<p>Confidentiality issues are always being identified, answered and resolved in line with Data Protection requirements for all new systems/processes/work streams</p>
	<p>6.2 All final Privacy Impact Assessments are approved and signed off by a senior level group when recommendations are completed by the Project Owner and agreed by the Information Governance Manager</p>	<p>Information Governance Manager/ Information Governance Steering Group/ Senior Management Team</p>	<p>Complete</p> <p>There will be no end date to consider as all PIAs will require approval</p>	<p>There are new PIA templates that reflect changes under the new Regulations, these have now been approved for use.</p> <p>Once completed, the IG Manager will sign them off and table them for information and discussion at the Executive Team.</p>	

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
<p>7. Information Governance awareness and training are in place and all appropriate staff are given training (classroom and eLearning)</p>	<p>7.1 Active campaign promoting IG training and the requirement that face to face training must be completed bi-annually by staff who have been identified staff as handling identifiable data.</p>	<p>All Heads of Service/Line managers/ Individual staff</p>	<p>Biennial basis for specific staff, no end date to consider</p>	<p>Information Governance training is being promoted and rolled out across the organisation. IG training commenced in August 2019. There is a register of the headcount, department and the total number of staff trained to date</p>	<p>Staff training is vital to ensuring continued compliance and awareness of information security and confidentiality responsibilities</p>
	<p>7.3 Ensuring that all staff are aware of and complete their annual compliance using the eLearning core skills module</p>	<p>Information Governance Manager/ Workforce</p>	<p>eLearning is required on an annual basis for all staff so there will be no end date to consider</p>	<p>Reminders are sent within ESR on the Information Governance eLearning modules. These will form part of any IG training reporting for the mandatory section of any updates provided to the Executive Team.</p>	<p>Staff training is vital to ensuring continued compliance and awareness of information security and confidentiality responsibilities</p>
	<p>7.4 Development of HEIW intranet pages to include Information Governance</p>	<p>Information Governance Manager</p>	<p>Complete</p>	<p>These have now been published. Marked as complete but will need an annual review and updates where required</p>	<p>Staff awareness of their obligations with IG principles</p>

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
	7.5 Development of an Information Governance introduction for the HEIW internet page	Information Governance Manager	Complete	These have now been published. Marked as complete but will need an annual review	The public are aware of the responsibilities of the organisation to hold and safeguard any PII
	7.6 Development of Information Governance handouts and guides to good practice	Information Governance Manager	Complete	Handouts relating to IG, GDPR and email have been created and are being used	Staff awareness of their obligations with IG principles
8. A full review undertaken of how information is being used throughout the organisation through the Information Asset Register function	8.1 Management of the process for Information Asset recording or "Mapping" this includes the: <ul style="list-style-type: none"> • Information subject • Types of information • legal basis for processing • accountability of information stored 	Information Governance Manager/ Executive Team/ Information Asset Owners/ Administrators	There is no end date for this objective. This is due to the work involved in realising any outstanding information assets or changes	As part of the compliance for the General Data Protection Regulation (GDPR), information asset ownership is a requirement. This is only partly completed at present. A register and a list of nominated contacts has been established and work has started with meetings being held in October 2019. A register of assets relating to the HEIW Sharepoint site has been completed and is awaiting review	Identifies areas and priorities for improvement to ensure organisational compliance with Information Security and FOI requirements
	8.2 Ensuring that, on identification and recording of Information Assets, risks are identified to the assets held and recorded on a risk register and work undertaken to reduce any issues	All Information Asset Owners/ Administrators	Considered to be a continuous process of work	The process of initially collecting Information Assets is currently underway.	Ensures that risks that have been identified are addressed against all Information Assets within HEIW

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
	8.3 Ensuring that there is a continual process to capture all future Information assets and removal of information no longer value to ensure that the register is accurate	All Information Asset Owners and Administrators	Once complete this work area will be considered as a rolling process of work	This process will be addressed on an annual basis and the practices of update will be reinforced.	Ensures a comprehensive picture of all Information Assets within HEIW.
9. Effective reporting on the monitoring and management of Information Governance risks in statements of internal controls. This is to include details of data loss and confidentiality breaches within HEIW	9.1 Provide the HEIW Executive Team with regular updates and visibility of Information Governance topics, concerns and/or risks	Information Governance Manager/ Senior Information Risk Owner (SIRO)	Suggested list of IG risks has been passed to the Board Secretary for consideration	A list of suggested Information Governance risks has been passed to the Board Secretary for consideration.	Greater communication and understanding of IG related topics, risks and/or concerns at the highest level

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
	9.2 Identification of further risks following Information Asset Register processes	Information Governance Manager/ IAOs/IAs	Continual process of review and identification of risk will need to be completed	The Information Asset Register serves to collect organisational information and identify any potential risks that could cause a breach of confidentiality.	Greater communication and understanding of IG related topics, risks and/or concerns at the highest level
10. Ensuring that the organisation continues to be compliant with all Information Governance assessments including self-assessment exercises	10.1 Ensuring that all exercises to comply with all relevant laws and ethics are completed to provide assurance that personal identifiable information is handled and controlled effectively	Executive Team/ Information Governance Manager	Consideration on an annual basis	The IG Toolkit will be part of IG assessment going forward in 2020. Data Protection registration is completed on an annual basis in October. Internal audits and Information Commissioner exercises will be completed on an ad-hoc basis.	Organisations and Service Users are assured that HEIW hold and process all identifiable data in a legal and ethical manner

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
	<p>10.2 Ensuring that effective reporting of Information Governance activity is completed on a timely basis to the Executive Team.</p> <p>This will include Information Governance function developments, training compliance and breach reporting</p>	Information Governance Manager	<p>No end date expected</p> <p>The IG Manager will need to determine when to present papers</p>	<p>Information Governance activity should be reported to the Executive Team when there is a requirement.</p> <p>This activity should also help inform areas such as annual reports and Governance statements.</p>	Organisations and Service Users are assured that HEIW hold and process all identifiable data in a legal and ethical manner and progress is reflecting in timely and accurate reporting
<p>11. Inclusion and awareness of IT security incidents that directly or indirectly could affect Information Governance</p>	<p>11.1 Inclusion of IT security within Information Governance work</p>	IT Security/ Information Governance Manager	<p>Ongoing basis, no end date to consider</p>	<p>Colleagues to work together when there is an overlap between IT security and Information Governance</p>	<p>Ensuring that issues relating to IT security that could impact on Information Governance are given full awareness</p>
<p>12. Co-operating with supervisory authorities on incident reporting and ensuring that all parties are aware of IG related incidents</p>	<p>12.1 Assurance that the Information Governance function is involved with any breach reporting and the steps to take following an incident</p>	Information Governance Manager/ SIRO	<p>Ongoing basis, no end date to consider</p>	<p>HEIW has a Confidentiality Breach Reporting procedure in place and will link in with the Executive Team in the instance of high-level incidents</p>	<p>Ensuring appropriate representation for the organisation</p>
<p>13. Represent HEIW in any all Wales IG forums and formal engagements relevant to the role</p>	<p>13.1 Ensure that Information Governance is involved in meetings where advice around confidentiality is required</p>	Information Governance Manager/SIRO	<p>Ongoing basis, no end date to consider</p>	<p>Involvement with meetings and committees on behalf of HEIW will be decided as and when required</p>	<p>Ensuring appropriate representation for the organisation</p>

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
14. Records Management audits are completed to measure the levels of archived and stored information that are held within HEIW	14.1 To ensure that, following GDPR, HEIW are only keeping records and files that are required and that archived records are destroyed within the compliance timeframe	Records Managers/ Information Governance Manager/ SIRO	Ongoing, subject to completion of IAR required	The clarification of Records Management arrangements and proposed audits are still required and this will be part of the Information Asset process that is ongoing within the organisation	To ensure that the organisation is only keeping records in line with current RM standards
15. Data Subject Access requests are completed effectively and thoroughly	15.1 Development of a Subject Access request protocol	Information Governance Manager	Complete	The HEIW Executive Team have approved this as part of the suite of IG protocols in place	Promotes fair and lawful access to Data Subject's own information
	15.2 Development of a rectification procedure for Data Subjects to request a change/revision or deletion of information from their own records	Information Governance Manager	Ongoing		Promotes fair and lawful revision to Data Subject's own information
16. Work related to the HEIW Information Governance Steering Group	16.1 Production of a Terms of Reference	Information Governance Steering Group members	Ongoing	Currently in draft form and awaiting final approval	
	16.2 Biannual review of the Information Governance Steering Group Terms of Reference	Information Governance Steering Group members	Biannual basis	Initial draft awaiting approval	Ensures that the ToR remains accurate and up to date
	16.3 Production of an annual report for the HEIW Board on Information Governance	Information Governance Manager/ Information Governance Steering Group members	Annual basis	First annual report would be expected to be completed at the end of March 2020.	Provides assurance that the organisation remains compliant

Objective/ Recommendation	Management Action	Responsible Lead	RAG status/ complete by	Comments	Benefits
<p>17. Regular communication to staff on specific topics relating to Information Governance</p>	<p>17.1 Regular communications in both Welsh and English to staff via the Comms and Engagement Team</p>	<p>Information Governance Manager/ Communications Team officers</p>	<p>No completion date to consider</p>		<p>Provides staff with useful information around the need to be compliant within the organisation</p>
<p>18. Information Governance involvement on the introduction of new services through standardised procurement exercises</p>	<p>18.1 Ensuring that the Information Governance Manager is informed of new services being purchased that may involve and require use of confidential information</p>	<p>Project Owner/ Information Governance Manager</p>	<p>Ongoing process, no end date to consider</p>	<p>This includes whether there has been consideration of any issues with the use of PII when tendering or procuring a new service.</p> <p>This will include Cyber Security Essentials and cooperation with IT security staff.</p>	<p>Confidentiality issues are always being identified, answered and resolved in line with Data Protection requirements for procurement exercises that require</p>



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Meeting Date	22 November 2019	Agenda Item	2.6
Report Title	Freedom of Information Update for the period 1 October 2018 to 30 September 2019		
Report Author	Kay Barrow, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	This report provides the Audit and Assurance Committee with an update on the number of Freedom of Information requests received for the period 1 October 2018 to 30 September 2019, the number responded to within the 20-day timescale and the sources of the requests, together with the compliance information.		
Key Issues	The Freedom of Information Act aims to make the business of organisations more transparent and accountable to the public. This report provides an update on the compliance with the Freedom of Information Act 2000.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	The Audit and Assurance Committee are asked to: <ul style="list-style-type: none"> • Note the contents of the report for assurance purposes. 		

FREEDOM OF INFORMATION UPDATE FOR THE PERIOD 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

1. INTRODUCTION

This report provides the Audit and Assurance Committee with an update on the number of Freedom of Information requests received for the period 1 October 2018 to 30 September 2019, the number responded to within the 20-day timescale and the sources of the requests, together with the compliance information.

2. BACKGROUND

The Freedom of Information Act aims to make the business of organisations more transparent and accountable to the public. Since 1 January 2005, anyone is able to make a written Freedom of Information request for information about [a public organisation]. If HEIW has the information requested, there is a maximum 20 working days period to provide the information.

3. GOVERNANCE AND RISK ISSUES

3.1 Source of Requests between 1 October 2018 and 30 September 2019,

15 Freedom of Information requests have been received. The source of these requests is as follows:

Source of Request

Private Individual	8
Researcher/Analyst	1
Private Company	0
Media	1
Group, Association, Chartered Society	0
Campaigner (Whatdotheyknow.com)	0
Welsh Government	1
Employees of NHS Wales	0
MP/Assembly Member	1
Local Government	0
Student	2
Legal	0
Royal College	1
TOTAL	15

3.2 FOI Responses

The compliance rate (response within the 20 working days) of the requests received between 1 October 2018 and 30 September 2019 was **92%**. Of the **15** requests, **2** were withdrawn by the requesters and **1** was responded to 27 days following the request. It is HEIW's policy to respond to all Freedom of

Information requests, regardless of their complexity, even where this may mean that the information is delayed. Where there is likely to be a delay in providing a response to requests, the Corporate Governance Manager liaises with the requester to ensure they are aware of the possibility of a delay and to agree a revised timescale for response. Where there are complex requests, and where the information is required from multiple disciplines, it is not always possible to provide the information within the 20 day timescale.

3.3 Subjects of Requests

Information is being recorded within the Freedom of Information Register regarding the types of subject of requests and this information is being reported for interest and information. This analysis will help, where appropriate, to proactively publish information in HEIW's Publication Scheme which is currently being developed. Linked to this work will be the liaison with the Communications and Engagement Team to expand and promote the routine publication of appropriate information across HEIW. HEIW also maintains a Disclosure Log of all previous FOI requests which also assists in directing requesters to previously published information.

Subject of Information Request	Number
Corporate	1
Personnel/Employment	5
Contract/Commissioning	1
Training/Education	2
Financial	3
Statistical	3
TOTAL	15

3.4 Requests notified to Welsh Government for Information

Requests received by HEIW that are considered to be sensitive or contentious in nature are reported to Welsh Government as part of the all Wales weekly reporting. Copies of those responses are also forward to Welsh Government for information.

3.5 Exemptions Applied

The Freedom of Information Act contains a number of exemptions that allow organisations to withhold information from a requester. In some cases these will also allow HEIW to refuse to confirm or deny whether the information is held by the organisation.

Some exemptions relate to a particular type of information, whilst other exemptions are based on the harm that would arise or would be likely to arise from disclosure, for example, if disclosure would be likely to prejudice a criminal investigation or prejudice someone's commercial interests. There is also an exemption for personal data if releasing it would be contrary to the Data Protection Act. To date, HEIW has not needed to apply any exemptions and has provided all the requested information it holds.

3.6 Appeals from Requesters and Complaints received from the Information Commissioner's Office

If a requester is not satisfied that all of the information they have requested has been provided, or because of the way their request has been handled, they have the right to request a review. In the first instance, this would be looked into in accordance with HEIW's Appeals Procedure. However, if the requester is still dissatisfied at the end of the review, they have the right to take their complaint directly to the Information Commissioner. To date, HEIW has not received any appeals from requesters or complaints received from the Information Commissioner's Office.

3.7 Audit

The Internal Audit carried out in during August/September 2019, resulted in a reasonable assurance opinion and a copy of the report and management response is considered as a separate agenda item for today's Committee meeting.

3.8 Training and Development

Help and advice is provided regularly to requesters and a network of FOI Stewards is being developed. The Freedom of Information Stewards' Network will be established and will comprise of key members of staff who are able to identify within Directorates and Departments information to support FOI responses.

The Corporate Governance Manager is also a member of the all Wales FOI Community of Practice Network. The Wales-wide Community of Practice network also provides invaluable support and advice to ensure that requests received by all NHS Wales Health Boards and Trusts are responded to in a similar manner.

4. RECOMMENDATION

The Audit and Assurance Committee are asked to:

- **Note** the contents of the report assurance purposes.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	√			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
	√			
Quality, Safety and Patient Experience				
N/A				
Financial Implications				
Section 77 of the Freedom of Information Act 2000 states that it is a criminal offence to alter, block, destroy or conceal information.				
Legal Implications (including equality and diversity assessment)				
HEIW has a legal responsibility to respond to Freedom of Information requests within 20 working days, as per the Freedom of Information Act 2000.				
The Information Commissioner issues decision notices on complaints about specific requests for information. However, if a breach of the Act does not fall within the scope of a decision notice, the ICO may decide to issue an enforcement notice. The ICO can use an enforcement notice if you have failed to adopt the publication scheme or failed to publish in accordance with it.				
Staffing Implications				
HEIW has a relatively low number of Freedom of Information requests compared to other NHS Wales organisations. These requests are managed by the Corporate Governance Manager on behalf of the Board Secretary.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
N/A				
Report History	N/A			
Appendices	Appendix 1 – Freedom of Information Register			



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

Meeting Date	22 November 2019	Agenda Item	2.7
Report Title	Data Subject Access Request Update for the period from 1 October 2018 to 30 September 2019		
Report Author	Dafydd Bebb, Board Secretary		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	<p>This report provides the Audit and Assurance Committee with an update on the number of Data Subject Access Requests (DSAR) received for the period 1 October 2018 to 30 September 2019.</p> <p>The report includes the number of DSARs responded to within the one calendar month timescale, the high level subject matter of the request, together with the compliance information.</p>		
Key Issues	<p>The Data Protection Act 2018 enables individuals to make a request for information held about them by HEIW through a DSAR.</p> <p>HEIW has received three DSARs during the reporting period.</p> <p>HEIW's DSAR register is attached at Appendix 1.</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"> note the contents of the report for assurance purposes. 		

DATA SUBJECT ACCESS REQUEST UPDATE FOR THE PERIOD 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

1. INTRODUCTION

This report provides the Audit and Assurance Committee (A&AC) with an update on the number Data Subject Access Requests (DSAR) received for the period 1 October 2018 to 30 September 2019, the number responded to within the one calendar month timescale and the sources of the requests, together with the compliance information.

The DSAR register is attached at Appendix 1.

2. BACKGROUND

A DSAR is simply a request made by or on behalf of an individual for the information that he or she is entitled to ask for under applicable data protection legislation.

Any DSAR made to HEIW must be made in writing and should include the fact that the request is being made under the Data Protection Act 2018 (DPA).

A DSAR right is a fundamental right for individuals. It is in the interest of HEIW to respond to a request efficiently and transparently and by maximising the quality of the information that is held.

Under the DPA an individual is entitled to be:

- told whether any personal data is being processed;
- given a description of the personal data, the reasons it is being processed, and whether it will be given to any other organisations or people;
- given a copy of the personal data; and
- given details of the source of the data (where this is available).

The legislation covers all forms and formats of personal identifiable data including written, computerised and recorded images.

HEIW's DSAR register, attached at Appendix 1, provides an analysis of all DSARs received between the period of 1 October 2018 to 30 September 2019.

HEIW's DSAR register is attached at Appendix 1. During the reporting period HEIW received 3 DSARs. It was not possible to proceed with one DSAR application as the applicant did not provide evidence to support their identity. The other two DSAR application were processed within the one calendar month deadline.

3. GOVERNANCE AND RISK ISSUES

Lack of compliance with DSARs may result in formal investigation procedures, poor publicity and potential monetary penalties by the Information Commissioner’s Office (ICO).

4. RECOMMENDATION

The Audit and Assurance Committee are asked to:

- note the contents of the report for assurance purposes.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	√			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
	√			
Quality, Safety and Patient Experience				
HEIW provides assurance that DSARs are considered and responded to in accordance with DPA legislation HEIW does not hold personal patient data.				
Financial Implications				
Compliance with the DPA is a core function of HEIW.				
Legal Implications (including equality and diversity assessment)				
Responding to DSAR is a requirement under the Data Protection Act 2018.				
Staffing Implications				
HEIW has a relatively low number of DSAR’s compared to other NHS Wales organisations. These requests are managed by the Information Governance Manager on behalf of the Board Secretary.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
N/A				
Report History	No report history.			
Appendices	Appendix 1 – Data Subject Access Request Register.			

Data Subject Access Request Register

Reference	Date received	Description	Date released
DSA/11/02/19	11/02/19	to access any information which HEIW holds on the subject matter of the DSAR, under any systems, email storage or hard copies of any notes.	No response – applicant failed to provide proof of id.
DSA/15/03/19	13/03/19	requesting information relating to the 2018 Trauma & Orthopaedics St3 Wales recruitment cycle	25/03/19
DSA/09/04/19 SAR1	8/04/19	request from a former member of staff requesting personal information	08/05/19



AUDIT COMMITTEE

PROCUREMENT COMPLIANCE REPORT 1st October 2018 – 31st October 2019 (Reporting Deadlines)

DATE OF MEETING	22 November 2019
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PUBLIC OR PRIVATE REPORT	Public
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IF PRIVATE PLEASE INDICATE REASON	Not Applicable - Public Report
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PREPARED BY	Christine Thorne, Head of Procurement
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PRESENTED BY	
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EXECUTIVE SPONSOR APPROVED	Choose an item.
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REPORT PURPOSE	FOR NOTING
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COMMITTEE/GROUP WHO HAVE RECEIVED OR CONSIDERED THIS PAPER PRIOR TO THIS MEETING

COMMITTEE OR GROUP	DATE	OUTCOME
N/A	(DD/MM/YYYY)	Choose an item.

ACRONYMS

	<ul style="list-style-type: none"> • HEIW – Health Education Improvement Wales • SQA - Single Quotation Actions • STA - Single Tender Action • CCN – Change Control Note • FN – File Note
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1. SITUATION/BACKGROUND

- 1.1 The purpose of this report is to provide the Audit Committee with an update in relation to procurement activity undertaken during the period 1st October 2018 – 31st October 2019 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.
- 1.2 An explanation of the reasons, circumstances and details of any further action taken is also included.

SFI Reference	Description	Items
3.5	Single Quotation Actions	26
4.2	Single Tender Actions	8
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)	7

2. ASSESSMENT / SUMMARY OF MATTERS FOR CONSIDERATION

2.1 Optional Appraisal/Analysis

Not applicable.

3. IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	There are no specific quality and safety implications related to the activity outlined in this report.
RELATED HEALTHCARE STANDARD	Choose an item. If more than one Healthcare Standard applies please list below:
EQUALITY IMPACT ASSESSMENT COMPLETED	No (Include further detail below) All policies are equality impact assessed prior to approval.
LEGAL IMPLICATIONS / IMPACT	There are no specific legal implications related to the activity outlined in this report.

FINANCIAL IMPLICATIONS / IMPACT	Yes (Include further detail below)
	As indicated in Appendices 1.1 (Summary Information) 1.2 (Further Matters)

4. RECOMMENDATION

4.1 The Committee is asked to **NOTE** the information provided in this report.

Health Education Improvement Wales - Audit Committee Report – November 2019
Appendix 1.1 – 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-STA-40945	01/02/2019-31/01/2020	Single Tender Action	Kavo teeth for phantom heads for clinical skills training	KavorKerr	£6,935.04	Sole Supplier of OEM solution.	Endorsed.	Procurement to review to see if items to be added to oracle catalogue.	First Submission
HEIW	Digital	HEIW-STA-41589	01/06/2019 – 31/03/2021 (x 2 12 month extension options	Single Tender Action	Junior Doctor Training System	Intrepid	£522,840	Sole Supplier of OEM solution.	Endorsed.	Contract in place for 5 years. Re-newel to be undertaken in 2024	First Submission
HEIW	People Team	HEIW-STA-41718	1/05/2019-30/09/2019	Single Tender Action	Pensions Advice	Lighthouse Group Plc	£32,400	Two failed procurement attempts, identified as the only supplier willing to complete the work within the proposed timescales.	Endorsed.	No further action needed. 1 off spend to support transition of staff from Cardiff University to HEIW.	First Submission
HEIW	Work Force and OD	HEIW-SQA-472	1/07/2019 – 31/03/2020	Single Tender Action	Behavioural Science Training	Kate-Malcomes Consultancy	£40,000	Supplier delivered module 1 & 2 as part of Cardiff University, modules 3 & 4 required from this supplier for continuity of services.	Endorsed.	Added to procurement plan to compete new requirement for 2020 contract start date.	First Submission
HEIW	Facilities	HEIW-STA-475	27/05/2019 – 26/05/2020	Single Tender Action	Provision of HVAC to HEIW	Cool Solutions	£39,952.43	Provider competed initial installation, required for continuity of services	Endorsed.	Added to procurement plan to compete the maintenance renewal requirement when it is due.	First Submission

HEIW	Work Force and OD	HEIW-SQA-477	1/10/2019 – 1/1/2022	Single Quotation Action	MA in Communications	Swansea University	£7,572.72	Only university that covered the appropriate modules on a part time course.	Endorsed.	No further action required.	First Submission
HEIW	Work Force and OD	HEIW-STA-483	9/10/2019	Single Tender Action	Prospectus Events	Optimus Education	£21,445	Sole provider.	Endorsed.	Procurement to review with service if this requirement will be brought in- house in future.	First Submission
HEIW	Digital	CU228 (Extension)	13/03/2019	Contract Extension	Server Hosting	IOMART	£14,400	Extended to allow continuity of service.	Endorsed	Procurement to compete contract renewal requirement for March 2020	First Submission
HEIW	Professional Support Unit	CU215 (Extension)	29/03/2019	Contract Extension	Consultancy Psychiatry Agreement	Hammett Street Consultants	£246,000	Extended to allow continuity of service.	Endorsed.	Procurement to compete new contract requirement as Open OJEU.	First Submission
HEIW	Career Development	HEIW/CCN/016	10/10/19	Change Control note	Purchase of assessment qualifications and general development services	Agroed Cymru	£45,000	Extensions for another 6 months to progress qualifications	Endorsed.	Procurement to ensure additional scope is captured in the renewal.	First Submission
HEIW	Digital	HEIW/CCN/017	21/01/2019	Change Control Note	Audio Visual Equipment	Comcen	£30,178	Extension to warranty on existing hardware	Endorsed.	Procurement to ensure additional scope is captured in the renewal.	First Submission

HEIW	Digital	HEIW/CCN/018	23/01/2019	Change Control Note	Telephony Contract	Mitel	£5,613.60	Purchase of 50 additional phone licences	Endorsed	Procurement to ensure renewal captures appropriate number of licences.	First Submission
HEIW	Digital	HEIW/CCN/019	05/02/2019	Change Control Note	Multi-Functional Device Contract	Altodigital	£7,669.80	2 units changed to higher specification machine	Endorsed.	Procurement to ensure additional scope is captured in the renewal.	First Submission
HEIW	Dental	HEIW/CCN/020	26/06/2019	Change Control Note	Dental Speaker Agreement	Lubas Medical Ltd	£2,000	Additional practises added to the agreement	Endorsed.	Procurement to ensure additional scope is captured in the renewal.	First Submission
HEIW	Digital	HEIW/CCN/021	21/10/2019	Change Control Note	Server Hosting	IOMART	£1,875	Additional server for hosting needed	Endorsed.	Procurement to ensure additional scope is captured in the renewal.	First Submission
HEIW	Dental	HEIW/CCN/022	17/10/2019	Change Control Note	Dental Speaker Agreement	Lubas Medical Ltd	£2,000	Additional practises added to the agreement	Endorsed.	Procurement to ensure additional scope is captured in the renewal.	First Submission

Health Education and Improvement Wales - Audit Committee Report – November 2019
Appendix 1.2 - Further Matters

Trust	Division	Procurement Ref No	Period	SFI Reference	Agreement Title/Description	Supplier	Anticipated Agreement Value (ex VAT)	Reason/Circumstance and Issue	Compliance Comment	Procurement Action Required	First Submission or repeat
HEIW	Finance	HEIW-FN-022	15/01/2019	File Note	Managed Travel Agreement	Clarity Travel	£28,000	Contract from Cardiff university was not novated, file note to cover travel spend for an interim period until new competition has been held.	Not Endorsed.	Procurement to work with service to develop travel agreement.	First Submission
HEIW	Estates	HEIW-FN-023	11/03/2019	File Note	Electrical Installation	Whitehead Building Services	£7,498	Additional work was undertaken outside of the scope of the contract and the service were not aware that they had to follow a formal procurement process for the additional work.	Not Endorsed.	Procurement to work with service to ensure any further requirements follows competition rules.	First Submission
HEIW	Dental	HEIW-FN-026	19/03/2019	File Note	National Dental Foundation Training Recruitment	Health Education England (HEE)	£7,136.47	National Recruitment is held by HEE. HEE hold the event and then invoice HEIW.	Not Endorsed.	Procurement to work with service to put an overarching agreement in place with HEE for Dental Foundation Training.	First Submission
HEIW	Secondary Care	HEIW-FN-027	05/04/2019	File Note	Job Advert for the British Medical Journal	BMJ	£6,481.00	No other provider and service were not aware of procurement process required.	Not Endorsed.	Single tender action to be completed to cover BMJ advertising requirements for the next 4 years.	First Submission

HEIW	Corporate	HEIW/FN/028	08/04/2019	File Note	Appointment of Steve Coombes as a consultant for corporate governance	Steve Coombes	£6,000	Exceptional piece of work – It was not anticipated that it would exceed £5k.	Not Endorsed.	No further action required – exceptional piece of work, unanticipated at the time it would exceed £5k.	First Submission
HEIW	Finance	HEIW/FN/030A	08/04/2019	File Note	Agency Worker	HAYS SPECIALIST RECRUITMENT	£14,299.66	Process was unclear at the point of procurement. The processes have been clarified and guidance issued.	Not Endorsed.	Procurement have advised finance of the appropriate processes required to obtain agency workers.	First Submission
HEIW	Finance	HEIW/FN/030B	08/04/2019	File Note	Agency Worker	RANDSTAD SOLUTIONS LTD	£11,217.15	Process was unclear at the point of procurement. The processes have been clarified and guidance issued.	Not Endorsed.	Procurement have advised finance of the appropriate processes required to obtain agency workers.	First Submission
HEIW	People Team	HEIW/FN/031	03/05/2019	File Note	MSc in Leadership and Social Care	University of South Wales (Newport Campus)	£6,003	Process was unclear at the point of procurement. The processes have been clarified and guidance issued.	Not Endorsed.	Procurement scoping out managed service provider agreement for all conferencing requirements. STA in process to cover year 2 and 3.	First Submission
HEIW	Dental	HEIW/FN/032	10/05/2019	File Note	Dental Speaker	Katy Newall-Jones	£7,932	Whilst waiting on additional information for an STA supplier provided services to HEIW.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Quality Unit	HEIW/FN/033	31/05/2019	File Note	Conference	Liberty Stadium Swansea	£22,440	Weren't aware that procurement needed to be involved for this level of spend.	Not Endorsed.	Procurement scoping out managed service provider agreement for all conferencing requirements.	First Submission

HEIW	Dental	HEIW/FN/034	04/06/2019	File Note	Dental Speaker	A to One	£14,626.92	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Dental	HEIW/FN/035	04/06/2019	File Note	Dental Speaker	David Guppy	£8,910.04	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Dental	HEIW/FN/036	04/06/2019	File Note	Dental Speaker	David Pitt	£14,273.05	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Dental	HEIW/FN/037	04/06/2019	File Note	Dental Speaker	Graham Stokes	£11,233.82	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Dental	HEIW/FN/038	04/06/2019	File Note	Dental Speaker	Mark Hill	£8,673.04	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Dental	HEIW/FN/039	04/06/2019	File Note	Dental Speaker	Dr Rhodri Thomas Ltd	£6,448.98	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission

HEIW	Secondary Care	HEIW/FN/041	17/06/2019	File Note	IMPACT COURSES	Royal College of Physicians & Surgeons of Glasgos	£12,000	Whilst administration of STA was taking place first phase of courses were delivered.	Not Endorsed.	Procurement have added this to Milestones so will be flagged for renewal.	First Submission
HEIW	Projects and Planning	HEIW/FN/042	19/06/2019	File Note	Leadership Strategy	Affina Organisation Development	£18,200	NHS Wales Executives agreed collective leadership strategy and use of Affina organisation to deliver this strategy across NHS Wales.	Not Endorsed.	Procurement have advised service no engagement and commitment to should be made to a supplier without following the appropriate procurement processes. Additionally this should be procured on a aggregate basis as it is an AW requirement.	First Submission
HEIW	Dental	HEIW/FN/044	26/06/2019	File Note	Dental Speaker	Glenys Bridges	£6,200	Speakers were booked by practise administrators in September 2018 prior to HEIW forming.	Not Endorsed.	Formal procurement has been undertaken for a dental speaker agreement. This will be in place for 4 years.	First Submission
HEIW	Secondary Care	HEIW/FN/045	03/07/2019	File Note	Training in Pre-hospital Emergency Medicine	Intercollegiate Board for Training in Pre-hospital Emergency Medicine	£6,000	Due to the short timeframe in which the service were made aware of the training dates and when then need to be committed there was insufficient time to run a formal procurement process.	Not Endorsed.	Service have been made aware that for next year's requirement the supplier needs to be contacted for dates with enough time to run the appropriate procurement process.	First Submission
HEIW	Medical Directorate	HEIW/FN/046	19/07/2019	File Note	Conference Of Postgraduate Medical Deans (UK)	Academy of Medical Royal Colleges	£12,600	Process was unclear at the point of procurement. The processes have been clarified and guidance issued.	Not Endorsed.	Procurement have made service aware of the need to compete all requirements that exceed £5k.	First Submission

HEIW	Secondary Care	HEIW/FN/047	30/07/2019	File Note	Public Health Medicine Masters Course	Cardiff University	£42,065	Process was unclear at the point of procurement. The processes have been clarified and guidance issued.	. Not Endorsed.	Procurement have made service aware of the need to compete all requirements that exceed £5k.	First Submission
HEIW	Medical Directorate	HEIW/FN/048	31/07/2019	File Note	Funding for PGC course £9,000	Swansea University	£9,000	Process was unclear at the point of procurement. The processes have been clarified and guidance issued.	Endorsed for payment only.	Procurement have made service aware of the need to compete all requirements that exceed £5k.	First Submission
HEIW	Pharmacy	HEIW/FN/049	09/08/2019	File Note	Registration of pharmacy technicians	City and Guilds	£7,363.20	Service thought contract had been novated when Cardiff University moved to HEIW.	Not Endorsed.	Procurement meeting held with HEIW DOF to discuss number of file notes received from service.	First Submission
HEIW	Pharmacy	HEIW/FN/050	22/08/2019	File Note	Transition Programme for Pharmacists.	The Royal Pharmaceutical Society	£12,000	Work was initiated by WCCPE whilst still in Cardiff University, there was a dispute on the contract until August 2019 which has now been resolved.	Not Endorsed.	Procurement are working with service to identify if there are any other Cardiff University agreements in dispute to ensure any future activity is compliant with SFIs, PCR 2015 and EU procurement law.	First Submission
HEIW	Secondary Care	HEIW/FN/051	19/09/2019	File Note	Eye Si Simulator - Interim agreement	Royal College of Ophthalmologists	£38,400.00	It was agreed to proceed with this option, due to urgent requirement for training, procurement processes were not followed.	Not Endorsed.	Procurement discussing with service option to purchase (or lease) their own equipment to provide training.	First Submission
HEIW	General Practise	HEIW/FN/052	25/09/2019	File Note	PG Certification in Leadership for Healthcare Professionals	Swansea University	£20,000.00	Tender process wasn't followed as positions needed to be secured within 24 hours.	Not Endorsed.	As the direction came from the executive team, procurement are to gain list of executives that attended induction process.	First Submission

HEIW	Pharmacy	HEIW/FN/057	31/10/2019	File Note	Delivery of the national enhanced sore throat test and treat service	Emergency Gateway Care Ltd	£11,160	As there is a sole supplier for this requirement HEIW were unaware it required a formal procurement process.	Not Endorsed.	Procurement are working with the service to follow a single tender action process for future requirements.	First Submission
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Addysg a Gwella Iechyd
Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Meeting Date	22 November 2019	Agenda Item	2.9
Report Title	Auditor General for Wales Audit and Assurance Committee Update		
Report Author	Mike Usher, Sector Lead – Health & Central Government, WAO Dave Thomas, Director, Performance Audit, WAO		
Report Sponsor	Eifion Williams, Interim Director of Finance		
Presented by	Mike Usher		
Freedom of Information	Open		
Purpose of the Report	This report provides an update for the committee on progress against my 2019 Audit Plan.		
Key Issues	Members are to note the progress of work against my plan.		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
		x	
Recommendations	Members are asked to: <ul style="list-style-type: none"> • Note the Audit General for Wales Audit and Assurance Committee Update 		

Auditor General for Wales Audit and Assurance Committee Update

1. INTRODUCTION

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

2. BACKGROUND

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

My financial audit work for 2019 was concluded in July 2019 with the presentation of my management letter to the Committee.

My Structured Assessment work is nearing completion for reporting to the Committee in January 2020. This work aims to answer the question 'Does HEIW have arrangements in place to support good governance and the efficient, effective and economical use of resources?'

3. GOVERNANCE AND RISK ISSUES

None

4. FINANCIAL IMPLICATIONS

None

5. RECOMMENDATION

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

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



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

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

Date issued: November 2019

Document reference: HEIWAACU201911



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

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

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

info.officer@audit.wales.

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Summary report

About this document

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

Financial audit update

Exhibit 1: Financial audit update

Work area	Progress	Conclusions
Annual Accounts and other financial-audit work		
2018-19		
The financial reporting timetable for 2018-19 as prescribed by the Welsh Government was adhered to.		
The financial statements for the period ended 31 March 2019 were certified by the Auditor General on 11 June 2019 with an unqualified audit opinion and laid before the National Assembly for Wales on 12 June 2019.		
Our Management Letter was presented to the Audit and Assurance Committee on 15 July 2019 and concluded our 2018-19 financial audit work as set out within the 2019 Audit Plan.		
2019-20		
Quarterly update meetings with the Chair and Chief Executive have continued throughout the period.		
Our 2019-20 audit planning work commences in November 2019, we will shortly be meeting with key officers to undertake our planning risk assessment. The 2020 Audit Plan will be presented to the Audit and Assurance Committee on 27 January 2020.		

Performance audit update

Exhibit 2: Performance audit update

Work completed				
Topic (year of Audit)	Key findings	Status	Executive lead	Received at Audit and Assurance Committee / other
Baseline Review (2019) - informal review of key areas to highlight what's going well and what needs more work	<p>Theme coming through strongly and at the heart of progress so far is HEIW's internal culture and engagement shown by high levels of staff engagement, the collegiate approach to working and strong, supportive leadership.</p> <p>We might have expected HEIW to be further forward in risk and performance management but there are plans in place with developments ongoing and picking up speed.</p> <p>We will build on and update these findings when undertaking our Structured Assessment work later in the year.</p>	Complete. Findings discussed in Board Development session 27 June 2019.	Dafydd Bebb	15 July 2019
Ongoing work and work due to start in 2019				
Topic (year of Audit)	Focus of work	Status	Executive lead	Expected date of final report
Structured Assessment (2019)	<p>Work commenced in September and we expect the draft report to be circulated early December. The review aims to answer the broad question:</p> <p>'Does HEIW have arrangements in place to support good governance and the efficient, effective and economical use of resources?'</p> <p>To do this, we ask four 'level 2' questions as follows:</p> <ol style="list-style-type: none"> 1. Is HEIW well led and well governed? 2. Is there an effective approach to strategic planning? 3. Are financial resources well managed? 	In progress	Dafydd Bebb	December 2019 / January 2020

	<p>4. Is the workforce well managed?</p> <p>Our work includes:</p> <ul style="list-style-type: none"> • follow up of progress on: <ul style="list-style-type: none"> - Board Assurance Framework; - risk and performance management - procurement and asset management • building on other areas such as scrutiny in action at Board and Committees • filling in gaps e.g. information governance • speaking to SROs to understand their perspectives 			
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Other Auditor General studies

The Audit and Assurance Committee may also be interested in the following studies / reports issued since the last Audit and Assurance Committee Update.

Exhibit 3: Other Auditor General Studies and reports

Product	Summary
Integrated Care Fund July 2019	<p>The aim of the Integrated Care Fund is to drive and enable integrated working between social services, health, housing and the third sector and independent providers</p> <p>This report examines whether the fund is being used effectively to deliver sustainable services that achieve better outcomes for service users. It focuses on whether the Welsh Government is effectively managing the fund to deliver against its intentions, as well as understanding whether RPBs are demonstrating effective use of the fund. The report also considers whether the projects supported by the fund are making a clear difference at a local level.</p> <p>http://www.audit.wales/publication/integrated-care-fund</p>
Preparations for a no-deal Brexit – follow up letter September 2019	<p>This paper summarises our assessment of the progress made by Welsh public bodies against each of the three key messages set out in the Auditor General's February 2019 report on 'Preparations in Wales for a 'no-deal' Brexit', and provides an external audit commentary on the latest position.</p> <p>It should be read in conjunction with the Auditor General's letter of 27 September to the Chair of the External Affairs and Additional Legislation Committee of the National Assembly for Wales, which lists five key Brexit-related challenges facing Welsh public service leaders.</p> <p>http://www.audit.wales/publication/preparations-wales-no-deal-brexit-follow-letter</p>
Public Spending trends in Wales 1999-2018 September 2019	<p>This data tool reflects on what has happened to public spending in Wales over two decades since devolution.</p> <p>Relative levels of public spending per head in the four nations of the UK have remained consistent – Wales has consistently seen a higher level of per capita spending than England but lower levels than Scotland and Northern Ireland. But if one looks at individual policy areas, some interesting, and perhaps unexpected, variations can be seen in the pattern and relative levels of funding.</p> <p>http://www.audit.wales/publication/public-spending-trends-wales</p>
The well-being of young people September 2019	<p>We looked at the Welsh Government's work to support the well-being of young people in Wales.</p> <p>This suite of reports focus on 16-24 year olds and seek to understand how well the Welsh Government is joining up across its policy areas</p>

Product	Summary
	<p>and what impact its approach to strategic planning is having on young people themselves.</p> <p>Well-being is a broad concept, so we have focussed our work on:</p> <ul style="list-style-type: none"> - youth homelessness; - young adult carers; - young parents; - mental health; and - skills and employability. <p>The work also includes an interactive data tool.</p> <p>http://www.audit.wales/publication/well-being-of-young-people</p>
<p>The front door to adult social care September 2019</p>	<p>Councils are preventing social-care demand, but information, advice and assistance are not consistently effective.</p> <p>The focus of our work has been to judge the effectiveness of this new 'front door' to social care, looking specifically at services for adults.</p> <p>http://www.audit.wales/publication/front-door-adult-social-care</p>
<p>Review of Public Service Boards October 2019</p>	<p>We examined how Public Service Boards are operating; looking at their membership, terms of reference, frequency and focus of meetings, alignment with other partnerships, resources and scrutiny arrangements</p> <p>We concluded that Public Services Boards are unlikely to realise their potential unless they are given freedom to work more flexibly and think and act differently.</p> <p>http://www.audit.wales/publication/review-public-services-boards</p>
<p>Primary Care Services in Wales October 2019</p>	<p>This report focuses on the main issues and areas of progress found in primary care services in Wales on a national-level.</p> <p>It found that while the NHS and Welsh Government are taking a range of steps to strengthen primary care, change needs to happen at greater pace and scale to tackle longstanding challenges and ensure sustainability of these vital services.</p> <p>www.audit.wales/publication/primary-care-services-wales</p>

Good Practice Exchange

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

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

Exhibit 4: Good Practice Exchange

Recent and forthcoming events
Recent events (http://www.audit.wales/events/past-events/)
Key issues for Regional Partnership Boards - these webinars will highlight solutions to issues relating to fund implementation and ways of working in multi-agency partnerships. (July 2019)
Innovative approaches to public services in rural communities - this seminar will share innovative approaches to help understand how public services can meet the needs of rural communities in Wales. (July 2019)
Forthcoming events (http://www.audit.wales/forthcoming-events)
Accountability and Governance in Partnership Services – how to keep the citizen at the centre (February 2020)
Adverse childhood experiences – alternative delivery models (March 2020)
Violence against women, domestic abuse and sexual violence (April 2020)

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

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



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Health Education and
Improvement Wales (HEIW)

Health Education and Improvement Wales

INTERNAL AUDIT PROGRESS REPORT

Audit and Assurance Committee - November 2019

NHS Wales Shared Services Partnership

Audit and Assurance Services

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3. Delivery of the 2019/20 Internal Audit plan	1

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

Please note:

This audit progress report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Internal Audit Charter and the Annual Plan, approved by the Audit and Assurance Committee.

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

1. Introduction

- 1.1. This progress report provides the Audit and Assurance Committee (the 'committee') with the current position regarding the work undertaken by Internal Audit as at 15 November 2019.
- 1.2. The report includes details of the progress made to date against individual assignments along with details regarding the delivery of the 2019/20 programme of work, and any required updates.

2. Outcomes from completed audit reviews

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

Assignments 2019/20	Assurance rating
Casual workers employment status – follow up	Reasonable
Freedom of Information (FoI)	Reasonable
Board and Committee - Governance arrangements	Substantial

3 Delivery of 2019/20 Internal Audit plan

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

Table 1: Status of 2019/20 reviews to be reported to Audit and Assurance Committee

Assignment	Indicative audit days	Status	Assurance	Timing	Notes
Workforce review (Values and Behaviours Framework)	10	Final	Reasonable	Q1	Reported in July 2019
Health & Safety	10	Final	Reasonable	Q1	Reported in July 2019
Board and Committee - Governance arrangements	10	Final	Substantial	Q2	-
Freedom of Information (FoI)	5	Final	Reasonable	Q2	-
Casual workers employment status – follow up	5	Final	Reasonable	October	To follow up on prior year 'limited assurance' report.
Performance management	10	-	WIP	Q3	Fieldwork ongoing
Risk management	10	-	WIP	Q3	Fieldwork ongoing – Includes Board Assurance Framework
Strategic planning	15	-	Planning	Q3	Will focus on IMTP

Assignment	Indicative audit days	Status	Assurance	Timing	Notes
Core Financial Systems	15	-	Planning	Q3	To include contracts register
Service review – Medical training commissioning	10	-	Planning	Q4	Met with Medical Director to discuss scope
IT/digital review	15	-	-	Q4	Will build on our 2018/19 baseline report and HEIW developments
Data Protection (GDPR)	5	-	-	Q4	Late Q4 as HEIW have GDPR officer starting at this time
Additional workforce review Workforce strategy review	10	-	-	Q4	Following discussion with Audit Chair and Chief Executive consider review of new workforce strategy

Possible additional review not in original plan

Assignment	Indicative audit days	Status	Assurance	Timing	Notes
Bursary reclaim	TBC	-	-	-	HEIW request to do this in January, but might be better in 2020/21 plan



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

Casual Workers Employment Status - Follow up

**Final Internal Audit Report
2019/20**

November 2019

Health Education and Improvement Wales

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Appendix A	Original Action Plan and follow up position
Appendix B	Assurance opinion and action plan risk rating

Review reference:	HEIW-1920-14
Report status:	Final
Fieldwork commencement:	26 September 2019
Fieldwork completion:	14 October 2019
Draft report issued:	25 October 2019
Management response received:	12 November 2019
Final report issued:	13 November 2019
Auditors:	Emma Samways - Deputy Head of Internal Audit Ken Hughes - Audit Manager
Executive sign off:	Julie Rogers - Deputy Chief Executive / Director of Workforce and OD
Distribution:	Foula Evans - Head of People
Committee:	Audit and Assurance Committee



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

Please note:

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared in accordance with the Internal Audit plan and Charter, approved by the Audit and Assurance Committee.

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

1. Introduction

The follow-up review of Casual Workers Employment Status was completed in addition to the 2019/20 Internal Audit plan for Health Education and Improvement Wales ('HEIW' or 'the organisation'). The report for the original review of Casual Workers Employment Status was finalised in May 2019, which was after the 2019/20 Internal Audit plan had been agreed.

The original Casual Workers Employment Status Internal Audit report identified five issues, which resulted in the overall assurance rating of 'Limited Assurance'.

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

2. Scope and objectives

The overall objective of this review was to provide the organisation with assurance regarding the implementation of the agreed management actions from the Casual Workers Employment Status audit that was undertaken as part of our 2018/19 work programme.

The scope of this follow up review **does not** aim to provide assurance against the full scope and objectives of the original audit. The 'follow up review opinion' provides an assurance level against the implementation of the agreed action plan only.

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

- Appropriate progress has been made with the implementation of the agreed management responses within the agreed timescales;
- Adequate evidence is available to support the level of progress that has been made; and
- The actions implemented have effectively addressed the issues highlighted during the original audit.


3. Associated risks

The potential risks considered in this review were as follows:

- Financial penalties if the employment status of casual staff is not properly decided.
- Reputational damage to the organisation if action is taken against the organisation.

4. Opinion

This review considers all recommendations made (high, medium or low priority). This follow up review **does not** aim to provide assurance against the full review scope and objectives of the original audit. The 'follow up review opinion' provides an assurance level against the implementation of the agreed action plan only.

Reasonable assurance		<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p> <p>Follow up - All high level recommendations implemented and progress on the medium and low level recommendations.</p>
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The organisation has made some progress towards implementing the agreed recommendations from the original review. However, this progress has been restricted due to delays in procuring training from an external tax 'expert' and the subsequent production of guidance documents for staff.

The progress made against the five original recommendations and agreed actions means that the level of assurance that can be given to manage the risks associated with Casual Workers Employment Status has been raised to **Reasonable Assurance**. We have given this revised opinion to reflect the steps that the organisation has taken to date and continues to make. The main area of improvement is the centralised checking and document retention function provided by the People Team who oversee the HMRC Employment Status checking process, although these checks are not being adequately recorded at present.

Going forward, the organisation must focus on ensuring that centralised monitoring and documentation checks undertaken by the People Team are properly evidenced, that documented guidance is produced and suitable training is provided to support managers across the whole organisation responsible for the engagement of casual workers.

5. Summary of audit findings

In summary, progress against the five agreed recommendations that required implementation is as follows:

Priority rating	No. of recommendations to be implemented	Fully implemented	Partially implemented	Not implemented
High	3	-	3	-
Medium	2	-	-	2
Low	-	-	-	-
Total	5	0	3	2

The action plan within Appendix A provides details of the findings, priority ratings and management responses from the original review, along with details of the current position, as verified by our follow up work. Revised recommendations and priority ratings are included where necessary.

Original Finding 1 - Employment Status (Operating Effectiveness)	Original Risk
<p>Completing the HMRC tool provides staff with a decision as to whether the casual worker should be considered 'on payroll', and so processed through the payroll system, or 'off payroll', where they are considered to be self-employed and processed through the invoicing system. The HMRC toolkit states that 'If HMRC investigate this engagement, the end client would need to agree and demonstrate that they could not or did not exert their right of control over the worker'.</p> <p>We tested a sample of 20 instances where HEIW had undertaken the HMRC employment status check for casual workers to ensure that they had been appropriately assessed. We also tested this sample to confirm that the outcome of the assessment had been communicated to the individual. Of the sample of 20 individuals, nine had been assessed as 'off payroll'. We note the following in relation to the nine individuals:</p> <ul style="list-style-type: none">• Two individuals were classified in the HMRC employment status checks as 'The Intermediaries legislation does not apply to this engagement', and so should be considered 'off payroll'. However, we did not see evidence demonstrating that there was 'no control over the worker' for these two individuals.• Four individuals that we sampled were classified as self-employed. However, there were handwritten notes on their status checks stating 'unable to invoice'. We were unable to confirm if it was appropriate to alter the assessment of the individuals, or confirm if the officer changing the assessment had authority to do so. These individuals were subsequently processed as casual workers through payroll. As such, this could entitle the	<p>Financial penalties if the employment status of casual staff is not properly decided.</p>

<p>individuals to inappropriate employments rights such as annual leave, or sick pay.</p> <p>Furthermore, for our sample of 20 individuals, there were no records of employment letters being sent to individuals to confirm their status. However, we acknowledge that this is a relatively new addition to the process (February 2019).</p>	
<p>Original Recommendation 1</p>	<p>Original Priority level</p>
<p>A) Management should ensure an effective audit trail is maintained that justifies employment status.</p> <p>B) Management should review the employment status of individuals for appropriateness.</p> <p>C) Management should remind staff of the need to issue employment status letters and to retain copies.</p>	<p>High</p>
<p>Original Management Response 1</p>	<p>Original Responsible Officer / Deadline</p>
<p>A) HEIW Finance & People teams provided recruiting managers with training in this area in November 2018: this covered effective audit trails, how to undertake and complete the employment status checks, etc. to support the roll out of the toolkits, flow charts and employment status letters to the recruiting managers. Finance & People Teams felt satisfied at the time the recruiting managers had sufficient information to complete the checks appropriately and issue employment letters. An email reminder was sent to those staff that engage casual workers on 12/04/2019, reminding them of the importance of doing checks and that letters need to be sent. The findings</p>	<p>Head of People & OD Head of Financial Accounting - June 2019</p>

<p>of this objective & the management response to it will be shared with the Senior Leadership Team and expectations cascaded.</p> <p>B) Given the findings of this objective, the People team will be asking recruiting managers to submit copies of the ESS checks and employment status letters to the People Team at the same time as submitting the casual worker engagement forms. That way we can centrally monitor compliance and ensure an audit trail is maintained.</p> <p>C) Further training will be offered to recruiting managers on the importance of the need to issue the employment status letters and to retain copies.</p>	<p>Head of People & OD – June 2019</p> <p>Head of People & OD</p> <p>Head of Financial Accounting – By September 2019</p>
<p>Current Position</p>	
<p>A) Implemented. We confirmed that an e-mail reminder was sent to all staff that engage casual workers in May 2019 detailing the findings of our audit and the need for staff to ensure that the engagement process is adhered to and an adequate audit trail maintained.</p> <p>B) Implemented. Our testing of a sample of casual worker engagements confirmed that for each one an Employment Status (ESS) check had been carried out, and the documentation had been forwarded to the People Team for checking and monitoring purposes.</p> <p>C) Partially Implemented. The e-mail reminder sent in May 2019 highlighted the need for recruiting managers to issue employment status letters. However, to date no additional training has been provided.</p> <p>In order to verify compliance with the guidance issued to staff, we selected a sample of ten casual worker engagements that had taken place post may 2019. Our testing identified that letters had been sent to 7/10 casual workers notifying them of their tax status following the ESS check. Letters had not been sent to the remaining three workers. Their ESS check identified them as being self-employed, however due to the individuals being unable to raise invoices, they had been treated as employed. In our original finding we raised concerns about over-writing the outcome of the ESS check including the fact that workers classed as 'employed' accrue employment rights</p>	

including paid holidays and sick leave. There is a risk that workers assessed as self-employed but treated as 'employed' may try to claim for paid annual or sick leave.

We identified that the outcome of the ESS check for one item within our sample was 'unable to determine tax status'. However the letter to the casual worker informed them that they were being treated as 'outside the scope of IR35 legislation'. This means that no deductions for income tax and National Insurance will be made from their fee. Should an IR35 enquiry by the HMRC subsequently determine that the worker should have been inside the scope of IR35, HEIW may be liable for any unpaid income tax and National Insurance Contributions, plus a financial penalty.

Updated Recommendation 1

Updated Priority Level

Advice should be sought from HMRC and guidance issued in relation to how to treat workers who are assessed as self-employed but request to be treated as employed and for cases where the ESS toolkit decision is ambiguous. In the mean-time:

- A) Workers assessed as self-employed via the ESS toolkit should be treated as self-employed and not have the HMRC decision overturned. Consideration should be given to developing a pro-forma invoice that can be used to facilitate payment to those self-employed workers that are unable to raise their own invoices. Invoices should be signed by the worker prior to being processed for payment. If there are instances where this is not possible, HEIW should ensure the request to be treated as employed is made in writing and appropriately approved.
- B) In cases where the ESS check is unable to determine the tax status of casual workers, to reduce exposure to the risk of making income tax and NI payments on behalf of casual workers and incurring financial penalties, the HEIW default position should be that the worker is inside the scope of IR35

Medium

<p>and liable for the deduction of income tax and NI contributions from their fees.</p>	
<p>Updated Management Response 1</p>	<p>Updated Responsible Officer / Deadline</p>
<p>A previous staff member who worked in the Finance department with extensive experience in this area, advised that if an ESS check determines someone as 'self-employed' but they are unable to raise invoices, then we should process them as a casual worker. If that is not appropriate, we will look to work with the Finance team to develop a pro-forma invoice. We will also let recruiting managers know that if there are instances where people are unable to raise invoices, then they need to make a request in writing to be treated as a casual worker (employed).</p> <p>The People team will remind all recruiting managers that if an ESS check is unable to determine the tax status of an individual, they are to be treated as inside the scope of IR35.</p>	<p>Head of People & OD December 2019</p>

<p>Original Finding 2 - 'On Payroll' casual worker documentation (Operating Effectiveness)</p>	<p>Original Risk</p>
<p>We tested a sample of 20 instances where HEIW had undertaken the HMRC employment status check for casual workers to ensure that they had been appropriately assessed. Of the sample of 20 individuals, 11 had been assessed as 'on payroll'. We also looked at timesheet records for these workers. We note the following in relation to the 11 individuals:</p> <ul style="list-style-type: none"> • Six instances where Section C (right to work checks) was not fully completed. • Two instances where Section D (declaration by the worker) was not fully completed. • Five instances where Section E (line manager's declaration) was not fully completed. • Eight instance where the time sheet forms had not been fully completed. For example, no assignment numbers, subjective code, or line manager's signature had been completed. We also note that one of these time sheets was not completed in good time. It took around 4 weeks from the individual signing the form to it being approved by management. 	<p>Reputational damage to the organisation if action is taken against the organisation.</p>
<p>Original Recommendation 2</p>	<p>Original Priority level</p>
<p>A) Staff should be reminded of the need to ensure engagement forms and timesheets are appropriately completed.</p> <p>B) The organisation should review existing arrangements to ensure that current casual workers have been appropriately assessed.</p>	<p>High</p>

Original Management Response 2	Original Responsible Officer / Deadline
<p>A) The People Team will send a reminder to the recruiting managers to let them know that all sections of the casual worker engagement forms and timesheets need to be completed otherwise they will be returned and won't be processed until fully complete. To ensure timely completion of timesheets, we will amend the form to include that claims MUST be submitted within 3 months of work being carried out in order to be paid.</p> <p>B) As per response to Recommendation 1, going forward recruiting managers will be expected to send the completed ESS checks to the People Team so we can check they have been done and the correct process has been followed depending on the outcome.</p>	<p>Head of People & OD - June 2019</p>
Current Position	
<p>A) An e-mail reminder was sent to all staff responsible for engaging casual workers on the 8 May 2019.</p> <p>B) Our testing confirmed that supporting documentation relating to ESS checks is now forwarded to the People Team for checking.</p> <p>However, our testing of a sample of supporting documentation for ten casual workers, to verify the implementation of the recommendation, identified the following issues:</p> <ul style="list-style-type: none"> • In 5/10 cases, the casual workers name was not recorded on the ESS check documentation. This severely weakens the audit trail as completed checks cannot be matched to the casual worker. There is a 'reference' field on the form that should be used to record the workers name, but this had been used to record the expected date of engagement. • For 2/10 the date the ESS check was carried out was not recorded on the ESS check documentation so it could not be determined if the check was carried out prior to the casual worker carrying out work. The date the check 	

was carried out is generated automatically by the HMRC system and is recorded at the bottom of the form, but this had not been included when the documentation had been saved.

- For 4/7 (where letters were available) the letter notifying the worker of the outcome of the ESS check had been sent after the engagement date. Letters were also not always sent out promptly after the checks had been undertaken.
- For 1/10 forms the authorising signature on the Engagement Form was illegible and the authoriser had not printed their name on the form.
- 1/10 of the corresponding timesheets could not be provided at the time of our review. The remaining nine timesheets reviewed had not all been fully completed and authorised, i.e. the assignment number was not recorded on any of the nine timesheets, the subjective code was not recorded on 5/9 timesheets reviewed and 1/9 timesheets had no authorising signature.

While the agreed actions from the original recommendation have been appropriately addressed, our follow up testing has identified that there is still some work to be done in this area. This is reflected in the updated recommendation and related management response.

Updated Recommendation 2

Updated Priority Level

- A) The 'reference' field on the ESS check should be used to record the casual workers name and allow the reconciliation of checks to individuals.
- B) Staff should ensure the date that the ESS check was completed is recorded on the supporting documentation forwarded to the People Team.
- C) Letters notifying the casual worker of their employment status should be sent out promptly after the check has been completed.
- D) Timesheets should be fully completed and authorised.

Medium

Updated Management Response 2	Updated Responsible Officer / Deadline
<p>The People team will be sending a communication to remind recruiting managers that the reference field on the ESS check should be used to record the casual workers name, and that the date the check was completed is recorded on supporting documentation. The People team will also remind managers that the employment status letter needs to be sent out promptly after the check has been done and, ideally, before they do any work for us.</p> <p>Timesheets that are not fully completed and authorised will be returned to the recruiting manager and not processed until fully completed. Recruiting managers have been reminded of this.</p>	<p>Head of People & OD December 2019</p>

<p>Original Finding 3 - Monitoring Arrangements (Control design)</p>	<p>Original Risk</p>
<p>The 'flow chart' guide that has been developed by the workforce team makes reference to monitoring of casual workers. However, it does not specifically set out the nature of the monitoring that is required.</p> <p>During our fieldwork we saw little evidence of proactive monitoring to ensure compliance with HEIW guidance. For example, to ensure that casual workers have been appropriately classified. There are implications to the organisation should casual workers be inappropriately assessed such as penalties that can be applied by HMRC.</p>	<p>Opportunities for improvements in the system are not identified in a timely manner.</p>
<p>Original Recommendation 3</p>	<p>Original Priority level</p>
<p>Management should consider implementing a programme of spot checks or peer reviews to ensure the correct application of HEIW processes. Having a range of these measures would enhance the control environment for the assessment and treatment of casual workers.</p>	<p style="text-align: center;">High</p>
<p>Original Management Response 3</p>	<p>Original Responsible Officer / Deadline</p>
<p>All engagement forms and timesheets already come to the People Team, and we will check these forms to ensure they have been completed correctly. Although more training for the recruiting managers is currently being sourced, HEIW will also create a peer group/network for the recruiting managers to enable them to support each other in the correct completion of the treatment of casual workers, ESS checks and employment status letters. The People</p>	<p>Head of People & OD Head of Financial Accounting - July 2019</p>

<p>Team and Finance would oversee this group and undertake spot checks to ensure the documentation and audit trail complies with legislation.</p>	
<p>Current Position</p>	
<p>Partially Implemented. The management response states that engagement forms and timesheets will be checked centrally by the People Team, and we were informed that this is now being done. While we were able to confirm that supporting documentation is being forwarded to the People Team for checking, we were unable to evidence that checks are being completed.</p> <p>We were informed that the implementation of spot checks and a peer group / network for recruiting managers as per our recommendation is not now necessary given the level of checking being undertaken by the People Team. This is accepted subject to the implementation of the updated recommendation below.</p>	
<p>Updated Recommendation 3</p>	<p>Updated Priority Level</p>
<p>The checks that are undertaken on the supporting documentation by the People Team should be recorded and evidenced. This could be achieved by developing the existing Casual Worker list maintained by the People Team into a checklist that records the checks carried out, the person carrying out the check and the date was carried out.</p>	<p>Medium</p>
<p>Updated Management Response 3</p>	<p>Updated Responsible Officer / Deadline</p>
<p>The People Team have added a column to our casual worker list to show when document checks are completed.</p>	<p>Head of People & OD Completed</p>

Original Finding 4 - Procurement Process (Control design)	Original Risk
<p>HEIW has a high-level governance framework for the procurement of works, goods and services in place. The use of casual workers would be through this process.</p> <p>However, there is no procurement manual or formal standardised process that sets out operational responsibilities or implications. Such a manual might provide guidance for obtaining the services of casual workers. This would also provide clarity with regards to how often a casual worker should be re-assessed to consider if they are 'on' or 'off' payroll if there are gaps between their engagements with the organisation.</p> <p>Our testing did not identify any cases of engagements of casual workers that exceeded £5,000 therefore needing quotes. Our discussions with staff during our audit fieldwork in relation to casual workers appeared to identify that the process for the procurement of services under £5,000, such as the discretionary need for quotations, were not well known.</p>	<p>Inappropriate commissioning takes place.</p>
Original Recommendation 4	Original Priority level
<p>Management should consider establishing a documented operational procurement procedure (Procurement Manual) to ensure a standard approach is used across HEIW.</p>	<p style="text-align: center;">Medium</p>

Original Management Response 4	Original Responsible Officer / Deadline
<p>HEIW is in discussion with NWSSP Procurement Team regarding further training and support for staff undertaking procurement within HEIW. We will consider the inclusion of specific training and guidance for the engagement of casual workers in HEIW within that context.</p>	<p>Head of People & OD Head of Financial Accounting - July 2019</p>
Current position	
<p>Not Implemented. An operational procedure manual has not yet been established. The People Team is in the process of procuring specialist training from a 'tax expert' for all staff involved in the engagement of casual workers. The information provided during the training will then be incorporated into a guidance manual.</p>	
Updated Recommendation 4	Updated Priority Level
<p>Management should establish a documented operational procedure (Procurement Manual) for the engagement of casual workers to ensure a standard approach is used across HEIW.</p>	<p>Medium</p>
Updated Management Response 4	Updated Responsible Officer / Deadline
<p>HEIW is in discussion with NWSSP Procurement Team regarding further training and support for staff undertaking procurement within HEIW. Also, Ernst & Young who will be delivering the specialist training to the recruiting managers, will also include specific training and guidance for on the engagement of casual workers</p>	<p>Head of People & OD / Head of Financial Accounting December 2019</p>

in HEIW within that context. The training will also include operational guides, which will be available to the recruiting managers after the training.

Original Finding 5 - Guidance and Training (Control design)	Original Risk
<p>We found that the guidance and training surrounding the completion and frequency for checking the employment status of casual workers using the HMRC online tool was inconsistent. While there was guidance to help staff from the GP area, we found that:</p> <ul style="list-style-type: none"> • Within dentistry, there is no guidance to help staff complete the HMRC online tool and through our conversations with staff there appears to be a knowledge gap surrounding the process and associated responsibilities. • Within pharmacy, there was again no guidance document noted, although, through conversations staff appeared to be more confident in completing the tool and this is supported in the outcome of our testing. 	<p>Employees do not understand how to correctly deliver their role.</p>
Original Recommendation 5	Original Priority level
<p>A) Guidance on completing and rechecking the HMRC online tool should be produced for all required areas.</p> <p>B) Management should consider assessing the training requirement and provide updates accordingly.</p>	<p>Medium</p>
Original Management Response 5	Original Responsible Officer / Deadline
<p>As outlined earlier, training and guidance was made available to all recruiting managers in HEIW in November 2018. However the audit shows that there are clearly further training requirements around ESS checks and processes for</p>	<p>Head of People & OD - training to be scoped by July 2019 & rolled out by September 2019</p>

<p>engaging casuals. The People Team are currently scoping further training, which will be made available to all staff.</p>	<p>(see also recommendation 1)</p>
<p>Current position</p>	
<p>Not Implemented. A) Guidance on completing and rechecking the HMRC online tool has not yet been produced. B) Training for staff involved in the engagement of casual workers has not yet been procured, although quotations have been obtained from three professional services firms.</p>	
<p>Updated Recommendation 5</p>	<p>Updated Priority Level</p>
<p>The training requirements for staff involved in the engagement of casual workers should be assessed against the three quotations obtained to date to establish whether training is required and if so which is the most appropriate provider.</p>	<p>Medium</p>
<p>Updated Management Response 5</p>	<p>Updated Responsible Officer / Deadline</p>
<p>The People Team received the quotes from Deloitte, KPMG and Ernst & Young. The People team has been working with NWSSP Procurement and have appointed Ernst & Young as the training providers. The People team are awaiting confirmation of dates to deliver a training session to all recruiting managers of casual workers.</p>	<p>Head of People & OD / Head of Financial Accounting December 2019</p>

Audit Assurance Ratings



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

Follow up - All recommendations implemented and operating as expected.



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

Follow up - All high level recommendations implemented and progress on the medium and low level recommendations.



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

Follow up - No high level recommendations implemented but progress on a majority of the medium and low recommendations.



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

Follow up - No action taken to implement recommendations.

Prioritisation of Recommendations

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

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

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

Freedom of Information (FoI)

Final Internal Audit Report

HEIW 2019/20

November 2019

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Review reference:	HEIW-1920-09
Report status:	Final Internal Audit Report
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Auditor:	Martyn Lewis – IT Audit Manager
Executive sign off:	Dafydd Bebb – Board Secretary
Distribution:	Kay Barrow – Corporate Governance Manager
Committee:	Audit and Assurance Committee



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

ACKNOWLEDGEMENT

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

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

1. Introduction and Background

In line with the 2019/20 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of the arrangements in place to ensure compliance with the Freedom of Information Act (FoI) was undertaken.

The Freedom of Information Act came into effect on 1 January 2005 and affects all public sector organisations including HEIW.

The Act is intended to ensure openness, transparency and accountability of all public organisations. Under the Act, all public bodies have a legal duty to ensure that the public, staff and other organisations are able to access information about how they operate and make decisions about their performance.

The organisation has a statutory responsibility to respond to these requests initially to inform the applicant whether the information falling within the scope of their request is held, and later to provide that information within a 20 working day timescale. The Information Commissioners Office (ICO) currently expects public bodies to have a 90% compliance rate with this timescale.

The relevant lead for the review is the Board Secretary.

2. Scope and Objectives

The overall objective of the audit was to evaluate and determine the adequacy of systems and controls in place in relation to dealing with requests for information under the appropriate legislation.

The review will seek to provide assurance to the organisations Audit Committee that risks material to the achievement of the system's objectives are managed appropriately.

The areas that the review seeks to provide assurance on are:

- there is a governance framework to support compliance with FoI responsibilities;
- there are policies and procedures in place which explain the organisation's approach to, and responsibilities for FoI;
- there are procedures in place to deal with requests for information which ensure that information is provided in compliance with FoI; and
- there are procedures in place for the provision and monitoring of staff training in relation to FoI and the awareness of associated requirements relating to their roles and responsibilities.

3. Associated Risks

The potential risk considered in the review were as follows:


- controls not operating resulting in non-compliance with FoI.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

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

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

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

HEIW is a relatively new organisation, and the processes in place for dealing with FoI requests have been developing over the past year. The level of staff resource available has increased and this has led to an improvement in the processes over time with better retention of information. The organisation has developed procedures for dealing with FoI requests and these are available to staff, further information is provided via the information governance mandatory training and through face-to-face training.


We identified that requests for information are dealt with appropriately, with acknowledgements sent. The compliance rate for responding within the 20-day timeframe is currently 93% as of September.

The monitoring and reporting framework is defined and is within the remit of the Audit Committee. This structure is also developing with an intent to ensure regular compliance reporting is included.

We identified issues with the provision of information under the publication scheme. At present HEIW does not have a publication scheme in place, and this means the organisation is not fully compliant with the requirements of the FoI Act. In addition, there is no disclosure log in place to provide information on the requests received. We note that these items are in development. A draft publication scheme is being worked on, and the finalisation of this should enable the organisation to be fully compliant.

5. Assurance Summary

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

Assurance Summary					
1	Governance Framework			✓	
2	Policies and procedures				✓
3	Request Handling			✓	
4	Training and Awareness				✓

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

Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the system control/design for FoI.

Operation of System/Controls

The findings from the review have highlighted five issue that are classified as a weakness in the operation of the designed system/control for FoI.

6. Summary of Audit Findings

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

Objective 1: There is a governance framework to support compliance with FOI responsibilities.

We note the following areas of good practice:

- Information Governance is within the remit of the Audit Committee as set out in the terms of reference;
- the Board Secretary has lead responsibility for FoI;
- the Corporate Services Manager has operational responsibility for dealing with FoI requests;
- there is monitoring and reporting of FoI within the information governance report which goes to the Audit and Assurance Committee;
- the draft publication scheme follows the model set by the ICO;
- there is a 'request for review' process for FoI requests;
- any reviews of FoI requests would be undertaken by the HEIW Chair, who is outside the process so is independent; and
- the standard FoI response template makes it clear that a requester can ask for review and complain to the ICO.

We identified the following finding:

- HEIW is developing a publication scheme and has a draft prepared which follows the ICO model scheme. However, it is not yet finished so it is not included on the website, and the information is not yet published.

Objective 2: There are policies and procedures in place, which explain the organisation's approach to, and responsibilities for FoI.

We note the following areas of good practice:

- there are comprehensive procedures in place for dealing with FoI requests; and
- FoI procedures are available for staff.

We did not identify any findings under this objective.

Objective 3: There are procedures in place to deal with requests for information, which ensure that information is provided in compliance with FoI.

We note the following areas of good practice:

- acknowledgments to FoI requests are sent within the appropriate timescale;
- where a response is likely be longer than the 20 day timescale, a letter notifying the requester of the delay is sent;
- the processes ensure that requests in to the general email address are passed to the FoI team;
- responses to FoI requests are approved / signed by the Board Secretary; and
- staff involved in the FoI process are aware of the exemptions available for use.

We identified the following finding:

- There is no disclosure log published for HEIW, as this has not yet been developed.

Objective 4: There are procedures in place for the provision and monitoring of staff training in relation to FoI and the awareness of associated requirements relating to their roles and responsibilities.

We note the following areas of good practice:

- FoI is included in mandatory training and induction;
- face to face training is also provided to staff; and
- the HEIW website includes a page for FoI, which gives basic information and provides a mail address for requests to be submitted.

We did not identify any findings under this objective.

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	1	1	3	5

Finding -1 – Publication Scheme (Operating effectiveness)	Risk
<p>The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. The scheme must set out the commitment to make certain classes of information routinely available, such as policies and procedures, minutes of meetings, annual reports and financial information.</p> <p>HEIW has a draft publication scheme, which follows the ICO model scheme. However, it is not yet finished so it is not included on the website and the information is not yet published.</p> <p>Accordingly, HEIW is not compliant with the requirements of the Freedom of Information Act.</p>	<p>Controls not operating resulting in non-compliance with FoI.</p>
Recommendation	Priority level
<p>The publication scheme should be finalised and published as soon as practically possible.</p>	<p>High</p>
Management Response	Responsible Officer/ Deadline
<p>Draft Publication Scheme in development and will be finalised and published by the end of October 2019.</p>	<p>Board Secretary End of October 2019</p>

Finding -2 – Disclosure Log (Operating effectiveness)	Risk
<p>Good practice for compliance with the FoI Act includes maintaining a disclosure log. A disclosure log briefly outlines previous requests received by the organisation, together with the relevant responses issued and NHS bodies in Wales provide these.</p> <p>However, there is no disclosure log published for HEIW as this has not yet been developed and no information on requests received and responded to is provided.</p> <p>Without the disclosure log, HEIW is not compliant with best practice and with standard NHS Wales practice.</p>	<p>Controls not operating resulting in non-compliance with FoI.</p>
Recommendation	Priority level
<p>A disclosure log should be developed and published.</p>	<p>Medium</p>
Management Response	Responsible Officer/ Deadline
<p>Disclosure Log in development and will be published by the end of October 2019.</p>	<p>Board Secretary End of October 2019</p>


Finding 3 – Request Handling(Operating effectiveness)	Risk
<p>Our testing of the process for dealing with FoI requests identified some issues with retention of information:</p> <ul style="list-style-type: none"> • some information has not been retained (some acknowledgements, follow on request) for 3 out of the 6 requests sampled. • some had no record of requests for information being passed out to the relevant department for 4 or the 6 requests sampled. <p>We note that the missing information largely relates to requests received earlier in the life of HEIW and prior to staffing resource for FoI support being in place and that the process has become better defined and trackable as the resource has increased and HEIW has bedded in.</p>	Controls not operating resulting in non-compliance with FoI.
Recommendation	Priority level
Work should continue to bed in the process and ensure all stages are retained.	Low
Management Response	Responsible Officer/ Deadline
HEIW will continue to embed the FoI process and ensure that information from all areas of the process are retained providing an audit trail for all requests.	Board Secretary Immediate


Finding 4 – Reporting (Operating effectiveness)	Risk
<p>The reporting and monitoring process for FoI is still being developed. There has been reporting on Information Governance to Audit and Assurance Committee, which included aspects of FoI. However, there has been no monitoring of compliance rates or activity to date.</p> <p>Without regular reporting of compliance and activity, the committee does not have sight of the current status and cannot gain assurance of legislative compliance.</p> <p>We acknowledge that this is a developing area and it is management’s intent to report on compliance at each Audit and Assurance Committee meeting, together with an annual summary report detailing requests received and identifying any trends.</p>	Controls not operating resulting in non-compliance with FoI.
Recommendation	Priority level
The reporting process should be developed as outlined.	Low
Management Response	Responsible Officer/ Deadline
Going forward it is confirmed that HEIW will provide a report on FOI compliance to each Audit and Assurance Committee as part of its Information Governance reporting. An annual report, on the previous year’s compliance and performance, will be provided in Q1 of each financial year.	Board Secretary Immediate


Finding 5 – Procedures (Operating effectiveness)	Risk
The procedures in place for FoI refer to appendix 2 (a leaflet for people seeking to make a request), however this has yet to be developed.	Controls not operating resulting in non-compliance with FoI.
Recommendation	Priority level
The reference to the leaflet should be removed from the procedures.	Low
Management Response	Responsible Officer/ Deadline
A draft leaflet for people seeking to make and FOI request has been developed and has been appended to the FOI procedure.	Board Secretary End of October 2019


Appendix B - Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Board and Committee Governance Arrangements

Final Internal Audit Report

2019/20

HEIW

November 2019

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Appendix B	Assurance opinion and action plan risk rating

Review reference:	HEIW-1920-03
Report status:	Final
Fieldwork commencement:	23 October 2019
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Draft report issued:	12 November 2019
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Final report issued:	14 November 2019
Auditor:	Lucy Jugessur, Audit Manager
Executive sign off:	Dafydd Bebb, Board Secretary
Distribution:	Kay Barrow, Corporate Governance Manager
Committee:	Audit and Assurance Committee



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1. Introduction and Background

In line with the 2019/20 Internal Audit Plan for Health Education and Improvement Wales ('HEIW' or 'the organisation') a review of Governance Arrangements was undertaken. The review sought to provide assurance to the Audit and Assurance Committee that there are effective processes in place to manage governance risks.

Corporate governance is the system by which organisations are directed and controlled and has a significant effect on how well organisations meet their aims and objectives. The HEIW Board has adopted a set of Standing Orders (SOs) for the regulation of their proceedings and business. These are designed to translate the statutory requirements set out in legislation into day to day operating practice. Together with the adoption of a Scheme of Decisions reserved to the Board; a Scheme of Delegations to officers and others; and Standing Financial Instructions (SFIs), the SOs provide the regulatory framework for the business conduct of HEIW.

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

The relevant lead for the review is the Board Secretary.

2. Scope and Objectives

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

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

- The Board and its committees have clear roles with appropriate terms of reference. Consideration is given to the committee size and attendance profile, and the remit of each committee is mapped to the organisation's responsibilities.
- Committees are operating effectively in line with their terms of reference, with appropriate agendas and reports, minutes clearly reflecting the decisions made in meetings, and meetings suitably scheduled.
- Consideration has been given as to how the Board and committee effectiveness is reviewed and monitored.
- Information reports to committees are received in good time, with reports containing sufficient, complete and timely information on which to base decisions.

- Agendas and reports are circulated to Members in enough time to allow them to be properly scrutinised ahead of Board and committee meetings.
- Action logs are generated for each committee with a process of review in place.
- The overall committee structure is mapped to show the communication channels within the organisation and the links to external parties. Where information is required to flow between committees, this takes place in a timely manner.
- Committee structures allow for appropriate discussion in public and in private sessions.
- Board and committee Members are required to complete a 'Declaration of Interests' annually and to declare pecuniary interests prior to every meeting.

3. Associated Risks

The potential risks considered in the review were as follows:


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

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated Governance Arrangements is Substantial Assurance.

Substantial Assurance		The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.
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We have concluded that there are adequate controls in place to manage the governance arrangements relating to the Board and Committees within HEIW.





The organisation's Standing Orders have been updated and now include the Education, Commissioning and Quality Committee terms of reference which was established in May 2019, and has met on three occasions. The Board and its committees are meeting regularly and have appropriate agendas in line with their respective terms of reference. Where appropriate committees are providing reports to the Board and all meetings that we reviewed had been well attended and were quorate. Action logs are produced following the Board, Audit & Assurance Committee, and Education, Commissioning and Quality Committee, and the actions were appropriately assigned, with updates provided on the actions. There are public and private sessions held for the Board and its committees.

We identified one medium priority and one low priority finding during our review. The medium priority finding relates to the need for the Board, and where appropriate its committees, to periodically undertake a self-assessment of their effectiveness.

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

5. Assurance Summary

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

Assurance Summary					
1	The Board and its committees have appropriate terms of reference				✓
2	Committees are operating effectively			✓	
3	The Board and committees are effective			✓	
4	Information reports to committees are received in good time				✓
5	Agendas and reports are appropriately circulated				✓
6	Action logs are generated for each committee				✓
7	There are appropriate communication channels from committee				✓
8	Committee structures allow for appropriate discussion				✓
9	Board and committee Members are required to complete a 'Declaration of Interests'				✓

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

Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the system control / design.

Operation of System/Controls

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

6. Summary of Audit Findings

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

Objective 1: The Board and its committee have clear roles with appropriate terms of reference. Consideration is given to the committee size and attendance profile, and the remit of each committee is mapped to the organisation's responsibilities.

We note the following areas of good practice:

- The Standing Orders were reviewed at the Board meeting in March 2019 to incorporate the new terms of reference for the Education, Quality and Commissioning Committee.
- The terms of reference for the committees detail their relationships and accountabilities with the Board and its committees.
- The terms of reference for the Board and its committees list the key personnel that should be in attendance at the meetings. We reviewed attendance at the Board and the Committees to ensure that meetings were quorate and the appropriate personnel were attending and in all cases the meetings were adequately attended.

We did not identify any findings under this objective.

Objective 2: Committees are operating effectively in line with their terms of references, with appropriate agendas and reports, minutes clearly reflecting the decisions made in meetings, and meetings suitably scheduled.

We note the following areas of good practice:

- The terms of reference confirms that the Board should be held at regular intervals and as a minimum six times a year. To date, the Board has met five times this year with a meeting scheduled for November 2019.
- The meetings for the Audit & Assurance Committee and the Education, Commissioning and Quality Committee are aligned with the Board meetings, allowing them to send reports of their meetings to the Board, and also for them to obtain approval of required papers.

- The Board Secretary produces an Annual Plan of Board business and the Board's forward work programme was taken to the Board meeting in March 2019 by the Board Secretary.

We identified the following finding:

- The standard template for covering reports taken to committees was not always being used.

Objective 3: Consideration has been given as to how the Board and committee effectiveness is reviewed and monitored.

We note the following area of good practice:

- The Audit & Assurance Committee held an informal meeting in July 2019 which reviewed the effectiveness of the Committee, the members of the Committee, and those who work with the Committee.

We identified the following finding:

- The Board and the Remuneration and Terms of Service Committee have yet to undertake a self-assessment of their effectiveness.

Objective 4: Information reports to committees are received in good time, with reports containing sufficient, complete and timely information on which to base decisions.

We note the following area of good practice:

- We reviewed a sample of information reports taken to the Board and its Committees. The information taken was appropriate, in the required format, and appeared to be in sufficient detail to allow the Board and Committee members to make informed decisions. .

We did not identify any findings under this objective.

Objective 5: Agendas and reports are circulated to Members in enough time to allow them to be properly scrutinised ahead of Board and committee meetings.

We note the following area of good practice:

- We were informed that agendas and supporting papers for Board and Committee meetings were uploaded onto iBabs and were available seven days prior to each meeting.

We did not identify any findings under this objective.

Objective 6: Action logs are generated for each committee with a process of review in place.

We note the following areas of good practice:

- There is an action log in place for the Board, Audit & Assurance Committee and the Education, Commissioning and Quality Committee. The action logs include target dates for when the action should be completed.

- We verified that actions recorded within the minutes were included within the action logs for the Board and its committees. In addition, we confirmed that the agreed actions were discussed and closed at subsequent meetings.

We did not identify any findings under this objective.

Objective 7: The overall committee structure is mapped to show the communication channels within the organisation and the links to external parties. Where information is required to flow between committees, this takes place in a timely manner.

We note the following areas of good practice:

- The communication flow of the Committees to the Board are reported in the Annual Report. In addition, the terms of reference outline communication channels within the committees to the Board.
- We reviewed the minutes of the committees and were able to evidence that minutes of the meetings were taken to the Board. In addition, there were instances whereby the committees required Board approval on some actions, and we were able to see evidence of this happening on a timely basis.

We did not identify any findings under this objective.

Objective 8: Committee structures allow for appropriate discussion in public and in private sessions.

We note the following areas of good practice:

- The Terms of Reference for the Board, the Audit & Assurance Committee and the Education, Commissioning and Quality Committee confirm that as much formal business as possible should be conducted in public.
- We evidenced that the Performance Report including an update on the development of the HEIW Performance Dashboard was initially reported to the private session of the Board at the meeting held on the 18 July 2019, this report was then formally taken to the public session of the Board to ensure it was in the public domain.

We did not identify any findings under this objective.

Objective 9: Board and committee Members are required to complete a 'Declaration of Interests' annually and to declare pecuniary interests prior to every meeting.

We note the following areas of good practice:

- The Declaration of Interests (DoI) Register, which we understand was updated in October 2019, was publicly available on the Internet.
- The 2019/20 DoI register recorded that all of the Board Members, Executive Directors, and the Board Secretary had completed and returned a DoI form.

- From the sample of minutes for Board and committee meetings that we reviewed we verified that the Chair had requested any additional declarations of interest to be made prior to the start of each meeting.

We did not identify any findings under this objective:

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

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


Finding - Board and Committee effectiveness (Operating effectiveness)	Risk
<p>The Board’s Terms of Reference states that the ‘Board shall introduce a process of regular and rigorous self-assessment of its own operations and performance, and that of its committees’. There are no mandatory rules that stipulate how often Boards and committees should undertake self-assessment, but an annual review is considered good practice.</p> <p>The Audit & Assurance Committee carried out a self-assessment of their effectiveness in July 2019 using the Wales Audit Office’s Self-Assessment Checklist. However, we understand that the Board has yet to undertake a review of its effectiveness.</p> <p>In addition, the Remuneration and Terms of Service Committee has not yet undertaken a self-assessment, although we were advised by the Board Secretary that they will consider undertaking a review by March 2020.</p> <p>The Education, Commissioning and Quality Committee have not yet undertaken a review of their effectiveness, though it is acknowledged that have only been in existence for a short period time.</p>	<p>Areas of poor performance are not identified and addressed</p>


Recommendation	Priority level
<p>The Board should undertake a self-assessment of their effectiveness, within an appropriate timeframe, and thereafter on an annual basis.</p> <p>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.</p>	<p>Medium</p>
Management Response	Responsible Officer/ Deadline
<ul style="list-style-type: none"> • Self-assessment for the Board scheduled for Q4 of 2019/20. • Self-assessment for the Remuneration and Terms of Service Committee scheduled for Q4 of 2019/20 • Self-assessment for the Education, Commissioning and Quality Committee scheduled for Q1 of 2020/21 	<p>Board Secretary / 31 March 2020</p> <p>Board Secretary / 31 March 2020</p> <p>Board Secretary / 30 June 2020</p>


Finding 2 - Standard covering reports (Operating effectiveness)	Risk
<p>There is a standard template covering report for papers taken to the Board and its committees. This includes the purpose of the report, key issues and recommendations and a Governance and Assurance section, which covered Quality, Safety and Patient Experience, Financial Implications, Legal Implications, Staffing Implications and Long Term Implications. However, our review of papers identified instances where the full standard template was not consistently used for all covering reports.</p>	<p>A lack of clear, consistent strategic direction, accountability and leadership with governance arrangements not properly discharged</p>
Recommendation	Priority level
<p>For consistency and clarity, the full standard template should be used for all covering reports taken to the Board and its Committees. Any sections not deemed necessary should be marked as such.</p>	<p>Low</p>
Management Response	Responsible Officer/ Deadline
<p>The Board Secretary will ensure that the standard covering report template is used for all Board and Committee reporting.</p>	<p>Board Secretary / 31 December 2019</p>


Appendix B - Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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



NHS WALES

Health Education & Improvement Wales

Audit & Assurance Committee 22nd November 2019

Counter Fraud Update

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

AUDIT COMMITTEE 22nd November 2019

COUNTER FRAUD UPDATE

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

Mission Statement

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

1. INTRODUCTION

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

This update provides the Audit Committee with an update at 31st October 2019.

2. CURRENT CASE UPDATE

2.1 As at 31st October 2019, a total of **30** days have been spent on counter fraud work within HEIW and the breakdown of this work is detailed in **Appendix 1**.

2.2 There is currently one (1) case currently under investigation for which a verbal update on the progress made to date will be given to the Audit Committee.

3. PROGRESS AND GENERAL ISSUES

3.1 Counter Fraud Work Plan 2019/20

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

3.2 Fraud Awareness Presentations

Following discussion with the Interim Director of Finance, various awareness sessions have now taken place with both the Finance and Senior Leadership Teams with further sessions currently being arranged to take place within HEIW throughout the remainder of the financial year.

3.3 Quarterly CF Newsletter

After being agreed, by the Director of Finance, the quarterly CF Newsletter, as attached an appendix to this report, was issued to HEIW Communications Dept and then disseminated to all HEIW staff.

The newsletter, included information about recent cases that appeared in the public domain. The same newsletter also contained further details to HEIW staff as to how and where they can report any concerns relating to NHS fraud.

COUNTER FRAUD SUMMARY PLAN ANALYSIS 2019/20
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AREA OF WORK	Planned Days	Days to Date
General Requirements		
LCFS Attendance at All Wales Meetings	1	0
Planning/Preparation of Annual Report and Work Programme	1	1
Production of Reports and attendance at Audit & Assurance	4	2
Liaison with the DoF, NHS CFA, Welsh Government	0	0
Self Review Tool (SRT) and QA Assessment	1	1
Annual Activity		
Create an Anti-Fraud Culture	5	4
Presentations, Briefings, Newsletters etc.	20	12
Fraud Awareness Events	0	0
Deterrence		
Review/develop Policies/Strategies	3	3
Prevention		
The reduction of opportunities for Fraud and Corruption to occur.	0	0
Detection		
National Pro-Active Exercises (e.g. Procurement)	2	2
Investigation, Sanctions and Redress		
The investigation of any alleged instances of fraud	10	5
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	30

If you suspect fraud has or is being committed against Health Education Improvement Wales, you should report it immediately to one of your Local Counter Fraud Specialists:

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

You can also write to the Counter Fraud Team at:

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

Who are the NHS Counter Fraud Service?

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

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

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

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

In the case of HEIW and whilst it is a newly established Health Body, there have not, to date, been any referrals made. However, within the NHS in Wales there have been a number of significant NHS fraud cases reported in the public domain. The majority of fraud investigations over the last five (5) years being in relation to a range of offences with the more common including:

- prescription frauds,
- false claims made for funding to NHS Student Finance in respect of bursaries,
- grants/loans for nurse training courses,
- salary overpayments and
- NHS staff working elsewhere and also receiving separate payments whilst claiming to be on sick-ness absence from their NHS post.

Overpayment of Salary

There has been a recent batch of such cases being referred to NHS Counter Fraud (Wales) where-by the subject, despite moving to another NHS post, has then received salary payments as a result of non-completion, by his/her Line Manager, of the required paperwork (e.g. termination form, reduction in hours etc).

In one of the recent cases, that is detailed later in this newsletter, resulted in a significant overpayment and led to a criminal prosecution and ongoing recovery of the money.

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

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

Working Elsewhere whilst claiming to be on Sickness Absence

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

In addition to this, and should an employee be on Long Term Sickness Absence, then the procedure for dealing with such issues is then closely followed. As a result and should there be any suspected fraud (e.g. working elsewhere), then there would be a clear audit trail in the subject personal file together with documentation that has been signed, dated etc which could then be used as part of any subsequent investigation.

Case Studies

Sick Leave and Show Jumping

Elise David was originally employed as a Quality Manager in the NHS Surgical Laboratory based in Bridgend.

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

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

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

False Claims

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

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

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

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

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

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

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

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

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

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

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

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

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

Money for Nothing

Sarah Merry had pocketed more than £25,000 as she continued to receive her monthly wages for a hospital job that she was no longer doing.

She had failed to tell her former NHS bosses about the payments and then went and spent the money on family trips abroad and watching football and rugby.

Merthyr Tydfil Magistrates Court heard that MERRY had left her employment as a Nurse with the Cwm Taf University Health Board in January 2017 and then started a new role at another NHS hospital. However, due to a clerical error,

she continued to be paid for her previous job for another 17 months, but failed to inform her former employer.

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

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

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

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

National Cases

NHS Worker or U2 Band Member?

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

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

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

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

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

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

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

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





Meeting Date	22 November 2019	Agenda Item	2.12
Report Title	Audit Recommendations Tracker		
Report Author	Kay Barrow, 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) that contains the current agreed actions in response to the recommendations within Audit reports received from sources such as Internal Audit and WAO.</p> <p>To provide the Committee with assurance that those recommendations contained within the Tracker are being progressed, monitored and completed.</p>		
Key Issues	<p>The Tracker, the status of which is represented using a Red; Amber; Green (RAG) rating, currently covers 35 recommendations.</p> <p>The Tracker is attached at Appendix 1.</p>		
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. • Agree that the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker. 		

AUDIT RECOMMENDATIONS TRACKER

1. INTRODUCTION

In line with good practice, the Audit and Assurance Committee (Committee) should closely monitor progress with the programme of internal and external audit reports undertaken at HEIW. A detailed Audit Recommendations Tracker (Tracker) has been established to record the progress of all the recommendations contained within each of the Internal and External Audit reports completed since the establishment of HEIW.

The Tracker will be a source of assurance for the Audit and Assurance Committee that those recommendations are being progressed, monitored and completed.

2. BACKGROUND

The Committee should play a crucial role in supporting the effective governance of HEIW. It should play a pivotal role in ensuring that HEIW functions in accordance with good governance, applying appropriate accounting and auditing standards, and adopting appropriate risk management arrangements.

3. GOVERNANCE AND RISK ISSUES

In line with good governance, the coordination and reporting of organisational actions for audit activity are key elements of HEIW's overall assurance arrangements.

The Tracker indicates those recommendations that have been completed and are proposed to be taken off the tracker, those that have made significant progress but are still not fully complete and those where some progress has been made but a number of factors still remain which prevents the action being fully completed. There are **3** recommendations that are areas considered as advisory points and have been/are being considered, therefore not considered to require a RAG status.

There are currently **35** recommendations within the database, as per the table below:

Red	7	Good progress being made, but outside the target deadline.
Green	25	Action has been assessed as completed, or is complete.
Amber	0	Significant progress but still not fully completed or Action has not yet reached the deadline date.
RAG status not required	3	Areas considered as advisory points and have been/are being considered. Therefore not considered to require a RAG rated.

The **25** 'Green' actions that have been assessed as completed, or are complete, and are proposed to be withdrawn from the Tracker with the agreement of the Audit and Assurance Committee.

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

4. FINANCIAL IMPLICATIONS

There may be financial consequences of individual actions however there is no direct financial impact associated with this report at this stage.

5. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **Note** the report.
- **Agree** that the green recommendations that have been assessed as completed, or are complete, are proposed to be withdrawn from the Tracker.

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



Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
3. (IA)	Core Financials – Financial Accounting <i>February 2019</i>	<p>Now that HEIW has been operating for a number of months, FCPs should be reviewed to ensure they are complete and reflect the process being carried out within the organisation, whilst ensuring the expected controls remain. The department should create desktop procedures that outline to staff the process to be followed when performing tasks. This will facilitate a standardised approach to work and can act as guide for new or less experienced staff to use.</p> <p>Medium Priority</p>	March 2019	Head of Financial Accounting	<p>There is a journal register within Oracle so there is no need for a duplicate hard copy. However, the FCP can be clarified for this point. The manual (ad hoc) payments of £9.1m were processed using the same documentation as required by Accounts Payable. The method of payment is different i.e. direct payments rather than BACS but remaining information is the same. Whilst the FCPs were approved by audit committee in October 2018 with a yearly review process it is agreed that some will be reviewed before the start of the financial year and where necessary updated in light of the audit findings. Shared services subsequently changed their approach to miscellaneous payments in November 2018 which meant that the payments are now made via Accounts Payable using the same backing documentation. No clarification is therefore required in the FCP as this approach has been used by precursor organisations, in particular, Shared Services, and presumably has been dealt with satisfactorily in the past. Since the audit fieldwork was undertaken, desk top procedures have been written.</p> <p>Progress as at May 2019 On-going – Processes are still being reviewed and refined to reflect best practice identified from other organisations and from discussions as part of the year-end audit. Working papers and desktop notes are being prepared to reflect the operational procedures. It is anticipated this will be complete by the end of July 2019.</p>	Nov 2019



Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
					<p>Progress as at July 2019: Completion of the internal review is expected to be complete by the end of July 2019. The Head of Financial Accounting is a member of the All-Wales Technical Accounting Group (TAG) task and finish group reviewing Financial Control Procedures (FCPs), which is due to meet shortly. Feedback from the group will be used to review and update FCPs as appropriate.</p> <p>Current Progress: November 2019 Complete - A suite of desktop notes has been prepared for the main tasks carried out within the financial accounting team. These will be reviewed and updated on an on-going basis.</p> <p>The annual review of the FCPs is included as a separate agenda item for the Audit and Assurance Committee in November 2019.</p>	
10.C (IA)	Workforce Review: Casual Workers – Employment status <i>May 2019</i>	C) Management should remind staff of the need to issue employment status letters and to retain copies. High Priority	September 2019	Head of People & OD/ Head of Financial Accounting	C) Further training will be offered to recruiting managers on the importance of the need to issue the employment status letters and to retain copies. Progress as at July 2019: The People Team have contacted Deloitte, KPMG and Ernst & Young for quotes on delivering training around casual workers and IR35. We are waiting for a response from Ernst & Young (we need 3 quotes) and once we have this we can start the procurement process to deliver the training and review our processes.	Nov 2019



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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
					<p>Current Progress: - November 2019 The People Team received the quotes from Deloitte, KPMG and Ernst & Young. The People team have been working with NWSSP Procurement and have appointed Ernst & Young as the training providers. The People team are awaiting confirmation of dates to deliver a training session to all recruiting managers of casual workers.</p>	
12. (IA)	Workforce Review: Casual Workers – Employment status <i>May 2019</i>	<p>Management should consider implementing a programme of spot checks or peer reviews to ensure the correct application of HEIW processes. Having a range of these measures would enhance the control environment for the assessment and treatment of casual workers.</p> <p>High Priority</p>	July 2019	Head of People & OD/ Head of Financial Management	<p>All engagement forms and timesheets already come to the People Team, and we will check these forms to ensure they have been completed correctly. Although more training for the recruiting managers is currently being sourced, HEIW will also create a peer group/network for the recruiting managers to enable them to support each other in the correct completion of the treatment of casual workers, ESS checks and employment status letters. The People Team and Finance would oversee this group and undertake spot checks to ensure the documentation and audit trail complies with legislation.</p> <p>Progress as at July 2019: The People Team currently check all paperwork that gets submitted to ensure it has been completed correctly. A peer group is currently being set up.</p> <p>Current Progress: - November 2019 The People team review all paperwork submitted by recruiting managers and has modified some of its</p>	Nov 2019



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					<p>processes; such as date the ESS checks are being completed, to ensure the tighter tracking of documents being submitted.</p> <p>However, some recruiting managers are not sending out the employment status letters in a timely manner. The People team will be sending a further communication to the recruiting managers in November to advise them that the letter must be sent out promptly after the ESS check has been completed, ideally before the casual worker undertakes any work for us.</p> <p>The Peer Group is an adhoc arrangement between the recruiting managers, but they generally seek additional support from the People team rather than their Peer Group. The People team anticipate this will change once the Ernst Young training is completed.</p>	
13. (IA)	Workforce Review: Casual Workers – Employment status <i>May 2019</i>	<p>Management should consider establishing a documented operational procurement procedure (Procurement Manual) to ensure a standard approach is used across HEIW.</p> <p>Medium Priority</p>	July 2019	Head of People & OD/ Head of Financial Accounting	<p>HEIW is in discussion with NWSSP Procurement Team regarding further training and support for staff undertaking procurement within HEIW. We will consider the inclusion of specific training and guidance for on the engagement of casual workers in HEIW within that context.</p> <p>Progress at at July 2019: The People Team have contacted Procurement and are awaiting a response in order to understand what procurement process needs to be undertaken to engage casual workers</p>	Nov 2019



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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
					<p>Current Progress: November 2019 See 10C above. The training will also include operational guides which will be available to the recruiting managers after the training.</p>	
14. (IA)	Workforce Review: Casual Workers – Employment status <i>May 2019</i>	<p>A) Guidance on completing and rechecking the HMRC online tool should be produced for all required areas.</p> <p>B) Management should consider assessing the training requirement and provide updates accordingly.</p> <p>Medium Priority</p>	<p>Training to be scoped by July 2019</p> <p>And rolled out by September 2019</p>	Head of People & OD/ Head of Financial Accounting	<p>As outlined earlier, training and guidance was made available to all recruiting managers in HEIW in November 2018. However the audit shows that there are clearly further training requirements around ESS checks and processes for engaging casuals. The People Team are currently scoping further training, which will be made available to all staff.</p> <p>Progress as at July 2019: The People Team have contacted Deloitte, Ernst & Young and KMPG for quotes on providing training in this area. As soon as 3 quotes have been received (we are waiting on 1 from Ernst & Young) we can take this forward.</p> <p>Current Progress: November 2019 See 10C above. The People team are awaiting confirmation of dates to deliver a training session to all recruiting managers of casual workers.</p>	Nov 2019
15 (IA)	Risk Management <i>May 2019</i>	Management should ensure that they develop and approve an appropriate risk management policy and accompanying risk	Policy to be finalised May 2019	Board Secretary	Risk Management Policy to be completed and presented to the Executive Team in May. May Board to be provided with an update in respect of the policy. The policy will be considered at June SLT and communicated to staff immediately following SLT. Board.	Nov 2019



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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>management procedure as soon as practically possible. The policy and procedure should then be communicated to staff within the organisation as appropriate.</p> <p>High Priority</p>	<p>Communicated to staff June 2019</p>		<p>Progress as at July 2019: There has been slippage on the original timescales due to the requirement for the policy to be presented to the Audit & Assurance Committee for endorsement prior to the Board for approval. The Policy is to be presented to the Audit and Assurance Committee on 15 July 2019; HEIW Board on 18 July and SLT on 15 August 2019. Communication to staff within the organisation will take place after SLT in August.</p> <p>Current Progress: November 2019 Completed. The Risk Management policy was adopted at July Board and has subsequently been presented to SLT.</p>	
16. (IA)	Risk Management <i>May 2019</i>	<p>Management should continue to develop its risk management plan, which includes key actions, responsibilities and timeframes for its implementation. The plan should be appropriately monitored to ensure that all milestones are delivered on target and remedial action taken where issues are identified.</p>	<p>Policy to be finalised May 2019</p> <p>Communicated to staff June 2019</p>	Board Secretary	<p>(As above) Risk Management Policy to be completed and presented to the Executive Team in May. May Board to be provided with an update in respect of the policy. The policy will be considered at June SLT and communicated to staff immediately following SLT.</p> <p>Progress as at July 2019: There has been slippage on the original timescales due to the requirement for the policy to be presented to the Audit & Assurance Committee for endorsement prior to the Board for approval. The Policy is to be presented to the Audit and Assurance Committee on 15 July 2019; HEIW Board on 18 July and SLT on 15 August 2019. Communication to staff within the organisation will take place after SLT in August.</p>	Nov 2019

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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		High Priority			<p>The Executive Team regularly review the risk register which is presented to the Audit and Assurance Committee at each meeting and to the Board 6-monthly.</p> <p>Current Progress: November 2019 Completed - see response to 15(A)</p>	
17. (IA)	Risk Management May 2019	<p>The organisation's risk policy and procedure should clearly set out its expectations with regards to risk registers. For example, it may be appropriate to develop directorate level risk registers that 'feed' into the risk register that is reported to committees of the Board. The organisation's risk policy and procedure should be communicated to staff so that the approach to risk is clearly accessible.</p> <p>Medium Priority</p>	<p>May 2019</p> <p>June 2019</p>	<p>Board Secretary</p> <p>Board Secretary</p>	<p>The risk policy, which is to be completed in May, will set out HEIW's expectations in respect of the risk register will include reference to the creation of directorate level risk registers.</p> <p>HEIW risk policy will be presented at June SLT and communicated to staff thereafter.</p> <p>Progress as at July 2019: There has been slippage on the original timescales due to the requirement for the policy to be presented to the Audit & Assurance Committee for endorsement prior to the Board for approval. The Policy is to be presented to the Audit and Assurance Committee on 15 July 2019; HEIW Board on 18 July and SLT on 15 August 2019. Communication to staff within the organisation will take place after SLT in August.</p> <p>Current Progress: November 2019 Completed - see response to 15(A)</p>	Nov 2019



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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
18. (IA)	Risk Management <i>May 2019</i>	The BAF should be developed with consideration to the organisation's risk management policy and procedure. Low Priority	June 2019	Board Secretary	The BAF will be developed to take account of the risk management policy. Risk Management policy to be completed in May and will be taken into consideration in respect of the BAF thereafter. Progress as at July 2019: Timescales for the approval of the Risk Management Policy have slipped. However, the Draft BAF is to be presented to the Audit and Assurance Committee on 15 July 2019. Current Progress: November 2019 Completed. The BAF, which references the Risk policy, was approved at September Board.	Nov 2019
20. (IA)	Performance Management <i>May 2019</i>	Management should ensure that the Board are engaged in the development of the new Integrated Performance Framework and dashboard to ensure the proposed format and content meets their performance monitoring requirements. A planned timescale should be developed for the roll out of ESR to all staff, and for the implementation of the	Ongoing	Deputy Director, Planning, Performance & Digital	To date, the development has involved an Independent Member (JH-T) reviewing progress at a meeting alongside CEO on 9 April 2019. The draft dashboard was also discussed at a Board Development Session at the end of April 2019. Response have been positive and Board is aware of the iterative nature of the development over the course of the next 6-12 months. All Staff who are employed and paid by HEIW now have access to ESR and its self-service functionality. First live data report to be presented to Board in July 2019 for period end of Quarter 1. Progress as at July 2019: The development of the dashboard has continued with wide engagement from	Nov 2019



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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>new Integrated Performance Framework</p> <p>Medium Priority</p>			<p>staff and directorates on the key data to report and mechanisms for monitoring.</p> <p>Current Progress: November 2019 In the development of the performance framework we have maintained close dialogue with the Board on developments and progress. This has included interactions at Board development sessions in August and formal reporting at September Board. This engagement has facilitated iterative developments to ensure the framework reports information that is of use to the Board on an ongoing basis.</p> <p>The framework has also been shared at HEIW's first Quality & Delivery meeting in September 2019 with positive responses and is due to be discussed at the upcoming JET meeting in November.</p>	
22. (IA)	Performance Management <i>May 2019</i>	Consideration should be given to providing additional staff resources on a temporary basis to assist with the preparation of quarterly performance reports and the development of the new integrated Performance Framework until additional permanent staff have been	Early May 2019	Deputy Director, Planning, Performance & Digital	<p>Resource gaps are acknowledged. A job description has been developed to provide Business Partner support in this area of work. Agency support is to commence on 7 May 2019 whilst permanent recruitment processes are undertaken.</p> <p>Progress as at July 2019: Roles have been through job evaluation and recruitment processes are awaited for permanent recruitment. Agency staff have been employed in the interim to provide the level of support required and to enable work to be progressed.</p>	Nov 2019

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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>recruited to the Planning and Performance Unit.</p> <p>Medium Priority</p>			<p>Current Progress: November 2019 Existing agency roles have been extended to the end of 2019. Job descriptions have been revised and are awaiting finalisation, banding and consistency checks before being advertised. Existing agency staff are committed to organisation in the interim and are aware of process being undertaken.</p>	
25. (IA)	Corporate Transitional Plan <i>May 2019</i>	<p>The organisation should ensure that all contracts held by the three predecessor organisations have been properly assessed to ensure that they are either cancelled or novated across to HEIW. A register of contracts should be put in place that captures both contracts that have been novated and new contracts entered into by HEIW. The review of contracts should consider if there are any outstanding liability risks.</p> <p>High Priority</p>	August 2019	Deputy Director Planning, Performance & Digital	<p>We are currently working on the development of a contract register. This register will detail a wide range of arrangements relating to the activities of HEIW including identifying known contractual arrangements, value and termination dates to manage risks associated with procurement. The deadline for completing the contracts register is August. The contracts register will be presented at an Executive Team meeting in August and an update provided to the Audit Committee in September.</p> <p>Progress as at July 2019: Progress has continued with significant progress made on identifying financial contracts and SLA/MOU arrangements in place. Further work is ongoing to identify further details and to identify respective risks of arrangements to allow further work to be undertaken.</p> <p>Current Progress: November 2019 A contracts/ agreements register has been collated and is to be presented to the Audit and Assurance Committee in November. Responsibility for</p>	Nov 2019

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

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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
27. (IA)	Corporate Transitional Plan May 2019	<p>The Policy Matrix currently being used to record HR / OD policies and procedures should be expanded to include all HEIW policies and procedures.</p> <p>The format of the matrix should also be amended to include the review date for each policy and procedure and a lead officer and timescale for any outstanding policies yet to be developed.</p> <p>Medium Priority</p>	<p>July 2019</p> <p>Immediate</p>	<p>Board Secretary</p> <p>Head of People & OD</p>	<p>The policy matrix will be expanded to incorporate the non-HR policies, responsible officers and deadlines for review and completion.</p> <p>Progress as at July 2019: Work is in progress to update the policy matrix for all HEIW policies to reflect the recommendation.</p> <p>Current Progress: HEIW has a Policy Register that incorporates all its policies that details the policy author, the policy version, approval date and date of review. The register has a trigger for review set at 6 months prior to the review date.</p> <p>Management wish to record that any future HEIW policies that are new or for review, will apply a standard and consistent approach for HEIW, which will incorporate the organisation's values and behaviours.</p> <p>Progress as at July 2019: The People Team have a project plan for the review of all HEIW policies. All new policies are including the HEIW values and behaviours.</p> <p>Current Progress: November 2019 The People team has a fully integrated policy matrix which now includes all policies within HEIW. This has been compiled in collaboration with HEIW's Corporate</p>	Nov 2019

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					<p>Governance Manager and is now the assigned person for ensuring all policies are all actioned within the review date and will ensure a standard view of all HEIW policies.</p> <p>Also, the People team has now set up a Policy Review Group that has trade union representatives and members of the Equality & Diversity Committee who will be the Review Group for all HEIW policies.</p>	
30. (IA)	Health & Safety <i>July 2019</i>	<p>A timescale should be drawn up for completion of the outstanding safe work procedures. The Risk Assessment procedure should include a template for carrying out risk assessments.</p> <p>Management should consider developing a Lone Working policy to help protect staff that are not working out of the main office at Ty Dysgu. All policies and procedures should be made available to staff as they are approved.</p> <p>Medium Priority</p>	October 2019	Business Partner, Planning & Performance	<p>It is acknowledged that procedures need to be put in place. It is anticipated that this will be completed over the course of the next 3 months.</p> <p>Current Progress: November 2019</p> <p>A number of the Health and Safety procedures that underpin the H&S Policy have been drafted and reviewed by the H&S Group and forwarded to the Executive Team for approval. These are being actioned during October for formal release to the staff shortly.</p> <ul style="list-style-type: none"> • Assessment and use of DSE • Fire safety • PEEP • First Aid • New and expectant mothers • Young persons • Incident reporting and investigation 	Nov 2019

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					<p>The H&S Group also reviewed a draft homeworking procedure and identified a number of issues regarding what standard equipment should be issued to HEIW contracted staff working in Ty Dysgu, HEIW contracted staff working remotely and remote staff employed by the Health Boards (but salary is recharged to HEIW). This also highlighted what additional equipment was available on request and specialised equipment identified through DSE and OH referrals. This discussion also aided agreement on who should have a face to face or online DSE assessment and which groups of staff would be financially supported with a contribution to an eye test, and those items of equipment that will require PAT testing and a process for undertaking this for remote workers.</p> <p>It was felt that the homeworking procedure should be led by the People team and informed by this piece of work.</p> <p>On the 26 September, the H&S Group reviewed the following procedures:</p> <ul style="list-style-type: none"> • driving for work • risk assessments • drugs and alcohol • mental health • manual handling and control of contractors 	



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					A number of these required further amendment and will return to the H&S Group in December prior to submission to the Senior Executive team for formal approval. It was also agreed that the drugs and alcohol and mental health procedures should be paused because of the current Health Needs Assessment being undertaken and agreed that these two specific procedures should then be taken forward by the people team.	
31. (IA)	Health & Safety <i>July 2019</i>	A decision should be made regarding the car park arrangements at Ty Dysgu with consideration to restricting those who can access the car park. When arranging meetings at Ty Dysgu with external parties, staff should be encouraged to provide details of other off-site parking facilities in the area. Medium Priority	October 2019	Business Partner, Planning & Performance	Staff who are arranging meetings have been asked to inform potential visitors of the alternative options to park offsite due to the limited availability on the premises. The facilities manager is currently considering options following agreement from the executive team to implement staff only parking via barrier entry solutions. Current Progress: November 2019 The Facilities Manager is working with procurement to change the car park to a staff car park by installing a barrier with ID access and a digital sign to say car park full. There will be a requirement to remove the existing barrier and obsolete metalwork including the current metal cover and filling the hole with cement.	Nov 2019



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32. (IA)	Health & Safety <i>July 2019</i>	<p>The Health and Safety Committee and Board should consider what information the Health and Safety Committee should report to the Board, and what format reports will take.</p> <p>Medium Priority</p>	October 2019	Business Partner, Planning & Performance	<p>The next scheduled committee is due to take place on 31st July where this will be discussed and where options can be considered to include appropriate data on H&S on the performance framework dashboard that will be provided to Board in line with other organisational performance data on a quarterly basis</p> <p>Current Progress: November 2019 The H&S Group proposed the following items could be reported to Board as part of the performance dashboard.</p> <ul style="list-style-type: none"> • Frequency and levels of attendance at committee meetings • Report the number of incidents and any remedial action • Number of H&S related policy and procedures equality impact assessments • Number of H&S representatives (fire wardens, DSE assessors, first aiders etc) • Number of training courses undertaken by staff. <p>Work to develop the H&S Dashboard as part of the overall Performance Reporting has commenced and is expected to be finalised during Q4 this year.</p>	Nov 2019

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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
33. (IA)	Values and Behaviours Framework <i>July 2019</i>	<p>Management should consider establishing a mechanism for monitoring grievances, staff disciplinary action and the number and nature of complaints received in order to identify trends and possible non-compliance with the values and Behaviours Framework.</p> <p>Medium Priority</p>	Immediate	Head of People & OD	<p>Management has already established a mechanism for monitoring and reporting disciplinary action and grievance complaints. This will be reported to Board through dashboards. Any trends identified will be supported by further information of action taken by management and reported to Board.</p> <p>Current Progress: - November 2019 The People team and Analytics team will be providing this information to Executive and Board on a quarterly basis.</p>	Nov 2019
34. (IA)	Values and Behaviours Framework <i>July 2019</i>	<p>The Culture Committee's governance arrangements, appropriate attendance at meetings, and reporting arrangements, should be monitored to ensure they are operating effectively. When reviewing the draft minutes the Committee should ensure they are an accurate reflection of those members that attended the meeting.</p> <p>Medium Priority</p>	Immediate	Head of People & OD	<p>As the Culture Committee has only just recently established its members, Management is currently refining its governance and reporting arrangements to ensure it operates efficiently and effectively.</p> <p>Current Progress: November 2019 Just to clarify, the culture group does not have committee status. It was established in April 2019 with terms of reference which included bi-monthly meetings and a rotational chair (each to serve a duration of three months). An agenda and minutes of each meeting is recorded. To date, the group has a record of six meetings that has taken place, with agenda and minutes, which is an accurate reflection of the members who attended the meeting.</p>	Nov 2019

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					At the last meeting early November 2019, there was a discussion regarding the duplication of the work of each of the groups and its champions, such as Time to Change group, Wellbeing group, Diversity & Inclusion group and Communications group. In light of this, the Culture group will evolve/rebrand into a staff engagement group with HEIW Champions representing the workforce and each theme (i.e. wellbeing, inclusion, culture, social, and communications). A draft proposal of a HEIW Champions group is being prepared with a view to this being launched in January 2020.	
35. (IA)	Values and Behaviours Framework <i>July 2019</i>	As best practice, management should consider if key documents that are integral to the organisation should be formally approved by the Board. Low Priority	Ongoing	Board Secretary	Key documents requiring Board approval are identified within HEIW's Standing Orders and Policy on Policies. The Policy on Policies confirms that strategic matters and certain key policies require Board approval. Such key documents are kept under constant review to ensure they are formally approved by the Board. Current Progress: November 2019 Completed	Nov 2019
36. (WAO)	Management Letter <i>July 2019</i>	Recommendation 1: Arrangements for allocating supplementary funding to universities in year should be strengthened	August 2019	Director of Nursing	For the larger grant awards in 2018-19, site visits will be arranged prior to the next contract meeting with each university to verify the procurement of assets. Confirmation of expenditure will be sought from the remaining organisations. If funding is made available in future years the conditions of the award will set out timescales for expenditure, and the evidence required	Nov 2019

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		<p>I recommend that follow-up action is taken to ensure that this year's funding has indeed been used in line with the conditions of award. I also recommend that if additional funding is made available in future years, then the Authority should:</p> <ul style="list-style-type: none"> • put in place procedures to identify such underspends earlier in the year; • attach conditions to the funding, clearly specifying the evidence the Authority requires to receive to ensure the money has been spent for the purposes intended, and by when it is to be utilised; and • establish robust follow-up procedures and communicate these to the universities at the time of the award of the funding. <p>High Priority</p>			<p>for the expenditure along with any follow-up procedures.</p> <p>Current Progress: November 2019 Contract meetings arranged for November//December at which time assets will be reviewed.</p> <p>Early financial reviews suggest that HEIW maybe in a position to support supplementary funding to Universities and Health Boards/Trusts. In light of this, procedures and supporting documentation are to be reviewed by the end of November 2019.</p>	

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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
37. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 2: The Authority does not hold signed contracts of employment for two members of the executive team</p> <p>I recommend that the Authority ensures it holds signed contracts of employment for all staff.</p> <p>High Priority</p>	Immediate	Director of Workforce & OD	<p>Management will ensure the contracts of the two individuals are signed.</p> <p>Current Progress: Complete The contracts were signed in July 2019.</p>	Nov 2019
38. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 3: Accounting arrangements for Property, Plant and Equipment need to be introduced</p> <p>I recommend that the Authority puts procedures in place to ensure the proper stewardship of property, plant and equipment and that the accounts accurately reflect these assets going forward. Specifically:</p> <p>a) a fixed asset register is introduced which</p>	September 2019	Interim Director of Finance	<p>a) The details of assets owned by HEIW are currently recorded on an Excel spreadsheet. Options for a dedicated fixed asset system are being reviewed, but due to the relatively small number of assets owned, the continued use of a spreadsheet solution may be the most appropriate option. A paper outlining the decision process will be prepared.</p> <p>Current Progress: November 2019 The quote received for the procurement of the asset management system in use across the rest of NHS Wales was prohibitive. Therefore, a spreadsheet solution is currently being prepared that will provide the required information for the management and accounting of fixed assets. This is considered</p>	Nov 2019

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		<p>records all assets held, which in turn reconciles to the financial statements;</p> <p>b) all assets are tagged so that they can be identified in the asset register;</p> <p>c) procedures are introduced to ensure that any decreases in value due to damage/obsolescence are identified and recorded, so that they can be impaired in the financial</p>			<p>to be appropriate due to the relatively small number of assets owned. This decision will be reviewed in the future should the asset base significantly increase.</p> <p>b) The tagging of IT assets commenced during June 2019. ID tags for fixtures and fittings have been ordered and tagging will be completed by the end of August 2019.</p> <p>Current Progress: November 2019 Approximately 50% of laptops have been tagged. As this is being carried out in conjunction with additional security markings this is taking longer than anticipated. Tagging of fixtures and fittings needs to be carried out when the office is empty. This has been planned for 16th November to coincide with system testing work that is being carried out over that weekend.</p> <p>c) and d) FCP2 (approved at the Shadow Audit Meeting on 2 October 2018) sets out the basic requirements for the disposal and impairment of assets. A separate procedure note will be prepared providing further details of the process.</p> <p>Current Progress: November 2019</p>	

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No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>statements and inform the future capital programme; and</p> <p>d) procedures are introduced to control and identify any disposals, so that they can be removed from the fixed asset register and financial statements.</p> <p>Medium Priority</p>			A revised FCP for non-current assets is included as a separate item for consideration by the Audit and Assurance Committee at its November meeting.	
39. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 4: Procedures for identifying and reporting of related party transactions should be strengthened</p> <p>I recommend:</p> <ul style="list-style-type: none"> officers should be reminded to declare all interests and ensure the names of the interests are disclosed; and original emails from officers are provided as audit evidence where 	Immediate/ April 2020	Board Secretary	<p>Officers will be reminded of the requirements for declaration with immediate effect. We will update working papers for an appropriate audit trail for the 2019-20 financial statements.</p> <p>Current Progress: November 2019</p> <p>Reminder emails to officers are issued periodically to ensure relevant interests are declared. The Standards of Behaviour Policy is currently under review and the Declarations of Interest Register has been updated to include the date of the declaration.</p> <p>Hard copy forms and email declarations are filed as audit evidence and kept by the Board Secretary.</p>	Nov 2019

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<p>electronic submission of the declaration of interests has been accepted.</p> <p>Medium Priority</p>				
40. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 5: Working papers to support provisions need to evidence compliance with accounting standards</p> <p>I recommend that working papers supporting any future provisions should document management's consideration of the requirements of IAS37 and provide appropriate evidence (such as legal opinion) where relevant. Specifically:</p> <ul style="list-style-type: none"> • a description of the circumstances which create the present legal or constructive obligation and the past event that gives rise to this obligation; 	April 2020	Interim Director of Finance	<p>Appropriate working papers to support all provisions will be provided for all future audits.</p> <p>Current Progress: November 2019 This is a year-end issue, and will be considered during April 2020.</p>	Nov 2019

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<ul style="list-style-type: none"> the view of management on the likelihood that there will be an outgoing of resources to settle this obligation (in terms of whether it is probable, possible or remote); and provide a reliable estimate for the provision Where this is not possible, consideration should be given to whether the provision is valid, or whether a contingent liability is more appropriate. <p>Medium Priority</p>				
41. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 6: The year-end procedures for identifying prepayments should be strengthened</p> <p>I recommend that year-end procedures to identify prepayments are reviewed and improved, and ensure staff receive appropriate training.</p> <p>Medium Priority</p>	March 2020	Interim Director of Finance	<p>For the 2019-20 year-end a supporting 'Closing Pack' will be prepared outlining the key processes and requirements for finance staff. Appropriate training will be built into the closing timetable.</p> <p>Current Progress: November 2019 This is a year-end issue, and will be considered during March 2020.</p>	Nov 2019

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
42. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 7: VAT advice should be sought to minimise the risk of any future VAT inspections identifying errors in recovering VAT</p> <p>The Authority should seek specialist VAT advice during the 2019-20 financial year to ensure that its VAT arrangements are in line with the contracted-out services guidance.</p> <p>Medium Priority</p>	August 2019	Interim Director of Finance	<p>The procurement exercise to secure the provision of VAT supporting advice has commenced and the contract will be agreed from August 2019. A separate tender process to undertake a retrospective review of the 2018-19 transactions will also be progressed.</p> <p>Current Progress: November 2019 Complete - The procurement of specialist VAT advice is now complete. The contract has been awarded to EY LLP.</p>	Nov 2019
43. (WAO)	Management Letter <i>July 2019</i>	<p>Recommendation 8: A review should be undertaken of historic allowances to ensure they are still valid</p> <p>Whilst acknowledging that staff transferred over to the Authority under TUPE arrangements, the Authority should determine whether such payments were properly due immediately prior to the</p>	March 2020	Director of Workforce & OD	<p>Management will review all cases to ensure that the individual is still appropriately remunerated, given the length of time they have been in receipt of the allowance.</p> <p>Current Progress: - November 2019 Management has reviewed TUPE arrangements of the senior individuals below executives and sought legal advice to support the appropriateness of individuals' remuneration. Advice was shared with the Remuneration and Terms and Conditions Committee and Board who noted the assurances provided and the arrangements in place.</p>	Nov 2019

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		transfer and whether to continue paying them. Low Priority				
44. (WAO)	Management Letter <i>July 2019</i>	Recommendation 9: The mapping of the payroll feeder to the ledger needs to be corrected for refunds of pensions The Payroll feeder should be amended to correctly record any pension refunds as netting off against pension payments. Low Priority	Immediate	Interim Director of Finance	The error occurred as a result of the set-up of the Oracle and ESR interface on formation of HEIW. All refunds are now correctly allocated and this has been confirmed through monthly payroll/pension reconciliations. Current Progress: November 2019 Complete	Nov 2019
45. (WAO)	Baseline Review – Structured Assessment <i>July 2019</i>	Well Led and Well Governed Learning Points: Board and Committees: <ul style="list-style-type: none"> IM understanding of Board versus Board Development Sessions important include details and (open) papers of all committees on website 		Board Secretary Board Secretary	Completed. HEIW IMs have a clear understanding on the difference between Board and a BDS. Completed. All open Board and Committee papers are on the HEIW website.	Nov 2019

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		<ul style="list-style-type: none"> ensure sufficiently understand performance in interim IA & EA recommendations tracker should include others (WG/regulators?) <p>Organisational structure:</p> <ul style="list-style-type: none"> work with WG and regulators to clarify blurred boundaries 		<p>Board Secretary</p> <p>Board Secretary</p> <p>Executive Team</p>	<p>Executive and SLT training undertaken. Training of managers scheduled for November and December 2019.</p> <p>Tracker includes recommendations from both internal audit and WAO.</p> <ul style="list-style-type: none"> Ongoing 1:1 discussions between CEO and Director General to clarify interface issues Quality and Delivery meetings with Welsh Government underway Second JET held on 31 October 2019 Regular meetings being held with key professional and policy leads 	
46. (WAO)	Baseline Review – Structured Assessment July 2019	<p>Strategic Planning Learning Points: Vision and Strategic Objectives</p> <ul style="list-style-type: none"> keep doing what you are doing! <p>Stakeholder engagement:</p> <ul style="list-style-type: none"> timing of engagement with and feedback to key stakeholders in 		<p>Director of Workforce & OD</p>	<p>These are advisory points and have been/are being considered. Given this they have not been RAG rated.</p> <p>These are advisory points and have been/are being considered. Given this they have not been RAG rated.</p>	Advisory

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		KPIs and monitoring of delivery: <ul style="list-style-type: none"> be clear about PIs v KPIs. Identify suitable benchmarks. Don't forget about providing insight with data (WAO ref 3) 		Director of Workforce & OD	These are advisory points and have been/are being considered. Given this they have not been RAG rated.	
47. (WAO)	Baseline Review – Structured Assessment July 2019	Financial Management Learning Points: <ul style="list-style-type: none"> opportunity to look at good practice in financial reporting to Board with aim to provide insight into operational areas and really use finance as an enabler (WAO ref 4) 		Interim Director of Finance	The Finance Academy has produced a best practice guide for financial reporting to the Board. This is being reviewed to refine the information presented.	
48. (WAO)	Baseline Review – Structured Assessment July 2019	Workforce Management Learning Points: Workforce planning and development: <ul style="list-style-type: none"> statutory and mandated training delivery priority ensure reporting is clear on whether posts are vacancies or future potential posts 		Director of Workforce & OD Director of Workforce & OD	<p>These are advisory and are not deemed to require a RAG rating. Some observations included below for information:</p> <p>November 2019 – Statutory and mandated training – The People team are undertaking further ESR training for staff to refresh on using the ESR system.</p> <p>For staff with dual contract (NHS and CU T&Cs) reminders during the training that if staff have already</p>	Advisory

Audit Recommendations Tracker – November 2019

No.	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on Current Progress	RAG STATUS
		Staff engagement and culture: <ul style="list-style-type: none"> keep doing what you are doing! 			completed their Statutory and mandatory training with their NHS contract, we will accept a screenshot of their completion pages that will be used to update ESR.	
49. (WAO)	Baseline Review – Structured Assessment July 2019	Procurement arrangements Learning Points: <ul style="list-style-type: none"> ensure linked procurement / contracting / commissioning strategies in place with clear management arrangements identify contracts and compile a contracts register 		Director of Workforce & OD Director of Workforce & OD	Work is underway to produce a contracts register. See earlier comments in response to audit recommendations	
50. (WAO)	Baseline Review – Structured Assessment July 2019	Asset Management Learning Points: <ul style="list-style-type: none"> compile asset register compile lease register (accounting changes in 20-21) develop asset management strategy 		Interim Director of Finance Interim Director of Finance	See comments at 46 above; work is underway on these learning points	Advisory



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

Meeting Date	22 November 2019	Agenda Item	2.13
Report Title	Recruitment and Job Evaluation Update		
Report Author	Foula Evans, Head of People & OD		
Report Sponsor	Julie Rogers, Director of Workforce & OD & Deputy Chief Executive		
Presented by	Julie Rogers, Director of Workforce & OD & Deputy Chief Executive		
Freedom of Information	Open		
Purpose of the Report	To provide the Audit and Assurance Committee with an update on the current position on HEIW's recruitment and job evaluation.		
Key Issues	<p>The People Team has made significant progress during the last 3 months (1st August to 31st October 2019), with no positions awaiting job evaluation and 58 jobs at various stages of the recruitment.</p> <p>The substantive and/or fixed term contracts that are currently filled by Agency are being proactively managed to reduce costs.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
	✓		
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the update in this report including: <ul style="list-style-type: none"> - that there is currently no backlog of jobs waiting for evaluation; and - the progress with the significant volume of recruitment activity. 		

1. PURPOSE

1.1 The purpose of this report is to provide the Audit and Assurance Committee with a current update of HEIW recruitment and job evaluation.

2. BACKGROUND

2.1 Table 1 below, shows the significant progress made over the last 3 months (1st August 2019 to 31st October 2019) in clearing the backlog of jobs awaiting job evaluation and progressing through to recruitment. This has been a consequence of the investment in job evaluation training and the appointment of additional highly skilled HR staff who were able to clear the backlog of jobs in the job evaluation pipeline.

Table 1 - RECRUITMENT & JOB EVALUATION - BREAKDOWN

Total no. of jobs evaluated in the period 1 st August to 31 st October 2019 (no jobs are currently awaiting job evaluation)	36
Total no of jobs advertised in the period 1 st August to 31 st October 2019	58
(Difference in numbers – 22 jobs did not require job evaluation – medical and dental roles are exempt from Agenda for Change job evaluation process)	

2.2 This shows that the previous job evaluation bottleneck has been resolved and the 36 jobs progressed to recruitment rather than waiting for job evaluation.

2.3 There are 19 roles currently covered by Agency staff. Two of these are working their way through the recruitment process, the remainder are covering either short term projects of less than six months or covering a post awaiting senior management to make decisions regarding the structure going forward.

2.4 The People Team are working closely with the Exec team and senior managers with regard to the structure going forward, ensuring that we have an accurate and up to date structure chart as well as clearly laid out the plans for permanently recruiting to substantive vacancies and/or reviewing staffing requirements for the future.

3 JOB EVALUATION UPDATE

3.1 The investment we have made in training has meant that all key managers are fully briefed and aware of the NHS job evaluation process. As a consequence there should be no surprises when managers are planning any changes or requesting additional posts in the future where a new job description will be required. This should mean that recruitment will be able to commence in a timely manner and unnecessary delays should be avoided.

3.2 Additionally, now that the backlog has been cleared, we are working as a team to proactively plan job matching and consistency checking panels ensuring that the 22 staff trained in job matching and 6 staff trained in consistency checking for HEIW are continuing to practice this activity.

3.3 We continue to take advice from the national JE team to ensure consistency across All Wales and we regularly participate in the JE Leads meetings. However we no longer have to put all of our roles through the national arrangements. This is a significant development for us and recognises the work that has been undertaken to make HEIW self-sufficient as regards job evaluation.

4. RECOMMENDATION

4.1 The Audit and Assurance Committee is asked to note the update contained in this report including:

- that there is currently no backlog of jobs waiting for evaluation; and
- the progress with the significant volume of recruitment activity.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓	□		
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
N/A				
Financial Implications				
A robust job evaluation process which progress jobs in a timely manner will significantly reduce the use of fixed term and Agency staff to fill permanent vacancies as HEIW grows as an organisation. This will reduce the additional finances incurred when using Agencies to fill vacancies.				
Legal Implications (including equality and diversity assessment)				
The job evaluation, job matching and consistency checking process, ensures we have means of comparing roles profiles on a national basis. This supports equal pay principles.				
Staffing Implications				
HEIW's core values will be met by being able to fill our permanent vacancies contributing to the people strategy and demonstrating our values in investing in the workforce.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
N/A				
Report History				
Appendices/Annexes		N/A		



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Health Education and
Improvement Wales (HEIW)

Meeting Date	22 November 2019	Agenda Item	2.14
Report Title	Corporate Risk Register		
Report Author	Kay Barrow, Corporate Governance Manager		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	This report provides an overview of the profile of the risks that are assessed as the key risks to HEIW's successful achievement of its strategic objectives within the IMTP.		
Key Issues	<p>The report :</p> <ul style="list-style-type: none"> • provides an update on the current position in relation to the Corporate Risk Register which is attached at Appendix 1; • confirms the addition of 3 new assessed risks • confirms that two risks are currently assessed as 'red'. 		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	<p>The Audit and Assurance Committee are asked to:</p> <ul style="list-style-type: none"> • Note the contents of the report for assurance purposes. 		

CORPORATE RISK REGISTER

1. INTRODUCTION

The Audit and Assurance Committee is asked to note the current position with regards to the Corporate Risk Register (**Appendix 1**) as outlined within this report.

2. BACKGROUND

The Corporate Risk Register is aligned with the objectives set out in the Annual Plan for 2019/20 and any other areas of inherent risk. Each risk within the Corporate Register is allocated to a specific Annual Plan or Remit letter objective in the left hand column of the register.

3. ASSESSMENT

There are currently 28 risks on the Corporate Risk Register. These risks have been assessed as follows: 2 red status risks, 22 orange status risks and 4 green status risks.

In relation to the assessed risks since the last report, the following changes have been made:

- **Risk with a Reduced Score:**

Risk 8 – Recruitment Capacity: If HEIW does not have sufficient capacity and capability, there is a risk of delay in clearing the job evaluation backlog/appointing to remaining vacancies in the organisational structure, with a consequent impact on delivery of plans and objectives. Following the implementation of a number of mitigating actions, this risk has reduced from 12 to 8.

- **Risk with an Increased Score:**

Risk 10 – NHS Bursary Reclaim: Concerns regarding the impact of a student receiving an invoice for repaying a part or, all of their NHS Bursary following course withdrawal. Procedures are being developed by HEIW in respect of debt collection and the matter is being raised with Welsh Government. This risk has increased from 12 to 16 and is a 'red' risk.

- **Risk removed:** None.

- **New Risks:**

Risk 27 – People Team Capacity: Due to the high staff turnover within the People Team there are gaps which is impacting on levels of service provided to managers and staff, with a consequent impact on reputation of and confidence in the team. Executive Directors have briefed their teams

and asked to prioritise requests for support. This risk has been initially assessed as a score of 12.

Risk 28 – Cyber Security: An assessment of HEIW’s cyber security requirements has identified a number of recommendations in respect of this area. These recommendations were approved by the Executive Team on 23 October 2019. HEIW is beginning to implement these recommendations. This has been initially assessed as a score of 20 and is a ‘red’ risk.

Risk 29 – Contract Renewal: The compilation of the Contract and Agreement Register (Register) has identified issues in respect of the renewal of some contracts. The Register will now be used as a tool for improving the management of contracts and for providing greater assurance in this area. The Corporate Governance team will also provide greater support in respect of the renewal process. This has initially been assessed as a score of 12 and is an ‘amber’ risk.

4. GOVERNANCE AND RISK ISSUES

Risk management through the Corporate Risk Register is a core tool for the governance of risk within HEIW.

5. 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.

6. RECOMMENDATION

The Audit and Assurance Committee is asked to:

- **note** the report for assurance.

Governance and Assurance				
Link to corporate objectives <i>(please ✓)</i>	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
The Corporate Risk Register is the core tool to ensure effective risk management within HEIW. A robust approach to the management of risk is more likely to impact favourably on the safety and experience of patients and staff.				
Financial Implications				
Risk management is a core function of HEIW as a Special Health Authority. There are no anticipated additional costs.				
Legal Implications (including equality and diversity assessment)				
N/A				
Staffing Implications				
There are no additional staffing implications.				
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)				
The Corporate Risk Register is HEIW's core tool to manage risk going forward.				
Report History	The Risk Register is presented to the Executive Team and the Senior Leadership Team on a monthly basis			
Appendices	Appendix 1 – Corporate Risk Register			

HEIW Corporate Risk Register

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	1. Obj. 1	If staff do not integrate effectively as part of the new organisation this could affect delivery of the annual plan commitments resulting in poor performance and reputational damage. JR	4	4	16	<ul style="list-style-type: none"> Co-production with staff of a People and OD strategy by the autumn of 2019 Execs and SLT to maximise opportunities for matrix working, and to encourage staff to work across Culture Champion Group to monitor and feedback Review of structures 1 year on to ensure they support integrated working. 	4	3	12		Work underway across all actions to mitigate this risk. More to be done on use of the physical space within Ty Dysgu as some issues emerging that may be working against better integration. People & OD strategy engagement & development well underway.
Apr 2019	2. Obj. 1	If the values and behaviours framework is not effectively embedded in the organisation this could impact on morale, engagement and reputation affecting service delivery and reputation. JR	4	3	12	<ul style="list-style-type: none"> Refresh of the action plan for embedding values & behaviours framework into core business People and OD strategy to reinforce the importance and expectations on all staff Response to staff survey is framed in context of our values and behaviours and is seen to be acted upon. 	3	3	9		Work in hand; stock take on progress scheduled for October 2019. Values based appraisal system implemented from April 2019.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	3. Obj 1	If the organisation does not have effective programme and project management capacity and expertise this may impact on delivery of the annual plan objectives and result in failure to deliver agreed commitments and levels of performance. JR (DOFCS)	4	3	12	<ul style="list-style-type: none"> Identified as a priority area for training in 2019-20 from initial observations in relation to submission and preparation of project plans to deliver annual plan objectives Training in project management to be sourced and rolled out Skills assessment to be undertaken as part of a HEIW TNA to identify prior learning/expertise Best practice examples to be highlighted and shared. 	3	3	9		Limited progress to date due to capacity. Further discussion with interim DoFCS in coming month.

HEIW Corporate Risk Register – Updated November 2019

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	4. Obj 1	If the role and functions of HEIW are not fully understood this may impact on engagement and involvement in delivery of objectives, and lead to a mismatch between ambitions and expectations, and reputational damage. JR	4	3	12	<ul style="list-style-type: none"> • Publication of the Comms & engagement strategy and implementation plan early 2019-20 • Regular stakeholder bulletins • Targeted comms highlighting specific activities and projects • Execs and staff to maximise opportunities to engage and spread understanding. 	3	3	9		Strategy published and in place. Regular bulletins being prepared & distributed. End of 1 st year events organised and happening in next month, feedback will be sort at these to identify further actions or improvements in engagement methods.

HEIW Corporate Risk Register – Updated November 2019

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	5. Obj 1	If the relationship with the NHS is not effective this will impact on HEIW service delivery and implementation of the annual plan. JR	4	3	12	<ul style="list-style-type: none"> Implementation of the Comms & engagement plan for 2019-20 Regular stakeholder bulletins Execs to be active members of peer networks and national groups Proactive engagement with NHS organisations including as part of the development of our IMTP and through the annual planning cycle Understanding of NHS to continue to be a theme through staff events and training in 2019. 	3	3	9		See above. Plus, all execs are now regularly attending peer networks. Ops to support national programmes are clear and allocated to key individuals within the organisation Engagement with NHS orgs has been built into our IMTP process for this year.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	6. Obj 1	If the interface with WG is not clear this could impact on delivery and reputation, and could undermine a good relationship with WG. AH	5	4	20	<ul style="list-style-type: none"> Regular 1:1s with DG Regular 1:1s with policy leads Quality and delivery meetings start on 23 September Regular JET meetings Agreed plans and remit letter. 	4	3	12		Quality and Delivery meetings commenced on 23 September which will provide a regular forum for addressing the interface, reducing the probability of this risk.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	7. Obj 1	If HEIW budgets have been established without a full understanding of the resources needed to deliver the functions this could result in poor financial performance. EW	4	3	12	<ul style="list-style-type: none"> Budget acceptance letters will be issued to Execs for the delegated resources within their area of responsibility. Finance support will be given to budget holders to support service delivery within budgets available. Regular financial monitoring information will be provided to Board, Executive Team and all budget holders that should enable corrective action to be taken. 	2	2	4		Good progress has been made in taking forward the mitigating actions.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	8. Obj 1	If HEIW doesn't have sufficient capacity & capability, there is a risk of delay in clearing the job evaluation backlog/appointing to remaining vacancies in the organisational structure, with a consequent impact on delivery of plans and objectives. JR	5	4	20	This requires: <ul style="list-style-type: none"> • additional short-term HR capacity to be secured by HEIW to support the initial peak in recruitment & HR activity over the next 6 - 12 months • substantive recruitment to be progressed to HR roles asap. Prioritisation of work for People team including recruitment activity. • investment in training managers across HEIW in job evaluation and job design • Trade Union partners to agree to support local JE panels. 	4	2	8		Internal job evaluation panels commenced in March and have run regularly since then with support from staff representatives and partners. The backlog of job evaluation was finally cleared in September and that has enabled recruitment to be commenced in large volumes. Managers and People Team staff have been trained to undertake online recruitment processes and/or be panel members. Significant improvement in the number of vacancies stuck in the JE pipeline and recruitment campaigns undertaken has been reported to exec team monthly. Volumes have now reached 'steady state'

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Jun 2019	9. Obj. 1 DB	If Staff do not comply with Welsh Language Legislation, then HEIW could be subject to Welsh Language Commissioner Investigations and ultimately a potential fine , reputational damage and decrease in staff morale. Instructing external translators is currently challenging due to increased demand for their work.	4	5	20	<ul style="list-style-type: none"> Set up staff group to increase awareness and address concerns of generic staff groupings Set up ongoing Communication and Engagement programme to highlight specific risk areas with solutions Identify 10 highest risk areas and report regularly against these Set up training and awareness sessions against the highest areas of risk Proposals presented to the NHS's Heads of Communication Group in respect of improving translation provision. 	4	2	8		Progress being made to embed the Welsh Language Policy within HEIW.

HEIW Corporate Risk Register – Updated November 2019

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk if...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	10. Obj. 1	If students are unhappy with receiving an invoice to repay part or all of their NHS Bursary it could cause significant financial and emotional harm to the individuals. It could also be a source of adverse publicity for HEIW SG	4	4	16	<ul style="list-style-type: none"> HEIW to work with professional bodies and student groups Develop a clear communication plan Clarify T&C of the contract renewal Develop sensitive processes to deal with the requests for reimbursement 	4	4	16		Procedures and protocols are being developed and a paper is being written outlining the processes and options for consideration by the Exec Team.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	11. Obj. 1	<p>Shortfall in recruitment to all Dental Foundation Training posts resulting in:</p> <ul style="list-style-type: none"> unfilled posts mainly in one Health Board area where there is already a shortage of dentists Unallocated training practices may consider redundancy of Dental Nurses <p>Disengagement and lack of future commitment of Educational Supervisors. This could mean insufficient approved Educational Supervisors for subsequent years</p> <p>PM</p>	5	3	15	<p>HEIW have agreed with Welsh Government to support those Dental Foundation Training practices without a Foundation Dentist for the 2019 / 2020 training year via a choice of options. Preferred options needs to be submitted to HEIW by the end of August to ensure appropriate funding is allocated</p> <p>Workforce development/ communications/ careers engagement is required within HEIW to address this risk going forward re short term and long term strategy</p>	5	2	10		<p>15/08/2019 Offer sent to all training practices WG HEIW communication to relevant HB CEOs</p>

HEIW Corporate Risk Register – Updated November 2019

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	12. Obj 2	If current approaches to professional boundaries remain this will affect HEIW's ability to transform approaches to workforce planning, development and education. SG/PM	4	4	16	<ul style="list-style-type: none"> HEIW Execs to be an active member of executive peer groups Ensure learning opportunities are multi-professional Ensure the HEIW annual plan includes areas of work which challenge professional boundaries, e.g. promotion of delegation guidelines, Development of advanced practice/extended skills, roll out behavioural science approach etc. 	3	3	9		Actively engaging with Peer groups and through HEIW work programme to influence and challenge.
Apr 2019	13. Obj. 2	If the quality of postgraduate medical education is not maintained this could impact on patient safety and quality as well as recruitment into education programmes in Wales. PM	3	3	9	<ul style="list-style-type: none"> Maintained previous levels of scrutiny by methods sanctioned by the GMC Engage with GMC to review QA process and act as pilot site for review. Ensure effective communication of high-risk areas to CEO and MDs of Health Boards and Trust. 	3	3	9	Ongoing risk Core Business	GMC QA Pilot ongoing HEIW training role related to recent issues in one Health Board communicated to all CEOs, CMO and CNO.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	14. Obj.2	<p>If universities review their provision of UG programmes and determine to withdraw from the market this will impact on HEIWs ability to deliver commissioned numbers and impact on workforce planning for NHS Wales.</p> <p>SG</p>	4	4	16	<ul style="list-style-type: none"> Ensure active communication with HEI to understand their priorities and challenges Through the contracting process work with universities to ensure they are adequately funded for the programmes <p>Work with education providers to determine what other alternatives are possible.</p>	3	3	9		HEIW engaging with universities and all current programmes will continue to be delivered until 2022 as a minimum. The work surrounding the new contract and “lotting” strategy should minimise this risk beyond 2022.
Apr 2019	15. Obj.2	<p>If the Welsh Government change the NHS Bursary Policy for 2021/22 and beyond it could impact on student recruitment and the supply of healthcare staff to deliver patient care.</p> <p>SG</p>	4	4	16	<ul style="list-style-type: none"> Keep in regular contact with the Welsh Government and provide any assistance they require Update the university sector on Governments thinking as this develops Monitor student uptake of the NHS bursary. 	3	4	12		WG confirmed continuation of bursary for 2020/21 pending long term decision in autumn 2019. HEIW engaging with stakeholders to inform them of this position.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	16. Obj.2	If the Strategic Review of Health Professional Education does not meet the timescale and future aspirations as agreed by HEIW, this will impact on the quality and suitability of education in the future. SG	5	3	15	<ul style="list-style-type: none"> Ensure robust project management arrangements are in place Secure additional resource for the project Ensure robust stakeholder engagement Ensure it links to the 10 year health and social care workforce strategy. 	4	3	12		On the 18.6.2019, the Welsh Government announced a further engagement process prior to making a decision on the long-term bursary position. Therefore, HEIW will be unable to continue with its agreed procurement timeline and new education provision will not be in place until 2022 at the earliest. Revised plans are being developed to account for this.
Apr 2019	17. Obj.2	If Pharmacy business case for preregistration pharmacists is not implemented this could impact on Effective training of these students and adversely impact on the reputation of HEIW. PM	3	3	9	<ul style="list-style-type: none"> Make effective plans within HEIW and with stakeholders to ensure capacity is created within the Pharmacy Deanery. Create a project plan with robust milestones for delivery. 	3	2	6		Project Lead appointed Clear Plan with milestones established.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	18. Obj. 2	<p>Following GP trainee business case for increasing GP trainees to 160, if we do not identify sufficient training facilities and provide effective training, this could adversely impact on the reputation of HEIW.</p> <p>If GP educational supervisor role is not covered by the GMPI (Indemnity) Scheme, as this only covers claims relating to clinical negligence, then the supervisor role may not have appropriate insurance cover in place.</p> <p>PM</p>	4	3	12	<ul style="list-style-type: none"> We have actively sought applications for training practices. We have created a framework for selection GP indemnity issue flagged to NWSSP and WG. 	4	2	8		<p>We have had sufficient applications so far.</p> <p>Awaiting response from NWSSP and WG re solution to indemnity issue.</p>

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	19. Obj.2	If Welsh Government does not accept the recommendations within the annual Education and Training Plan for 2020/21 it could impact on the future supply of the healthcare workforce and directly impact on the quality of patient care. SG	4	3	12	<ul style="list-style-type: none"> Ensure the annual plan is robust and evidence based Ensure the annual education training plan reflects priorities which are reflected in the 10 year workforce strategy Liaise with Welsh Government so they are sighted in advance on the possible level of investment required. 	3	3	9		Plan endorsed by CEO, NHS NEB and HEIW Board, submitted to WG 24.7.2019 and now await response from Minister. 8.11.2019 WG confirmed to proceed with recommendations despite finance plan within WG not having been agreed

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	20. Obj.2	<p>Apprenticeship Frameworks If Welsh Government do not provide a means for the newly developed health qualifications to be recognised within Apprenticeship frameworks, health care staff will continue to undertake outdated qualifications as part of their apprenticeship.</p> <p>SG</p>	3	4	12	<ul style="list-style-type: none"> Working with WG to develop for health apprenticeships to be revised and updated. 	3	3	9		Group set up. Right staff engaged and processes being updated.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	21. Obj 3	If the relationship with Social Care Wales is not effective, then this could impact on delivery of key priorities for A Healthier Wales, and in particular the delivery of the workforce strategy which is a high-profile commitment. AH	4	3	12	<ul style="list-style-type: none"> Joint exec team and joint Board meetings twice a year 1:1 meetings between CEOs Joint steering group for development and delivery of the health & care workforce strategy, as well as underpinning operational management groups. 	3	3	9		Agreed actions continue.
Apr 2019	22. Obj 3	If the Workforce Strategy for Health and Social Care does not meet expectations this will impact on reputation and future delivery. JR	4	4	16	<ul style="list-style-type: none"> Joint steering group chaired by CEOs Clear project plan and reporting Additional capacity in terms of consultants Significant engagement periods built into the programme to develop ownership, buy-in and understanding. 	4	3	12		Actively engaging with partners, stakeholders and staff. Significant activity underway during consultation phase. Project on course.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Apr 2019	23. Obj 5 AH	If the loss of Eduroam portal provision following transition out of Cardiff University is not addressed by an effective replacement, it will impact on trainees and trainers ability to undertake and complete appropriate training through a dedicated internet connection. Risk of reputational risk to Wales and Welsh offer.	5	4	20	<ul style="list-style-type: none"> WG and NWIS aware of the issue and working on an amendment to GOVROAM to address our needs and the specific authentication requirements which were previously facilitated by Cardiff University. We are continuing to monitor and press WG for a solution, and will escalate to the CEO NHS Wales as appropriate Communications with trainees and trainers are being handled through consistent messaging Positive meetings facilitated with NWIS and JISC to highlight the benefits and added value Eduroam provides over GOVROAM . 	4	3	12		<p>CEO held meeting with Director of NWIS and WG to agree position and actions on 2 July. Following consultation with WG and NWIS we are engaging with Eduroam with a view to entering into a new Eduroam license.</p> <p>NWIS completed and have approved infrastructure design to support Eduroam rollout.</p> <p>Awaiting build of servers to support authentication. Planned testing and confirmation of go live date due end September/Early October depending on time taken to build infrastructure.</p>

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	24. Obj 6 JR	If there is a delay in producing the leadership strategy this could result in contradictory approaches being developed across Wales which will detract from an all Wales approach and create obstacles to implementation.	3	3	9	<ul style="list-style-type: none"> HEIW lead in post and making progress, additional team member recruited. SCW lead identified Project plan in place Steering group established and will meet next month. Significant engagement to date in health sector within Wales and across UK, also literature review and identification of models which will continue. Communications & engagement will support the activity 	3	2	6		Significant amount of activity to date. Steering group up and running. Project milestones being met

HEIW Corporate Risk Register – Updated November 2019

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Apr 2019	25. Obj 7	If there is no agreement on the future arrangements for allocation of SIFT this could undermine HEIW's ability and levers to redesign education.	5	3	15	<ul style="list-style-type: none"> Work closely with WG colleagues to progress SIFT discussions Participate in the development of proposals for the future allocation of SIFT Use lessons and experience from across UK to inform plans Ensure that the plans are confirmed and agreed prior to transfer to HEIW. 	5	2	10		This is discussed as a regular item during interface meetings with WG No progress on this to date.
Jul 2019	26. Remit Letter SG	If 80 new DN are not recruited to NHS Wales by summer 2020 it could affect plans for strengthening primary and community services.	4	4	16	<ul style="list-style-type: none"> Revisit original plan agreed with WG Meeting with WG on the 22.7.2019 Review projected expenditure and develop additional options Discuss with DON to raise profile and gain support Continue to work with Health Boards to encourage an increased uptake. 	4	3	12		Meetings and correspondence over the summer indicate progress towards the target.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Nov 2019	27. Obj 1 JR	If the capacity in the People Team is not addressed there is a risk of delay in progressing 'desirable' policies and practices and levels of service provided to managers and staff, with a consequent impact on reputation of & confidence in the team.	4	4	16	This requires: <ul style="list-style-type: none"> • additional short-term HR capacity to be secured to support the current gaps • substantive recruitment to be progressed to HR roles asap • prioritisation of work for People team including recruitment activity • communication with managers and staff throughout HEIW 	4	3	12		Interviews held w/c 4 th November for HR Business Partner; agreement given to appoint 2 nd individual from BP recruitment campaign Experienced new starter joined 4/11/19 Discussions with TUS re solutions & prioritisation Execs asked to brief staff on turnover and gaps in People Team and asked to cascade to their teams.

HEIW Corporate Risk Register – Updated November 2019

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
Nov 2019	28. Obj 5	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. JR	5	5	25	This requires the implementation of recommendations highlighted within HEIW's Cyber Security assessment report.	5	4	20		Executive team approved the recommendations within HEIW's Cyber Security assessment report on 23 October which have or are being implemented.

Date Added	Ref (Objective)	Risk Description	Inherent Risk			Mitigating Action	Residual Risk			RAG Status	Progress
			Impact	Probability	Overall Score		Impact	Probability	Overall Score		
		Details of risk If...then... impact...				Summary of action to date or proposed action to reduce risk impact or proximity				R/A/G & trend	
Nov 2019	29.	If HEIW does not ensure that all of its contracts are ,where appropriate renewed, within the contract term there is a risk that a supplier may withdraw from a contract at short notice which may impact HEIW’s services.	4	4	16	<p>A Contract and Agreement Register has been compiled to provide assurance in respect of contract management.</p> <p>The Contracts and Agreement Register shall be used as a tool to ensure that contracts are renewed within the contract term.</p> <p>The Corporate team supported by procurement and legal and risk will put together a clear procedure to support HEIW’s contract renewal process.</p>	4	3	12		

Risk Scoring Matrix

LIKELIHOOD	Probable	5	10	15	20	25
	Likely	4	8	12	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Negligible	Minor	Moderate	Major	Critical
		IMPACT				

Level	Colour	Score Range
Low		1 – 6
Moderate		7 – 14
High		15 – 25

HEIW Strategic Objectives – Annual Plan 2019-20

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



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

Meeting Date	22 November 2019	Agenda Item	2.15
Report Title	Review of proposed amendments to HEIW's Standing Orders		
Report Author	Dafydd Bebb, Board Secretary		
Report Sponsor	Dafydd Bebb, Board Secretary		
Presented by	Dafydd Bebb, Board Secretary		
Freedom of Information	Open		
Purpose of the Report	To invite the Audit and Assurance Committee (A&AC) to review the proposed amendments to HEIW's Standing Orders (SOs).		
Key Issues	<ul style="list-style-type: none"> • The September Board Meeting approved the paper on Future Ways of Working (Appendix 1) which requires the proposed amendments to the SOs (Appendix 2); • The A&AC is also invited to consider an amendment to the SOs in respect a sub-heading for the Delegated Financial Limits; • The A&AC is asked to consider the proposed amendments to the SOs and to recommend their approval to the Board. 		
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"> • consider the Standing Orders as outlined in appendix 2 and; • confirm that the amended Standing Orders be recommended for approval by the Board. 		

REVIEW OF PROPOSED AMENDMENTS TO HEIW'S STANDING ORDERS

1. INTRODUCTION

The purpose of the report is to invite the Audit and Assurance Committee (A&AC) to review the proposed amendments to HEIW's Standing Orders (SOs).

The amended SOs are attached at **appendix 2**.

2. BACKGROUND

The September Board Meeting of HEIW approved the recommendations of the paper on Future Ways of Working (**Appendix 1**).

The purpose of the Future Ways of Working paper is to clarify the working relationship between the Board, the EC&QC and the A&AC.

The adoption of the Future Ways of Working has resulted in the proposed amendments to the SOs.

The A&AC is also requested to approve an amendment to a sub-heading within the Delegated Financial Limits (p 50). The Sub-heading currently reads " Education and Training Contracts with Universities". It is noted that it is not and was never HEIW's intention that such a limit be applied to Universities only. Given this it is proposed that the words "with Universities" be deleted.

The above amendments are incorporated in the attached SOs at **appendix 2**.

3. GOVERNANCE AND RISK ISSUES

Clarifying the working relationships between the Board, the EC&QC, and the A&AC will ensure that each organisational body undertakes an appropriate range and level of work. Ensuring that respective governance and accountability mechanisms are clearly defined will reduce the risk of overlap and gaps within the governance structure.

4. FINANCIAL IMPLICATIONS

There are no financial implications for the Committee to consider.

5. RECOMMENDATION

Members are asked to:

- consider the Standing Orders as outlined in **appendix 2** and;
- confirm that the amended Standing Orders be recommended for approval by the Board

Governance and Assurance				
Link to corporate objectives (please ✓)	As a new organisation establishing HEIW as a valued and trusted partner, an excellent employer and a reputable and expert brand	Building a sustainable and flexible health and care workforce for the future.	With Social Care Wales shaping the workforce to deliver care closer to home and to better align service delivery.	Improving quality and safety by supporting NHS organisations find faster and more sustainable workforce solutions for priority service delivery challenges.
	✓			
	Improving opportunities for use of technology and digitalisation in the delivery of education and care.	Reinvigorating leadership development and succession planning across health and social care in partnership with Social Care Wales and Academi Wales	Demonstrating value from investment in the workforce and the organisation.	
Quality, Safety and Patient Experience				
Clarifying the working relationships between the Board, the EC&QC, and the A&AC will reduce the risk of overlap and gaps within the governance structure and support HEIW in making fully informed decisions. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff.				
Financial Implications				
No financial implications for the Committee to be aware of.				
Legal Implications (including equality and diversity assessment)				
It is essential that HEIW complies with its Standing Orders.				
Staffing Implications				
No staffing implications for the Committee to be aware of.				

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

na

Report History

The paper on Future Ways of Working - relationship between the EC&QC, the Board and the A&AC, was approved at September Board. The proposed amendments relating to the terms of reference of the EC&QC were considered by the EC&QC at its meeting on 21 October.

Appendices

Appendix 1 - The paper on Future Ways of Working adopted at September Board.
Appendix 2 – Proposed SOs.

Meeting Date	26 September 2019	Agenda Item		
Report Title	Future ways of working - relationship between the Education Commissioning and Quality Committee, the Board and the Audit and Assurance Committee			
Report Author	Dafydd Bebb, Board Secretary			
Report Sponsor	Dafydd Bebb, Board Secretary			
Presented by	Ruth Hall, Chair Education Commissioning and Quality Committee			
Freedom of Information	Open			
Purpose of the Report	To clarify the future ways of working for the Education Commissioning and Quality Committee (EC&QC) in respect of its role with the Board and the Audit and Assurance Committee (A&AC).			
Key Issues	<p>Clarification of the EC&QC's future ways of working is required to ensure that decision making is undertaken at the appropriate level and to avoid any overlaps or gaps in the governance structure.</p> <p>The proposed 'Future Ways of Working' are detailed in para 2.1 of this paper.</p> <p>Subject to Board approval it is proposed that HEIW's Standing Orders (SOs) will be amended to incorporate the approach detailed within the Future Ways of Working.</p> <p>While the Board will formally approve amendments to the SOs they shall first require the consideration of the Audit Committee.</p>			
Specification Required	Information	Discussion	Assurance	Approval
				✓
Recommendations	<p>Members are asked to approve:</p> <ul style="list-style-type: none"> • the Future Ways of Working (detailed in para 2.1 below); • that the A&AC be directed to consider the attached SOs which have been amended to incorporate the Future Ways of Working; • that the EC&QC be directed to: <ul style="list-style-type: none"> consider the amendments to its own terms of reference; consider the terms of reference for an internal multi-professional education group and for an External Integrated Group to advise on education and training priorities <p>• that the proposed Future Ways of Working be subject to review in 12 months.</p>			

Education Commissioning and Quality Committee Future Ways of Working

1. INTRODUCTION

The purpose of the Future Ways of Working, detailed in paragraph 2.1 below, is to clarify the working relationship between the Board, the Education Commissioning and Quality Committee (EC&QC), and the Audit & Assurance Committee (A&AC).

This will ensure the EC&QC undertakes an appropriate range and level of work and that governance mechanisms are clearly defined. It is proposed that HEIW's Standing Orders (SOs) (Appendix 1) together with the EC&QCs forward work programme are amended to incorporate the Future Ways of Working.

2. Background

The Future Ways of Working of the EC&QC were considered at a development session on 1 July and Board Development Session (BDS) on 29 August. The proposed ways of working are captured in paragraph 2.1 below.

These aim to draw on the full strength and expertise of the Board while enabling its Committees to review matters in detail and build an in depth knowledge amongst its members.

2.1 Future ways of working

2.1.1 Relationship between the EC&QC and Board

Strategic decision making shall be reserved for the Board. Both the EC&QC and the Board (through the BDS) shall make recommendations to the Board in respect of strategic matters relating to education commissioning and education quality.

The EC&QC shall seek assurance on behalf of the Board in respect of performance, quality and value of education contracts (e.g. recruitments, retention and student satisfaction), assessment of post graduate trainees and assessment of how well they are being educated by Trusts and Health Boards. The EC&QC shall also seek assurance in respect of Quality Improvement training. The EC&QC will highlight any issues out of the ordinary to the Board.

The Board shall retain the role of seeking updates and assurance in respect of the Revalidation process.

The EC&QC shall scrutinise the specification of tender documents relating to education contracts and make recommendations to the Board. Final approval of the specification documents shall be retained by the Board.

The terms of reference for the EC&QC currently delegates final approval of training plans, including investment and disinvestment, (before it is recommended to Welsh Government for approval) to the EC&QC. This will need to be amended so that the EC&QC may recommend to the Board only.

The forward work programme of the EC&QC shall reflect the Future Ways of Working and be subject to Board approval.

2.1.2 Relationship between the EC&QC and the A&AC

The EC&QC shall seek assurance and provide scrutiny on behalf of the Board:

- for ensuring the optimum quality of education within the available resource;
- in respect of risk and direct the Audit Committee to material issues of concern;
- on value for money on expenditure on training and education contracts.

The A&AC shall seek assurance and provide scrutiny on behalf of the Board:

- to ensure that the EC&QC follows the correct processes for ensuring value for money;
- to ensure the contracting and tendering process for education and training contracts has been followed;
- on any areas highlighted by the EC&QC within its terms of reference that requires governance action by the A&AC

Both Committees shall work closely on areas of mutual interest to ensure that overlaps and gaps are avoided.

2.1.3 Relationship between the EC&QC and internal and external stakeholders

The EC&QC shall establish an Internal Multi-professional Education Group to ensure the co-ordination and oversight of all education activity across HEIW. This will have representation from all directorates. The draft terms of reference for this Internal Group shall be considered at the next meeting of the EC&QC and then considered for approval at November Board.

The EC&QC shall make appropriate arrangements for the establishment of an External Integrated Group to advise on education and training priorities. This

group may establish task and finish groups to undertake specific work on areas of identified need. The draft terms of reference for this External Group shall be considered at the next meeting of the EC&QC and then considered for approval at November Board.

This External Integrated Group will be tasked with identifying future education training requirements and considering future proposals and new education opportunities which would be considered by the EC&QC prior to submission to the full Board.

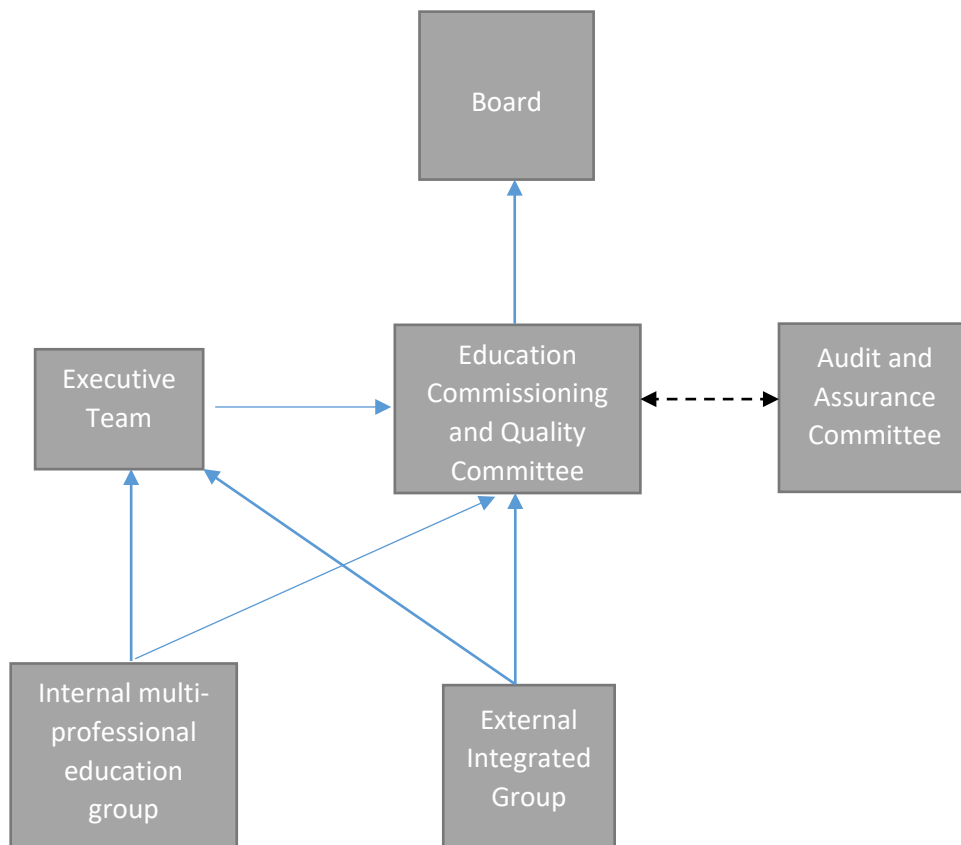
The communication strategy of HEIW will need to consider how it will enhance the overall approach to commissioning.

2.1.4 Membership of the EC&QC

Given that the EC&QC has only 2 independent members, an independent member be nominated to act as a substitute for an absent member of the Committee. Such a substitute when called upon will as a full member of the Committee.

Diagram 1

The relationships between the Board, EC&QC the A&AC, Executive and the internal and external groups are illustrated below:



3. GOVERNANCE AND RISK ISSUES

Clarifying the working relationships between the Board, the EC&QC, and the A&AC will ensure the EC&QC undertakes an appropriate range and level of work. Ensuring that respective governance and accountability mechanisms are clearly defined will reduce the risk of overlap and gaps within the governance structure.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications.

5. RECOMMENDATION

Members are asked to approve:

- the Future Ways of Working (detailed in para 2.1 below);
- that the A&AC be directed to consider the attached Standing Orders which have been amended to incorporate the Future Ways of Working;
- that the EC&QC be directed to:

consider the amendments to its terms of reference;
consider the terms of reference for an internal multi-professional education group and for an External Integrated Group to advise on education and training priorities

- that the proposed future ways of working be subject to review in 12 months.

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

		Social Care Wales and Academi Wales		
	✓		✓	
Quality, Safety and Patient Experience				
Clarifying the working relationships between the Board, the EC&QC, and the Audit & Assurance Committee (Audit Committee) will reduce the risk of overlap and gaps within the governance structure and support HEIW in making fully informed decisions. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff.				
Financial Implications				
There are no direct financial implications.				
Legal Implications (including equality and diversity assessment)				
There are no direct 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)				
n/a				
Report History	The Future Ways of Working were considered at the August BDS.			
Appendices	Appendix 1 - Draft HEIW Standing Orders amended to include the approach outline within the Future Ways of Working.			



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

Standing Orders

Executive Sponsor & Function:

Board Secretary

Document Author:

Dafydd Bebb

Approved by:

HEIW Board

Approval Date:

30 May, 2019

Date of Equality Impact Assessment:

19 March, 2019

Equality Impact Assessment Outcome:

No impact

Review Date:

October, 2019

Version: Final and approved.

Foreword

The Health Education and Improvement Wales 'HEIW' Regulations 2017 provides that HEIW must make standing orders for the regulation of its proceedings and business, including provision for the suspension of all or any of the standing orders.

The HEIW Board must consider and agree to adopt the Standing Orders (SOs) for the regulation of their proceedings and business. They are designed to translate the statutory requirements set out in legislation into day to day operating practice, and, together with the adoption of a Scheme of Decisions reserved to the Board; a Scheme of Delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of HEIW.

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

All HEIW Board members and officers must be made aware of these Standing Orders and, where appropriate, should be familiar with their detailed content. The Board Secretary will be able to provide further advice and guidance on any aspect of the Standing Orders or the wider governance arrangements within HEIW.

Further information on governance in the NHS in Wales may be accessed at www.wales.nhs.uk/governance-emanual/

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Section A – Introduction

Statutory framework

- i) Health Education and Improvement Wales (HEIW) is a Special Health Authority (SHA) that was established on 05 October 2017 and became operational on the 01 October 2018, following a six month period in shadow form under The Health Education and Improvement Wales (Establishment and Constitution) Order 2017 (SI No. 913 (W. 224)) “the Establishment Order”.
- ii) The principal place of business of HEIW is – Ty Dysgu, Cefn Coed Parc, Nantgarw, Cardiff. CF15 7QQ.
- iii) All business shall be conducted in the name of HEIW, and all funds received in trust shall be held in the name of HEIW as a corporate Trustee.
- iv) HEIW is a corporate body and its functions must be carried out in accordance with its statutory powers and duties. HEIW’s functions are set out in the Establishment Order and in Directions issued by Welsh Ministers.
- v) In addition to Directions the Welsh Ministers will issue an annual remit letter and may from time to time issue guidance which HEIW must take into account when exercising any function.
- vi) Under powers set out in paragraph 3(3) of Schedule 5 to the NHS (Wales) Act 2006, the Welsh Ministers has made **the Health Education and Improvement (Wales) Regulations 2017 (S.I. 2017/909 (W.221))** (“the Constitution Regulations”) which make provision concerning the membership and procedures of HEIW.
- vii) In carrying out its duties it will co-operate with others.
- viii) Section 72 of the NHS Act 2006 places a duty on NHS bodies, including an SHA to co-operate with each other in exercising their functions.
- ix) Section 82 of the NHS Act 2006 places a duty on NHS bodies, including an SHA, and local authorities to co-operate with one another in order to secure and advance the health and welfare of the people of England and Wales.
- x) The Welsh Language (Wales) Measure 2011 makes provision with regards to the development of standards relating to the Welsh language. The Welsh Language Standards (No 7) Regulations 2018 for the health sector do not currently apply to HEIW. It will apply at a future date but in the interim HEIW

will develop a Welsh Language policy/scheme to deliver commitments relating to Welsh language.

- xi) As a SHA, HEIW is also bound by any other statutes and legal provisions which govern the way that NHS bodies do business. The powers of NHS bodies established under statute shall be exercised by NHS bodies meeting in public session, except as otherwise provided by these SOs.
- xii) HEIW shall issue an indemnity to any Chair and Independent Member in the following terms: “A Board or Committee member, who has acted honestly and in good faith, will not have to meet out of their personal resources any personal liability which is incurred in the execution of their Board function. Such cover excludes the reckless or those who have acted in bad faith”.

NHS framework

- xiii) In addition to the statutory requirements set out above, NHS bodies including SHAs must carry out all business in a manner that enables them to contribute fully to the achievement of the Welsh Government’s vision for the NHS in Wales and its standards for public service delivery. The governance standards set for the NHS in Wales are based upon the Welsh Government’s Citizen Centred Governance principles. These principles provide the framework for good governance and embody the values and standards of behaviour that is expected at all levels of the service, locally and nationally.
- xiv) Adoption of the principles will better equip NHS bodies to take a balanced, holistic view of their organisations and their capacity to deliver high quality, safe healthcare services for all its citizens within the NHS framework set nationally.
- xv) The overarching NHS governance and accountability framework incorporates these SOs; the Schedules of Reservation and Delegation of Powers; SFIs together with a range of other frameworks designed to cover specific aspects. These include the NHS Values and Standards of Behaviour Framework; the *‘Doing Well, Doing Better: Standards for Health Services in Wales’* (formally the Healthcare Standards) Framework, the NHS Risk and Assurance Framework, and the NHS planning and performance management systems.
- xvi) The Welsh Ministers, reflecting their constitutional obligations, have stated that sustainable development should be the central organising principle for the public sector and a core objective for the restructured NHS in all it does. The Well-being of Future Generations (Wales) Act 2015 explains what is meant by sustainable development and requires bodies that are designated as ‘public bodies’ under section 6 of the 2015 Act to set well-being objectives and contribute to the achievement of well-being goals.

- xvii) Full, up to date details of the other requirements that fall within the NHS framework – as well as further information on the Welsh Government’s Citizen Centred Governance principles - are provided on the NHS Wales Governance e-manual which can be accessed at www.wales.nhs.uk/governance-emanual/. Directions or guidance on specific aspects of business are also issued in hard copy, usually under cover of a Ministerial letter.
- xviii) HEIW will from time to time agree and approve policy statements which apply to the Board members and/all or specific groups of staff employed by HEIW. The decisions to approve these policies will be recorded in the appropriate Board minute and, where appropriate will be considered to be an integral part of HEIW’s SOs and SFIs. Details of the key policy statements will be included in Schedule 2.
- xix) HEIW shall ensure that an official is designated to undertake the role of the Board Secretary (the role of which is set out in paragraph xxv below).

Applying Standing Orders

- xx) The SOs of HEIW (together with SFIs and the Values and Standards of Behaviour Framework), will, as far as they are applicable, also apply to meetings of any formal Committees established by HEIW including any Advisory Groups, sub-Committees, joint-Committees and joint sub-Committees. These SOs may be amended or adapted for the Committees as appropriate, with the approval of the Board. Further detail on the Committees may be found in Schedule 3 of these SOs.
- xxi) Full details of any non compliance with these SOs, including an explanation of the reasons and circumstances must be reported in the first instance to the Board Secretary, who will ask the Audit and Assurance Committee to formally consider the matter and make proposals to the Board on any action to be taken. All Board members and HEIW officers have a duty to report any non compliance to the Board Secretary as soon as they are aware of any circumstance that has not previously been reported. **Ultimately, failure to comply with SOs is a disciplinary matter that could result in an individual’s dismissal from employment or removal from the Board.**

Variation and amendment of Standing Orders

- xxii) Although these SOs are subject to regular, annual review by HEIW, there may, exceptionally, be an occasion where it is necessary to vary or amend the SOs during the year. In these circumstances, the Board Secretary shall advise the Board of the implications of any decision to vary or amend SOs, and such a decision may only be made by the Board if:

- The variation or amendment is in accordance with regulation 15 of the Constitution Regulations and does not contravene a statutory provision or direction made by the Welsh Ministers;
- The proposed variation or amendment has been considered and approved by the Audit and Assurance Committee and is the subject of a formal report to the Board; and
- A formal notice of motion under Standing Order 5.5.14 has been given.

Interpretation

- xxiii) During any Board meeting where there is doubt as to the applicability or interpretation of the SOs, the Chair of HEIW shall have the final say, provided that his or her decision does not conflict with rights, liabilities or duties as prescribed by law. In doing so, the Chair shall take appropriate advice from the Board Secretary and, where appropriate the Chief Executive or the Director responsible for finance (in the case of SFIs).
- xxiv) The terms and provisions contained within these SOs aim to reflect those covered within all applicable legislation. The legislation takes precedence over these SOs when interpreting any term or provision covered by legislation.

The role of the Board Secretary

- xxv) The role of the Board Secretary is crucial to the ongoing development and maintenance of a strong governance framework within HEIW, and is a key source of advice and support to the HEIW Chair and other Board members. Independent of the Board, the Board Secretary acts as the guardian of good governance within HEIW:
- Providing advice to the Board as a whole and to individual Board members on all aspects of governance;
 - Facilitating the effective conduct of HEIW business through meetings of the Board, its Advisory Groups and Committees;
 - Ensuring that Board members have the right information to enable them to make informed decisions and fulfil their responsibilities in accordance with the provisions of these SOs;
 - Ensuring that in all its dealings, the Board acts fairly, with integrity, and without prejudice or discrimination;
 - Contributing to the development of an organisational culture that embodies public services values and standards of behaviour; and
 - Monitoring HEIW's compliance with the law, SOs and the governance and accountability framework set by the Welsh Ministers.
- xxvi) As advisor to the Board, the *Board Secretary's* role does not affect the specific responsibilities of Board members for governing the organisation.

The Board Secretary is directly accountable for the conduct of their role to the Chair and Chief Executive, and reports on a day to day basis to the Chief Executive.

- xxvii) Further details on the role of the Board Secretary within HEIW, including details on how to contact them, are available at www.heiw.nhs.wales

Section B – Standing Orders

1. HEALTH EDUCATION AND IMPROVEMENT WALES

1.0.1 **HEIW's principal role is to take a strategic approach to developing the Welsh health workforce for now and for the future. Its functions include:**

Workforce intelligence – HEIW will be the central, recognised source for information and intelligence about the Welsh health workforce;

Workforce planning – HEIW will provide strategic leadership for workforce planning, working with health boards/trusts and the Welsh Government to produce a forward strategy to transform the workforce to deliver new health and social models of service delivery;

Education commissioning, planning and delivery – HEIW will utilise its funding to ensure value for money and the provision of a workforce which reflects future healthcare needs;

Quality management – HEIW will quality manage education and training provision ensuring it meets required standards, and improvements are made where required;

Supporting regulation – HEIW will play a key role representing Wales in liaison with regulators, working within the policy framework established by the Welsh Government. HEIW will also undertake, independently of the Welsh Government, specific regulatory support roles;

Leadership development – HEIW will establish the strategic direction and delivery of leadership development for staff within NHS Wales at all levels;
Careers and widening access – HEIW will provide the strategic direction for health careers and the widening access agenda, delivering an ongoing agenda to promote health careers;

Workforce improvement – HEIW will provide a strategic leadership role for workforce transformation and improvement, and deliver within its functions an ongoing programme to meet that role;

Professional support for workforce and organisational development (OD) in NHS Wales – HEIW will support the professional workforce and OD profession within Wales.

1.0.2 HEIW was established by the Health Education and Improvement Wales (Establishment and Constitution) Order 2017 (SI No. 913 (W. 224)). HEIW must ensure that all its activities are in exercise of those functions or other

statutory functions that are conferred on it through directions issued by the Welsh Ministers.

- 1.0.3 To fulfil this role, HEIW will work with all its partners and stakeholders in the best interests of the population of Wales.

1.1 Membership of Health Education and Improvement Wales Board

- 1.1.1 The membership of the HEIW Board shall be no more than 12 members comprising the Chair (appointed by the Cabinet Secretary for Health and Social Services), the Chief Executive and officer and non-officer members. A Vice Chair may also be appointed by the Board from the existing Independent Board Members.

- 1.1.2 For the purposes of these SOs, the members of the HEIW Board shall collectively be known as “the Board” or “Board members”; the officer and non-officer members (which will include the Chair) shall be referred to as Executive Directors and Independent Members respectively; and the Chief Officer and the Chief Finance Officer shall respectively be known as the Chief Executive and the Director of Corporate Services and Finance. All such members shall have full voting rights. There may also be Associate Members who do not have voting rights.

Officer Members [to be known as Executive Directors]

- 1.1.3 A total of 5 (including the Chief Executive), appointed by the Board.

Non Officer Members [to be known as Independent Members]

- 1.1.4 A total of 7 (including the Chair), appointed by the Cabinet Secretary for Health and Social Services.

Associate Members

- 1.1.5 A total of up to 3 Associate Members may be appointed by the Board to assist in carrying out its functions subject to the agreement of the Cabinet Secretary for Health and Social Services. They will attend Board meetings on an ex-officio basis, but will not have any voting rights.

Use of the term ‘Independent Members’

- 1.1.6 For the purposes of these SOs, use of the term ‘Independent Members’ refers to the following voting members of the Board:

- Chair

- Vice Chair (if appointed)
- Non Officer Members

Unless otherwise stated.

1.2 Tenure of Board members

- 1.2.1 Independent Members and Associate Members appointed by the Cabinet Secretary for Health and Social Services shall be appointed for a period specified by the Welsh Ministers, but for no longer than 4 years in any one term. These members can be reappointed but may not serve a total period of more than 8 years. Time served need not be consecutive and will still be counted towards the total period even where there is a break in the term.
- 1.2.2 Any Associate Member appointed to the Board under 1.1.5 will be for a period of up to one year, with a maximum term of four years if re-appointed.
- 1.2.3 Executive Directors' tenure of office as Board members will be determined by their contract of appointment.
- 1.2.4 All Independent Board members' tenure of appointment will cease in the event that they no longer meet any of the eligibility requirements, so far as they are applicable, as specified in Schedule 1 of the Constitution Regulations. Any member must inform the Chair as soon as is reasonably practicable to do so in respect of any issue which may impact on their eligibility to hold office. The Chair will advise the Minister in writing of any such cases immediately.
- 1.2.5 HEIW will require Independent Board members to confirm in writing their continued eligibility on an annual basis.

1.3 The Role of the HEIW Board and responsibilities of individual members

Role

- 1.3.1 The principal role of HEIW is set out in SO 1.0.1. The Board's main role is to add value to the organisation through the exercise of strong leadership and control, including:
- Setting the organisation's strategic direction
 - Establishing and upholding the organisation's governance and accountability framework, including its values and standards of behaviour
 - Ensuring delivery of the organisation's aims and objectives through effective challenge and scrutiny of HEIW performance across all areas of activity.

Responsibilities

- 1.3.2 The Board will function as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board.
- 1.3.3 Independent Members appointed to the Board must do so in a balanced manner, ensuring that any opinion expressed is objective and based upon the best interests of delivering education and improvement in the health service.
- 1.3.4 Associate Members, whilst not sharing corporate responsibility for the decisions of the Board, are nevertheless required to act in a corporate manner at all times, as are their fellow Board members who have voting rights.
- 1.3.5 All Board members must comply with their terms of appointment. They must equip themselves to fulfil the breadth of their responsibilities by participating in appropriate personal and organisational development programmes, engaging fully in Board activities and promoting HEIW within the communities it serves.
- 1.3.6 **The Chair** – The Chair is responsible for the effective operation of the Board, chairing Board meetings when present and ensuring that all Board business is conducted in accordance with these SOs. The Chair may have certain specific powers delegated by the Board and set out in the Scheme of Delegation.
- 1.3.7 The Chair shall work in close harmony with the Chief Executive and, supported by the Board Secretary, shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.
- 1.3.8 **The Vice-Chair** – The Vice-Chair shall deputise for the Chair in their absence for any reason, and will do so until either the existing chair resumes their duties or a new chair is appointed.
- 1.3.9 **Chief Executive** – The Chief Executive is responsible for the overall performance of the executive functions of HEIW. They are the appointed Accountable Officer for HEIW and shall be responsible for meeting all the responsibilities of that role, as set out in their Accountable Officer Memorandum.
- 1.3.10 **Lead roles for Board members** – The Chair will ensure that individual Board members are designated as lead roles or “champions” as required by the

Welsh Ministers or as set out in any statutory or other guidance. Any such role must be clearly defined and must operate in accordance with the requirements set by HEIW, the Welsh Ministers or others. In particular, no operational responsibilities will be placed upon any Independent Member fulfilling such a role. The identification of a Board member in this way shall not make them more vulnerable to individual criticism, nor does it remove the corporate responsibility of the other Board members for that particular aspect of Board business.

2. RESERVATION AND DELEGATION OF HEIW FUNCTIONS

2.0.1 Subject to any directions that may be given by the Welsh Ministers, the Board shall make arrangements for certain functions to be carried out on its behalf so that the day to day business of HEIW may be carried out effectively and in a manner that secures the achievement of its aims and objectives. In doing so, the Board must set out clearly the terms and conditions upon which any delegation is being made.

2.0.2 The Board's determination of those matters that it will retain, and those that will be delegated to others shall be set out in a:

- i Schedule of matters reserved to the Board;
- ii Scheme of delegation to committees and others; and
- iii Scheme of delegation to officers.

All of which must be formally adopted by the Board in full session and form part of these SOs.

2.0.3 HEIW retains full responsibility for any functions delegated to others to carry out on its behalf. Where HEIW has a joint duty, it remains fully responsible for its part, and shall agree through the determination of a written Partnership Agreement the governance and assurance arrangements for the partnership, setting out respective responsibilities, ways of working, accountabilities and sources of assurance of the partner organisations.

2.0.4 Shared and Hosted Services Arrangements

Where HEIW uses a shared or hosted service provided by another NHS organisation to undertake part and/or support it in delivering its functions, the ultimate responsibility remains with HEIW.

From 1st June 2012 the function of managing and providing Shared Services to the health service in Wales was given to Velindre NHS Trust. The **Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012** (S.I. 2012/1261 (W.156)) ("the

Shared Services Regulations”) require the Trust to establish a Shared Services Committee (known for operational purposes as the Shared Services Partnership Committee) which will be responsible for exercising the Trust’s Shared Services functions. The Shared Services Regulations prescribe the membership of the Shared Services Committee in order to ensure that all LHBs and Trusts in Wales have a member on the Shared Services Committee and that the views of all the NHS organisations in Wales are taken into account when making decisions in respect of Shared Services activities.

A Senior Management Team, led by the Director of Shared Services, is responsible for the delivery of Shared Services in accordance with an Integrated Medium Term Plan agreed by the Shared Services Committee. The Director of Shared Services holds Accountable officer status, and retains overall accountability in relation to the management of Shared Services.

A Memorandum of Co-operation and Hosting Agreement is in place between all LHBs and Trusts setting out the obligations of NHS bodies to participate in the Shared Services Committee and to take collective responsibility for setting the policy and delivery of the Shared Services to the health service in Wales. Responsibility for the exercise of the Shared Services functions will not rest with the Board of Velindre NHS Trust but will be a shared responsibility of all NHS bodies in Wales.

The Regulations for the Shared Services Committee presently do not encompass Strategic Health Authority members. HEIW will therefore have observer status on the Committee, until such time as the regulations are amended. Shared Services Partnership was established to provide shared services to the health service in Wales, and therefore can provide shared services to HEIW in accordance with agreed Service Level Agreements, until such time as HEIW becomes a full member of the Shared Services Committee, Memorandum of Co-operation and Hosting Agreement.

2.1 Chair’s action on urgent matters

- 2.1.1 There may, occasionally, be circumstances where decisions which would normally be made by the Board need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Board. In these circumstances, the Chair and the Chief Executive, supported by the Board Secretary as appropriate, may deal with the matter on behalf of the Board - after first consulting with at least two other Independent Members. The Board Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Board for consideration and ratification.
- 2.1.2 Chair’s action may not be taken where either the Chair or the Chief Executive has a personal or business interest in an urgent matter requiring decision. In

this circumstance, the Vice-Chair or the Executive Director acting on behalf of the Chief Executive will take a decision on the urgent matter, as appropriate.

2.2 Delegation of Board functions

2.2.1 The Board shall agree the delegation of any of their functions except for those set out within the 'Schedule of Matters reserved to the Board' to Committees and others, setting any conditions and restrictions it considers necessary and following any directions or regulations given by the Welsh Ministers. These functions may be carried out:

- i By a Committee, sub-Committee or officer of HEIW

2.2.2 The Board shall agree and formally approve the delegation of specific executive powers to be exercised by Committees, sub-Committees, joint-Committees or joint sub-Committees which it has formally constituted.

2.3 Delegation to officers

2.3.1 The Board may delegate certain functions to the Chief Executive. For these aspects, the Chief Executive, when compiling the Scheme of Delegation to Officers, shall set out proposals for those functions they will perform personally and shall nominate other officers to undertake the remaining functions. The Chief Executive will still be accountable to the Board for all functions delegated to them irrespective of any further delegation to other officers.

2.3.2 This must be considered and approved by the Board (subject to any amendment agreed during the discussion). The Chief Executive may periodically propose amendment to the Scheme of Delegation to Officers and any such amendments must also be considered and approved by the Board.

2.3.3 Individual Executive Directors are in turn responsible for delegation within their own directorates/departments/localities in accordance with the framework established by the Chief Executive and agreed by the Board.

3. COMMITTEES

3.1 HEIW Committees

3.1.1 The Board may, and where directed by the Welsh Ministers must, appoint Committees of HEIW either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf

by Committees. The Board shall, wherever possible, require its Committees to hold meetings in public unless there are specific, valid reasons for not doing so.

Use of the term 'Committee'

3.1.2 For the purposes of these SOs, use of the term 'Committee' incorporates the following:

- Board Committee
- joint-Committee
- sub-Committee
- joint sub-Committee

3.2 Sub-Committees/ Advisory Groups

3.2.1 A Committee appointed by the Board may establish a sub-Committee and/or advisory groups to assist it in the conduct of its business provided that the Board approves such action. Where the Board has authorised a Committee to establish sub-Committees they cannot delegate any executive powers to the sub-Committee unless authorised to do so by the Board.

3.3 Committees established by HEIW

3.3.1 The Board shall establish a Committee structure that it determines best meets its own needs, taking account of any regulatory or Welsh Government requirements. As a minimum, it must establish Committees which covers the following aspect of Board business:

- Audit and Assurance;
- Remuneration and Terms of Service, and
- Education, Commissioning and Quality Committee.

3.3.2 In designing its Committee structure and operating arrangements, the Board shall take full account of the need to:

- Embed corporate standards, priorities and requirements, e.g., equality and human rights across all areas of activity; and
- Maximise cohesion and integration across all aspects of governance and assurance.

3.3.3 Each Committee established by or on behalf of the Board must have its own SOs or detailed terms of reference and operating arrangements, which must be formally approved by the Board. These must establish its governance and ways of working, setting out, as a minimum:

- The scope of its work (including its purpose and any delegated powers and authority);
- Membership and quorum;
- Meeting arrangements;
- Relationships and accountabilities with others (including the Board its Committees and Advisory Groups)
- Any budget and financial responsibility, where appropriate;;
- Secretariat and other support;
- Training, development and performance; and
- Reporting and assurance arrangements.

3.3.4 In doing so, the Board shall specify which aspects of these SOs are not applicable to the operation of the Committee, keeping any such aspects to the minimum necessary. Detailed terms of reference and operating arrangements for the Committees established by the Board are set out in Schedule 3.

3.3.5 The membership of any such Committees - including the designation of Chair; definition of member roles and powers and terms and conditions of appointment (including remuneration and reimbursement) - will usually be determined by the Board, based on the recommendation of HEIW Chair, and subject to any specific requirements, directions or regulations made by the Welsh Ministers. Depending on the Committee's defined role and remit, membership may be drawn from the HEIW Board, its staff (subject to the conditions set in Standing Order 3.3.6) or others not employed by HEIW.

3.3.6 Executive Directors or other HEIW officers shall not normally be appointed as Committee Chairs. Designated HEIW officers shall, however, be in attendance at such Committees, as appropriate.

3.4 Other Committees

3.4.1 The Board may also establish other Committees to help HEIW conduct its business.

3.5 Confidentiality

3.5.1 Committee members and attendees must not disclose any matter dealt with by or brought before a Committee in confidence without the permission of the Committee's Chair.

3.6 Reporting activity to the Board

3.6.1 The Board must ensure that the Chairs of all Committees operating on its behalf report formally, regularly and on a timely basis to the Board on their

activities. Committee Chairs' shall bring to the Boards specific attention any significant matters under consideration and report on the totality of its activities through the production of minutes or other written reports.

4. WORKING IN PARTNERSHIP

- 4.0.1 HEIW shall work constructively in partnership with others to plan and secure the provision and delivery of health education and improvement, in accordance with its statutory duties and any specific requirements or directions made by the Welsh Ministers.
- 4.0.2 The Chair shall ensure that the Board has identified all its key partners and other stakeholders and established clear mechanisms for engaging with and involving them in the work of HEIW.
- 4.0.3 The Board shall keep under review its partnership arrangements to ensure continued clarity around purpose, desired outcomes and partner responsibilities. It must ensure timely action to change, adapt or end partnerships where they no longer serve a useful purpose, in accordance with its statutory duties; any specific requirements or directions made by the Welsh Ministers; and the agreed terms and conditions for the partnership.

5. MEETINGS

5.1 Putting Citizens first

- 5.1.1 HEIW's business will be carried out openly and transparently in a manner that encourages the active engagement of its citizens, community partners and other stakeholders. HEIW, through the planning and conduct of meetings held in public, shall facilitate this in a number of ways, including:
- Active communication of forthcoming business and activities;
 - The selection of accessible, suitable venues for meetings;
 - The availability of papers in English and Welsh languages and in accessible formats, such as Braille, large print, easy read and in electronic formats in accordance with its Welsh language and equality requirements and commitments;
 - Requesting that attendees notify HEIW of any access needs sufficiently in advance of a proposed meeting, and responding appropriately, e.g., arranging British Sign Language (BSL) interpretation at meetings; and
 - Where appropriate, ensuring suitable translation arrangements are in place to enable the conduct of meetings in either English or Welsh,

- and
- In accordance with legislative requirements, e.g., Disability Discrimination Act, as well as its Communication Strategy and Welsh language requirements.

5.1.2 The Chair will ensure that, in determining the matters to be considered by the Board, full account is taken of the views of partners and stakeholder and interests of the communities served by HEIW.

5.2 Annual Plan of Board Business

5.2.1 The Board Secretary, on behalf of the Chair, shall produce an Annual Plan of Board business. This plan will include proposals on meeting dates, venues and coverage of business activity during the year, taking account that ordinary meetings of the Board will be held at regular intervals and as a minimum six times a year. The Plan shall also set out any standing items that will appear on every Board agenda.

5.2.2 The plan shall set out the arrangements in place to enable HEIW to meet its obligations whilst also allowing Board members to contribute in either English or Welsh languages, where appropriate.

5.2.3 The plan shall also incorporate formal Board meetings, regular Board Development sessions and, where appropriate, the planned activities of the Board's Committees.

5.2.4 The Board shall agree the plan for the forthcoming year by the end of March, and this plan will be included as a schedule to these SOs.

Annual General Meeting (AGM)

5.2.5 HEIW must hold an AGM in public no later than the 30th September each year. Public notice of the intention to hold the AGM shall be given at least 10 days prior to the meeting, and this notice shall also be made available through community and partnership networks to maximise opportunities for attendance. The AGM must include presentation of the Annual Report and audited accounts, together with (where applicable), an audited abridged version of the annual accounts and, if applicable funds held on trust accounts, and may also include presentation of other reports of interest to citizens and others, such as HEIW's annual Equality Report. A record of the meeting shall be submitted to the next ordinary meeting of the Board for agreement.

5.3 Calling Meetings

5.3.1 In addition to the planned meetings agreed by the Board, the Chair may

call a meeting of the Board at any time. Individual Board members may also request that the Chair call a meeting provided that at least one third of the whole number of Board members, support such a request.

- 5.3.2 If the Chair does not call a meeting within seven days after receiving such a request from Board members, then those Board members may themselves call a meeting.

5.4 Preparing for Meetings

Setting the agenda

- 5.4.1 The Chair, in consultation with the Chief Executive and Board Secretary, will set the Agenda. In doing so, they will take account of the planned activity set in the annual cycle of Board business; any standing items agreed by the Board; any applicable items received from the Board's Committees; and the priorities facing HEIW. The Chair must ensure that all relevant matters are brought before the Board on a timely basis.
- 5.4.2 Any Board member may request that a matter is placed on the Agenda by writing to the Chair, copied to the Board Secretary, at least 12 calendar days before the meeting. The request must set out whether the item of business is proposed to be transacted in public and shall include appropriate supporting information. The Chair may, at their discretion, include items on the agenda that have been requested after the 12 day notice period if this would be beneficial to the conduct of board business.

Notifying and equipping Board members

- 5.4.3 Board members shall be sent an Agenda and a complete set of supporting papers at least 7 calendar days before a formal Board meeting. This information may be provided to Board members electronically or in paper form, in an accessible format, to the address provided, and in accordance with their stated preference. Supporting papers may, exceptionally, be provided, after this time provided that the Chair is satisfied that the Board's ability to consider the issues contained within the paper would not be impaired.
- 5.4.4 No papers will be included for consideration and decision by the Board unless the Chair is satisfied (subject to advice from the Board Secretary, as appropriate) that the information contained within it is sufficient to enable the Board to take a reasonable decision. Equality impact assessments (EIA) shall be undertaken on all new or revised policies, strategies, guidance and or practice to be considered by the Board, and the outcome of that EIA shall accompany the report to the Board to

enable the Board to make an informed decision.

- 5.4.5 In the event that at least half of the Board members do not receive the Agenda and papers for the meeting as set out above, the Chair must consider whether or not the Board would still be capable of fulfilling its role and meeting its responsibilities through the conduct of the meeting. Where the Chair determines that the meeting should go ahead, their decision, and the reason for it, shall be recorded in the minutes.
- 5.4.6 In the case of a meeting called by Board members, notice of that meeting must be signed by those members and the business conducted will be limited to that set out in the notice.

Notifying the public and others

- 5.4.7 Except for meetings called in accordance with Standing Order 5.3, at least 7 days before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed bilingually (in English and Welsh):
- At HEIW's principal sites;
 - On the HEIW website, together with the papers supporting the public part of the Agenda; as well as
 - Through other methods of communication as set out in HEIW's communication strategy.
- 5.4.8 When providing notification of the forthcoming meeting, HEIW shall set out when and how the Agenda and the papers supporting the public part of the Agenda may be accessed, in what language and in what format, e.g., as Braille, large print, easy read, etc.

5.5 Conducting Board Meetings

Admission of the public, the press and other observers

- 5.5.1 HEIW shall encourage attendance at its formal Board meetings by the public and members of the press as well as officers or representatives from organisations who have an interest in HEIW business. The venue for such meetings shall be appropriate to facilitate easy access for attendees and translation services; and appropriate facilities wherever practicable to maximise accessibility such as an induction loop system.
- 5.5.2 The Board and its Committees shall conduct as much of its formal business in public as possible. There may be circumstances where it would not be in the public interest to discuss a matter in public, e.g., business that relates to a confidential matter. In such cases the Chair

(advised by the Board Secretary where appropriate) shall schedule these issues accordingly and require that any observers withdraw from the meeting. In doing so, the Board shall resolve:

That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) F (c.67).

- 5.5.3 In the circumstances, when the Board is not meeting in public session it shall operate in private session, formally reporting any decisions taken to the next meeting of the Board in public session. Wherever possible, that reporting shall take place at the end of a private session, by reconvening a Board meeting held in public session.
- 5.5.4 The Board Secretary, on behalf of the Chair, shall keep under review the nature and volume of business conducted in private session to ensure such arrangements are adopted only when absolutely necessary.
- 5.5.5 In encouraging entry to formal Board Meetings from members of the public and others, the Board shall make clear that attendees are welcomed as observers. The Chair shall take all necessary steps to ensure that the Board's business is conducted without interruption and disruption. In exceptional circumstances, this may include a requirement that observers leave the meeting.

Addressing the Board, its Committees and Advisory Groups

- 5.5.6 The Board will decide what arrangements and terms and conditions it feels are appropriate in extending an invitation to observers to attend and address any meetings of the Board, its Committees and Advisory Groups, and may change, alter or vary these terms and conditions as it considers appropriate. In doing so, the Board will take account of its responsibility to actively encourage the engagement and, where appropriate, involvement of citizens and stakeholders in its work and to demonstrate openness and transparency in the conduct of business.

Chairing Board Meetings

- 5.5.7 The Chair of HEIW will preside at any meeting of the Board unless they are absent for any reason (including any temporary absence or disqualification from participation on the grounds of a conflict of interest). In these circumstances the Vice Chair shall preside. If both the Chair and vice-chair are absent or disqualified, the Independent Members present shall elect one of the Independent Members to preside.

5.5.8 The Chair must ensure that the meeting is handled in a manner that enables the Board to reach effective decisions on the matters before it. This includes ensuring that Board members' contributions are timely and relevant and move business along at an appropriate pace. In doing so, the Board must have access to appropriate advice on the conduct of the meeting through the attendance of the nominated Board Secretary. The Chair has the final say on any matter relating to the conduct of Board business.

Quorum

5.5.9 At least six Board members, at least two of whom are Executive Directors and four are Independent Members (including the Chair), must be present to allow any formal business to take place at a Board meeting.

5.5.10 If the Chief Executive or an Executive Director is unable to attend a Board meeting, then a nominated deputy may attend in their absence and may participate in the meeting, provided that the Chair has agreed the nomination before the meeting. However, Board members' voting rights cannot be delegated so the nominated deputy may not vote or be counted towards the quorum. If a deputy is already a Board member in their own right, e.g., a person deputising for the Chief Executive will usually be an Executive Director, they will be able to exercise their own vote in the usual way but they will not have any additional voting rights.

5.5.11 The quorum must be maintained during a meeting to allow formal business to be conducted, i.e., any decisions to be made. Any Board member disqualified through conflict of interest from participating in the discussion on any matter and/or from voting on any resolution will no longer count towards the quorum. If this results in the quorum not being met that particular matter or resolution cannot be considered further at that meeting, and must be noted in the minutes.

Dealing with motions

5.5.12 In the normal course of Board business items included on the agenda are subject to discussion and decisions based on consensus. Considering a motion is therefore not a routine matter and may be regarded as exceptional, e.g. where an aspect of delivery is a cause for particular concern, a Board member may put forward a motion proposing that a formal review of that service area is undertaken by a Committee of the Board. The Board Secretary will advise the Chair on the formal process for dealing with motions. No motion or amendment to a motion will be considered by the Board unless moved by a Board

member and seconded by another Board member (including the Chair).

5.5.13 Proposing a formal notice of motion – Any Board member wishing to propose a motion must notify the Chair in writing of the proposed motion at least 12 days before a planned meeting. Exceptionally, an emergency motion may be proposed up to one hour before the fixed start of the meeting, provided that the reasons for the urgency are clearly set out. Where sufficient notice has been provided, and the Chair has determined that the proposed motion is relevant to the Board’s business, the matter shall be included on the Agenda, or, where an emergency motion has been proposed, the Chair shall declare the motion at the start of the meeting as an additional item to be included on the agenda.

5.5.14 The Chair also has the discretion to accept a motion proposed during a meeting provided that the matter is considered of sufficient importance and its inclusion would not adversely affect the conduct of Board business.

5.5.15 Amendments - Any Board member may propose an amendment to the motion at any time before or during a meeting and this proposal must be considered by the Board alongside the motion.

5.5.16 If there are a number of proposed amendments to the motion, each amendment will be considered in turn, and if passed, the amended motion becomes the basis on which the further amendments are considered, i.e., the substantive motion.

5.5.17 Motions under discussion – When a motion is under discussion, any Board member may propose that:

- The motion be amended;
- The meeting should be adjourned;
- The discussion should be adjourned and the meeting proceed to the next item of business;
- A Board member may not be heard further;
- The Board decides upon the motion before them;
- An ad hoc Committee should be appointed to deal with a specific item of business; or
- The public, including the press, should be excluded.

5.5.18 Rights of reply to motions – The mover of a motion (including an amendment) shall have a right of reply at the close of any debate on the motion or the amendment immediately prior to a vote on the proposal.

5.5.19 Withdrawal of motion or amendments – A motion or an amendment

to a motion, once moved and seconded, may be withdrawn by the proposer with the agreement of the seconder and the Chair.

5.5.20 Motion to rescind a resolution – The Board may not consider a motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six months unless the motion is supported by the (simple) majority of Board members.

5.5.21 A motion that has been decided upon by the Board cannot be proposed again within six months except by the Chair, unless the motion relates to the receipt of a report or the recommendations of a Committee/Chief Executive to which a matter has been referred.

Voting

5.5.22 The Chair will determine whether Board members' decisions should be expressed orally, through a show of hands, by secret ballot or by recorded vote. The Chair must require a secret ballot or recorded vote if the majority of voting Board members request it. Where voting on any question is conducted, a record of the vote shall be maintained. In the case of a secret ballot the decision shall record the number voting for, against or abstaining. Where a recorded vote has been used the Minutes shall record the name of the individual and the way in which they voted. Associate Members may not vote in any meetings or proceedings of the Board.

5.5.23 In determining every question at a meeting the Board members must take account, where relevant, of the views expressed and representations made by individuals and organisations who represent the interests of stakeholders.

5.5.24 The Board will make decisions based on a simple majority view held by the Board members present. In the event of a split decision, i.e., no majority view being expressed, the Chair shall have a second and casting vote.

5.5.25 In no circumstances may an absent Board member or nominated deputy vote by proxy. Absence is defined as being absent at the time of the vote.

5.6 Record of Proceedings

5.6.1 A record of the proceedings of formal Board meetings (and any other meetings of the board where the Board members determine) shall be

drawn up as 'minutes'. These minutes shall include a record of Board member attendance (including the Chair) together with apologies for absence, and shall be submitted for agreement at the next meeting of the Board, where any discussion shall be limited to matters of accuracy. Any agreed amendment to the minutes must be formally recorded.

- 5.6.2 Agreed minutes shall be circulated in accordance with Board members' wishes, and, where providing a record of a formal Board meeting shall be made available to the public both on HEIW's website and in hard copy or other accessible format on request, in accordance with any legislative requirements, e.g., Data Protection Act 2018, General Data Protection Regulations and HEIW's Communication Strategy and Welsh language requirements.

5.7 Confidentiality

- 5.7.1 All Board members (including Associate Members), together with members of any Committee or Advisory Group established by or on behalf of the Board and HEIW officials must respect the confidentiality of all matters considered by the Board in private session or set out in documents which are not publicly available. Disclosure of any such matters may only be made with the express permission of the Chair of the Board or relevant Committee, as appropriate, and in accordance with any other requirements set out elsewhere, e.g., in contracts of employment, within the Values and Standards of Behaviour framework or legislation such as the Freedom of Information Act 2000, etc.

6. VALUES AND STANDARDS OF BEHAVIOUR

- 6.0.1 The Board must adopt a set of values and standards of behaviour for HEIW that meets the requirements of the NHS Wales Values and Standards of Behaviour framework. These values and standards of behaviour will apply to all those conducting business by or on behalf of HEIW, including Board members, HEIW officers and others, as appropriate. The framework adopted by the Board will form part of these SOs.

6.1 Declaring and recording Board members' interests

- 6.1.1 ***Declaration of interests*** – It is a requirement that all Board members must declare any personal or business interests they may have which may affect, or be perceived to affect the conduct of their role as a Board member. This includes any interests that may influence or be perceived to influence their judgement in the course of conducting the Board's business. Board members must be familiar with the Values and Standards of Behaviour Framework and their statutory duties under the Constitution Regulations. Board members

must notify the Board of any such interests at the time of their appointment, and any further interests as they arise throughout their tenure as Board members.

- 6.1.2 Board members must also declare any interests held by family members or persons or bodies with which they are connected. The Board Secretary will provide advice to the Chair and the Board on what should be considered as an 'interest', taking account of the regulatory requirements and any further guidance, e.g., the Values and Standards of Behaviour framework. If individual Board members are in any doubt about what may be considered as an interest, they should seek advice from the Board Secretary. However, the onus regarding declaration will reside with the individual Board member.
- 6.1.3 **Register of interests** – The Chief Executive, through the Board Secretary will ensure that a Register of Interests is established and maintained as a formal record of interests declared by all Board members. The register will include details of all Directorships and other relevant and material interests which have been declared by Board members.
- 6.1.4 The register will be held by the Board Secretary, and will be updated during the year, as appropriate, to record any new interests, or changes to the interests declared by Board members. The Board Secretary will also arrange an annual review of the Register, through which Board members will be required to confirm the accuracy and completeness of the register relating to their own interests.
- 6.1.5 In line with the Board's commitment to openness and transparency, the Board Secretary must take reasonable steps to ensure that the citizens served by HEIW are made aware of, and have access to view the HEIW's Register of Interests. This may include publication on the HEIW website.
- 6.1.6 **Publication of declared interests in Annual Report** – Board members' declared directorships of companies or positions in other organisations likely or possibly seeking to do business with the NHS shall be published in HEIW's Annual Report.

6.2 Dealing with Members' interests during Board meetings

- 6.2.1 The Chair, advised by the Board Secretary, must ensure that the Board's decisions on all matters brought before it are taken in an open, balanced, objective and unbiased manner. In turn, individual Board members must demonstrate, through their actions, that their contribution to the Board's decision making is based upon the best interests of HEIW and the NHS in Wales.

- 6.2.2 Where individual Board members identify an interest in relation to any aspect of Board business set out in the Board's meeting agenda, that member must declare an interest at the start of the Board meeting. Board members should seek advice from the Chair, through the Board Secretary before the start of the Board meeting if they are in any doubt as to whether they should declare an interest at the meeting. All declarations of interest made at a meeting must be recorded in the Board minutes.
- 6.2.3 It is the responsibility of the Chair, on behalf of the Board, to determine the action to be taken in response to a declaration of interest, taking account of any regulatory requirements or directions made by the Welsh Ministers. The range of possible actions may include determination that:
- i The declaration is formally noted and recorded, but that the Board member should participate fully in the Board's discussion and decision, including voting. This may be appropriate, for example where the Board is considering matters of strategy relating to a particular aspect of healthcare and an Independent Member is a healthcare professional whose profession may be affected by that strategy determined by the Board;
 - ii The declaration is formally noted and recorded, and the Board member participates fully in the Board's discussion, but takes no part in the Board's decision;
 - iii The declaration is formally noted and recorded, and the Board member takes no part in the Board discussion or decision;
 - iv The declaration is formally noted and recorded, and the Board member is excluded for that part of the meeting when the matter is being discussed. A Board member must be excluded, where that member has a direct or indirect financial interest in a matter being considered by the Board.
- 6.2.4 In extreme cases, it may be necessary for the member to reflect on whether their position as a Board member is compatible with an identified conflict of interest.
- 6.2.5 Where the Chair is the individual declaring an interest, any decision on the action to be taken shall be made by the Vice Chair, on behalf of the Board.
- 6.2.6 In all cases the decision of the Chair (or the Vice Chair in the case of an interest declared by the Chair) is binding on all Board members. The Chair should take advice from the Board Secretary when determining the action to take in response to declared interests; taking care to ensure their exercise of judgement is consistently applied.

6.2.7 **Members with pecuniary (financial) interests** – Where a Board member, or any person they are connected with¹ has any direct or indirect pecuniary interest in any matter being considered by the Board, including a contract or proposed contract, that member must at the meeting and as soon as practicable after its commencement, disclose the interest and must not take part in the consideration or discussion of that matter or vote on any question related to it. The Board may determine that the Board member concerned shall be excluded from that part of the meeting.

6.2.8 The Constitution Regulations define ‘direct’ and ‘indirect’ pecuniary interests and these definitions always apply when determining whether a member has an interest. These SOs must be interpreted in accordance with these definitions.

6.2.9 **Members with Professional Interests** - During the conduct of a Board meeting, an individual Board member may establish a clear conflict of interest between their role as a HEIW Board member and that of their professional role outside of the Board. In any such circumstance, the Board shall take action that is proportionate to the nature of the conflict, taking account of the advice provided by the Board Secretary.

6.3 Dealing with officers’ interests

6.3.1 The Board must ensure that the Board Secretary, on behalf of the Chief Executive, establishes and maintains a system for the declaration, recording and handling of HEIW officers’ interests in accordance with the Values and Standards of Behaviour Framework.

6.4 Reviewing how Interests are handled

6.4.1 The Audit and Assurance Committee will review and report to the Board upon the adequacy of the arrangements for declaring, registering and handling interests at least annually.

6.5 Dealing with offers of gifts² and hospitality

6.5.1 The Values and Standards of Behaviour Framework adopted by the Board prohibits Board members and HEIW officers from receiving gifts, hospitality or benefits in kind from a third party which may reasonably give rise to suspicion

¹ In the case of persons who are married to each other or in a civil partnership with each other or who are living together as if married or civil partners, the interest of one person shall, if known to the other, be deemed for the purpose of this Standing Order to be also an interest of the other.

²The term gift refers also to any reward or benefit.

of conflict between their official duty and their private interest, or may reasonably be seen to compromise their personal integrity in any way.

- 6.5.2 Gifts, benefits or hospitality must never be solicited. Any Board member or HEIW officer who is offered a gift, benefit or hospitality which may or may be seen to compromise their position must refuse to accept it. This may in certain circumstances also include a gift, benefit or hospitality offered to a family member of a Board member or HEIW officer. Failure to observe this requirement may result in disciplinary and/or legal action.
- 6.5.3 In determining whether any offer of a gift or hospitality should be accepted, an individual must make an active assessment of the circumstances within which the offer is being made, seeking advice from the Board Secretary as appropriate. In assessing whether an offer should be accepted, individuals must take into account:
- **Relationship:** Contacts which are made for the purpose of information gathering are generally less likely to cause problems than those which could result in a contractual relationship, in which case accepting a gift or hospitality could cause embarrassment or be seen as giving rise to an obligation;
 - **Legitimate Interest:** Regard should be paid to the reason for the contact on both sides and whether it is a contact that is likely to benefit HEIW;
 - **Value:** Gifts and benefits of a trivial or inexpensive (below £25), e.g., diaries/calendars, are more likely to be acceptable and can be distinguished from more substantial offers. Similarly, hospitality in the form of a working lunch would not be treated in the same way as more expensive social functions, travel or accommodation (although in some circumstances these may also be accepted);
 - **Frequency:** Acceptance of frequent or regular invitations particularly from the same source would breach the required standards of conduct. Isolated acceptance of, for example, meals, tickets to public, and sport, cultural or social events would only be acceptable if attendance is justifiable in that it benefits HEIW ; and
 - **Reputation:** If the body concerned is known to be under investigation by or has been publicly criticised by a public body, regulators or inspectors, acceptance of a gift or hospitality might be seen as supporting the body or affecting in some way the investigation or negotiations and it should always be declined.
- 6.5.4 A distinction may be drawn between items offered as hospitality and items

offered in substitution for fees for broadcasts, speeches, lectures or other work done. There may be circumstances where the latter may be accepted if they can be used for official purposes.

6.6 Register of Gifts and Hospitality

- 6.6.1 The Board Secretary, on behalf of the Chair, will maintain a register of Gifts and Hospitality to record offers of gifts and hospitality made to Board members. Executive Directors will adopt a similar mechanism in relation to HEIW officers working within their Directorates.
- 6.6.2 Every Board member and HEIW officer has a personal responsibility to volunteer information in relation to offers of gifts and hospitality, including those offers that have been refused. The Board Secretary, on behalf of the Chair and Chief Executive, will ensure the incidence and patterns of offers and receipt of gifts and hospitality are kept under active review, taking appropriate action where necessary.
- 6.6.3 When determining what should be included in the Register, individuals shall apply the following principles, subject to the considerations in Standing Order 6.5.3:
- **Gifts:** Generally, only gifts of material value should be recorded. Those with a nominal value, e.g., seasonal items such as diaries/calendars would not usually need to be recorded.
 - **Hospitality:** Only significant hospitality offered or received should be recorded. Occasional offers of 'modest and proportionate'³ hospitality need not be included in the Register. Further detail is provided in the framework policy on standards of behaviour.
- 6.6.4 Board members and HEIW officers may accept the occasional offer of modest and proportionate hospitality but in doing so must consider whether the following conditions are met:
- Acceptance would further the aims of HEIW;
 - The level of hospitality is reasonable in the circumstances;
 - It has been openly offered; and,
 - It could not be construed as any form of inducement and will not put the individual under any obligation to those offering it.

³Examples of 'modest and proportionate' hospitality that need not be included in a Hospitality register include a working sandwich lunch or a buffet lunch incidental to a conference or seminar attended by a variety of participants.

6.6.5 The Board Secretary will arrange for a full report of all offers of Gifts and Hospitality recorded by HEIW to be submitted to the Audit and Assurance Committee (or equivalent) at least annually. The Audit and Assurance Committee will then review and report to the Board upon the adequacy of the HEIW's arrangements for dealing with offers of gifts and hospitality.

7. SIGNING AND SEALING DOCUMENTS

7.0.1 The common seal of the HEIW is primarily used to seal legal documents such as transfers of land, lease agreements and other important/key contracts. The seal may only be fixed to a document if the Board or Committee of the Board has determined it shall be sealed, or if a transaction to which the document relates has been approved by the Board or Committee of the Board.

7.0.2 Where it is decided that a document shall be sealed it shall be fixed in the presence of the Chair or Vice Chair (or other authorised independent Member) and the Chief Executive or Deputy Chief Executive (or another authorised individual) both of whom must witness the seal.

7.1 Register of Sealing

7.1.1 The Board Secretary shall keep a register that records the sealing of every document. Each entry must be signed by the persons who approved and authorised the document and who witnessed the seal. A report of all sealings shall be presented to the Board at least bi-annually.

7.2 Signature of Documents

7.2.1 Where a signature is required for any document connected with legal proceedings involving HEIW, it shall normally be signed by the Chief Executive, except where the Board has authorised another person or has been otherwise directed to allow or require another person to provide a signature.

7.2.2 The Chief Executive or Deputy Chief Executive nominated officers may be authorised by the Board to sign on behalf of HEIW any agreement or other document (not required to be executed as a deed) where the subject matter has been approved either by the Board or a Committee to which the Board has delegated appropriate authority in each instance in accordance with the delegated authority.

7.3 Custody of Seal

7.3.1 The Common Seal of HEIW shall be kept securely by the Board Secretary.

8. GAINING ASSURANCE ON THE CONDUCT OF HEIW BUSINESS

- 8.0.1 The Board shall set out explicitly, within a Risk and Assurance Framework, how it will be assured on the conduct of HEIW business, its governance and the effective management of the organisation's risks in pursuance of its aims and objectives. It shall set out clearly the various sources of assurance, and where and when that assurance will be provided, in accordance with any requirements determined by the Welsh Ministers.
- 8.0.2 The Board shall ensure that its assurance arrangements are operating effectively, advised by its Audit and Assurance Committee.
- 8.0.3 Assurances in respect of the Shared Services arrangements shall primarily be achieved by the reports of the Director of Shared Services to the Shared Services Partnership Committee, and reported back by the Chief Executive as agreed. Where appropriate, and by exception, the Board may seek assurances direct from the Director of Shared Services. The Director of Shared Services and the Shared Services Partnership Committee shall be under an obligation to comply with any internal or external audit functions being undertaken by or on behalf of HEIW.

8.1 The role of Internal Audit in providing independent internal assurance

- 8.1.1 The Board shall ensure the effective provision of an independent internal audit function as a key source of its internal assurance arrangements, in accordance with the Public Sector Internal Audit Standards (PSIAS) and any other requirements determined by the Welsh Ministers.
- 8.1.2 The Board shall set out the relationship between the Head of Internal Audit (HIA), the Audit and Assurance Committee (or equivalent) and the Board. It shall:
- Approve the Internal Audit Charter (incorporating the definition of internal audit) and adopt the Internal Auditing Standards (incorporating the code of ethics);
 - Ensure the HIA communicates and interacts directly with the Board, facilitating direct and unrestricted access;
 - Require Internal Audit to confirm its independence annually; and
 - Ensure that the Head of Internal Audit reports periodically to the Board on its activities, including its purpose, authority, responsibility and performance. Such reporting will include governance issues and significant risk exposures.

8.2 Reviewing the performance of the Board, its Committees and Advisory

Groups

- 8.2.1 The Board shall introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and if established, Advisory Groups. Where appropriate, the Board may determine that such evaluation may be independently facilitated.
- 8.2.2 Each Committee and, where appropriate, Advisory Group must also submit an annual report to the Board through the Chair within 6 weeks of the end of the reporting year setting out its activities during the year and including the review of its performance and that of any sub-Committees it has established.
- 8.2.3 The Board shall use the information from this evaluation activity to inform:
- The ongoing development of its governance arrangements, including its structures and processes;
 - Its Board Development Programme, as part of an overall Organisation Development framework; and
 - The Board's report of its alignment with the Assembly Government's Citizen Centred Governance Principles.

8.3 External Assurance

- 8.3.1 The Board shall ensure it develops effective working arrangements and relationships with those bodies that have a role in providing independent, external assurance to the public and others on HEIW's operations, e.g., the Auditor General for Wales.
- 8.3.2 The Board may be assured, from the work carried out by external audit and others, on the adequacy of its own assurance framework, but that external assurance activity shall not form part of, or replace its own internal assurance arrangements, except in relation to any additional work that the Board itself may commission specifically for that purpose.
- 8.3.3 The Board shall keep under review and ensure that, where appropriate, HEIW implements any recommendations relevant to its business made by the National Assembly for Wales's Public Accounts Committee and other appropriate bodies.
- 8.3.4 HEIW shall provide the Auditor General for Wales with any assistance, information and explanation which the Auditor General thinks necessary for the discharge of their statutory powers and responsibilities.

9. DEMONSTRATING ACCOUNTABILITY

9.0.1 Taking account of the arrangements set out within these SOs, the Board shall demonstrate to the communities it serves and to the Welsh Ministers a clear framework of accountability within which it:

- Conducts its business internally;
- Works collaboratively with NHS colleagues, HE and FE establishments, regulators, partners, service providers and others; and
- Responds to the views and representations made by those who represent the interests of the communities it serves and other stakeholders, including its officers and healthcare professionals.

9.0.2 The Board shall, in publishing its strategic and operational level plans, set out how those plans have been developed taking account of the views of others, and how they will be delivered by working with their community and other partners.

9.0.3 The Board shall also facilitate effective scrutiny of the HEIW's operations through the publication of regular reports on activity and performance, including publication of an Annual Report.

9.0.4 The Board shall ensure that within HEIW, individuals at all levels are supported in their roles, and held to account for their personal performance through effective performance management arrangements.

10. REVIEW OF STANDING ORDERS

10.0.1 The Board Secretary shall arrange for an equality impact assessment to be carried out on a draft of these SOs prior to their formal adoption by the Board, the results of which shall be presented to the Board for consideration and action, as appropriate. The fact that an assessment has been carried out shall be noted in the SOs.

10.0.2 These SOs shall be reviewed annually by the Audit and Assurance Committee [or equivalent], which shall report any proposed amendments to the Board for consideration. The requirement for review extends to all documents having the effect as if incorporated in SOs, including the equality impact assessment.

Schedule 1

SCHEME OF RESERVATION AND DELEGATION OF POWERS

This Scheme of Reservation and Delegation of Powers forms part of, and shall have effect as if incorporated in the Standing Orders

Introduction

As set out in Standing Order 2, the Board - subject to any directions that may be given by Welsh Ministers - should make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of HEIW may be carried out effectively, and in a manner that secures the achievement of the organization's aims and objectives. The Board may delegate functions to:

- i) a committee, e.g. Remuneration and Terms of Service Committee;
- ii) a sub-committee, Any such delegation would, subject to the Boards authority, usually be via a main committee of the Board;
- iii) a joint committee or sub-committee, e.g., with other Health Bodies, or Universities established to take forward matters relating the development of the health workforce in Wales ; and
- iv) Officers of HEIW (who may, subject to the Board's authority, delegate further to other officers and, where appropriate, other third parties, e.g. shared/support services, through a formal scheme of delegation)

And in doing so, must set out clearly the terms and conditions upon which any delegation is being made. These terms and conditions must include a requirement that the Board is notified of any matters that may affect the operation and/or reputation of HEIW.

The Board's determination of those matters that it will retain, and those that will be delegated to others are set out in the following:

- Schedule of matters reserved to the Board;
- Scheme of delegation to Committees and others; and
- Scheme of delegation to Officers.

DECIDING WHAT TO RETAIN AND WHAT TO DELEGATE: GUIDING PRINCIPLES

The Board will take full account of the following principles when determining those matters that it reserves, and those which it will delegate to others to carry out on its behalf:

- Everything is retained by the Board unless it is specifically delegated in accordance with the requirements set out in Standing Orders or Standing Financial Instructions
- The Board must retain that which it is required to retain (whether by statute or as determined by Welsh Government) as well as that which it considers is essential to enable it to fulfil its role in setting the organisation's direction, equipping the organisation to deliver and ensuring achievement of its aims and objectives through effective performance management
- Any decision made by the Board to delegate functions must be based upon an assessment of the capacity and capability of those to whom it is delegating responsibility
- The Board must ensure that those to whom it has delegated powers (whether a committee, partnership or individuals) remain equipped to deliver on those responsibilities through an ongoing programme of personal, professional and organisational development
- The Board must take appropriate action to assure itself that all matters delegated are effectively carried out
- The framework of delegation will be kept under active review and, where appropriate, will be revised to take account of organisational developments, review findings or other changes
- Except where explicitly set out, the Board retains the right to decide upon any matter for which it has statutory responsibility, even if that matter has been delegated to others
- The Board may delegate authority to act, but retains overall responsibility and accountability
- When delegating powers, the Board will determine whether (and the extent to which) those to whom it is delegating will, in turn, have powers to further delegate those functions to others.

HANDLING ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS: WHO DOES WHAT?

The Board

The Board will formally agree, review and, where appropriate revise schedules of reservation and delegation of powers in accordance with the guiding principles set out earlier.

The Chief Executive

The Chief Executive will propose a Scheme of Delegation to Officers, setting out the functions they will perform personally and which functions will be delegated to other officers. The Board must formally agree this scheme.

In preparing the scheme of delegation to officers, the Chief Executive will take account of:

- the guiding principles set out earlier (including any specific statutory responsibilities designated to individual roles)
- their personal responsibility and accountability to the Chief Executive, NHS Wales in relation to their role as designated Accountable Officer
- associated arrangements for the delegation of financial authority to equip officers to deliver on their delegated responsibilities (and set out in Standing Financial Instructions).

The Chief Executive may re-assume any of the powers they have delegated to others at any time.

The Board Secretary

The Board Secretary will support the Board in its handling of reservations and delegations by ensuring that:

- a proposed schedule of matters reserved for decision by the Board is presented to the Board for its formal agreement;
- effective arrangements are in place for the delegation of HEIW functions within the organisation and to others, as appropriate; and
- arrangements for reservation and delegation are kept under review and presented to the Board for revision, as appropriate.

The Audit & Assurance Committee

The Audit & Assurance Committee will provide assurance to the Board of the effectiveness of its arrangements for handling reservations and delegations.

Individuals to who powers have been delegated

Individuals will be personally

- equipping themselves to deliver on any matter delegated to them, through the conduct of appropriate training and development activity; and
- exercising any powers delegated to them in a manner that accords with HEIW's values and standards of behavior.

Where an individual does not feel that they are equipped to deliver on a matter delegated to them, they must notify the Chief Executive of their concern as soon as possible in so that an appropriate and timely decision may be made on the matter.

In the absence of an officer to whom powers have been delegated, those powers will normally be exercised by the individual to whom that officer reports, unless the Board has set out alternative arrangements.

If the Chief Executive is absent their nominated Deputy may exercise those powers delegated to the Chief Executive on their behalf. However, the guiding principles governing delegations will still apply, and so the Board may determine that it will reassume certain powers delegated to the Chief Executive or reallocate powers, e.g., to a Committee or another officer.

SCOPE OF THESE ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS

The Scheme of Delegation to officers referred to here shows only the "top level" of delegation within HEIW. The Scheme is to be used in conjunction with the system of control and other established procedures within HEIW.

SCHEDULE OF MATTERS RESERVED TO THE BOARD¹

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
1	FULL	GENERAL	The Board may determine any matter for which it has statutory or delegated authority, in accordance with Standing Orders
2	FULL	GENERAL	The Board must determine any matter that will be reserved to the whole Board.
3	FULL	OPERATING ARRANGEMENTS	Adopt the standards of governance and performance to be met by HEIW, including standards/requirements determined by professional bodies/others, e.g., Royal Colleges
4	FULL	OPERATING ARRANGEMENTS	Approve, vary and amend: <ul style="list-style-type: none"> • Standing Orders (SOs); • Standing Financial Instructions (SFIs); • Schedule of matters reserved to HEIW; • Scheme of delegation to Committees and others; and • Scheme of delegation to Officers. In accordance with any directions set by Welsh Ministers.
5	FULL	OPERATING ARRANGEMENTS	Approve HEIW's Values and Standards of Behavior Framework
6	FULL	OPERATING ARRANGEMENTS	Approve HEIW's framework for performance management, risk and assurance
7	FULL	OPERATING ARRANGEMENTS	Approve the introduction or discontinuance of any significant activity or operation. Any activity or operation shall be regarded as significant if the Board determines it so based upon its contribution/impact on the achievement of HEIW's aims, objectives and priorities

1 Any decision to reserve a matter, and the manner in which that retained responsibility is carried out will be in accordance with any regulatory and/or Welsh Government requirements

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
8	FULL	OPERATING ARRANGEMENTS	Ratify any urgent decisions taken by the Chair and the Chief Executive in accordance with Standing Order requirements
9	FULL	OPERATING ARRANGEMENTS	Ratify in public session any instances of failure to comply with Standing Orders and Standing Financial Instructions
11	FULL	OPERATING ARRANGEMENTS	Approve policies for dealing with complaints
12	FULL	OPERATING ARRANGEMENTS	Approve individual compensation payments in line with Standing Financial Instructions
13	FULL	OPERATING ARRANGEMENTS	Approve individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and officers
14	FULL	OPERATING ARRANGEMENTS	Approve proposals for action on litigation on behalf of HEIW
15	FULL	OPERATING ARRANGEMENTS	Authorise use of the HEIW's official seal
16	FULL	OPERATING ARRANGEMENTS	Seek updates and assurance in respect of the Revalidation Process.
17	FULL	ORGANISATION STRUCTURE & STAFFING	Ratify appointment, discipline and dismissal of the Chief Executive
18	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the appointment, discipline and dismissal of the Executive Directors and any other Board level appointments
19	FULL	ORGANISATION STRUCTURE & STAFFING	Require, receive and determine action in response to the declaration of Board members' interests, in accordance with advice received, e.g. from Audit & Assurance Committee

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
20	FULL	ORGANISATION STRUCTURE & STAFFING	Approve, review, and revise HEIW's top level organisation structure and corporate policies
21	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, review, revise and dismiss Board committees, including any joint committees directly accountable to the Board
22	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss the Chair and members of any committee, joint committee or Group set up by the Board
23	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss individuals appointed to represent the Board on outside bodies and groups
24	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the terms of reference and reporting arrangements of all committees, joint-committees and groups established by the Board
25	FULL	STRATEGY & PLANNING	Determine HEIW's strategic aims, objectives and priorities
26	FULL	STRATEGY & PLANNING	Approve HEIW's annual business plan and three year plan setting out how HEIW will meet the requirements set out in the remit letter.
27	FULL	STRATEGY & PLANNING	Approve HEIW's Risk Management Strategy and plans
28	FULL	STRATEGY & PLANNING	Approve HEIW's communication plan

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
29	FULL	STRATEGY & PLANNING	Approve HEIW's partnership and stakeholder engagement and involvement strategies
30	FULL	STRATEGY & PLANNING	Approve the HEIW's key strategies and programmes related to: <ul style="list-style-type: none"> • Workforce and Organisational Development • Health education and training; • Research/evaluation; • Quality of education and training programmes; • Leadership and career development for staff within NHS Wales; • Workforce transformation & improvement; • Infrastructure, including IM &T, Estates and Capital; • Supporting delivery of 'A Healthier Wales including development of a high level strategic workforce plan for Wales in partnership with Social Care Wales.
31	FULL	STRATEGY & PLANNING	Approve HEIW's budget and financial framework (including overall distribution of the financial allocation)
32	FULL	STRATEGY & PLANNING	Proposed commissioning, specification and contract variations on education and training agreements before submission of recommendation to Welsh Government for Cabinet Secretary approval in accordance with delegations set on in the Financial
33	FULL	STRATEGY & PLANNING	Approve individual contracts (other than NHS contracts) above the limit delegated to the Chief Executive set out in the Financial Delegations
34	FULL	STRATEGY & PLANNING	Approve the National Annual Education and Training Plan before submission of recommendation to the Welsh Government for approval.

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
35	FULL	STRATEGY & PLANNING	Approve the forward work programme for the Education Commissioning and Quality Committee.
36	FULL	PERFORMANCE & ASSURANCE	Approve HEIW's internal audit and assurance arrangements
37	FULL	PERFORMANCE & ASSURANCE	Receive reports from HEIW's Executive on progress and performance in the delivery of HEIW's strategic aims, objectives and priorities and approve action required, including improvement plans
38	FULL	PERFORMANCE & ASSURANCE	Receive assurance reports from the Board's committees, groups and other internal sources on HEIW's performance and approve action required, including improvement plans
39	FULL	PERFORMANCE & ASSURANCE	Receive reports on HEIW's performance produced by external auditors, regulators and inspectors that raise issue or concerns impacting on HEIW's ability to achieve its aims and objectives and approve action required, including improvement plans, taking account of the advice of Board Committees (as appropriate)
40	FULL	PERFORMANCE & ASSURANCE	Receive the annual opinion of HEIW's Chief Internal Auditor and approve action required, including improvement plans
41	FULL	PERFORMANCE & ASSURANCE	Receive the annual audit report from HEIW's external auditor and approve action required, including improvement plans
42	FULL	PERFORMANCE & ASSURANCE	Receive the annual opinion on HEIW's performance against appropriate Health and Care Standards for Wales and approve action required, including improvement plans
43	FULL	REPORTING	Approve HEIW's Reporting Arrangements, including reports on activity and performance to partners and stakeholders and nationally to the Welsh Government
44	FULL	REPORTING	Receive, approve and ensure the publication of HEIW reports, including its Annual Report & Accounts

ADDITIONAL AREAS OF RESPONSIBILITY DELEGATED TO CHAIR, VICE CHAIR AND INDEPENDENT MEMBERS			
	CHAIR		
	VICE CHAIR		
	CHAMPION/ NOMINATED LEAD		

DELEGATION OF POWERS TO COMMITTEES AND OTHERS³

Standing Order 2 provides that the Board may delegate powers to Committees and others. In doing so, the Board has formally determined:

- the composition, terms of reference and reporting requirements in respect of any such Committees; and
- the governance arrangements, terms and conditions and reporting requirements in respect of any delegation to others

In accordance with any regulatory requirements and any directions set by the Welsh Ministers.

Any delegated powers to Board Committees are set out in the Terms of reference of the relevant committee, which are appended to these SOs for the following Committees:

- Audit and Assurance Committee
- Remuneration and Terms of Service Committee
- Education, Commissioning and Quality Committee

The scope of the powers delegated, together with the requirements set by the Board in relation to the exercise of those powers are as set out in i) Committee Terms of Reference, and ii) formal arrangements for the delegation of powers to others. Collectively, these documents form the Board's Scheme of Delegation to Committees.

³As defined in Standing Orders

SCHEME OF DELEGATION TO EXECUTIVE DIRECTORS, OTHER DIRECTORS AND OFFICERS

The HEIW Standing Orders and Standing Financial Instructions specify certain key responsibilities of the Chief Executive, the Director of Finance and other officers. The Chief Executive's Job Description, together with their Accountable Officer Memorandum sets out their specific responsibilities, and the individual job descriptions determined for Executive Director level posts also define in detail the specific responsibilities assigned to those post holders. These documents, together with the schedule of additional delegations below and the associated financial delegations set out in the Standing Financial Instructions form the basis of the LHB's Scheme of Delegation to Officers.

DELEGATED MATTER	RESPONSIBLE OFFICER(S)
Representation in statutory partnerships	Chief Executive
Performance Management arrangements	Deputy Chief Executive and Director of Workforce & OD
Receipt and opening of quotations	Director of Finance and Corporate Services
Land, Buildings and assets	Deputy Chief Executive and Director of Workforce & OD
Facilities Management	Deputy Chief Executive and Director of Workforce & OD
Sustainable Development	Deputy Chief Executive and Director of Workforce & OD
Health, Safety & Fire	Deputy Chief Executive and Director of Workforce & OD
I M & T	Deputy Chief Executive and Director of Workforce & OD
Senior Information Risk Owner (SIRO)	Board Secretary
CRB checks	Deputy Chief Executive and Director of Workforce & OD
Data Protection	Board Secretary

DELEGATED MATTER	RESPONSIBLE OFFICER(S)
Equality & Human Rights	Deputy Chief Executive and Director of Workforce & OD
Issuing tenders and post tender negotiations	Chief Executive/ Director of Finance and Corporate Services
Budgetary delegation arrangements	Director of Finance and Corporate Services
Banking arrangements	Director of Finance and Corporate Services
Ex-gratia payments	Director of Finance and Corporate Services
Losses and special payments	Director of Finance and Corporate Services
Professional advice on supply of goods and services	Director of Finance and Corporate Services
External Communications incl. Media enquiries	Chief Executive, supported by Board Secretary
Healthcare Standards	Executive Director of Nursing/ Medical Director
Risk Management	Board Secretary
Legal Claims	Director of Finance and Corporate Services
Caldicott Guardian	Medical Director
Freedom of Information Act	Board Secretary
Welsh Language	Board Secretary
Legal advice	Board Secretary

DELEGATED MATTER	RESPONSIBLE OFFICER(S)
Receipt and opening of tenders	Board Secretary
Civil Contingencies /Emergency Planning	Deputy Chief Executive and Director of Workforce & OD
Variation of Funded Establishment	Chief Executive
Responsible Officer for medical trainees	Medical Director

This scheme only relates to matters delegated by the Board to the Chief Executive and their Executive Directors, together with certain other specific matters referred to in Standing Financial Instructions.

Each Executive Director is responsible for delegation within their department. They should produce a scheme of delegation for matters within their department, which should also set out how departmental budget and procedures for approval of expenditure are delegated.

Delegated Financial Limits

Post	Education and Training Contracts	Education and Training Invoices	Revenue (Other Than Education & Training Contracts)
Board	Above £5m		No Limit
Chief Executive	up to £5m	No Limit (subject to Appropriate Contract Approval)	£250,000
Deputy Chief Executive (when acting in that capacity)	up to £5m	No Limit (subject to Appropriate Contract Approval)	£250,000
Director of Finance & Corporate Services	up to £2m	£2m	£100,000
Director of Nursing & Medical Director within delegated budget area		£500,000	£50,000
Executive Directors within delegated directorate budget area			£50,000
Deputy Director of Finance		£50,000	£50,000
Delegated Budget Managers (within delegated budget area)			£25,000
Delegated Budget Managers (within delegated budget area)			£10,000
Delegated Budget Managers (within delegated budget area)			£5,000
Delegated Budget Managers (within delegated budget area)			£1,000

Schedule 2

KEY GUIDANCE, INSTRUCTIONS AND OTHER RELATED DOCUMENTS

This Schedule forms part of, and shall have effect as if incorporated in the
HEIW Standing Orders

HEIW Framework

The HEIW governance and accountability framework comprises these SOs, incorporating schedules of Powers reserved for the Board and Delegation to others, together with the following documents:

- ***SFIs***
- ***Values and Standards of Behaviour Framework***
- ***Risk and Assurance Framework***
- ***Key policy documents agreed by the Board including:***
 - ***Policies, procedures and other written control documents policy and procedure;***
 - ***Welsh Language Scheme;***

These documents must be read in conjunction with the SOs and will have the same effect as if the details within them were incorporated within the SOs themselves.

NHS Wales framework

Full, up to date details of the guidance, instructions and other documents that together make up the framework of governance, accountability and assurance for the NHS in Wales are published on the NHS Wales Governance e-Manual which can be accessed at www.wales.nhs.uk/governance-emanual/. Directions or guidance on specific aspects of HEIW business are also issued in hard copy, usually under cover of a Ministerial Letter.

Schedule 3

BOARD COMMITTEE ARRANGEMENTS

This Schedule forms part of, and shall have effect as if incorporated in the HEIW Standing Orders

The HEIW Shadow Board has agreed initially to set up two committees:

Audit and Assurance Committee; and
Remuneration and Terms of Service Committee

The Terms of Reference and Operating arrangement for each Committee is detailed below:

Audit and Assurance Committee

The **Audit and Assurance Committee** is responsible for reviewing the system of governance and assurance established within HEIW and the arrangements for internal control, including risk management, for the organisation and, in particular, advises on the Annual Governance Statement signed by the Chief Executive.

The Committee also keeps under review the risk approach of the organisation and utilises information gathered from the work of the Board, its own work, the work of other Committees and also other activity in the organisation in order to advise the Board regarding its conclusions in relation to the effectiveness of the system of governance and control

The Committee also has the role of providing *assurance* to the Board in relation to the arrangements for creating, collecting, storing, safeguarding, disseminating, sharing, using and disposing of information in accordance with its stated objectives, legislative responsibilities, e.g., the Data Protection Act, General Data Protection Regulations and Freedom of Information Act; and any relevant requirements and standards determined for the NHS in Wales.

Remuneration and Terms of Service Committee

The **Remuneration and Terms of Service Committee** has the purpose of providing advice to the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government and provide *assurance* to the Board in relation to HEIW arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.

Education, Commissioning and Quality Committee

The **Education, Commissioning and Quality Committee** has the purpose to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place to plan, commission, deliver and quality manage education systems and provide assurance on behalf of the organisation.
- Where appropriate, **advise** the Board and the Chief Executive on where, and how, its education systems and assurance framework may be strengthened and developed further.
- Recommend to the Board education training plans including investment in new programmes and disinvestment in others. .
- Recommend to the Board on strategic matters relating to Education Commissioning and Education Quality.
- **Recommend** the specification of tender documents in respect of Education to the Board

Standard Terms of Reference and Operating Arrangements for all Committees of the Board

Date: 1 October 2018

Version: Draft 1.0

Review Date: Annually

1. Introduction:

Section 3.1 of the HEIW standing orders provide that “The Board may and, where directed by the Welsh Government must, appoint Committees either to undertake specific functions on the Board’s behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board’s commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees”.

In line with Section 3.3 of the standing orders, the Board shall as a minimum nominate annually committees which cover the following aspects of Board business:

- Audit and Assurance;
- Remuneration and Terms of Service; and
- Education, Commissioning and Quality Committee

This document includes content common to all committees and should be read alongside the specific terms of reference and operating arrangements for each committee.

The provisions of Section 5 of the Standing Orders have also been taken into account when developing the committee Terms of Reference. This relates to transparency of meetings, planning board/committee business, setting agenda’s etc.

2. Authority:

Each Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any books, records or documents of the Authority relevant to the Committee’s remit, ensuring staff confidentiality, as appropriate. It may seek relevant information from any:

- employee (and all employees are directed to co-operate with any reasonable request made by the Committee); and
- any other Committee, sub-committee or group set up by the Board to assist it in the delivery of its functions.

Each Committee is authorised by the Board to obtain outside legal or other

independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

3. Sub-Committees and Groups

Each Committee may, subject to the approval of the Board, establish sub-committees or groups to carry out on its behalf specific aspects of Committee business.

4. Membership and Attendees:

4.1 Secretariat

As determined by the Board Secretary.

4.2 Member Appointments

- The second and third paragraph of this section 4.2 shall not be applicable to the Remuneration and Terms of Service Committee as section 4.1 of the same Committee's Terms of Reference shall take precedence.
- The membership of each Committee shall be determined by the Board, based on the recommendation of the Chair - taking account of the balance of skills and expertise necessary to deliver each Committee's remit and subject to any specific requirements or directions made by the Welsh Government. The Board shall ensure succession planning arrangements are in place.
- Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office. During this time a member may resign or be removed by the Board. The Board should, as a matter of good practice, review the membership of each Committee every two years in order to ensure each Committee is refreshed on a regular basis whilst maintaining continuity.
- Committee members' terms and conditions of appointment, (including any remuneration and reimbursement) will be in accordance with their terms of appointment to HEIW. Where a member has been co-opted to fulfil a specific function and where they are not Independent Members or employees of HEIW this will be determined by the Board, based upon the recommendation of the Chair and on the basis of advice from the Remuneration and Terms of Service Committee.

4.3 Support to Committee Members

The Board Secretary, on behalf of each Committee Chair, shall:

- Arrange the provision of advice and support to committee members on any aspect relating to the conduct of their role; and

- Ensure the provision of a programme of organisational development for Committee members as part of the overall Organisational Development programme developed by the Deputy Chief Executive.

4.4 Withdrawal of individuals in attendance

Each Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

Members and attendees will also withdraw from the meeting, as appropriate, where there is a conflict of interest or a potential conflict of interest.

5. Relationships and accountabilities with the Board and its Committees/Groups⁴

Although the Board has delegated authority to the Committees for the exercise of certain functions, as set out within each Committee's terms of reference, it retains overall responsibility and accountability for ensuring a strategic approach to developing the Welsh health workforce for now and for the future through the effective governance of the organisation.

Each Committee is directly accountable to the Board for its performance in exercising the functions set out in each Committee's terms of reference.

Each Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint (sub) committees and groups to provide advice and assurance to the Board through the:

- joint planning and co-ordination of Board and Committee business; and
- sharing of information.

Through acting in accordance with the preceding paragraph, each Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

- Each Committee shall embed HEIW values, corporate standards, priorities and requirements through the conduct of its business.

⁴ Reference to the Board's Committees/Groups incorporates its sub committees, joint committees and joint sub committees as well as other groups, such as Task and Finish Groups, where this is appropriate to the remit of the Committee.

6. Reporting and Assurance Arrangements:

Each Committee Chair shall:

- bring to the Board's specific attention any significant matters under consideration by their Committee
- ensure appropriate escalation arrangements are in place to alert the Chair, Chief Executive (and Accountable Officer) or Chairs of other relevant committees of any urgent or critical matters that may affect the operation and/or reputation of HEIW.
- report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes verbal updates on activity, the submission of Committee minutes and written reports when appropriate, as well as the presentation of an annual report;

The Board may also require the Committee Chair to report upon the Committee's activities at public meetings, or to community partners and other stakeholders, where this is considered appropriate. This could be where the Committee's assurance role relates to a joint or shared responsibility.

The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of each Committee's performance and operation including that of any sub committees established and groups.

Terms of Reference and Operating Arrangements Audit and Assurance Committee

Date: 1 October 2018

Review Date: Annually

1. Introduction

In line with Section 3 of the Standing Orders, the Board shall nominate annually a committee which covers Audit. This remit of this Committee will be extended to include Assurance and Corporate Governance and will be known as the **Audit and Assurance Committee**.

The detailed terms of reference and operating arrangements set by the Board in respect of this Committee are detailed below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all committees.

2. Purpose

The purpose of the Audit and Assurance Committee (“the Committee”) is to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place, through the design and operation of HEIW’s assurance framework, to support them in their decision taking and in discharging their accountabilities for securing the achievement of its objectives, in accordance with the standards of good governance determined for the NHS in Wales
- Where appropriate, the Committee will **advise** the Board and the Chief Executive on where, and how, its systems and assurance framework may be strengthened and developed further
- **Approve** on behalf of the Board policies, procedures and other written control documents in accordance with the Scheme of Delegation

3. Delegated Powers

With regard to its role in providing advice to the Board, the Committee will comment specifically on the:

- adequacy of HEIW’s strategic governance and assurance framework, systems and processes for the maintenance of an effective system of governance, internal control, and risk management across the whole organisation’s activities, designed to support the public disclosure statements that flow from the assurance processes, including the Annual Governance Statement, providing reasonable assurance on:

- the organisations ability to achieve its objectives
- compliance with relevant regulatory requirements and other directions and requirements set by the Welsh Government and others
- reliability, integrity, safety and security of the information collected and used by the organisation
- the efficiency, effectiveness and economic use of resources
- the extent to which the organisation safeguards and protects all its assets, including its people.

In undertaking its work and responsibility the Committee will comment specifically on:

- Board's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate)
- accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, the ISA 260 Report 'Communication with those charged with Governance' and managements' letter of representation to the external auditors
- Schedule of Losses and Special Payments
- planned activity and results of internal audit, external audit and the Local Counter Fraud Specialist (including strategies, annual work plans and annual reports)
- adequacy of executive and management's response to issues identified by audit, inspection and other assurance activity
- anti fraud policies, whistle-blowing (raising concerns) processes and arrangements for special investigations
- issues upon which the Board, its Committees or the Chief Executive may seek advice
- contracting and tendering process
- provide assurance and undertake scrutiny of ensuring value for money

The Committee will support the Board with regard to its responsibilities for governance (including risk and control) by **reviewing** and **approving** as appropriate:

- all risk and control related disclosure statements, in particular the Annual Governance Statement together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board
- the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements
- the policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements
- the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service

In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of effective governance and assurance arrangements to guide its work and that of the audit and assurance functions that report to it, and enable the Committee to review and form an opinion on the:

- comprehensiveness of assurances in meeting the Board and the Chief Executives assurance needs across the whole of HEIW activities;
- the reliability and integrity of these assurances

To achieve this, the Committee's programme of work will be designed to provide assurance that:

- there is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the Board and the Chief Executive through the Committee
- there is an effective counter fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the Board and the Chief Executive through the Committee
- there is an effective improvement function that provides appropriate assurance to the Board and the Chief Executive

- there are effective arrangements in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the Board and the Chief Executive or through the work of the Board's committees
- the work carried out by key sources of external assurance, in particular, but not limited to HEIW's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity
- the work carried out by the whole range of external review bodies is brought to the attention of the Board, and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, and the risks of failing to comply
- systems for financial reporting to the Board, including those of budgetary control, are effective
- results of audit and assurance work specific to HEIW, and the implications of the findings of wider audit and assurance activity relevant to the HEIW's operations are appropriately considered and acted upon to secure the ongoing development and improvement of the organisations governance arrangements

The Committee will review and agree the programme of work on an annual basis, and will recommend it to the Board for approval.

4. Access

The Head of Internal Audit and the Auditor General and his representatives shall have unrestricted and confidential access to the Chair of the Audit and Assurance Committee at any time, and vice versa.

The Committee will meet with Internal and External Auditors and the nominated Local Counter Fraud Specialist without the presence of officials on at least one occasion each year.

The Chair of the Audit and Assurance Committee shall have reasonable access to Executive Directors and other relevant senior staff.

5. Membership, Attendees and Quorum

5.1 Members

A minimum of three members, comprising:

Chair	Independent Member
Members	Independent Member x 2

The Chair of the organisation shall not be a member of the Audit and Assurance Committee, but may be invited to attend by the Chair of the Committee as appropriate.

5.2 Attendees

In attendance:

Executive Director of Finance and Corporate Services
Board Secretary
Head of Internal Audit (or representative)
Local Counter Fraud Specialist
Representative of the Auditor General for Wales
Head of Finance

In addition to this others from within or outside the organisation who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.

The Chief Executive shall be invited to attend, at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement.

5.3 Quorum

At least **two** members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair (or Vice Chair where appointed).

6. Frequency of Meetings

Meetings shall be held no less than quarterly and otherwise as the Chair of the Committee deems necessary – consistent with HEIW's annual plan of Board Business. The External Auditor or Head of Internal Audit may request that the Chair convene a meeting if they consider this necessary.

7. Relationships and accountabilities with the board and its Committees/Groups:⁵

The Audit and Assurance Committee must have an effective relationship with other committees or sub-committees of the Board so that it can understand the system of assurance for the Board as a whole. It is very important that the Audit and Assurance Committee remains aware of its distinct role and does not seek to perform the role of other committees.

The Committee will consider the assurance provided through the work of the Board's other committees and sub groups to meet its responsibilities for advising the Board on the adequacy of HEIW's overall framework of assurance.

8. Reporting and Assurance Arrangements

The Committee shall provide a written, annual report to the Board and the Chief Executive on its work in support of the Annual Governance Statement, specifically commenting on the adequacy of the assurance framework, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self assessment activity against relevant standards. The report will also record the results of the committee's self assessment and evaluation.

⁵ Reference to the Board's Committees/Groups incorporates its sub committees, joint committees and joint sub committees as well as other groups, such as Task and Finish Groups, where this is appropriate to the remit of this Audit and Assurance Committee

Remuneration and Terms of Service Committee Terms of Reference and Operating Arrangements

Date: 1 October 2018

Version: Draft 1.0

Review Date: Annually

1. Introduction

In line with Section 3 of the Standing Orders and HEIW's Scheme of Delegation, the Board shall nominate annually a committee to be known as the Remuneration and Terms of Service Committee. The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all Committees.

2. Purpose

The purpose of the Remuneration and Terms of Service Committee ("the Committee") is to provide:

- **advice** to the Board on remuneration and terms of service and performance for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government
- **assurance** to the Board in relation to HEIW's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.

The Committee shall have no powers to exercise on behalf of the Board.

3. Delegated Powers

With regard to its role in providing advice and assurance to the Board, the Committee will comment specifically upon the:

- remuneration and terms of service for the Chief Executive, Executive Directors, members of the Executive Team and other Very Senior Managers (VSMs); ensuring that the policies on remuneration and terms of service as determined from time to time by the Welsh Government are applied consistently
- objectives for Executive Directors and members of the Executive Team and their performance assessment
- performance management system in place for those in the positions mentioned above and its application
- proposals regarding termination arrangements, including those under the Voluntary Early Release Scheme, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant Welsh Government guidance.

4. Membership, Attendees and Quorum

4.1 Members

Chair: HEIW Chair

Members: Every Independent Member of HEIW

4.2 By Invitation As required but usually to include:
Chief Executive
Deputy Chief Executive
Director of Finance and Corporate Services
Board Secretary

The Committee Chair may invite the following to attend all or part of a meeting to assist it with its discussions on any particular matter:

- any other official;
- and/or any others from within or outside the organisation

4.3 Quorum

At least **three** members must be present to ensure the quorum of the Committee, one of whom must be the Chair (or Vice Chair where appointed).

5. Frequency of Meetings

The Chair of the Committee, in agreement with Committee Members, shall determine the timing and frequency of meetings, as deemed necessary. It is expected that the Committee shall meet at least once a year, consistent with the annual plan of Board Business.

Education, Commissioning and Quality Committee Terms of Reference and Operating Arrangements

Date: 30 May 2019

Review Date: Annually

1. Introduction

In line with Section 3 of the Standing Orders, the Board shall nominate annually a committee which covers education, education commissioning and quality management of education provision and contracts. This Committee will be known as the Education, Commissioning and Quality Committee.

The terms of reference and operating arrangements set by the Board in respect of this Committee are detailed below.

These terms of reference and operating arrangements are to be read alongside the standard terms of reference and operating arrangements applicable to all HEIW committees.

2. Purpose

The purpose of the Education, Commissioning and Quality Committee (“the Committee”) is to:

- **Advise** and **assure** the Board and the Chief Executive (who is the Accountable Officer) on whether effective arrangements are in place to plan, commission, deliver and quality manage education systems and provide assurance on behalf of the organisation.
- Where appropriate, **advise** the Board and the Chief Executive on where, and how, its education systems and assurance framework may be strengthened and developed further.
- Recommend to the Board education training plans including investment in new programmes and disinvestment in others. .
- Recommend to the Board on strategic matters relating to Education Commissioning and Education Quality.
- **Recommend** the specification of tender documents in respect of Education to the Board

3. Delegated Powers

With regard to its role in providing advice to the Board, the Committee will:

- i. Provide assurance to the Board as to the effective management and improvement of the quality of HEIW's education and related research activities.
- ii. Recommend to the Board areas for investment/disinvestment in education and training plans taking into account value based commissioning.
- iii. Recommend to the Board the national annual education and training plan.
- iv. Alert the Audit and Assurance Committee and the Board to any matters requiring governance action, and oversee such action on behalf of the Board.
- v. Oversee the development, implementation and updating of strategies, policies, structures and processes for the governance of education and training which shall including taking a forward looking and strategic view.
- vi. Seek assurance of the effective performance, monitoring, management and value of education and training programmes and contracts, including the identification and management of related risk.
- vii. Monitor compliance of education and training activities with:
 - a. statutory and regulatory requirements, including equity, equality legislation and Welsh language requirements and;
 - b. with NHS Wales policy and other relevant policies and HEIW's priorities in relation to equity, equality and diversity, person-centred care and participation, and educational quality.
- viii. Monitor HEIW's compliance with delegated responsibilities given to it by health regulators i.e. GMC, GDC and GPhC as delegated to HEIW.
- ix. Promote collaboration within HEIW and with external agencies in relation to educational and training governance which shall include wellbeing.

- x. To work collaboratively with other HEIW Board standing committees.
- xi. Scrutinise the specification of education tender documents.
- xii. Recommend the specification of tender documents to the Board for Education.
- xiii. Recommend undertaking research on Education, Quality and Commissioning to the Board.
- xiv. Engage with Board Development Sessions with regards to making recommendations on strategic matters relating to Education Commissioning and Education Quality.
- xv. Seek assurance in respect of risk areas within its area of responsibility and highlight material areas of concern to the Audit and Assurance Committee.
- xvi. Highlight any issues out of the ordinary to the Board.

The Committee will review and agree its forward work programme on an annual basis, and will recommend it to the Board for approval.

4. Membership, Attendees Quorum and Term

4.1.1 Members

A minimum of two members, comprising:

- Chair - Independent Member
Members - 1 Independent Member in addition to the Chair

The Chair of the organisation shall not be a member of the Committee, but may be invited to attend by the Chair of the Committee as appropriate.

4.1.2 Deputy Independent Member

The Board may appoint a Deputy Independent Member for the Committee. Where a member of the Committee is unable to attend a Committee meeting, then the nominated Deputy may attend in his or her absence as a member of the Committee. If a Deputy attends a Committee as a member of the Committee then the Deputy shall be included for the calculation of a quorum and may exercise voting rights.

4.2 Attendees

In attendance:

- Director of Nursing
 - Medical Director
 - Director of Finance and Corporate Services
 - Board Secretary
 - Head of Education, Commissioning and Quality

In addition to this, others from within or outside the organisation who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.

The Chief Executive shall be invited to attend, at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement.

4.3 Quorum

At least **two** members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair (or Vice Chair where appointed).

4.4 Terms

Immediately following the establishment of HEIW the Members shall be appointed for an initial period of two years. Thereafter Members shall be appointed for a term of one year.

5. Frequency of Meetings

Meetings shall be held no less than quarterly and otherwise as the Chair of the Committee deems necessary – consistent with HEIW's annual plan of Board Business.

6. Relationships and accountabilities with the Board and its Committees/ Groups

The Committee must have an effective relationship with other committees or sub-committees of the Board so that it can understand the system of assurance for the Board as a whole. It is very important that the Committee remains aware of its distinct role and does not seek to perform the role of other committees.

The Committee will maintain effective working relationships with HEIW'S Audit and Assurance Committee (AAC), and with HEIW's other Board committees and subcommittees. To strengthen liaison with the AAC, one Independent Member will serve on both committees.

Audit and Assurance Committee Effectiveness Checklist

To enable a review of the effectiveness of the Audit and Assurance Committee, the members of the Committee and those who work with the Committee, undertook an annual self-evaluation of its effectiveness and impact at an informal meeting of the Audit and Assurance Committee held on 15 July 2019.

Present

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

In Attendance:

Eifion Williams	Interim Director of Finance
Dafydd Bebb	Board Secretary
Martyn Pennell	Head of Financial Accounting
Mike Usher	Engagement Director, Wales Audit Office
Helen Goddard	External Audit Manager, Wales Audit Office
Simon Cookson	Director of Audit and Assurance, NWSSP
Emma Samways	Deputy Head of Internal Audit, NWSSP
Nigel Price	Local Counter Fraud Specialist, Cardiff and Vale UHB
Kay Barrow	Corporate Services Manager (Secretariat)

Committee members and other regular attendees collectively considered the Committee Effectiveness Checklist, drawn from the Wales Audit Office's Self-Assessment Checklist, which also provided an opportunity for comment on any issues. The completed Checklist includes any actions that the Committee wish to undertake to build on its effectiveness. These aspects will be addressed through the Committee Agenda and Forward Work Programme for 2019/20.

AUDIT AND ASSURANCE COMMITTEE: SELF ASSESSMENT CHECKLIST

Question/Checklist	Yes	No	N/A	Comments
Principle 1 – Membership, Independence, Objectivity and Understanding				
1	Do we have a minimum of three members, all Independent Members, at least two of whom, including the Audit and Assurance Committee Chair, are Independent Members of the organisation's Board?	√		
2	Does the Director of Finance, the Head of Internal Audit and the External Auditor routine attend Audit and Assurance Committee meetings?	√		
3	Are we satisfied with the range, frequency and number of Executives and other participants attending the Audit and Assurance Committee meetings? (Numbers of attendees should be sufficient to deal adequately with the agenda, but not so many as to blur the issues).	√		Consensus that the number of meetings, including those to sign off the Annual Accounts, was adequate. Flexibility to call ad hoc meetings as required should important matters need to be presented outside of Committee meeting schedule. As a maturing organisation, the number of Committee meetings to be kept under review.
4	Is our relationship and communication with the wider organisation effective in support of the Annual Governance Statement?	√		Although there had been input into the first Annual Governance Statement (AGS) from the wider organisation, consensus that further work required to ensure that the review of the AGS was planned appropriately into the Committee Forward Work Programme to ensure all areas were covered appropriately.
5	Are conflicts recorded and declared at the start of every meeting, and is appropriate action taken when relevant matters are discussed?	√		

6	Do we have a clear understanding of our terms of appointment, including what is expected of us, how our individual performance will be appraised, the duration of our appointment, training required and how this will be provided?	√			Agreement that the collective experience and training of Members was appropriate. The Committee Forward Work Programme may identify areas that would require specific training and that this would be planned so that it was delivered by the appropriate specialist.
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Conclusion

Are we performing effectively in this area?	As a maturing Committee there is a need to focus on the areas of significant organisational risk, control and sound governance. Maintaining a very clear focus on the key governance, control and risk issues and actions taken to address these.
Are there any actions we want to take to build our effectiveness?	<ul style="list-style-type: none"> • Important that the Committee takes a risk based approach and ensures its focus is on those areas which require material improvement. • Standing item to be added either before or after the main Committee meeting for Members to receive a development session or briefing for 30 minutes during rotating between Internal Audit, External Audit and Counter Fraud.

Question/Checklist	Yes	No	N/A	Comments	
Principle 2 – Skills					
7	Are we satisfied that, collectively, we have the range of skills we need to ensure that the Accountable Officer and the Board gain the assurance they need to governance, risk management, the control environment and on the integrity of all elements of the Annual Report and Accounts?	√			
8	Do we possess the wider skills necessary to be fully effective (e.g. in relation to the core business of the organisation, change management, the wider political landscape and other strategically relevant issues)?	√			

9	Does at least one member have recent and relevant financial experience sufficient to allow them to competently analyse the financial statements and understand good financial management discipline?	√			
10	Where we need additional skills are we empowered to co-opt additional members or procure specialist advice?	√			
11	Do we have effective induction and training arrangements for new members and does the Audit and Assurance Committee Chair ensure that all members have an appropriate programme of engagement with the organisation to help build sufficient understanding?	√			Members attend Corporate Induction and receive appropriate organisational documentation. Further induction opportunities to be explored further.

Conclusion

Are we performing effectively in this area?	Collective skills appropriate however, Members can call on others as required for specialist knowledge.
Are there any actions we want to take to build our effectiveness?	<ul style="list-style-type: none"> Explore enhanced induction programme for Members specifically relating to Audit and Assurance Committee. e.g. Board Secretary for Independent Advice, Academi Wales Good Governance Guide for NHS Wales Boards, specific specialist training provided by Wales Audit Office, Internal Audit and Counter Fraud.

Question/Checklist	Yes	No	N/A	Comments
Principle 3 and 4 – The Role and Scope of the Committee				
12	Do we have a clear understanding of the role and responsibilities of the Audit and Assurance Committee?	√		

13	Does our work programme cover the assurance needs of the Board and Accountable Officer through a balance of agenda items?	√			Committee has an annual work plan and deals with any actions received specifically from the Board. However, clarity required in relation to the working relationships with other Committees and the Board to ensure that work assigned is appropriate.
14	Do we provide insight and strong, constructive challenge to the organisation where required?	√			Committee role is developing.
15	Do we have sufficient understanding of the organisation's overall control environment, including its governance and any outsourcing arrangements, and review its effectiveness regularly to provide assurance that arrangements are responding to risks within the organisation?	√			Acknowledgement that the organisation is in its first year of operation and evolving. Acknowledged that the commissioning role sits with Education, Commissioning and Quality Committee. This aspect to be kept under review whilst the Board considers the working relationships and reporting arrangements of the Committees to the Board.
16	Do we use assurance mapping to target the areas of greatest risk in our organisation?	√			Evolving Corporate Risk Register. Board Assurance Framework in development. Further consideration required in relation to how the Committee uses these to scrutinise and monitor risk and provide assurance to the Board.
17	Do we critically review the comprehensiveness and reliability of assurances that we receive from across the organisation?	√			Recognition that the organisation is in its first year of operation and that the role of the Committee was evolving. Further thought required around reporting structures and assurance mechanisms within the Committee.
18	Are we proactive in commissioning additional assurance work where we have identified a risk or control issues which is not subject to sufficient review?	√			Members confident that they can approach Internal Audit, External Audit and Counter Fraud to agree additional areas of focussed review where concerns/issues have been identified.
19	Do we draw the Accountable Officer and the Board's attention to the results of our work on risk?	√			Key Issue Reports from Committee Chair at each Board meeting.

20	Do we lead on the assessment of the Annual Governance Statement for the Accountable Officer and Board, including the provision of advice on its preparation and scope?	√			Although there had been input into the first AGS from the Board via Committee members, consensus that further work was required for enhanced organisational involvement in the development of the AGS.
21	Do we give sufficient and timely attention to financial management and reporting issues, including consideration of key accounting policies, estimates and judgements and the quality of the year-end financial statements?	√			Recognition that organisation is maturing. Finance report provided at each meeting however, it was acknowledged that aspects of the annual reporting needed earlier consideration and to be scheduled into the Committee Forward Work Programme prior to the Annual Accounts meeting.
22	Do we sufficiently consider and challenge the work of internal audit and external audit?	√			Each audit report is discussed and scrutinised at each meeting. Further consideration to be given in relation to the 'Deep Dive' approach for areas of concern.
23	Do we track all audit recommendations (internal and external) and hold the organisation to account for their implementation?	√			
24	Do we regularly review anti-fraud and corruption arrangements?	√			
25	Do we regularly review the organisation's cyber risk management and consider the appropriateness of the organisation's risk mitigation strategies?		√		<p>Clarified that Information Governance was in the Committee Terms of Reference. Ownership of Cyber Risk is the responsibility of HEIW however, clarification required in relation to whether management of Cyber Risk was with NWIS or HEIW.</p> <p>Internal Audit Programme includes specific audits around Freedom of Information/Data Protection and IT/Digital Review. Internal Audit to ensure that the audit scope covers cyber risk, GDPR, etc.</p> <p>Information Governance Manager, once permanently appointed, to attend the Committee.</p>

26	Do we ensure that a senior Board member has overall responsibility for whistleblowing arrangements within the organisation?		√		Clarification required in relation to who the Executive Lead is. Further consideration to be given to whether an Independent Member should also be a separate designate to align with Best Practice and trained in the Policy requirements.
27	Do we regularly review our Terms of Reference?		√		

Conclusion

Are we performing effectively in this area?	Overall view was that the Committee was aware of its role and scope.
Are there any actions we want to take to build our effectiveness?	<ul style="list-style-type: none"> • Acknowledgement that the organisation is in its first year of operation and evolving. Clarification required in relation to the working relationships with other Committees and the Board to ensure that work assigned by the Board is appropriate. • Ensure reporting structures and assurance mechanisms within the Committee are appropriate. • Consider the use of Board Assurance Framework and Risk Register as a scrutiny tool e.g. undertaking Deep Dive reviews of specific areas of risk/concern. • Clarification required in relation to cyber risk management and that Internal Audit ensure that the specific audits around Freedom of Information/Data Protection and IT/Digital Review include cyber risk, GDPR, etc. in the audit scope. • Attendance of the permanently appointed Information Governance Manager at Committee meetings. • Clarification required in relation to the Executive Lead for Whistleblowing. • Consideration as to whether an Independent Member be a separate designate to align with Best Practice and trained in the Policy requirements.

Question/Checklist	Yes	No	N/A	Comments
Principle 5 – Communication and Reporting				
28	Is our work effectively and promptly reported to the Board and Accountable Officer?	√		
29	Are our relationships and communications sufficiently well developed with those we seek briefings from and those we provide assurance to, including where risks cross organisational boundaries?		√	Good relationships with Internal Audit, External Audit and Counter Fraud. However, recognition that there is a lot more work to do to with key stakeholders i.e. NWSSP, NWIS, Velindre, etc.
30	Do we provide an Annual Report to the Board, timed to support the Governance Statement; is our report open and honest in presenting our views and opinions from the work we have done during the year; and is its content consistent with good practice?		√	Acknowledgement that it was not possible this year. However, will ensure that this takes place next year to align with other Committees.
31	Does the Audit and Assurance Committee Chair have regular bilaterals with the key attendees (e.g. Accountable Officer, Director of Finance, the Head of Internal Audit and the External Auditor)?	√		To be kept under review.
32	Where appropriate, do we communicate our work across the organisation?	√		Key Issue Reports by the Chair to the Board. Further consideration of feeding key messages into briefings.

Conclusion	
Are we performing effectively in this area?	There was some good communication and reporting however, the Committee recognised that there was further work to do to raise the profile of the Committee and ensure there was awareness of its work.
Are there any actions we want to take to build our effectiveness?	<ul style="list-style-type: none"> • Further work required for enhanced organisational involvement in the development of the Annual Governance Statement. • Further work by the Committee to ensure it communicates effectively with the wider organisation through briefings and newsletters. • Further work to develop relationships with key stakeholders i.e. NWSSP, NWIS, Velindre, etc. regarding cross boundary risks and in relation to the provision of assurance. • Ensure Committee prepares an Annual Report to support the Annual Governance Statement for 2019/20.

Question/Checklist		Yes	No	N/A	Comments
Principle 6 – Meetings					
33	Has the Committee established a plan of matters to be dealt with across the year?	√			Ensure updated Committee Forward Work Programme shared with the Committee.
34	Does the Committee meet sufficiently frequently to deal with planned matters and is enough time allowed for questions and discussions?	√			
35	Does the Committee's calendar meet the Board's requirements and financial and governance calendar?	√			
36	Are Committee papers distributed in sufficient time for members to give them due consideration?	√			Members raised concerns regarding the functioning of iBabs which was being addressed at a corporate level.

37	Are Committee meetings scheduled prior to important decisions being made?	√			Committee business planned into the Forward Work Programme however, acknowledgement that annual reporting aspects need to be presented in advance of the draft and final Accounts meetings.
38	Is the timing of Committee meetings discussed with all the parties involved?	√			
Conclusion					
Are we performing effectively in this area?		The Committee acknowledged that the organisation was maturing and that its programme of work was evolving. There was need to ensure the appropriate timing of aspects of the Annual Accounting process.			
Are there any actions we want to take to build our effectiveness?		<ul style="list-style-type: none"> • Aspects of annual reporting process to be scheduled into the Committee Forward Work Programme earlier into the Committee calendar to ensure appropriate and timely discussion. • Update the Committee Forward Work Programme to ensure Annual Accounts reporting process is scheduled earlier into the Committee calendar. • The number of Committee meetings throughout the financial year to be kept under review. 			

HEIW AUDIT & ASSURANCE COMMITTEE FORWARD WORK PROGRAMME 2019-2020	Frequency	22 November 2019	27 January 2020	01 April 2020	06 May 2020	26 May 2020	16 July 2020	20 October 2020
		Business	Business	Business	Draft Annual Accounts	Annual Accounts	Business	Business
Audit & Assurance Committee Members Private Meeting with Auditors and Counter Fraud								
Internal Audit	Bi-Annually	√		√			√	√
External Audit	Bi-Annually	√		√			√	√
Counter Fraud	Annually			√				
Governance & Assurance								
Review of Standing Orders, SFI's, and Scheme of Delegation	Annually	√						√
Annual Review of Financial Control Procedures	Annually	√						√
Annual Review of Risk Management Policy	Annually						√	
Finance Update	Each Business Meeting	√	√	√			√	√
Governance Update (including Information Governance, FOI, DSAR, GDPR)	Each Business Meeting	√	√	√			√	√
Medical and Nursing Directorate Assurance Reporting	Bi-Annually		√				√	
Education, Commissioning & Quality Committee Annual Report	Annually			√				
Corporate Assurance (Risk Report at every meeting)	Each Business Meeting	√	√	√			√	√
SIRO Annual Report	Annually			√				
Review of Board Assurance Framework	Annually	√						√
Review of Declarations of Interest Register	Annually						√	
Review of Gifts, Hospitality and Sponsorship Register	Annually						√	
Review of Contracts Register	Annually	√						√
Approval of Annual Governance Statement	Annually				√			
Review of Accountability Report	Annually				√	√		
Review of Annual Quality Statement	Annually				√			
Review of HEIW Annual Report	Annually					√		
Financial Management & Control Systems								
Procurement Compliance Reporting (STA, SQA, Contract Extensions, etc)	Each Business Meeting	√	√	√			√	√
Losses & Special Payments	Each Business Meeting	√	√	√			√	√
Tracking of Audit Recommendation Actions	Each Business Meeting	√	√	√		√	√	√
Annual Accounts								
Annual Accounts Plan	Annually		√					
Accounting Policies Review	Annually				√			
Draft Accounts Review	Annually				√			
Approval of Annual Accounts	Annually					√		
Receive Remuneration & Staff Report	Annually				√	√		
External Audit								
Approve Annual Audit Fee	Annually			√				
Approve Annual Audit Plan	Annually							
Receive Structured Assessment	Annually		√					
Progress Reports	Each Business Meeting	√	√	√			√	√
Audit of Financial Statements	Annually					√		
Annual Audit Report	Annually		√			√		
NWSSP Audit & Assurance - Internal Audit								
Approval of Annual Plan	Annually			√				
Progress Reports	Each Business Meeting	√	√	√			√	√
Receive Individual Audit Reports	Each Business Meeting	√	√	√			√	√
Receive Annual Report	Annually				√	√		
Interim Head of Internal Audit Opinion	Annually				√			
Head of Internal Audit Opinion	Annually					√		
Counter Fraud								
Approval of Counter Fraud Annual Plan	Annually			√				
Counter Fraud Progress Report	Each Business Meeting	√	√	√			√	√
Review Self-Assessment against NHS Protect Standards	Annually					√		
Counter Fraud Annual Report	Annually					√		
Counter Fraud Newsletter	Quarterly	√	√				√	√
Planning & Review								
Agreement of Committee Annual Work Plan	Annually	√						√
Review of Committee Effectiveness	Annually		√					
Production of Audit & Assurance Committee Annual Report	Annually			√				
Review of Audit & Assurance Committee Terms of Reference	Annually	√					√	√