

Audit, Risk and Assurance Committee

Fri 21 July 2023, 11:00 - 13:00

Agenda

11:00 - 11:00 1. PRELIMINARY MATTERS

0 min

📎 ARA_Agenda_21Jul23 v2.pdf (3 pages)

1.1. Welcome and Apologies

1.2. Declarations of Interest

1.3. Minutes from the previous meeting held on 16 May 2023 for approval

Attached Chair

📎 ARAC_Item_1.3_Unconfirmed_Minutes_16May23_PH.pdf (10 pages)

1.4. Committee Action Log

Attached Chair

📎 ARAC_Item_1.5_Action Log_Jul23.pdf (1 pages)

11:00 - 11:00 2. ITEMS FOR APPROVAL/RATIFICATIONS/DECISION

0 min

2.1. Application of Single Tender Waiver

Attached Director of Finance and IT

📎 ARAC_Item_2.1_Application for Single Tender Waiver July 23.pdf (2 pages)

2.2. Annual Report and Accounts 2022-23

Attached Director of Finance and IT, Director of Corporate Governance/Board Secretary

📎 ARA_Item_2.2._Annual Report and Accounts 2022-23.pdf (7 pages)

📎 ARA_Item_2.2i_App 1_Performance Report 2223.pdf (27 pages)

📎 ARA_Item_2.2ii_App 2_ACCOUNTABILITY REPORT 2023.pdf (123 pages)

📎 ARA_Item_2.2iii_App 3_PTHB 2022-23 Final Submission.pdf (75 pages)

📎 ARA_Item_2.2iv_App 4 Audit enquiries letter Final response.pdf (30 pages)

📎 ARA_Item_2.2v_App 5 Control Table.pdf (3 pages)

11:00 - 11:00 3. ITEMS FOR ASSURANCE

0 min

3.1. ISA260 Audit Report

Attached External Audit

📎 ARA_Item_3.1_App 6_Audit of Accounts Report – 2223 Final.pdf (24 pages)

3.2. Head of Internal Audit Opinion 2022-23

Attached Head of Internal Audit

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- 📄 ARAC_Item_3.2_Powys THB HIA Opinion and AR 22-23 Cover.pdf (3 pages)
- 📄 ARAC_Item_3.2a_Powys THB HIA Opinion and AR 22-23.pdf (33 pages)

3.3. Internal Audit Progress Report and Final Audit Reports: a) Performance Management b) Risk Management and Board Assurance c) Savings Plans and Efficiency Framework d) Occupational Health Services e) Audit Recommendation Tracking

Attached *Head of Internal Audit*

- 📄 ARAC_Item_3.3_Internal Audit Progress Report July 23 Cover.pdf (3 pages)
- 📄 ARAC_Item_3.3_Internal Audit Progress Report July 23.pdf (10 pages)
- 📄 ARAC_Item_3.3a_Performance Management_Final.pdf (11 pages)
- 📄 ARAC_Item_3.3b_Risk Management BAF - Final Report.pdf (18 pages)
- 📄 ARAC_Item_3.3c_Savings Plans Final Audit Report.pdf (16 pages)
- 📄 ARAC_Item_3.3d_Occupational Health Service Follow Up Final Rep.pdf (11 pages)
- 📄 ARAC_Item_3.3e_Rec Tracker Final Report.pdf (12 pages)

3.4. External Audit Reports: a) Orthopaedic Services in Wales –Tackling the Waiting List Backlog

Attached *External Audit*

- 📄 ARAC_3.4_PTHB Audit Wales ARAC Update July 2023.pdf (14 pages)
- 📄 ARAC_Item_3.4a_Powys_teaching_HB_Orthopaedics_report.pdf (26 pages)

3.5. Register of Interests

Attached *Director of Corporate Governance/Board Secretary*

- 📄 ARAC_Item_3.5_Board Members Delaration of Interests_June23.pdf (3 pages)
- 📄 ARAC_Item_3.5a_App_A_Board Members DOIs summary 2023-24.pdf (3 pages)
- 📄 ARAC_Item_3.5b_App_B_Standards of Behaviour Framework Summary.pdf (3 pages)

3.6. Confirmation of Clinical Audit Programme 2023/24

Attached *Director of Corporate Governance/Board Secretary*

- 📄 ARAC_Item_3.6_Confirmation of Clinical Audit Programme.pdf (2 pages)
- 📄 ARAC_Item_3.6a_App A_Clinical Audit Programme 23-24.pdf (19 pages)

11:00 - 11:00 4. ITEMS FOR DISCUSSION

0 min

11:00 - 11:00 5. OTHER MATTERS

0 min

5.1. Committee Work Programme

Attached *Director of Corporate Governance/Board Secretary*

- 📄 ARAC_Item_5.1_Committee Work Programme.pdf (1 pages)

5.2. Items to be brought to the attention of the Board and other Committees

5.3. Any other urgent business

5.4. Date of next meeting: 10th October 2023

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AGENDA

Item	Title	Attached /Oral	Presenter
1 PRELIMINARY MATTERS			
1.1	Welcome and Apologies	Oral	Chair
1.2	Declarations of Interest	Oral	All
1.3	Minutes from the previous meetings held 16 May 2023	Attached	Chair
1.4	Matters Arising from the previous meetings held 16 May 2023	Oral	Chair
1.5	Committee Action Log	Attached	Chair
2 ITEMS FOR APPROVAL/RATIFICATION/DECISION			
2.1	Application of Single Tender Waiver	Attached	Director of Finance and IT
2.2	Annual Report and Accounts 2022-23, including: <ul style="list-style-type: none"> • the Performance Report; • the Accountability Report, including: <ul style="list-style-type: none"> ○ Corporate Governance Report ○ Remuneration and Staff Report ○ Parliamentary Accountability and Audit Report; • the Financial Statements 2022-23 • Enquiries of Management and those charged with Governanc 	Attached	Director of Finance and IT, Director of Corporate Governance/Board Secretary
3 ITEMS FOR ASSURANCE			
3.1	Audit Wales ISA260 Audit Report including Letter of Representation	Attached	External Audit

3.2	Head of Internal Audit Opinion 2022-23	Attached	Head of Internal Audit
3.3	Internal Audit Progress Report and Final Audit Reports: a) Performance Management <i>(Substantial Assurance)</i> b) Risk Management and Board Assurance <i>(Reasonable Assurance)</i> c) Savings Plans and Efficiency Framework <i>(Reasonable Assurance)</i> d) Occupational Health Services <i>(Reasonable Assurance)</i> e) Audit Recommendation Tracking <i>(Reasonable Assurance)</i>	Attached	Head of Internal Audit
3.4	External Audit Reports: a) Orthopaedic Services in Wales – Tackling the Waiting List Backlog	Attached	External Audit
3.5	Register of Interests	Attached	Director of Corporate Governance/Board Secretary
3.6	Confirmation of Clinical Audit Programme 2023/24	Attached	Director of Corporate Governance/Board Secretary
4	ITEMS FOR DISCUSSION		
There are no items for inclusion in this section			
5	OTHER MATTERS		
5.1	Committee Work Programme	Attached	Director of Corporate Governance/Board Secretary
5.2	Items to be Brought to the Attention of the Board and Other Committees	Oral	Chair
5.3	Any Other Urgent Business	Oral	Chair
5.4	Date of the Next Meeting: <ul style="list-style-type: none"> 10th October 2023 at 10.00, Microsoft Teams 		

Key:

Governance & Assurance

	Internal & Capital Audit
	External Audit
	Anti-Fraud Culture

Powys Teaching Health Board is committed to openness and transparency and conducts as much of its business as possible in a session that members of the public are normally welcome to attend and observe.

However, considering the current advice and guidance in relation to Coronavirus (COVID-19), the Board has agreed to run meetings virtually by electronic means as opposed to in a physical location, for the foreseeable future. This will unfortunately mean that members of the public will not be able attend in person. The Board has taken this decision in the best interests of protecting the public, our staff and Board members.

The Board is considering plans to enable its committee meetings to be made available to the public via live streaming. In the meantime, should you wish to observe a virtual meeting of a committee, please contact the Director of Corporate Governance/Board Secretary in advance of the meeting in order that your request can be considered on an individual basis (please contact Helen Bushell, Director of Corporate Governance/Board Secretary, helen.bushell2@nhs.wales.uk).

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Addysgu Powys
Powys Teaching
Health Board

AUDIT, RISK & ASSURANCE COMMITTEE

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MINUTES OF THE MEETING HELD ON TUESDAY 16 MAY 2023 VIA MICROSOFT TEAMS

Present:

Mark Taylor

Independent Member – Capital and Estates
(Committee Chair)

Ronnie Alexander

Independent Member – Finance

Cathie Poynton

Independent Member – Trade Union

In Attendance:

Pete Hopgood

Director of Finance and IT

Helen Bushell

Director of Corporate Governance/Board Secretary

Alice King

External Audit

Bethan Hopkins

External Audit

Hayley Thomas

Interim Chief Executive (Item 3.1 only)

Hywel Pullen

Deputy Director of Finance

Ian Virgil

Head of Internal Audit

Matthew Evans

Head of Local Counter Fraud

Paul Stocker

Internal Audit

Sarah Pritchard

Head of Financial Services

Observers

Kristen Jones

Llais

Committee Support

Stella Parry

Interim Corporate Governance Manager

Apologies

Rhobert Lewis

Independent Member – General

Tony Thomas

Independent Member – Finance

Jayne Gibbon

Internal Audit

ARA/23/001	<p>WELCOME AND APOLOGIES</p> <p>The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted and recorded as above.</p>
ARA/23/002	<p>DECLARATIONS OF INTEREST</p> <p>The Committee Chair INVITED Members to declare any interests in relation to the items on the Committee agenda.</p> <p>The Director of Corporate Governance highlighted that personal data in relation to Executive Directors and Independent Members was included within the Annual Accountability Report (Item 3.1).</p>
ARA/23/003	<p>MINUTES OF THE MEETINGS HELD 21 MARCH 2023</p> <p>The minutes of the meetings held on 21 March 2023 were RECEIVED and AGREED as being a true and accurate record.</p>
ARA/23/004	<p>MATTERS ARISING FROM PREVIOUS MEETINGS</p> <p>The following matter arising was raised:</p> <ul style="list-style-type: none"> • ARA/22/118 (Committee Action Log): The Chair highlighted that action ARA/22/104a (Machynlleth Hospital Development) had been omitted from the log circulated. The Director of Corporate Governance confirmed that this was an error, the action would be transferred to the Delivery and Performance Committee Action Log and would return to the next meeting of the Audit, Risk and Assurance Committee for confirmation of transfer.
ARA/23/005	<p>COMMITTEE ACTION LOG</p> <p>The Committee received the Action Log and noted that a number of actions had been completed or transferred to other Committees. The following actions were discussed:</p> <ul style="list-style-type: none"> • ARA/22/104a (Machynlleth Hospital Development): As previously discussed it was confirmed that the omission of this item would be rectified in readiness for the next meeting. • ARA/22/104b (Accelerated Sustainable Model): It was noted that the Accelerated Sustainable Model had been deferred from the March Board agenda and had been noted for inclusion in the Board Work Programme for 2023/24.
ARA/23/006	<p>APPLICATION OF SINGLE TENDER WAIVER</p>

The Head of Financial Services presented the following applications for single tender waiver received during the period of 1 March 2023 and 31 March 2023:

Single Tender Reference	Request to waive QUOTE or TENDER threshold	Name of Supplier	Item	Reason for Waiver	Date of Approval	Value £	Length of Contract	Prospective/ Retrospective
POW2223039	Tender	Arc Orthodontics Ltd	Provision of Orthodontic Treatment	Extension of previous contract as interim measure while formal procurement is undertaken due to clinical need	16/03/2023	£96,451	12 months	Prospective
POW2223040	Tender	Exclusive Orthodontics Ltd	Provision of Orthodontic Treatment	Extension of previous contract as interim measure while formal procurement is undertaken due to clinical need	16/03/2023	£115,125	12 months	Prospective
POW2223040	Tender	Kingsbridge Medical Ltd	Provision of Orthodontic Treatment	Extension of previous contract as interim measure while formal procurement is undertaken due to clinical need	16/03/2023	£200,810	12 months	Prospective

Independent Members sought assurance by asking the following questions:

Could the STWs approved in March be submitted to the meeting of the Committee held on 21 March 2023?

The Head of Financial Services confirmed that the Chief Executive formally approves the STWs, which are then ratified by the Committee. Due to the proximity of approval by the Chief Executive to the March Committee there would not have been sufficient time to publish the information within the required timescale.

Was there confidence that there was genuine prospect for tender in relation POW2223040 and could the Committee receive a project plan for assurance when the process had commenced?

The Director of Finance and IT noted that the procurement process had commenced and confirmed that a progress update would return to the Committee in relation to POW2223040 (Orthodontic Treatment). **Action: Director of Finance and IT.**

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	<p>The Committee RATIFIED the use of Single Tender Waiver in respect of the single item during the period of 1 March 2023 and 31 March 2023.</p>
<p>ARA/23/007</p>	<p>COUNTER FRAUD WORK PLAN 2023-24</p> <p>The Head of Local of Counter Fraud presented the item which provided an overview of the key areas of work intended to be undertaken by the Local Counter Fraud Specialists during 2023/24 and considered of the requirements of the NHS Counter Fraud Standards and Welsh Government Directions to NHS Bodies on Counter Fraud Arrangements.</p> <p>It was noted that the Powys Local Counter Fraud Specialist had left the organisation in April 2023, this post was currently being covered by the wider Counter Fraud Team operating out of Swansea Bay University Health Board. It was noted that a replacement had been recruited and was due to commence in post in June 2023.</p> <p>Independent Members sought assurance by asking the following questions: <i>Was their confidence that the programme could be delivered in 108 days and was there any contingency in place for cover arrangements?</i></p> <p>The Head of Local Counter Fraud confirmed that a contingency allowance had been factored in for potential investigations, it was also noted that the national Local Counter Fraud Service also provided cover for large scale investigations.</p> <p>The Committee discussed and APPROVED the approach to the Counter Fraud Work Plan 2023-24.</p>
<p>ARA/23/008</p>	<p>EXTERNAL AUDIT PLAN 2023-24</p> <p>External Audit presented the item which provided a more detailed version of the high-level plan presented to the Committee on 21 March 2023.</p> <p>The plan provided an overview of both the audit of financial statements and performance audit work. The following matters in relation to the audit of financial statements were highlighted to the Committee:</p> <ul style="list-style-type: none"> • materiality (£3.9M). • significant financial statement risks. • other areas of focus; and • audit timetable <p>It was noted that the performance audit plan included the following audits:</p> <ul style="list-style-type: none"> • Structured Assessment (core) • Structured Assessment (deep dive review of digital investment) • All-Wales Thematic Review – planned care service recovery; and • further local work which was yet to be confirmed. <p>It was noted that the plan included the audit fee for 2023/24 which had previously been discussed by the Committee on 21 March 2023 (ARA/22/122).</p>

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	<p>Independent Members sought assurance by asking the following questions:</p> <p><i>The plan referenced reporting bias, what was this in relation too?</i></p> <p>It was noted that this reference related to ensuring that the deficit position is updated to include any errors identified.</p> <p><i>It was noted that the Remuneration Report was an area of risk due to historical errors, was this a Powys specific issue?</i></p> <p>External Audit confirmed that Remuneration Reports were often areas of challenge across Wales due to their low materiality. It was noted that issues found within Powys reports had been rectified so not historical issues would be carried forward into 2023-24. It was also noted that following review of the 2022-23 Remuneration Report it may be that this risk is de-escalated for the 2024-25 plan.</p> <p>The Committee APPROVED the External Audit Plan for 2023-24.</p>
ARA/23/009	<p>COMMITTEE ANNUAL REPORT</p> <p>The Director of Corporate Governance presented the item which provided a summary of key areas of business activity undertaken to provide assurance that the Audit, Risk and Assurance Committee is fit for purpose and operating effectively in fulfilling its terms of reference.</p> <p>The Committee discussed and APPROVED the Committee Annual Report 2022-23 and SUPPORTED its onward submission to the Board on 24 May 2023.</p>
ARA/23/010	<p>ANNUAL REPORTING: PROGRESS WITH THE ANNUAL REPORTING, INCLUDING THE FINANCIAL STATEMENTS 2022-23 AND DRAFT ACCOUNTABILITY REPORT 2022-23</p> <p><i>The Interim Chief Executive joined the meeting.</i></p> <p>The Director of Finance and IT provided a presentation which provided an overview of the following matters:</p> <ul style="list-style-type: none"> • Key performance targets (Revenue and Capital). • Public Sector Payment Policy (PSPP) Compliance. • Commitment of Resources including: <ul style="list-style-type: none"> ○ Primary Healthcare Services ○ Healthcare from Other Providers ○ Hospital and Community • Miscellaneous Income. • Property, Plant and Equipment. • Right of Use Assets. • Provisions. • "Going concern" • Qualification of Audit Regularity Opinion; and

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- Other Key Notes

External Audit confirmed that for 2022-23 it was the opinion of the Auditor General for Wales was that the inclusion of scheme pays within health board accounts would no longer result in qualification of the accounts as scheme pays were no longer considered material by nature.

Independent Members welcomed the presentation however it was suggested that it would have been beneficial to have received the summary presentation prior to the meeting and highlighted the volume of papers published. The Director of Finance and IT welcomed the feedback and confirmed in future years the presentation would be pre-circulated if possible.

The Director of Corporate Governance presented the Draft Accountability Report 2022-23 which had been submitted to Welsh Government and Audit Wales on 12 May 2023. Following feedback, the report would be updated and would return to the Committee in July for onwards recommendation to the Board.

Independent Members sought assurance by asking the following questions:
Would it be possible to receive the presentation in relation to the accounts in advance in future years?

The Director of Finance and IT confirmed it was the intention to circulate the presentation in advance however due to time pressure at the end of year it had not been possible on this occasion, it was confirmed that materials would be shared as far as possible in advance of the meeting in future years.

Non-compliance had been reported in relation to the Healthcare Professionals Forum (HPF) and Stakeholder Reference Group (SRG), had any progress been made in relation to their development?

The Chief Executive noted that the Health Board had been non-compliant since before the pandemic though it was highlighted that robust engagements were in place which were more mature than the suggested fora. The Chair and Chief Executive had agreed to accept the non-compliance for 2022-23, a target implementation date for the HOF had been agreed and it was suggested that further discussion in relation to the SRG was requested at Board level due to the potential for disruption to the mature and well-functioning arrangements already in place for Powys.

In relation to Health and Safety and Hand Arm Vibration Syndrome (HAVS) could more clarity be provided in relation to the prosecution?

The Director of Corporate Governance confirmed that further information sustainability, decarbonisation and health and safety had been requested as a result of the Chief Executive's review of the report.

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<p>ARA/23/011</p>	<p>INTERNAL AUDIT PROGRESS REPORT 2022-23</p> <p>The Head of Internal Audit presented the report which provided an overview of the progress against the 2022-23 Internal Audit Plan. The following matters were highlighted for the Committee’s attention:</p> <ul style="list-style-type: none"> • 18 audits had been finalised, three audits were at draft report stage and three reports were work in progress. • it was proposed that the Planned Care/Recovery of backlog Services audit was removed from the 2022/23 plan due to the limited time and resources remaining for delivery. The Health Board has already received assurance around recovery through the ‘Review of the Strategic Portfolio’ work undertaken by Audit Wales. With further work in relation to Planned Care due to be undertaken by Audit Wales in 2023/24. <p>The Committee DISCUSSED and NOTED the update and APPROVED the removal of the Planned Care/Recovery of backlog Services audit.</p>
<p>ARA/23/012</p>	<p>INTERNAL AUDIT REPORTS</p> <p><i>a) Temporary Staffing Unit (Reasonable Assurance)</i></p> <p>The Head of Internal Audit presented the item which reviewed and evaluated the adequacy of the systems and controls in place within the Temporary Staffing Unit (TSU).</p> <p>Independent Members sought assurance by asking the following questions: <i>Were lessons learned in relation to TSU’s was being shared on an All-Wales basis?</i></p> <p>The Head of Internal Audit confirmed that there were key themes in relation to TSU’s across Wales and that Director of Workforce and Nursing peer groups shared learning and best practice whenever possible.</p> <p><i>There appeared to be an emerging decrease in bank staff and increase in agency staff, would it be possible to receive an update in relation to this, potentially to the Workforce and Culture Committee?</i></p> <p>It was AGREED that an item would be requested for a forthcoming meeting of the Workforce and Culture Committee. Action: Director of Workforce and OD.</p> <p>The Committee received the Internal Audit Reports and took ASSURANCE from their content.</p>
<p>ARA/23/013</p>	<p>DRAFT HEAD OF INTERNAL AUDIT OPINION 2022-23</p> <p>The Head of Internal Audit presented his draft opinion for 2022-23 and note that the final iteration was due to be presented to the next meeting of the Committee on 11 July 2023.</p> <p>In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit is required to provide an annual opinion, based upon, and limited to the work performed, on the overall adequacy and</p>

	<p>effectiveness of the organisation’s framework of governance, risk management and control. It was reported that the draft opinion for 2022-23 was that: ‘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.’</p> <p>It was noted that the Opinion would need to be reflected within the Health Board’s Annual Governance Statement along with confirmation of action planned to address the issues raised. Focus would need to be placed on the agreed response to the three Limited Assurance opinions issued during the year and the significance of the recommendations made.</p> <p>The Committee received and NOTED the Draft Head of Internal Audit Opinion 2022-23 and expressed their thanks to the Head of Internal Audit for the focus and assurance provided throughout the year.</p>
ARA/23/014	<p>EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT The Head of Internal Audit presented the item which provided an overview of the outcome of the latest Audit and Assurance Service External Quality Assessment.</p> <p>The Committee received ASSURANCE on the quality of the Internal Audit services through the positive outcome of the External Quality Assessment.</p>
ARA/23/015	<p>EXTERNAL AUDIT PROGRESS REPORT 2022-23 External Audit presented the item which provided an update on current and planned Audit Wales work:</p> <ul style="list-style-type: none"> • The following audits were reported as complete: <ul style="list-style-type: none"> ○ Orthopaedic services – follow up. ○ Structured Assessment • The following audits were reported as underway: <ul style="list-style-type: none"> ○ Audit of the 2022-23 Accountability Report and Financial Statements ○ Review of Unscheduled Care ○ Primary Care Services - Follow-up Review ○ Workforce Planning <p>The Committee DISCUSSED and NOTED the Report.</p>
ARA/23/016	<p>EXTERNAL AUDIT STRUCTURED ASSESSMENT External Audit presented the item which focused on the Health Board’s corporate arrangements, particularly in relation to governance. It was recognised that the assessment was undertaken at a point in time and that some recommendations had already been implemented upon publication of the report. The report provided assurance that good governance was in place however highlighted the need to update the Board Assurance Framework to identify any key governance gaps.</p>

	<p>The Director of Corporate Governance welcomed the report and the honest and constructive dialogue in relation to the recommendation made.</p> <p>The Committee DISCUSSED and took ASSURANCE from the Structured Assessment and AGREED that it would be appended to the forthcoming Audit, Risk and Assurance Committee Chair's Report to the Board for awareness.</p>
ARA/23/017	<p>COUNTER FRAUD ANNUAL REPORT 2022-23</p> <p>The Head of Local Counter Fraud Services presented the report which provided an overview of counter fraud performance during the last reporting period. The Report had been written in line with the requirements of the NHS Counter Fraud Standards and Welsh Government Directions to NHS Bodies on Counter Fraud Arrangements. It was reported that 308 days had been delivered, a third of which had been reactive, the rest proactive which was a positive indicator as the intention of the service is to proactively reduce fraud. An overview of Key Performance Indicators (KPIs) was provided, and it was noted that further work would be undertaken to provide benchmarking for the 2023-24 report.</p> <p>It was highlighted that accompanying the Annual Report is the draft Functional Standard Return submission. This is a review of performance against NHS Counter Fraud Standards and a self-review submission is a requirement on an annual basis, the submission was presented to allow opportunity for discussion and challenge prior to approval and submission by the Director of Finance and IT and Committee Chair.</p> <p>The Committee DISCUSSED and NOTED the contents of the Counter Fraud Annual Report 2022/23 as presented and took ASSURANCE from the work undertaken throughout the year.</p>
ARA/23/018	<p>AUDIT RECOMMENDATION TRACKING</p> <p>The Director of Corporate Governance presented the item which provided the Committee with an overview of the position relating to the implementation of Audit Recommendations, arising from reviews undertaken by Internal Audit, External Audit (Audit Wales) and Local Counter Fraud Services as of 31st March 2023.</p> <p>The Committee CONSIDERED the position and took ASSURANCE that the organisation has an appropriate system for tracking and responding to audit recommendations.</p>
ARA/23/019	<p>DRAFT COMMITTEE WORK PROGRAMME 2023-24</p> <p>The Committee RECEIVED the draft Committee Work Programme 2023-24, and the Director of Corporate Governance welcomed any comments prior to its presentation to the Board on 24 May 2023.</p>

ARA/23/020	<p>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES</p> <p>The Director of Corporate Governance and Board Secretary noted that following this meeting the following matters would be reported to the Board:</p> <ul style="list-style-type: none"> • Committee Annual Report 2022-23 • Structured Assessment 2022-23
ARA/23/021	<p>ANY OTHER URGENT BUSINESS</p> <p>No other urgent business was declared.</p>
ARA/23/022	<p>DATE OF NEXT MEETING</p> <p>11 July 2023, 10:00, Microsoft Teams</p>

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Stella Parry
RAG Status:

At risk	Red - action date passed or revised date needed
On track	Yellow - action on target to be completed by agreed/revised date
Completed	Green - action complete
No longer needed	Blue - action to be removed and/or replaced by new action
Transferred	Grey - Transferred to another group



Audit and Risk Assurance Committee								
Meeting Date	Item Reference	Lead	Meeting Item Title	Details of Action	Update on Progress	Original target date	Revised Target Date	RAG status
OPEN ACTIONS FOR REVIEW - NONE								
OPEN ACTIONS - IN PROGRESS BUT NOT YET DUE								
16-May-23	ARA/23/006	Director of Finance and IT	Provision of Orthodontic Treatment STW	A project plan for assurance would be brought forward to Committee following the commencement of the tender process for STW POW2223040 (Orthodontic Treatment)				On track
ACTIONS RECOMMENDED FOR CLOSURE (MEETING 11 JULY 2023)								
31-Jan-23	ARA/22/104a	Director of Finance and IT	A review of financial delegations in relation to capital projects/developments (<i>Machynlleth Hospital Development</i>)	This issue arises due to the fact that the day to day approval levels for an AD are relatively low when they act as a Project Director on a major capital project. This specific scheme is the largest PTHB has implemented to date. Approvals were required in a live project decision making. The approvals were all ratified by the SRO but for future projects learning will be applied to ensure the PD is able to sign off timely expenditure in a live project and this will be followed up and embedded by future SROs and wider appropriate colleagues when establishing project governance.	21.07.23 update: transferred to Delivery and Performance Committee			Transferred
16-May-23	ARA/23/012	Director of Workforce and OD	Report on increased use of Agency and decreased bank	Following the Temporary Staffing Unit Internal Audit Report, could further information in relation to the emerging increased use of agency staff and decrease in use of the bank be provided to a forthcoming Workforce and Culture Committee.	21.07.23 update: transferred to Workforce and Culture Committee			Transferred

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Agenda item: 2.1

Audit, Risk and Assurance Committee		Date of Meeting: 21st July 2023
Subject:	SINGLE TENDER WAIVERS	
Approved and presented by:	Director of Finance, Information & IT Services	
Prepared by:	Head of Financial Services	
Other Committees and meetings considered at:	None	

PURPOSE:

To inform the Audit Risk and Assurance Committee that there has been no Single Tender Waiver requests made between 1 April 2023 and 30 June 2023.

RECOMMENDATION(S):

To NOTE there has been no Single Tender Waiver requests made between 1 April 2023 and 30 June 2023.

Ratification	Discussion	Information
✓		

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THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):

Strategic Objectives:	1. Focus on Wellbeing	x
	2. Provide Early Help and Support	x
	3. Tackle the Big Four	x
	4. Enable Joined up Care	✓
	5. Develop Workforce Futures	x
	6. Promote Innovative Environments	x
	7. Put Digital First	x
	8. Transforming in Partnership	x
Health and Care Standards:	1. Staying Healthy	x
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	x
	5. Timely Care	✓
	6. Individual Care	x
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

In-line with the organisation's Standing Orders, there is a requirement for all single tender waiver and extension of contracts to be reported to the Audit Risk and Assurance Committee. Single tender waiver shall only be permitted when a single firm or contractor or a proprietary item or service of a special character is required and as set out in law. Single tender waiver shall only be employed following a formal submission and with the express written authority of the Chief Executive, or designated deputy having taken into consideration due regard of procurement requirements.

DETAILED BACKGROUND AND ASSESSMENT:

The previous report on single tender waiver use was received by the Audit Risk and Assurance Committee at its May 2023 meeting which covered the period from 1 March 2023 and 31 March 2023.

No Single Tender Waiver Requests have been received between the period 1st April 2023 and 30th June 2023.

NEXT STEPS:

A report on use of Single Tender Waivers will be submitted to each Audit, Risk and Assurance Committee meeting. A nil report will also be reported if applicable.

AUDIT, RISK AND ASSURANCE COMMITTEE		Date of Meeting: 21 July 2023
Subject:	PTHB Annual Report and Accounts 2022-23	
Approved and Presented by:	Director of Corporate Governance / Board Secretary Deputy Chief Executive / Director of Finance, Information and IT Executive Director of Planning, Performance Commissioning	
Prepared by:	Head of Financial Services Director of Corporate Governance / Board Secretary	
Other Committees and meetings considered at:	Executive Committee; Delivery and Performance Committee (by email); Audit Risk and Assurance Committee	

PURPOSE:

To present the Committee with the Final Draft of:

- The Performance Report (appendix 1)
- The Accountability Report, including: (appendix 2)
 - A Corporate Governance Report
 - A Remuneration and Staff Report
 - A Parliamentary Accountability and Audit Report; and
- The Financial Statements 2022-23 (appendix 3)

for consideration prior to being submitted for formal approval at PTHB Board on 25 July 2023 and submitted to Welsh Government on 27 July 2023, in-line with HM Treasury Requirements (revised for 2022/23).

Final Draft versions incorporates all comments and feedback received from Welsh Government; Auditors; and Board/Committee Members.

The papers for the Committee also include:

- Enquiries of Management and those charged with Governance (appendix 4)

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- A control table identifying the changes requested to the reports following first submission (appendix 5)
- Audit Wales report – ISA260 including Letter of representation (attached as item 3.1 to the agenda)

RECOMMENDATION(S):

The Audit and Risk Assurance Committee is asked to:

- to note the content of this report
- to note the accounts have been subject to a statutory audit by Audit Wales (External Audit)
- to recommend to Board at its meeting on 25th July 2023 the approval and signature of the Annual Report and Financial Accounts for year ended 31st March 2023
- to note the responses to enquiries of management and those charged with governance
- to note the three components parts of the annual report will be merged together and a further page reference and proof check completed prior to submission.

Approval/Ratification/Decision	Discussion	Information
✓	✓	x

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):

Strategic Objectives:	1. Focus on Wellbeing	✓
	2. Provide Early Help and Support	✓
	3. Tackle the Big Four	✓
	4. Enable Joined up Care	✓
	5. Develop Workforce Futures	✓
	6. Promote Innovative Environments	✓
	7. Put Digital First	✓
	8. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	✓
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	✓
	5. Timely Care	✓
	6. Individual Care	✓
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

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EXECUTIVE SUMMARY:

1) THE PERFORMANCE REPORT

The purpose of the performance section of the annual report is to provide information on the entity, its main objectives and strategies and the principal risks that it faces. The requirements of the performance report are based on the matters required to be dealt with in a Strategic Report as set out in Chapter 4A of Part 15 of the Companies Act 2006. Public entities should comply with the Act as adapted in the Financial Reporting Manual (FRM) and this Manual: i.e. they should treat themselves as if they were quoted companies. The main features of the performance report should flow from the organisation's agreed plan and demonstrate how they have delivered against that plan in the year of reporting.

The performance report must provide a fair, balanced and understandable analysis of the entity's performance, in line with the overarching requirement for the annual report and accounts to be fair, balanced and understandable. Where NHS bodies judge that users of the Performance Report would benefit from further information then it is acceptable to include hyperlinks to any other relevant reports such as the organisations IMTP or other published performance statistics.

Auditors have reviewed the performance report for consistency with other information in the financial statements.

The performance report shall be signed and dated by the Accountable Officer/Chief Executive.

2) THE ACCOUNTABILITY REPORT

The purpose of the accountability section of the annual report is to meet key accountability requirements to the Welsh Government. The requirements of the accountability report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The requirements of the Companies Act 2006 have been adapted for the public sector context and only need to be followed by entities which are not companies to the extent that they are incorporated into this Manual.

Auditors will review the accountability report for consistency with other information in the financial statements and will provide an opinion on the following disclosures which should clearly be identified as audited within the accountability report:

- Single total figure of remuneration for each director
- CETV disclosures for each director
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Fair pay disclosures (Included in Annual Accounts)
- Exit packages, (included in Annual Accounts) if relevant and
- Analysis of staff numbers.

The Accountability Report is required to have three sections:

a) Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of the entity's objectives.

b) Remuneration and Staff Report

The FReM requires that a Remuneration Report shall be prepared by NHS bodies. The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Managers" for these purposes is:

"those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

c) Parliamentary Accountability and Audit Report

The Parliamentary Accountability Report should contain disclosure on the following:

- Regularity of expenditure
- Fees and charges (if applicable)
- Remote Contingent liabilities
- Audit Certificate and Auditor General Wales Report

The Accountability Report shall be signed and dated by the Accountable Officer/Chief Executive, the Director of Finance and the Chair of the Board.

3) THE FINANCIAL STATEMENTS

In the published version of the Annual Report, NHS bodies should present the full Financial Statements, of the organisation- There is no longer an option to present Summarised Financial Statements.

Background

Powys Teaching Health Board (PTHB) was required to submit a draft unaudited set of annual accounts to the Welsh Government (WG) and Audit Wales by 5th May 2023. Audit Wales have undertaken the statutory audit of the annual accounts.

PTHB is required to submit an audited set of annual accounts to the Welsh Government on 31st July 2023. These accounts are required to be approved by the THB Board; this is scheduled to take place on 25th July 2023. The Accounts will then be signed by the Auditor General for Wales on 25th July 2023.

Financial targets and statutory duties

The THB has achieved/not achieved the following financial targets and statutory duties for 2022/23:

- Operational in-year financial balance has **NOT** been achieved, reporting a deficit of £7.002M (Achievement of Operational Financial Balance, Note 2.1 page 26).
- Cash contained within cash limit (Statement of Cash Flows, page 7) – Achieved.
- Capital financial balance (Note 2.2. page 26) – Achieved.

PTHB has **NOT** achieved the 3-year duty to ensure that its expenditure does not exceed the aggregate funding allotted to it over a 3-year period in regard to Revenue Funding but has achieved this in relation to Capital Funding. (Note 2.1 & 2.2 Page 26) for both revenue and capital resource limits.

PTHB has not met the following administrative (not statutory) target:

- PTHB performance at 88.7% did not meet the administrative target of payment of 95% of the number of non-NHS creditors within 30 days this year. (Note 2.4 page 27).

Changes from the Draft Annual Accounts

There have been no adjustments to the accounts that has impacted on the reported performance against the THB revenue resource limit from that reported at draft submission.

There have been a number of amendments which have been made to the annual accounts which are outlined in Audit Wales ISA 260 document Appendix 3 contained within these papers. In addition, there are also a number of minor amendments that have been made which serve to improve the reading of the accounts. Neither of the set of adjustments have any impact of the overall achievement of the organisation's financial targets.

As outlined in Exhibit 2 of the Audit Wales ISA 260 document there are a number of transactions that remain uncorrected, and the following has been included in the Letter of Representation to signify this: There is

£0.867k misclassification (no impact on the reported position) and £0.041k valuation uncorrected misstatements in the financial statements. The effects of uncorrected misstatements identified during the audit are considered immaterial, both individually and taken together to the financial statements taken as a whole.

Other Matters to be bring to the Audit Risk and Assurance Committee's attention

Basis for Qualified Opinion on regularity

The Auditor General for Wales has qualified his opinion on the regularity of the Powys Teaching Health Board's financial statements because the Health Board has breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three-year period 2020-202 to 2022-23. This spend constitutes irregular expenditure.

In his opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of his report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

There are no other matters to draw to the Audit, Risk and Assurance Committee's attention that are not included within the Audit Wales ISA 260 report or Letter of Representation considered as part of this meeting's agenda.

The THB has met the target dates for preparing and submitting the draft annual accounts to Welsh Government and Audit Wales by 5th May 2023.

The THB is on course to meet the target date to submit the audited accounts to be approved Health Board on 25th July 2023 and Welsh Government by the final submission date of 31st July 2023.

The Auditor General for Wales will be required to sign the auditor's statement and submit the full signed accounts to Welsh Government on 31st July 2023.

Enquiries of Management and those charged with Governance

As part of the end-of-year reporting arrangements, the health board is asked to provide Audit Wales with reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also asked for documented consideration and understanding on a number of governance areas that impact on the audit of financial statements,

which are relevant to both the management of Powys Teaching Health Board and 'those charged with governance' (the board).

The committee is asked to note the responses provided as at appendix 4.

NEXT STEPS

- The Audit Risk and Assurance Committee is asked to **recommend** approval by the PTHB Board at its meeting on 25th July 2023.
- To complete the Signing of Financial Statements, Annual Report and Letter of Representation following Board approval and submitted to the Auditor General for Wales.
- to note the three components parts of the annual report will be merged together and a further page reference and proof check completed prior to submission.
- The Auditor General for Wales will sign the 2022/23 Audited Annual Accounts on 27th July 2023.
- Following Board and Auditor General for Wales approval, the 2022/23 Audited Annual Accounts are to be submitted to Welsh Government by 31st July 2023 by Audit Wales.

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GIG
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WALES

Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

DRAFT Performance Report

For the Annual Report 2022 – 2023

Version 3.0 (For Audit and Risk Assurance Committee
recommendation to the Board – 21 July 2023)

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About Us

Powys Teaching Health Board (PTHB) is responsible for improving the health and well-being of approximately 133,000 people living within Powys which covers a quarter of the landmass of Wales, but with only 5% of the country's population – it is a very sparsely populated and rural county. More than half of the county's residents live in villages and small hamlets.

To gain a greater understanding of the demography that surrounds the requirements of the Health Board during 2022/23 the Powys Well-being Assessment and the Population Needs assessment have been updated. These key appraisals provide further insight into the demographic and socio-economic factors that are often called the 'wider determinants of health'.

The Health Board's Integrated Medium-Term Plan (IMTP) drew on the key emerging insights for Powys to improve health care for the population.

- Evidence shows that people in the most deprived areas in Powys live more years in poor health compared to people in the least deprived areas. Health inequalities increase when services do not reach those who are most at risk. However, health inequalities can be reduced when services work together with a focus on early intervention, adverse childhood experiences, wellbeing and independence.
- Evidence shows that the difference in cognitive outcomes between children from the least and most deprived areas continues to grow over 10 years. Across Wales there is also a clear link between levels of deprivation and rates of overweight or obesity. 28.4% of children who live in the most deprived areas are overweight or obese compared to 20.9% in the least deprived.
- Just over 1 in 5 children in Powys are estimated to be living in poverty, after housing costs have been considered. Children who grow up in poverty are more likely to have poor health which can have an effect on the rest of their lives. This is a particular concern in the areas of North Powys that score high on several factors associated with the Welsh Index of Multiple Deprivation (WIMD).
- Unhealthy lifestyles increase demand on health and social care services and reduce people's ability to live a fulfilling life. Although rates of physical activity in Powys are above the Wales average, nearly 6 in 10 adults are overweight or obese and this figure is predicted to rise. Just under 1 in 5 adults smoke and 4 in 10 drink more than the recommended amount.
- Developments in technology are changing how we provide some health and social care services and support. For example, more people can access services in or closer to home.
- Population changes mean there will be more older people and fewer younger people living in Powys in the future. And while people are living longer, these years are not always healthy. New treatments are also being developed which could help more people live for longer, but they are costly and changes in the way services are delivered will be required to meet future demand in a way that is affordable and sustainable.
- The geography makes it hard to provide the same level of services for everyone. Many people tell us that, although they do not want to leave their community,

access to services and social isolation is a problem, in particular for those who are older and live in more remote locations.

- Services around the county's borders are changing. Powys residents access healthcare from a complex network of providers in both Wales and England. Every year around 65,000 people travel out of county for day-case and outpatient procedures, more of which could be delivered locally with the right workforce, facilities and diagnostics.
- COVID-19 has presented an opportunity for care to be delivered differently, including working with volunteers to establish community response teams and maximising technological opportunities to provide care through digital means.

The largest known impact upon health care services within Powys and the wider global health economy is the residual impact of the COVID-19 pandemic. That impact will be felt for many years, with a complex effect on health, well-being and inequalities.

The World Health Organisation describes increasingly critical areas of risk including serious mental health issues and suicide, increased alcohol consumption, chronic ill-health and further excess morbidity and mortality.

Various sources refer to a 'syndemic' impact, meaning there is a cumulative effect for those with existing health conditions and a clear social gradient in how this is experienced. Research points to particular impacts on children and young people and vulnerable groups. The NHS Wales Planning Framework referred to five harms which encompassed the impact of COVID itself and the impacts of changes in healthcare and wider society.

The Health Board commissioned a report to understand the syndemic impact of the pandemic for the Powys population, high level projections are noted below. The baseline was taken from 2019/20 and the impact was then profiled to 2022/23:

- The proportion of working-age adults limited a lot by long-standing illness will increase from 18.1% to 24.4%. In Powys this is 4,719 more adults.
- The proportion of working-age adults with musculoskeletal problems will increase from 17.1% to 19.4%. In Powys this is 1,723 more adults.
- The proportion of working-age adults with heart and circulatory problems will increase from 12.8%, to 15.5%. In Powys this is 2,023 more adults.
- The proportion of working-age adults with respiratory problems will increase from 8.2% to 10.6%. In Powys this is 1,797 more adults.
- The proportion of working-age adults with endocrine and metabolic problems will increase from 7.9% to 10.9%. In Powys, this is 2,247 more adults.
- The proportion of working-age adults with mental health problems will increase from 8.8% to 11.9%. In Powys, this is 2,322 more adults.

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Foreword – Statement of Chief Executive and Chair

To be added prior to submission to Welsh Government and Audit Wales

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Introduction

PTHB has responded to the intelligence and evidence set out above in determining the strategic framework and strategies priorities.

The Integrated Medium-Term Plan (IMTP) 2022-25 [\(INSERT LINK TO WWW DOCUMENT\)](#) marked a return to a three-year cycle of planning and a medium to longer term focus, in response to the NHS Wales Planning Framework 2022-2025 and the evidence on the needs of the Powys population set out above.

PTHB submitted a financially balanced three-year plan for this period which was subsequently given Ministerial approval and it was confirmed that the Health Board remained in routine monitoring status.

This was the first three-year planning framework issued by Welsh Government since the start of the COVID 19 pandemic and an important look to the future. The previous two years had been dominated by the COVID-19 pandemic and its direct and indirect impact, with the requirement for IMTPs suspended and a requirement for shorter term operational plans in their place.

The NHS Wales Planning Framework published on 9 November 2021 set out the context of the impact of COVID and the balance of risk of different harms, in a time of extreme pressure particularly over what was recognised to be a challenging winter and longer-term period ahead. The Framework stated that “as a country we must continue to respond to the immediate challenges of COVID, whilst turning our attention to longer-term sustainability and improvement of population health”.

Returning to a medium and longer-term focus provided an opportunity to reflect on, and recommit to, the collective ambition for ‘A Healthy, Caring Powys’. Priorities were set in the IMTP that both responded to the NHS Wales Planning Framework and Ministerial Priorities within that, and to the needs of the Powys population for the 3 years ahead and beyond.

A detailed consideration was carried out, as part of the development of the IMTP to enable priority setting. This included a thorough analysis of the Political, Economic, Social, Technological, Legislative and Environmental factors (PESTLE) and a review of organisational Strengths, Weaknesses, Opportunities and Threats (SWOT).

This methodology was helpful in facilitating collective review, and articulation of, the complex context with a range of stakeholders including PTHB Committees and Board, partner organisations, the Community Health Council, staff and the public.

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THE HEALTH AND CARE STRATEGY FOR POWYS 'AT A GLANCE'



WE ARE DEVELOPING A VISION OF THE FUTURE OF HEALTH AND CARE IN POWYS...



To 2027 AND BEYOND...



WE AIM TO DELIVER THIS VISION THROUGH-OUT THE LIVES OF THE PEOPLE OF POWYS...



WE WILL SUPPORT PEOPLE TO IMPROVE THEIR HEALTH AND WELLBEING THROUGH...



OUR PRIORITIES AND ACTION WILL BE DRIVEN BY CLEAR PRINCIPLES...



THE FUTURE OF HEALTH AND CARE WILL IMPROVE THROUGH...



Being mid-way through the shared Health and Care Strategy, A Healthy Caring Powys, it had a new importance in this context, as the anchor strategy for health and care in Powys as a region.

The IMTP therefore returned to a strategic framework founded in the key guiding principles developed with the people of Powys, and ensured alignment of Ministerial Priorities:

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Guiding Principles



Points of alignment to Ministerial Priorities

- There is a strong connection between 'A Healthier Wales' and 'A Healthy, Caring Powys'
- Population Health was set out as a PTHB Strategic Priority
- Similarly for Covid Response
- NHS Recovery was a core theme and reflected in the three themes of 'Resilience, Recovery and Renewal'
- Mental Health and Emotional Wellbeing as included as a Strategic Priority
- Supporting the health and care workforce was reflected in the Workforce Futures objectives
- NHS Finance and managing within resources shaped the overarching financial plan and value-based healthcare approach
- Working alongside Social Care was captured throughout, particularly in Strategic Priority 23



The IMTP 2022 – 2025 provided an opportunity to reconfirm the Health Board’s role as an employer and an anchor in the community as well as a healthcare provider.

There are natural geographic sub-regions in the County which are reflected in the Cluster footprints of North, Mid and South Powys and the plans for these areas were reflected in the overarching IMTP 2022 – 2025.

The Health Board also has a leadership role regionally within the Powys Regional Partnership Board, Public Services Board and Mid Wales Joint Committee and the IMTP was a whole system plan encompassing this partnership approach.

The IMTP included the key actions being taken to contribute to wider well-being, including decarbonisation, the foundational economy and social partnership. The Ministerial Priorities and measures were taken into account in both the IMTP Strategic Plan and the associated technical templates.

The IMTP was realistic about the likelihood of challenges ahead, and whilst the ambition was high, it was acknowledged that recovery may not be straightforward, and setbacks would need to be navigated.

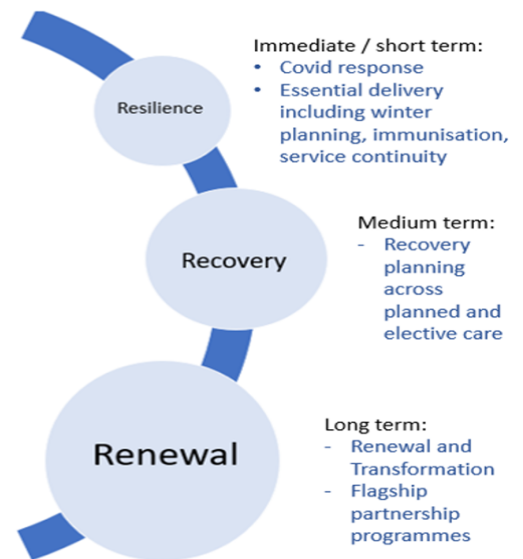
The complexity and volatility was recognised in the NHS Wales Planning Framework.

A responsive, phased and cyclical approach was set out in this context. The plan was shaped around three components of 'Resilience, Recovery and Renewal'.

A number of strategic risks were set out by the Health Board for the period of the plan:

- Complexity and uncertainty in the external environment, impacting on the ability to fully respond to population health need
- Continued uncertainty requiring an agile response which limits the ability to consistently prioritise and impacts on the alignment of limited resources
- Introduction of significant changes in relation to the COVID response with new services required to be delivered by the Health Board particularly in relation to vaccination and testing
- Complex and changing requirements for infection prevention and control in line with changing national requirements at UK and NHS Wales level
- Workforce challenges in relation to supply and sustainability, coupled with the impact of the pandemic on staff wellbeing and the increased workforce planning requirements in relation to new ways of working
- The increased scale and pace required for recovery and the capacity to deliver, lead and manage change effectively
- Variability and inequity of access to treatment for patients
- Complex commissioning arrangements with variances in the quality of care and a number of providers progressing improvement plans in response to regulatory measures
- Equally complex partnership arrangements with the need to balance sovereign governance and accountability with integrated, whole system approaches.

Very significant events occurred post-production of the organisation's plan, which impacted directly and indirectly on the ability to deliver progress against plan. Notably, these included the emergence of a significant conflict between Russia and the Ukraine, resulting in complex socio-economic consequences particularly in relation to supply chain difficulties for energy and other consumables.



The cost of living increases were to some extent prefigured in the PESTLE analysis prior to the plan being published, in relation to 'increasing rates of inflation' and impact on household income. However, the scale of this was not fully revealed until further into the year and was later exacerbated by other environmental factors including adverse weather conditions both in summer and winter periods, impacting both on industrial and domestic supply and costs.

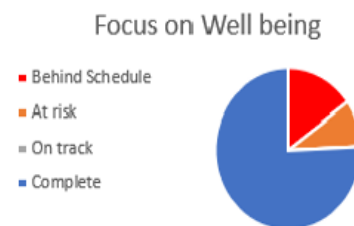
Perhaps most importantly, but again, predicted to some degree, was the extent of the system pressures across health and social care over the past year. It was known that there were challenges to be faced in year however the scale and complexity of the pressures being experienced were unprecedented.

This meant that significant efforts and resource continued to be deployed on immediate, life critical and life essential healthcare to support system resilience. This has impacted on the ability to deliver against the full ambition set out in the IMTP 2022 – 2025.

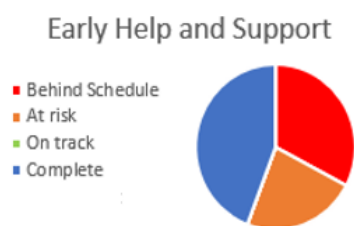
A review has been carried out to identify those priorities that were not fully achieved, but remained relevant, to ensure they were included in the planning for the coming year, where relevant and appropriate.

The information that follows provides a summary of progress against the Strategic Objectives and Priorities in the IMTP at the end of the year, 31 March 2023.

Strategic Objective	Strategic priority	Behind Schedule	At risk	On track	Complete	Not due yet
Focus on Well being	Overall	5	3	0	25	0
	Variance from Q3	3	-1	-14	17	-5
	Take Action to Reduce Health Inequalities and Improve Population Health	0	1	0	6	0
	Deliver Health Improvement Priorities	2	2	0	11	0
	Deliver Covid-19 Prevention and Response and Integrated, Comprehensive Vaccination	3	0	0	8	0



Strategic Objective	Strategic priority	Quarter 4				
		Behind Schedule	At risk	On track	Complete	Not due yet
Early Help and Support	Overall	17	12	0	23	0
	Variance from Q3	12	4	-17	6	-4
	Improve Access to High Quality Sustainable Primary Care	8	5	0	13	0
	Develop a Whole System Diagnostic, Ambulatory and Planned Care Model	2	6	0	3	0
	Improve Access to High Quality Prevention and Early Intervention Services for Children, Young People and their Families	7	1	0	7	0



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		Quarter 4				
Strategic Objective	Strategic priority	Behind Schedule	At risk	On track	Complete	Not due yet
Tackling the Big Four	Overall	3	12	0	9	0
	Variance from Q3	-1	4	-12	9	0
	Implement Improvements in Early Diagnosis, Treatment and Outcomes for People with or suspected of having Cancer	0	4	0	3	0
	Implement Improvements in Outcomes, Experience and Value in Circulatory Disease (Stroke, Heart Disease, Diabetes)	0	4	0	3	0
	Develop and Implement the next stage of the Breathe Well Programme	1	1	0	2	0
	Undertake Strategic Review of Mental Health, to improve outcomes from high quality, sustainable services, including specialist services	2	3	0	1	0

Tackling the Big Four

- Behind Schedule
- At risk
- On track
- Complete



		Quarter 4				
Strategic Objective	Strategic priority	Behind Schedule	At risk	On track	Complete	Not due yet
Joined Up Care	Overall	20	10	0	5	0
	Variance from Q3	2	1	-7	5	-1
	Design and Deliver a Frailty and Community Model including improved access to Urgent and Emergency	18	8	0	2	0
	Support improved access to and outcomes from Specialised Services	2	2	0	3	0

Joined Up Care

- Behind Schedule
- At risk
- On track
- Complete



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Strategic Objective	Strategic priority	Quarter 4				
		Behind Schedule	At risk	On track	Complete	Not due yet
Workforce Futures	Overall	4	7	0	11	0
	Variance from Q3	3	7	-11	7	-7
	Designing, develop and implement a comprehensive approach to workforce planning	1	2	0	4	0
	Redesign and implement leadership and team development	0	0	0	2	0
	Deliver improvements to staff wellbeing and engagement	1	2	0	3	0
	Enhance access to high quality education and training	1	1	0	1	0
Enhance the health boards role in partnership and citizenship	1	2	0	1	0	

Workforce Futures

- Behind Schedule
- At risk
- On track
- Complete



Strategic Objective	Strategic priority	Quarter 4				
		Behind Schedule	At risk	On track	Complete	Not due yet
Digital First	Overall	5	4	7	5	0
	Variance from Q3	2	3	-5	1	0
	Implement Clinical Digital Systems that directly enable improved care	2	1	7	5	0
	Implement key improvements to digital infrastructure and intelligence Undertaking a Digital Service Review for the medium/longer term, aligning to the Renewal Programmes and improving deployment of systems	3	3	0	0	0

Digital First

- Behind Schedule
- At risk
- On track
- Complete



Strategic Objective	Strategic priority	Quarter 4				
		Behind Schedule	At risk	On track	Complete	Not due yet
Innovative Environments	Overall	1	1	0	17	0
	Variance from Q3	0	0	-16	17	-1
	Implement ambitious commitments to carbon reduction, biodiversity enhancement and environmental wellbeing.	0	0	0	10	0
	Implement capital, estate and facilities improvements that directly enhance the provision of services to patients/public and the wellbeing/experience of staff	1	1	0	7	0

Innovative Environments

- Behind Schedule
- At risk
- On track
- Complete



Strategic Objective	Strategic priority	Quarter 4				
		Behind Schedule	At risk	On track	Complete	Not due yet
Transforming in Partnership	Overall	5	13	0	24	0
	Variance from Q3	1	2	-17	14	0
	Improve quality (safety, effectiveness and experience) across the whole system; building organisational effectiveness	0	3	0	11	0
	Enhance integrated/partnership system working, both in Wales and England, improving regional approaches to the planning and delivery of key services	0	2	0	4	0
	Implement value-based healthcare, to deliver improved outcomes and experience, including the effective deployment and management of resources	3	4	0	3	0
	Implement key governance and organisational improvement priorities including embedding risk management, effective policies, procedures and guidance; audit and effectiveness; Board effectiveness and systems of accountability and organisational development	2	4	0	6	0

Transforming in Partnership

- Behind Schedule
- At risk
- On track
- Complete



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In 2022/23 there was extensive engagement and communication within Powys regarding the known impacts of COVID-19 and seasonal surges in respiratory based illnesses as well as the additional in year unexpected challenges such as industrial action from various staff groups as well as the increasing costs of individuals and businesses heating their homes and the rising impact of food prices.

A wider programme of communication activity has been able to recommence as the requirements of the COVID-19 pandemic response reduced, but critical activities remained to retain awareness of protective behaviours and continued risk.

Key areas of focus included our winter resilience communications plan. This involved regular engagement with key stakeholders including the Community Health Council, County Council, MSs and MPs, staff, public briefing sessions, PAVO and wider partners to help inform the health board's plans and to support and encourage everyone to play a part in Keeping Powys Safe. This has included a focus on Help Us Help You and promotion of NHS 111 Wales services. Given the increasingly challenging financial context the messaging was also linked with Cost of Living advice including a new cost of living hub on the Health Board website (<https://pthb.nhs.wales/news/features/get-help-with-the-cost-of-living/>).

With industrial action taking place during the year, the Health Board responded by providing public messaging to help people access the right service at the right time – with the added complexity of different action affecting Powys, neighbouring health boards and services in England in different ways at different times.

IMTP Accountability Conditions

As part of the IMTP sign off process for 2022/23, the Health Minister issues a series of 'accountability conditions' to each Health Board if it is felt the plan needs improving in certain areas. Progression towards satisfying the condition and performance improvement is required to be demonstrated across the year. There were 5 accountability conditions for the year. 4 have been fully complied with and the 5th partially met. The final partially met condition in relation to maternity services proposed to be commissioned from Cwm Taf Morgannwg University Health Board. This service has been removed from special measures status. This final condition will be met in 2023/24.

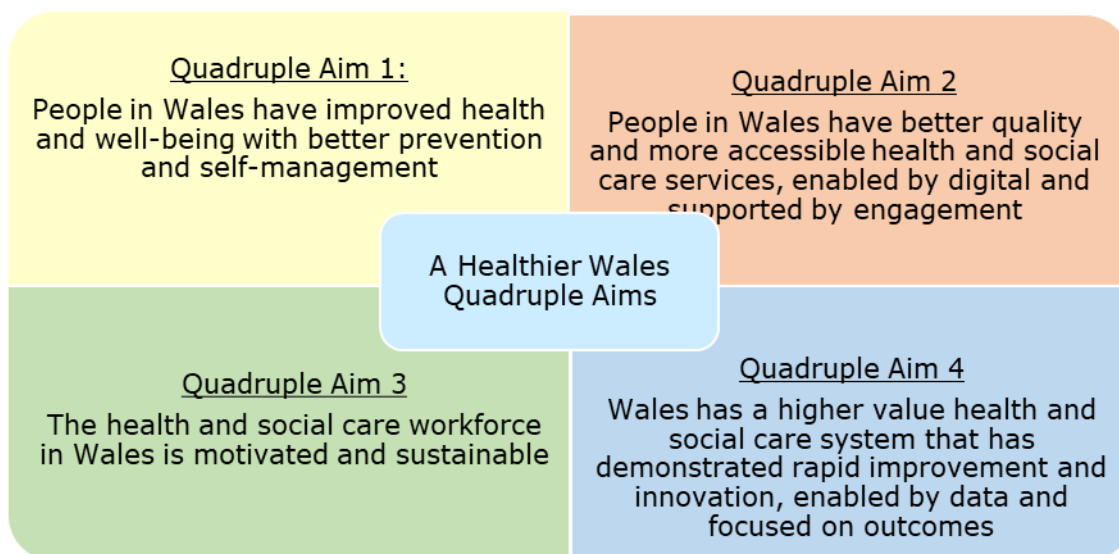
Throughout 2022/23, the Health Board has remained in 'routine monitoring' status from an NHS regulatory oversight perspective.

Performance Overview

All Health Boards within Wales are required to provide performance and assurance via the NHS Wales Performance Framework. This framework for 2022/23 was significantly revised with changes to improve focus and timelines of key measures to support national health care objectives with the aim to continue improvement of population health and long-term outcomes. Key to the scrutiny of health performance are the

Ministerial priorities where health boards are required to provide improvement trajectories against key planned care targets.

The NHS Performance Framework remains based on four quadruple aims mapped to the A Healthier Wales long term plan for health and social care.



The framework consists of 84 measures. Of the 84 measures, 54 have been identified as ministerial priorities. A further 8 measures are classed as operational and not routinely reported to Welsh Government.

The Health Board has a systematic review process to both manage and review performance. This includes a ward to Board mechanism including formal review at Executive, Delivery and Performance committees and at Board level. In addition, performance is reviewed by Welsh Government and NHS colleagues.

Quality of Data used by the Board

The Health Board continually reviews the quality of data that it is using within the organisation including for decision making and assurance at Board level. Each of the separate data quality strands within the organisation are reviewed frequently that span across the main domains including finance, operational, workforce, quality and safety data. However, it is a continuous process spanning an array of data systems and datasets including new systems being implemented. The Health Board also receives data quality reports from system suppliers and is subject to a number of external reviews that feature data quality assessments as part of the review.

The annual performance report provides a summary of the key performance measures, and challenges specifically for the Ministerial priorities, but detailed commentary of the issues, actions and mitigations taken in relation to each of the measures within the framework is included in the Integrated Performance Reports to PTHB Board. This information is available on the PTHB Website at <https://pthb.nhs.wales/about-us/health-board-performance/> via The Board meeting papers.

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Liz

Six Goals or Urgent and Emergency Care

HB to add narrative

Powys Teaching Health Board end of year summary scorecard

Table 1

POWYS TEACHING HEALTH BOARD - PERFORMANCE AGAINST TARGET Performance against quadruple aim cohort as at month 12 Integrated Performance reported position (15/05/2023)			
	Number of measures where the target has been delivered or the actions required are on track	Number of measures where the majority of actions required are on track but there is scope to improve ¹	Number of measures where the target has not been delivered or the actions required are not on track and improvements are required
Quadruple Aim 1: People in Wales have improved health and well-being with better prevention and self-management ²	8 measures	1 measure	10 measures
Quadruple Aim 2: People in Wales have better quality and more accessible health and social care services, enabled by digital and supported by engagement	18 measures	0 measure	15 measures
Quadruple Aim 3: The health and social care workforce in Wales is motivated and sustainable	1 measures	0 measures	6 measures
QUADRUPLE AIM 4: Wales has a higher value health and social care system that has demonstrated rapid improvement and innovation, enabled by data and focused on outcomes ²	3 measures	2 measures	5 measures
SUMMARY	30 measures	3 measures	36 measures

Please note that the above scorecard is based on the performance available within the year end Integrated Performance Report created 21/06/2023.

The Health Board has reported performance against the measures of the NHS Wales Performance Framework and aligned to the Quadruple Aim with performance during 2022/23 comprising both things which went well and areas with planned improvement opportunities in 2023/24:

Table 2

Where we succeeded	Improvement opportunities
Primary Care	
<u>Dental Access</u> <ul style="list-style-type: none"> • Helpline implemented (circa 9k calls, 3k queries & concerns, and 1.4k advised to contact 111). • Expanded urgent access pathways. • 100% same day urgent access for existing patients. <u>GP practice</u>	<u>Dental</u> <ul style="list-style-type: none"> • Development of further dental contracts to provide capacity. <u>GP practice</u> <ul style="list-style-type: none"> • South Powys dermatology pilot (GPwER) underway with phased plan of rollout to North and Mid Powys.

Where we succeeded	Improvement opportunities
<ul style="list-style-type: none"> 100% of practices have met agreed opening hour requirements. All practices engaged with All Wales Diabetes Prevention Programme. 	
Urgent Emergency Care	
<p><u>Minor Injuries</u></p> <ul style="list-style-type: none"> PTHB Minor Injury Unit's (MIU) fully achieved compliance with all national targets in 2022/23 (zero 12 hr breaches and +99% 4hr compliance). 	<p><u>111 assessments</u></p> <ul style="list-style-type: none"> Integration of new 111 system for 2023/24 to improve service efficiency resulting in a better patient experience. <p><u>WAST response (red calls)</u></p> <ul style="list-style-type: none"> Engagement with the Ambulance Service to develop actions to reduce handover delays (ICAP), including enhancement of current in-county pathways to reduce admissions, and accelerated step down of patients to clear beds in acute care centres.
Planned Care	
<p><u>PTHB provided planned care.</u> Powys is the best performing (ranked 1st in Wales), and most improved health board for planned care (for the pathways provided in a non-acute health board)</p> <ul style="list-style-type: none"> No patients waited over 104 weeks on a provider pathway in 2022/23 financial year. Excellent < 26 week performance (94.3% in Mar-23). Lowest number of diagnostic breaches in Wales (161 in Mar-23). PTHB first clinical endoscopist trainee post has completed training in Jan-2023, this post provides additional JAG accredited endoscopy capacity for gastroscopy. 	<p><u>PTHB provided planned care.</u></p> <ul style="list-style-type: none"> Improvement in line with Get It Right First Time (GIRFT) reviews for 2023/24. Ongoing engagement with National outpatient transformation & Regional workstreams (to provide additional capacity) Implementation of Transnasal diagnostic Endoscopy. Follow-up challenge (data quality) to be addressed and result in improved tool for demand and capacity planning for services and better patient outcomes utilising see on symptoms and patient-initiated follow-ups. <p><u>PTHB commissioned services.</u></p>

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Where we succeeded	Improvement opportunities
<p><u>PTHB commissioned care.</u></p> <ul style="list-style-type: none"> Two of three main English acute care providers have eradicated over 104 week waits (Mar-23) Access to rapid diagnostic clinics in key commissioned providers. 	<ul style="list-style-type: none"> Repatriation opportunities, looking at high volume or long wait low complexity pathways and procedures to support commissioned pathways. Work with Welsh Health Specialised Services Committee (WHSSC) to improve value including agreed pathway improvements, and improve management of complex cross border pathways.
Mental Health	
<ul style="list-style-type: none"> Robust compliance for CAMHS, and under 18 assessments and interventions through 2022/23 financial year. Positive feedback from Welsh Government policy lead on developing PTHB whole school approach to CAMHS in reach services "Wellbeing support". Ongoing positive use of Silvercloud to enable self help and other 3rd sector interventions. Implementation of 111 press 2 for mental health. 	<ul style="list-style-type: none"> Key mental work around accessing national funds and grants to strengthen capacity, and ongoing pathway design and development as part of the health boards aim to tackle one of the big four causes of ill health.
Cancer	
<ul style="list-style-type: none"> Established Cancer Harm Review process to provide increased oversight on identifying and managing harm. All general practices can access symptomatic Faecal Immunochemical Test services. Cytosponge implementation – successful proposal submitted to Moondance Cancer Initiative to join the Welsh Cytosponge 	<ul style="list-style-type: none"> Deliver Cancer Improvement (in line with NHS Wales Cancer Improvement Plan). To implement Transnasal endoscopy (TNE) to improve capacity and patient outcomes (comfort of procedure) when compared to traditional gastroscopy.

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Where we succeeded	Improvement opportunities
<p>implementation pilot being led by BCUHB.</p> <p><u>PTHB Commissioned services.</u></p> <ul style="list-style-type: none"> • Powys residents can access Rapid Diagnostic Clinics (RDC) in Aneurin Bevan University Health Board (ABUHB), Betsi Cadwaladr University Health Board (BCUHB) and Swansea Bay University Health Board (SBUHB). 	<p><u>PTHB commissioned services</u></p> <ul style="list-style-type: none"> • Ongoing work to explore capacity within BCUHB to accommodate Mid Powys residents in their Rapid Diagnostic Centre. • Options being explored in close collaboration with commissioned service providers to increase diagnostic provision for Powys patients.

Our Performance Report

At the close of the 2022/23 financial year, the Health Board reports that the key areas of challenge remain across planned and unscheduled care access in both provider and especially commissioned service providers. Although performance has remained robust across planned care access when compared to other Welsh and English providers, RTT and diagnostics have failed to meet PTHB ambitious trajectories set for Ministerial priority access measures. Mental Health care in the provider remains robust with almost pre COVID-19 waiting list access times except for adult interventions within 28 days, and even where this target has been missed the provider performs well against the All-Wales position.

Key challenges remain in Commissioned services for Powys resident access and their treatment within acute care pathways although overall waiting times have seen improvement over 2022/23 challenge remains for timely care. Key themes of challenge and recovery across planned care in England and Wales include ongoing recovery from the COVID-19 pandemic created backlog, industrial actions by nursing and ambulance staff, staffing pressures due to sickness or vacancy (challenging recruitment), diagnostic pressures, theatre capacity, and bed flow (linked to social care provision). For Powys residents specifically there is a challenge of equity to access by their geographical location in the county. Powys residents wait on average longer in Wales, with potential waits being reported up to and beyond 12 months longer than those equivalent specialties that flow via cross border services into English acute care.

Unscheduled care in Powys as a provider performs well with minor injury units exceeding national targets for wait times consistently. Patients that require A&E access in both England and Wales, or an emergency ambulance are unfortunately still waiting a significant time and beyond national targets to receive care although waiting times are showing improvement from the end of quarter 3. For unscheduled care key challenges are like those for planned care including increased demand, and acute site patient flow bottlenecks resulting in long ambulance handover times. Further rurality, and ability to access points of care impacts on patient access/response times and outcomes.

Throughout 2022/23 the Health Board has continued to work closely with its neighbouring NHS Health Boards, Trusts, and private insource providers to focus not only on the performance of key targets of care but provide quality outcomes of care across its provided and commissioned services.

Quadruple Aim 1: People in Wales have improved health and wellbeing with better prevention and self-management

Table 3

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
2	Qualitative report detailing progress against the Health Boards' plans to deliver the NHS Wales Weight Management Pathway	✓	Evidence of Improvement	Mar-23			Red	N/A	
3	% Babies breastfed 10 days old	✓	Annual Improvement	2021/22	52.0%		56.5%	1st	36.7%
4	% of adults that smoke daily or occasionally	✓	Annual reduction towards 5% prevalence 2030	2021/22	13.0%		10.7%	1st	13.0%
5	% Attempted to quit smoking	✓	5% annual target	Q3 2022/23	2.43%		2.26%	6th	2.89%
6	Qualitative report - Implementing Help Me Quit in Hospital smoking cessation services and to reduce smoking during pregnancy	✓	Evidence of Improvement	Mar-23			Amber	N/A	
7	% diabetics who receive 8 NICE care processes	✓	>=35.2%	Q3 2022/23	35.0%	46.8%	47.9%	1st	39.1%
8	% Diabetics achieving 3 treatment targets	✓	1% annual increase from 2020-21 baseline (27.2%)	2021/22	26.2%		27.2%	4th	27.6%
9	Standardised rate of alcohol attributed hospital admissions	✓	4 quarter reduction trend	Q3 2022/23	437.2	405.7	447.7	6th	423.6
10	Percentage of people who have been referred to health board services who have completed treatment for alcohol misuse	✓	4 quarter improvement trend	Q4 2022/23	51.7%	60.7%	65.4%	5th	74.1%
11	'6 in 1' vaccine by age 1		95%	Q4 2022/23	93.8%	95.2%	95.8%	2nd	94.7%
12	2 doses of the MMR vaccine by age 5		95%	Q4 2022/23	94.4%	97.7%	89.6%	4th	89.4%
13	Autumn 2022 COVID-19 Booster	✓	75%	Mar-23		70.7%	71.3%	1st	66.1%
14a	Flu Vaccines - 65+		75%	2021/22	73.5%		75.3%	7th	78.0%
14b	Flu Vaccines - under 65 in risk groups		55%	2021/22	52.2%		50.9%	3rd	48.2%
14c	Flu Vaccines - Pregnant Women		75%	2021/22	92.3%		66.7%	6th	78.5%
14d	Flu Vaccines - Health Care Workers		60%	2021/22	56.5%		52.1%	6th	55.6%
15a	Coverage of cancer screening for: cervical		80%	2020/21	76.1%		72.7%	1st	69.5%
15b	Coverage of cancer screening for: bowel		60%	2020/21	56.4%		68.3%	1st	67.1%
15c	Coverage of cancer screening for: breast		70%	2021/22 (May)	74.6%		75.8%	1st	72.3%

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 1 is:

Headline performance:

- Uptake of complete three dose '6 in 1' and 2 doses by first birthday met the target for Q4 and above Wales average.
- Autumn COVID booster programme target did not meet target for vaccination of Public Health Wales reported cohort requirement but did treat 84% of the eligible Powys Health Board cohort.

Exception and escalation measures

- % attempted to quit smoking – target not met at Q3 2022/23.
- Uptake of 2 doses of MMR has decreased in last two reported quarters and fallen below the Wales average.
- Influenza vaccination data for 2022/23 is not available currently, the health board was not compliant for any metric apart from the 65+ cohort in 2021/22.

Quadruple Aim 2: People in Wales have better quality and more accessible health and social care services

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Table 4

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
16	% of GP practices that have achieved all standards set out in the National Access Standards for In-hours GMS		100%	2022/23	100.0%		100.0%	1st*	88.6%
18	Number of new patients (children aged under 18 years) accessing NHS dental services	✓	4 quarter improvement trend	Q4 2022/23	Not available, new measure	473	653	7th	18,345
19	Number of new patients (adults aged 18 years and over) accessing NHS dental services	✓	4 quarter improvement trend	Q4 2022/23		658	902	7th	32,506
20	Number of existing patients accessing NHS dental services	✓	4 quarter improvement trend	Q4 2022/23		7146	6503	7th	164,013
21	% 111 patients prioritised as P1CHC that started their definitive clinical assessment within 1 hour of their initial call being completed		90%	Mar-23	63.2%	88.5%	89.7%	5th	86.7%
22	Percentage of total conveyances taken to a service other than a Type One Emergency Department	✓	4 quarter improvement trend	Q4 2022/23	8.8%	7.9%	9.2%	4th	10.6%
25	MIU % patients who waited <4hr		95%	Mar-23	100.0%	99.9%	100.0%	1st	71.6%
26	MIU patients who waited +12hrs		0	Mar-23	0	0	0	1st	8,036
31	Percentage of emergency responses to red calls arriving within (up to and including) 8 minutes		65%	Mar-23	48.7%	42.2%	42.9%	6th	47.5%
33	Number of people admitted as an emergency who remain in an acute or community hospital over 21 days since admission	✓	12 month reduction trend	Mar-23	37	55	53	2nd	4,590
34	Percentage of total emergency bed days accrued by people with a length of stay over 21 days	✓	12 month reduction trend	Mar-23	71.6%	79.6%	76.7%	8th	52.20%
39	Number of diagnostic endoscopy breaches 8+ weeks	✓	Improvement trajectory towards a national target of 0 by Spring 2024	Mar-23	9	17	11	1st	15,637
40	Number of diagnostic breaches 8+ weeks		Trajectory target of 160 or less (April 23)	Mar-23	81	132	161	1st	43,325
41	Number of therapy breaches 14+ weeks		12 month reduction trend towards 0 by Spring 2024	Mar-23	49	193	190	1st	7,089
42	Number of patients waiting >52 weeks for a new outpatient appointment	✓	Improvement trajectory towards a national target of 0 by Spring 2024	Mar-23	0	1	1	1st	52,925
43	Number of patient follow-up outpatient appointment delayed by over 100% (unbooked & booked FUPs over 100%)	✓	PTHB trajectory target of 2500 or less	Mar-23	7540	4743	4755		233,766
44	Percentage of ophthalmology R1 patients who attended within their clinical target date (+25%)		95%	Mar-23	47.5%	66.6%	65.6%	2nd	61.4%
45	RTT patients waiting more than 104 weeks	✓	Improvement trajectory towards a national target of 0 by Spring 2024	Mar-23	0	0	0	1st	31,726
46	RTT patients waiting more than 36 weeks	✓	Improvement trajectory towards a national target of 0 by Spring 2024	Mar-23	41	108	110	1st	227,967
47	RTT patients waiting less than 26 weeks	✓	Improvement trajectory towards a national target of 95% by 2026	Mar-23	96.0%	93.7%	94.3%	1st	58.5%
LM2	Commissioned RTT patients waiting more than 104 weeks (English & Welsh Providers)		Individual Targets	Mar-23	821	478	429		
LM3	Commissioned RTT patients waiting more than 52 weeks (English & Welsh Providers)		Individual Targets	Mar-23	2,614	2,348	2,259		
LM4	Commissioned RTT patients waiting more than 36 weeks (English & Welsh Providers)		Individual Targets	Mar-23	4,891	4,790	4,693		
LM5	Commissioned RTT patients waiting less than 26 weeks (English & Welsh Providers)		Individual Targets	Mar-23	60.3%	61.4%	62.6%		
48	Rate of hospital admissions with any mention of self-harm from children and young people per 1k	✓	Annual Reduction	2021/22	2.42		2.09	1st	3.95
49	CAMHS % waiting <28 days for first appointment	✓	80%	Mar-23	91.3%	100.0%	100.0%	1st	93.2%
50	Assessments <28 days <18	✓	80%	Mar-23	100.0%	100.0%	94.8%	1st	67.9%
51	Interventions <28 days <18	✓	80%	Mar-23	97.8%	93.3%	87.2%	1st	41.8%
52	% residents with CTP <18	✓	90%	Mar-23	75.8%	93.0%	86.4%	6th	90.9%
53	Children/Young People neurodevelopmental waits	✓	80%	Mar-23	90.6%	68.6%	72.7%	1st	31.9%
54	Qualitative report detailing progress to develop a whole school approach to CAMHS in reach services	✓	Evidence Improvement	Mar-23			Green	N/A	
55	% adults admitted to a psychiatric hospital 9am-9pm that have a CRHT gate keeping assessment prior to admission	✓	95%	Mar-23	100%	100%	100%	1st	97.6%
56	% adults admitted to a psychiatric hospital who have not received a CRHT gate keeping assessment that have received a follow up assessment by CRHT within 24 hours of admission	✓	100%	Mar-23	100%	75%	100%	1st	85.7%
57	Assessments <28 days 18+	✓	80%	Mar-23	76.3%	86.0%	90.3%	4th	86.4%
58	Interventions <28 days 18+	✓	80%	Mar-23	23.4%	49.0%	52.0%	6th	75.5%
59	Adult psychological therapy waiting < 26 weeks	✓	80%	Mar-23	90.4%	82.3%	82.8%	3rd	65.7%
60	% residents with CTP 18+	✓	90%	Mar-23	71.9%	83.0%	85.3%	4th	83.4%
61	Qualitative report detailing progress to improve dementia care	✓	Evidence Improvement	Mar-23			Amber	N/A	
62	Qualitative report detailing progress against the priority areas to improve the lives of people with learning disabilities	✓	Evidence Improvement	Mar-23			Green	N/A	
63	HCAI - Klebsiella sp and Aeruginosa cumulative number	✓	Local	Mar-23			2 cases	PTHB is not nationally benchmarked for infection rates	
64	HCAI - E.coli, S.aureus bacteraemia's (MRSA and MSSA) and C.difficile	✓		Mar-23			13 cases		

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 2 is:

Headline performance:

- Urgent and Emergency Care: PTHB Provider MIU over 99% of patients seen within 4 hours with zero waiting > 12 hours.
- Access to Planned Care: Powys is the best performing (ranked 1st in Wales), most improved health board post pandemic for planned care (for the pathways provided in a non-acute health board). No patients have waited over 104 weeks for treatment, and only one patient breached 52 weeks for a new outpatient pathway in March. Compliance for planned care has been challenging but very ambitious end of year targets were set for Ministerial priority compliance and non-predictable challenge such as industrial action impacted on service.
- Mental Health: Compliance for CAMHS, < 18 assessment, < 18 interventions, + 18 assessments, and adult psychological therapy access targets have all had robust performance through 2022/23 and were compliant in March.

Exception and escalation measures

Urgent and Emergency Care

- % of 111 patients prioritised as P1CHC that started definitive clinical assessment within 1 hour of call being completed. Reported 89.7% uptake against 90% target in March, this service was disrupted by a significant cyber-attack in Q2 2022/23 although performance where reported remained robust.

Access to Planned Care

- PTHB Provider: Performance trajectories for patients waiting < 26 weeks and > 36 weeks were not met in 2022/23 primarily because of ambitious end of year Powys set targets.
- PTHB Commissioned Services: No commissioned service provider in Wales or England met their respective targets during 2022/23. Powys responsible patients wait a significant period for care, sometimes more than 2 years in challenging specialties such as orthopaedics. Equity of care also remains challenging with significantly fewer long waits in English commissioned providers than those in Wales.
- Follow Up Outpatients delayed over 100%: The Health Board has been unable to report performance for this measure accurately during 2022/23 following a significant data quality challenge at the end of 2021/22. This challenge has been raised with Welsh Government, internally escalation and resolution are led by key Executives, further validation and patient administration system work will be completed in by Q2 2023/24.

Cancer

- Powys responsible patients have cancer treatment within commissioned acute service providers and specialist trusts in England and Wales. As a provider of care the health board accepts urgent suspected cancer referrals for key outpatients and diagnostics (ultrasound and endoscopy) predominately in South Powys. However, the health board does not provide treatment except for palliative support within community hospital beds, hospice beds or the home. Performance in English and Welsh commissioned services have been particularly challenging with no provider meeting their respective targets (English 2-week, 31 day or 62-day rules, or the Welsh 62 day Single Cancer Pathway). The key challenge is overall capacity both outpatient, diagnostic, and surgical with rising post covid demand.

Mental Health

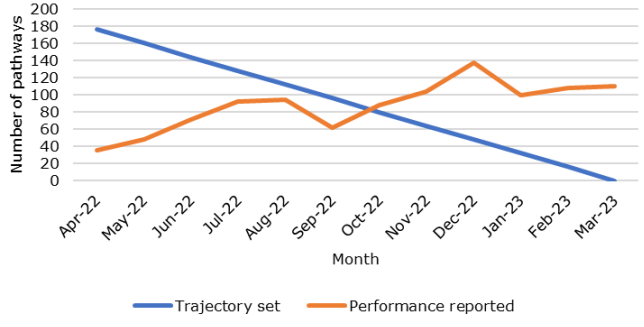

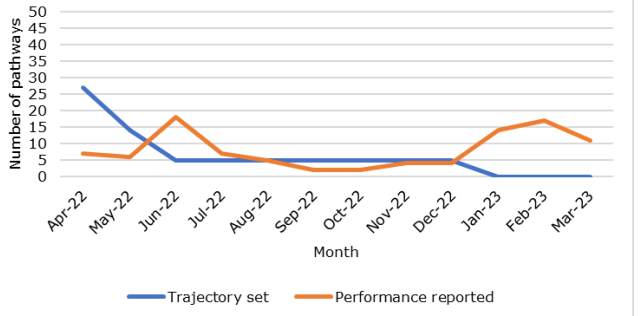
- Mental health care and treatment plans in <18s missed the target at the end of year, this is an isolated instance of noncompliance following a robust year of achievement.
- Neuro-developmental assessments in children and young people under 26 weeks wait target has not been achieved since August 2022 but has shown improvement during Q4. Key mitigations to improve performance in 2023/24 include extension of temporary contracts to the end of Q1 and the use of business cases and grant funding applications to provide recurrent monies for essential capacity.
- Interventions <28 days for patients 18+ target not achieved as a result of ongoing capacity challenges and increasing demand and complexity. Actions and mitigations include work to promote Silvercloud which enables self-help as well as services available through the third sector; and further development of the Local Primary Mental Health Service model.
- % residents 18+ with Care and Treatment Plan target not achieved and is challenged by staffing capacity with Powys County Council Social Services provision. Work ongoing to prioritise caseloads and recruitment to vacant posts within the service.

At the start of 2022/23 the health board had to provide trajectories for key Ministerial priorities that would measure our recovery and performance throughout the financial year. Powys as a provider set key and ambitious targets to challenge the health board with the aim to fully comply by March. The below table 5 provides the detail of target and performance by priority measure.

Table 5

Measure	Performance																																							
<p>Percentage of patients waiting less than 26 weeks for treatment</p> <table border="1"> <caption>Percentage of patients waiting less than 26 weeks for treatment</caption> <thead> <tr> <th>Month</th> <th>Trajectory set (%)</th> <th>Performance reported (%)</th> </tr> </thead> <tbody> <tr><td>Apr-22</td><td>87.0</td><td>96.0</td></tr> <tr><td>May-22</td><td>88.0</td><td>95.0</td></tr> <tr><td>Jun-22</td><td>88.0</td><td>95.5</td></tr> <tr><td>Jul-22</td><td>90.0</td><td>95.0</td></tr> <tr><td>Aug-22</td><td>90.0</td><td>95.0</td></tr> <tr><td>Sep-22</td><td>90.0</td><td>95.0</td></tr> <tr><td>Oct-22</td><td>91.0</td><td>95.0</td></tr> <tr><td>Nov-22</td><td>91.0</td><td>95.0</td></tr> <tr><td>Dec-22</td><td>92.0</td><td>94.0</td></tr> <tr><td>Jan-23</td><td>93.0</td><td>94.0</td></tr> <tr><td>Feb-23</td><td>94.0</td><td>94.0</td></tr> <tr><td>Mar-23</td><td>95.0</td><td>94.3</td></tr> </tbody> </table>	Month	Trajectory set (%)	Performance reported (%)	Apr-22	87.0	96.0	May-22	88.0	95.0	Jun-22	88.0	95.5	Jul-22	90.0	95.0	Aug-22	90.0	95.0	Sep-22	90.0	95.0	Oct-22	91.0	95.0	Nov-22	91.0	95.0	Dec-22	92.0	94.0	Jan-23	93.0	94.0	Feb-23	94.0	94.0	Mar-23	95.0	94.3	<p>The Health Board performance narrowly missed the target to recover back to 95% target. Performance remained robust during the 12 months but pressures and fragility resulted in performance of 94.3% at March-23.</p>
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Measure	Performance
<p data-bbox="295 145 790 190">Number of patients waiting more than 36 weeks for treatment</p> 	<p data-bbox="917 145 1396 716">The Health Board set an ambitious trajectory for 2022/23 aiming to bring performance back to pre-COVID levels of zero breaches. Pressures on planned care services including increased urgent demand, fragile in-reach clinical services, industrial action, and staff sickness and vacancies have resulted in PTHB not meeting self-submitted targets from November 2022.</p>
<p data-bbox="295 772 790 817">Number of patients waiting over 52 weeks for a new outpatient appointment</p> 	<p data-bbox="917 772 1396 1064">PTHB has performed well against the submitted target of zero until Q4 where a very limited number of patients (one per month) breached this target because of capacity or service reporting and submission change.</p>
<p data-bbox="295 1164 790 1209">Number of patients waiting over 8 weeks for a diagnostic endoscopy</p> 	<p data-bbox="917 1164 1396 1568">Diagnostic Endoscopy challenges include, clinical in-reach fragility, historic capacity challenge, increased demand via USC and bowel screening, and ambitious self-set Health Board target to have zero breaches which is not achieved at the end of 2022/23.</p>

PTHB Commissioned planned care aggregated access performance, Wales and England (performance against Ministerial priority trajectories)

Table 6

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Measure	Performance																																							
<p>Percentage of patients waiting less than 26 weeks for treatment - Source DHCW</p> <table border="1"> <caption>Percentage of patients waiting less than 26 weeks for treatment</caption> <thead> <tr> <th>Month</th> <th>England (%)</th> <th>Wales (%)</th> </tr> </thead> <tbody> <tr><td>Apr-22</td><td>63.1%</td><td>54.1%</td></tr> <tr><td>May-22</td><td>62.5%</td><td>54.3%</td></tr> <tr><td>Jun-22</td><td>64.3%</td><td>54.2%</td></tr> <tr><td>Jul-22</td><td>64.9%</td><td>54.9%</td></tr> <tr><td>Aug-22</td><td>65.0%</td><td>54.4%</td></tr> <tr><td>Sep-22</td><td>64.1%</td><td>54.5%</td></tr> <tr><td>Oct-22</td><td>64.8%</td><td>56.4%</td></tr> <tr><td>Nov-22</td><td>64.5%</td><td>56.3%</td></tr> <tr><td>Dec-22</td><td>63.3%</td><td>55.5%</td></tr> <tr><td>Jan-23</td><td>63.5%</td><td>55.4%</td></tr> <tr><td>Feb-23</td><td>65.1%</td><td>56.2%</td></tr> <tr><td>Mar-23</td><td></td><td>57.2%</td></tr> </tbody> </table>	Month	England (%)	Wales (%)	Apr-22	63.1%	54.1%	May-22	62.5%	54.3%	Jun-22	64.3%	54.2%	Jul-22	64.9%	54.9%	Aug-22	65.0%	54.4%	Sep-22	64.1%	54.5%	Oct-22	64.8%	56.4%	Nov-22	64.5%	56.3%	Dec-22	63.3%	55.5%	Jan-23	63.5%	55.4%	Feb-23	65.1%	56.2%	Mar-23		57.2%	<p>Commissioned services in Wales and England have seen limited improvement in the number of Powys residents waiting under 26 weeks on a treatment pathway during 2022/23.</p>
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Month	Wales																																							
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Quadruple Aim 3: The health and social care workforce in Wales is motivated and sustainable.

Table 7

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
67	Agency spend as a percentage of the total pay bill	✓	PTHB set trajectory target 8.4% Mar-23	Mar-23	10.4%	9.1%	8.9%	12th	6.7%
68	(R12) Sickness Absence	✓	PTHB set trajectory target 5.1% Mar-23	Mar-23	5.7%	6.0%	5.8%	4th	6.83%
69	% staff Welsh language listening/speaking skills level 2 (foundational level) and above	✓	Bi-annual improvement	6 months ending Sep-22	15.8%	16.1%	16.9%	5th	15.9%
70	Core Skills Mandatory Training	✓	85%	Mar-23	82.0%	81.0%	83.0%	3rd	83.6%
71	Performance Appraisals (PADR)	✓	85%	Mar-23	73.3%	73.0%	74.0%	5th	68.1%
72	Staff Engagement Score	✓	Annual Improvement	2020	79% (2018)		78.0%	1st	75%
73	% staff reporting their line manager takes a positive interest in their health & wellbeing	✓	Annual Improvement	2020	77% (2018)		75.5%	2nd	65.9%

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 3 is:

Headline performance:

Welsh language is compliant with target for the 6 months ending September 2022/23, 16.9% of PTHB employees had recorded Welsh language speaking and listening skills at foundational level or above on electronic staff record (ESR), this is above the national average of 15.9%.

Exception and escalation measures:

- Agency spend has responded to demand and been challenged by staff sickness absence and recruitment challenges. Work ongoing to address improved roster compliance, targeted recruitment campaigns, increased use of bank over agency.
- Mandatory training compliance adversely impacted by increased service pressures and staff sickness absence. Work ongoing across PTHB Corporate and Operational Directorates to ensure prioritisation of mandatory training across all staff groups.
- Performance Appraisals compliance has remained below target due to staff absence, increased service demand and vacancies. PTHB Corporate and Operational Directorates are developing trajectories for improvement with ongoing performance addressed through series of directorate performance review meetings in 2023/24.

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Ministerial priorities for workforce in Wales, trajectories vs target

Table 8

Measure	Performance																																							
<p>Agency spend as a percentage of the total pay bill</p> <table border="1"> <caption>Agency spend as a percentage of the total pay bill</caption> <thead> <tr> <th>Month</th> <th>Trajectory set</th> <th>Performance reported</th> </tr> </thead> <tbody> <tr><td>Apr-22</td><td>8.0%</td><td>8.0%</td></tr> <tr><td>May-22</td><td>8.0%</td><td>9.1%</td></tr> <tr><td>Jun-22</td><td>8.0%</td><td>10.8%</td></tr> <tr><td>Jul-22</td><td>8.0%</td><td>11.2%</td></tr> <tr><td>Aug-22</td><td>8.0%</td><td>10.8%</td></tr> <tr><td>Sep-22</td><td>8.0%</td><td>8.0%</td></tr> <tr><td>Oct-22</td><td>8.0%</td><td>8.6%</td></tr> <tr><td>Nov-22</td><td>8.0%</td><td>9.4%</td></tr> <tr><td>Dec-22</td><td>8.0%</td><td>10.2%</td></tr> <tr><td>Jan-23</td><td>8.0%</td><td>10.8%</td></tr> <tr><td>Feb-23</td><td>8.0%</td><td>9.1%</td></tr> <tr><td>Mar-23</td><td>8.0%</td><td>8.9%</td></tr> </tbody> </table>	Month	Trajectory set	Performance reported	Apr-22	8.0%	8.0%	May-22	8.0%	9.1%	Jun-22	8.0%	10.8%	Jul-22	8.0%	11.2%	Aug-22	8.0%	10.8%	Sep-22	8.0%	8.0%	Oct-22	8.0%	8.6%	Nov-22	8.0%	9.4%	Dec-22	8.0%	10.2%	Jan-23	8.0%	10.8%	Feb-23	8.0%	9.1%	Mar-23	8.0%	8.9%	<p>Agency pay bill responds to demand but has been challenged by staff sickness absence, and pressures to recruit a professional workforce in a rural area.</p>
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Quadruple Aim 4: Wales has a higher value health and social care system that has demonstrated rapid improvement and innovation

Table 9

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
74	Emissions reported in line with the Welsh Public Sector Net Zero Carbon Reporting Approach	✓	16% Reduction by 2025 Against 2018/19 NHS Wales Baseline	2020/21	17,021		24,120	N/A	
75	Qualitative report detailing the progress of NHS Wales' contribution to decarbonisation as outlined in the organisation's plan	✓	Evidence Improvement	Mar-23			Amber	N/A	
76	Qualitative report detailing evidence of NHS Wales advancing its understanding and role within the foundational economy via the delivery of the Foundational Economy in Health and Social Services 2021-22 Programme	✓	Delivery of Foundational Economy initiatives and/or evidence of improvements in	Mar-23			Green	N/A	
77	Qualitative report detailing evidence of NHS Wales embedding Value Based Health and Care within organisational strategic plans and decision making processes	✓	Evidence of activity undertaken to embed a Value Based Health Care approach (as described in the	Mar-23			Amber	N/A	
78	Number of risk assessments completed on the Welsh Nursing Clinical Record	✓	4 quarter improvement trend	Q4 2022/23	22473	32,716	36,646	6th	1,701,718
79	Number of wards using the Welsh Nursing Clinical Record	✓	4 quarter improvement trend	Q4 2022/23	7	8	8	6th	260
80	Percentage of episodes clinically coded within one month post discharge end date		Maintain 95% target or demonstrate an improvement trend over 12 months	Mar-23	100.0%	100.0%	100%	1st	70.0%
81	Total antibacterial items per 1,000 STAR-PUS	✓	A quarterly reduction of 5% against a baseline of 2019-20	Q3 2022/23	260	237.6	333.2	2nd	358.7
83	Number of patients 65+ years prescribed an antipsychotic		Quarter on quarter reduction	Q3 2022/23	479	485	502	1st	10,342
84	Opioid average daily quantities per 1,000 patients	✓	4 quarter reduction trend	Q3 2022/23	4222.1	4218.2	4261.3	2nd	4,442.2

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 4 is:

Headline performance:

- Number of PTHB wards using Welsh Nursing Clinical record has met the national target of 4 quarter trend improvement.
- Percentage of episodes clinically coded within one reporting month post episode discharge end date. PTHB continues to report 100% performance compliance since May 2022.

Exception and escalation measures:

- Increase in anti-microbial prescribing from Q2 to Q3 because of Strep A. Antimicrobial stewardship improvement plan in place.
- PTHB has lowest % of people aged 65 and over prescribed an anti-psychotic but reported an increase in Q3.
- PTHB has the second lowest level of opioid burden however has seen a steep increase in prescribing since Q4 2021/22. Ongoing work to raise awareness of the issues associated with opioid prescribing and variation in prescribing practice and inclusion of opioid prescribing in the Medicines Management Incentive Scheme.

Conclusion and forward look

The Health Board and the wider NHS continues to recover from the COVID-19 pandemic. The NHS's 75th anniversary provides an additional opportunity to reflect on performance and delivery. There are however a number of performance and financial challenges ahead.

The Health Board has prepared recovery plans to optimise delivery for those services that it provides. These include a transformational approach within their implementation and delivery. For commissioned services plans are being constructed with partner organisations to improve upon pre-pandemic levels of activity to both reduce waiting times and improve access times.

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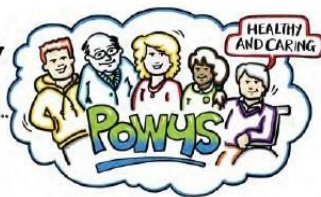
Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

Annual Report 2022/2023

THE HEALTH AND CARE STRATEGY FOR POWYS 'AT A GLANCE'



WE ARE DEVELOPING
A VISION OF THE
FUTURE OF HEALTH
AND CARE IN POWYS...



WE AIM TO DELIVER
THIS VISION THROUGH-OUT
THE LIVES OF THE PEOPLE
OF POWYS...



WE WILL SUPPORT
PEOPLE TO IMPROVE
THEIR HEALTH AND
WELLBEING THROUGH...



OUR PRIORITIES AND
ACTION WILL BE
DRIVEN BY CLEAR
PRINCIPLES...



THE FUTURE OF
HEALTH AND CARE
WILL IMPROVE
THROUGH...



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SECTION TWO: THE ACCOUNTABILITY REPORT

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Powys Teaching
Health Board

THE ACCOUNTABILITY REPORT 2022/2023



SIGNED BY:

DATE: 26 JULY 2023

**HAYLEY THOMAS
[INTERIM CHIEF EXECUTIVE]**

Patterson, Liz
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INTRODUCTION TO THE ACCOUNTABILITY REPORT

Powys Teaching Health Board is required, as are all Welsh NHS bodies, to publish an Annual Report and Accounts. Copies of previous years reports are accessible from the Health Board's [website](#).

A key part of the Annual Report is the Accountability Report. The requirements of the Accountability Report are based on the matters required to be dealt with in a Director's Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The requirements of the Companies Act 2006 have been adapted for the public sector context and only need to be followed by entities which are not companies, to the extent that they are incorporated into the Treasury's Government Financial Reporting Manual (FRoM) and set out in the 2022/2023 Manual for Accounts for NHS Wales, issued by the Welsh Government.

The Accountability Report is required to have three sections:

- A Corporate Governance Report
- A Remuneration and Staff Report
- A Parliamentary Accountability and Audit Report.
-

An overview of the content of each of these three sections is provided below:

The Corporate Governance Report

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2022/2023. It also explains how these governance arrangements supported the achievement of the Health Board's objectives.

The Director of Corporate Governance / Board Secretary has compiled the report, the main document being the Annual Governance Statement. This section of the report has been informed by a review of the work taken forward by the Board and its Committees over the last 12 months and has had input from the Chief Executive, as Accountable Officer, Board Members and the Audit, Risk and Assurance Committee.

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In line with requirements set out in the Companies Act 2006, the Corporate Governance report includes:

- The Director's Report;
- A Statement of Accountable Officer Responsibilities;
- The Annual Governance Statement.

Remuneration and Staff Report

This report contains information about the remuneration of senior management, fair pay ratios and sickness absence rates and has been compiled by the Director of Workforce and Organisational Development, the Director of Finance, IT and Information Services and the Director of Corporate Governance / Board Secretary.

Senedd Cymru/Welsh Parliamentary Accountability and Audit Report

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, and the audit certificate and Auditor General for Wales Report.

Patterson Liz
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PART A: CORPORATE GOVERNANCE REPORT

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2022/2023. It includes:

- A Director's Report
- A Statement of Accountable Officer Responsibilities
- A Statement of Executive Directors' Responsibilities in Respect of the Accounts
- The Annual Governance Statement

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1. THE DIRECTOR'S REPORT 2022/2023

Patterson Liz
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THE COMPOSITION OF THE BOARD AND MEMBERSHIP

Part 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 sets out the required membership of the Boards of Local Health Boards, the appointment and eligibility requirements of members, the term of office of non-officer members and associate members. In line with these Regulations the Board of Powys Teaching Health Board comprises:

- a chair;
- a vice-chair;
- officer members; and
- non-officer members.

The members of the Board are collectively known as “the Board” or “Board members”; the officer and non-officer members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All members have full voting rights. In addition, the Director of Environment and Director of Corporate Governance positions are non-voting Board level posts.

Additionally, Welsh Ministers may appoint up to three associate members. Associate members have no voting rights.

Before an individual may be appointed as a member or associate member they must meet the relevant eligibility requirements, set out in Schedule 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009, and continue to fulfil the relevant requirements throughout the time that they hold office.

The Regulations can be accessed via the Government’s legislation website: <http://www.legislation.gov.uk/wsi/2009/779/contents/made>

VOTING MEMBERS OF THE BOARD DURING 2022/2023

During 2022/2023, the following individuals were voting members of the Board of Powys Teaching Health Board:

Independent Members (IM)		
Vivienne Harpwood	Chair	To 16/09/2022
Carl Cooper	Chair	From 17/09/2022
Kirsty Williams	Vice-Chair	Full Year
Anthony Thomas	IM (Finance)	Full Year
Matthew Dorrance	IM (Local Authority)	To 30/06/2022
Chris Walsh	IM (Local Authority)	From 01/11/2022
Jennifer Owen Adams	IM (Third Sector)	From 30/08/2022
Frances Gerrard	IM (University)	To 30/06/2022

Simon Wright	IM (University)	From 08/08/2022
Ian Phillips	IM (ICT)	Full Year
Cathie Poynton	IM (Trade Union)	Full Year
Mark Taylor	IM (Capital & Estates)	Full Year
Rhobert Lewis	IM (General)	Full Year
Ronnie Alexander	IM (General)	Full Year
Executive Directors		
Carol Shillabeer	Chief Executive	Full Year
Julie Rowles	Executive Director of Workforce and OD	To 03/02/2023 (in post but absent from work resulting in interim cover arrangements as outlined below)
Debra Wood-Lawson	Interim Executive Director of Workforce and Organisational Development	From 03/10/2022
Pete Hopgood	Executive Director of Finance, Information and IT Services	Full Year
Hayley Thomas	Deputy Chief Executive and Interim Executive Director of Primary, Community Care and Mental Health	Full Year
Kate Wright	Executive Medical Director	Full Year
Claire Roche	Executive Director of Nursing and Midwifery	Full Year
Claire Madsen	Executive Director of Therapies and Health Sciences	Full Year
Mererid Bowley	Interim Executive Director of Public Health	From 27/06/2022
Stephen Powell	Interim Executive Director of Planning and Performance	Full Year

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During 2022/2023, vacancies in the Board consisted of:

Independent Member	Executive Director
<ul style="list-style-type: none"> • Independent Member (Local Authority) from 01/07/2022 to 31/10/2022 • Independent Member (Third Sector) from 01/04/2022 to 29/08/2022 • Independent Member (University) from 01/07/2022 to 07/08/2022 	<ul style="list-style-type: none"> • Executive Director of Public Health from 01/04/2022 to 26/06/2022

Whilst a small number of roles on the Board were vacant for short periods, responsibilities were covered by other Board members to ensure continuity of business and effective governance arrangements. Independent Members attended Board Committee meetings where necessary to ensure meetings remained quorate and the Board’s duties could be discharged.

The Deputy Director of Workforce and Organisational Development deputised for the Executive Director of Workforce and Organisational Development until the appointment of an Interim Director of Workforce and Organisational Development.

NON-VOTING MEMBERS OF THE BOARD DURING 2022/2023

Jamie Marchant was the Director of Environment (a member of the Executive team and non-voting attendee at Board meetings).

Helen Bushell was appointed to the post of Director of Corporate Governance / Board Secretary on 9 January 2023, (a member of the Executive team and non-voting attendee at Board meetings).

Nina Davies, Interim Director of Social Services, Powys County Council was appointed, by the Minister for Health and Social Services, to the role of Associate Member (non-voting member of the Board) on 1 January 2023.

Further details in relation to role and composition of the Board can be found within the Annual Governance Statement. The Annual Governance Statement also contains further information in respect of the Board and Committee Activity.

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AUDIT, RISK AND ASSURANCE COMMITTEE

During 2022/2023, the following individuals were members of the Audit, Risk and Assurance Committee:

Independent Members (IM)		
Anthony Thomas	Committee Chair – IM (Finance)	From 01/04/2022 to 18/07/2022
	Vice Chair – IM (Finance)	From 19/07/2022
Mark Taylor	Committee Vice-Chair – IM (Capital & Estates)	From 01/04/2022 to 18/07/2022
	Committee Chair – IM (Capital & Estates)	From 19/07/2022
Matthew Dorrance	IM (Local Authority)	From 01/04/2022 to 30/06/2022
Rhobert Lewis	IM (General)	Full Year
Ronnie Alexander	IM (General)	Full Year
Executive Team Officers by Attendance Only		
Carol Shillabeer	Chief Executive	Full Year
Pete Hopgood	Executive Director of Finance and IT	Full Year
James Quance	Interim Board Secretary	From 01/04/2022 to 31/12/2022
Helen Bushell	Director of Corporate Governance / Board Secretary	From 09/01/2023

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DECLARATION OF INTERESTS

Details of company Directorships and other significant interests held by members and attendees of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A register of Interests is available on the Health Board's [website](#), or a hard copy can be obtained from the Director of Corporate Governance / Board Secretary.

PERSONAL DATA RELATED INCIDENTS

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed within the Annual Governance Statement on [page 19](#).

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Social and community involvement has been integral to capital project developments such as the reconfiguration of Bro Ddyfi hospital with a range of measures related to Community Benefits captured and reported to Welsh Government with the principles of sustainable development embodied in the approach. This has also recognised the importance of 'art in health', sensory garden space for community and therapy use, and the provision of several community accessible rooms within the hospital.

A statement regarding the Health Board's actions in relation to environmental issues is provided on [page 75](#) of the Accountability Report. Reference to social and community issues can be found on [page 7](#) of the Performance Report in relation to the North Powys Wellbeing Programme.

STATEMENT OF PUBLIC SECTOR INFORMATION HOLDERS

As the Accountable Officer of Powys Teaching Health Board and in line with the disclosure requirements set out by the Welsh Government and HM Treasury, I confirm that the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance during the year.

Please note Carol Shillabeer was seconded to Betsi Cadwaladr University Health Board from the 3 May 2023 so whilst Carol was the Chief Executive Officer (and Accountable Officer) for the 2022/2023 year, at the time of submitting and then signing these statements, Hayley Thomas was the Chief Executive Officer.

SIGNED BY:

DATE: 26 JULY 2023

HAYLEY THOMAS

[INTERIM CHIEF EXECUTIVE]

2. STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2022/2023

Patterson Liz
21/07/2023 13:34:41

STATEMENT OF MY CHIEF EXECUTIVE RESPONSIBILITIES AS ACCOUNTABLE OFFICER OF POWYS TEACHING HEALTH BOARD

The Welsh Ministers have directed that the Chief Executive, should be the Accountable Officer of Powys Teaching Health Board.

The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as the Accountable Officer.

I also confirm that:

- As far as I am aware, there is no relevant audit information of which Powys Teaching Health Board's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Powys Teaching Health Board's auditors are aware of that information;
- Powys Teaching Health Board's Annual Report and Accounts as a whole is fair, balanced, and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable;
- I am responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

SIGNED BY:

DATE: 26 JULY 2023

**HAYLEY THOMAS
[INTERIM CHIEF EXECUTIVE]**

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3. STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2022/2023

Patterson Liz
21/07/2023 13:34:41

STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2022/2023

The Executive Directors of Powys Teaching Health Board are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the Health Board and of the income and expenditure of the Health Board for that period.

In preparing those accounts the Executive Directors are required to:

- apply accounting principles on a consistent basis, that are laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates that are responsible and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

On behalf of the Executive Directors of Powys Teaching Health Board we confirm:

- that we have complied with the above requirements in preparing the 2022/2023 accounts: and
- that we are clear of our responsibilities in relation to keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the authority, and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned direction by the Welsh Ministers.

By order of the Board

SIGNED BY:

DATE: 26 JULY 2023

CARL COOPER [CHAIR]

SIGNED BY:

DATE: 26 JULY 2023

HAYLEY THOMAS [INTERIM CHIEF EXECUTIVE]

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SIGNED BY:

DATE: 26 JULY 2023

**PETE HOPGOOD [INTERIM DEPUTY CHIEF EXECUTIVE / EXECUTIVE
DIRECTOR OF FINANCE, IT AND INFORMATION SERVICES]**

Patterson Liz
21/07/2023 13:34:41

4. ANNUAL GOVERNANCE STATEMENT

Patterson Liz
21/07/2023 13:34:41

Scope of Responsibility

The Board is accountable for Governance, Risk Management, and Internal Control. As Chief Executive of the Health Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

The annual report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated, and assurance has been sought and provided. Additional information is provided in the Governance Statement where necessary. However, the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

I am held to account for my performance by the Chair of the Board and the Chief Executive and Accounting Officer for the NHS in Wales. I have formal performance meetings with both the Chair and the Chief Executive of NHS Wales. Further, the Executive Team of the Health Board meet with the senior leaders of the Department of Health and Social Services on a regular basis.

During 2022/2023, the Health Board and the NHS in Wales continued to face substantial pressure in planning and responding to COVID-19 as well as recovering from the impacts of the pandemic. 2022/2023 was seen as a period to transition from COVID-19 arrangements to business as usual. Internal escalated governance arrangements were put in place between 7 December 2022 and 1 March 2023 in response to winter system resilience including industrial workforce action. Outside formal meetings Board Members remained fully informed receiving briefings at Board Development or Board briefing sessions. Further detail on maintaining good governance during 2022/2023 is provided within this Annual Governance Statement.

Patterson, Liz
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FUNCTIONS HOSTED BY POWYS TEACHING HEALTH BOARD

In compliance with requests made by the Welsh Ministers, the Health Board hosts the following functions:

- **The seven Community Health Councils that operate across Wales and the Board of Community Health Councils in Wales:** The Community Health Councils operate across Wales and provide help and advice if citizens have problems with, or complaints about, NHS services. They ensure that citizens' views and needs influence the policies and plans put in place by health providers in their area. They monitor the quality of NHS services from a citizen's perspective and provide information about access to the NHS. The Board of Community Health Councils in Wales was established in April 2004 with the aim to advise, assist and monitor the Community Health Councils with respect to the performance of their functions, and to represent their collective views and interests to the Welsh Ministers.

In 2015, the regulations were revised, and it was clearly stated that the Board had responsibility of setting standards and to monitor the performance of the Community Health Councils, the conduct of members and performance of officers as well as operating a Complaints Procedure.

Under the Health and Social Care (Quality and Engagement Act) (Wales) 2020, a new all Wales body, the Citizen's Voice Body, known as Llais, will replace the CHCs as of 1 April 2023. This therefore means the Health Board will no longer host the CHCs (or the new Citizens Voice Body) with effect from 1 April 2023.

- **Health and Care Research Wales (HCRW):** HCRW is a national, multi-faceted, virtual organisation funded and overseen by the Welsh Government's Division for Social Care and Health Research. It provides an infrastructure to support and increase capacity in research and development, runs a number of funding schemes, and manages the NHS research and development funding allocation in Wales. Its aim is to generate and support excellent research to improve the health and care of people in Wales across a range of conditions and settings.

The Board of PTHB is not responsible for the delivery of the objectives of these functions, or their day-to-day management. However, it is responsible for ensuring that the functions are staffed using appropriate recruitment mechanisms, and that PTHB's Standing Financial Instructions and Workforce and Organisational Development policies are complied with.

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The Health Board has nominated its Executive Director of Workforce and Organisational Development as the Lead Executive Director for these functions. Key officers from Finance, IT, Governance and Workforce teams have been identified to provide support to the functions, as appropriate.

During 2022/2023 we continued to work with Welsh Government to strengthen the governance and accountability arrangements for the functions that we host, and on the transfer of the CHC to the Citizens Voice Body.

OUR GOVERNANCE AND ASSURANCE FRAMEWORKS

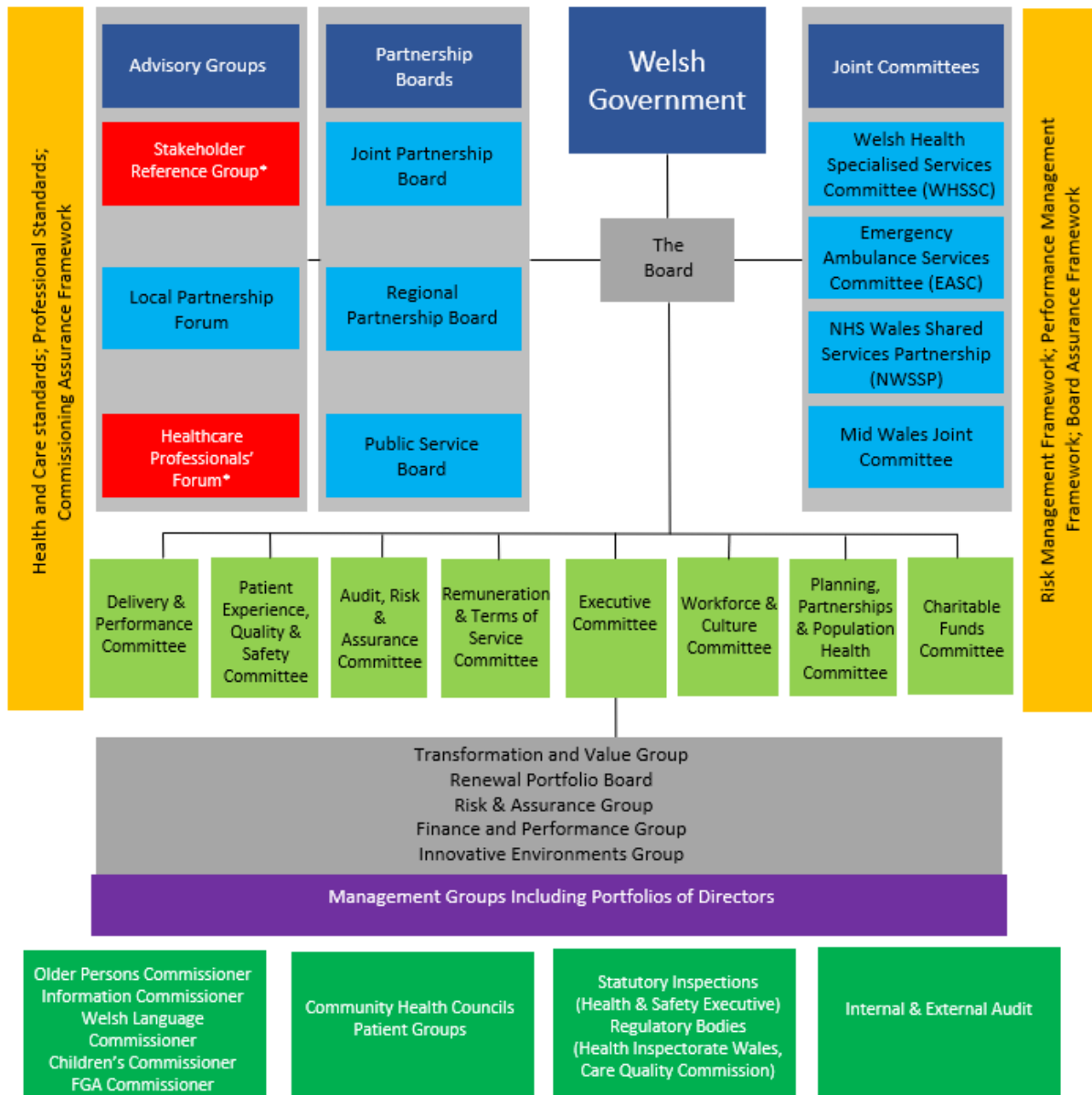
Powys Teaching Health Board has a clear purpose from which its strategic aims and objectives have been developed. Our vision is to enable a 'Healthy Caring Powys'. The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its three year Integrated Medium Term Plan (IMTP) and Annual Delivery Plan. The Integrated Medium Term Plan was approved by Board on 30 March 2022. A copy of our Integrated Medium-Term Plan for 2022-2025 can be found on the Health Board [website](#).

The Board keeps its governance and assurance frameworks under review. Current arrangements have been in place since July 2021.

Figure 1 on the page that follows provides an overview of the governance frameworks that were in operation during 2022/2023:

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Powys Teaching Health Board Governance and Assurance Framework



* Yet to be established

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THE BOARD

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions 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. Details of those who sit on the Board are published on the Health Board [website](#). Further information is also provided within the Director's Report.

The Board sits at the top of the organisation's governance and assurance systems. Its principal role is to exercise effective leadership, provide strategic direction and control. The Board is accountable for governance and internal control in the organisation, and I, as the Chief Executive and Accountable Officer, am responsible for maintaining appropriate governance structures and procedures. In summary, the Board:

- sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales;
- establishes and maintains high standards of Corporate Governance;
- sets the risk appetite for the organisation and provides oversight of strategic risks;
- ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility;
- monitors progress against the delivery of strategic and annual objectives; and
- ensures effective financial stewardship by effective administration and economic use of resources.

STANDARDS OF BEHAVIOUR

The Welsh Government's *Citizen-Centred Governance Principles* apply to all the public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales.

The Board is strongly committed to the Health Board being value-driven, rooted in 'Nolan' principles and high standards of public and behaviour including openness, customer service standards, diversity and engaged leadership. The Board has in place a Standards of Behaviour Policy, which sets out the Board's expectations and provides guidance so that individuals are supported in delivering that requirement.

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The Standards of Behaviour Policy re-states and builds on the provisions of Section 7, Values and Standards of Behaviour, of the Health Board's Standing Orders. It re-emphasises the commitment of the Health Board to ensure that it operates to the highest standards, the roles, and responsibilities of those employed by the Health Board, and the arrangements for ensuring that declarations of interests, gifts, hospitality and sponsorship can be made. The policy also aims to capture public acceptability of behaviours of those working in the public sector in order that the Health Board can be seen to have exemplary practice in this regard.

Details of the Board's Standards of Behaviour Policy incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, is available on the Health Board's [website](#).

STANDING ORDERS AND SCHEME OF RESERVATION AND DELEGATION

The Health Board's governance and assurance arrangements have been aligned to the requirements set out in the Welsh Government's Governance e-manual and the Citizen Centred Governance Principles. Care has been taken to ensure that governance arrangements also reflect the requirements set out in HM Treasury's 'Corporate Governance in Central Government Departments: Code of Good Practice 2017.

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and Standing Financial conduct of the Health Board and define "its ways of working". The Standing Orders in place during 2022-2023 were adopted by the Board on 27 November 2019, with minor amendments adopted at Board on 28 July 2021 and 25 May 2022, and are available on the Health Board's [website](#).

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf This enables the day-to-day business of the Health Board may be carried out effectively, and in a manner that secures the achievement of the organisation's aims and objectives. The Committee structure is outlined in the following section and the Terms of Reference are available on the Health Board's [website](#).

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COMMITTEES OF THE BOARD

Section 3 of Powys Teaching Health Board's Standing Orders provides that *"The Board may and, where directed by the Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions."*

In line with these requirements the Board has established a standing Committee structure, which it has determined best meets the needs of the Health Board, while taking account of any regulatory or Welsh Government requirements. Each Committee is chaired by an Independent Member of the Board, with the exception of the Executive Committee which is chaired by the Chief Executive as Accountable Officer and is constituted to comply with Welsh Government's Good Practice Guide – Effective Board Committees. All Committees regularly review their Terms of Reference and Work Plans to support the Board's business. Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent the Health Board from meeting its vision, aims and objectives.

As part of the regular review of Board arrangements changes to the Committee structure were agreed at Board on 28 July 2021 and Terms of Reference for each Committee were agreed at Board on 29 September 2021. The following Committee structure is in place:

- Audit, Risk and Assurance Committee;
- Charitable Funds Committee;
- Delivery and Performance Committee;
- Executive Committee;
- Patient Experience, Quality and Safety Committee;
- Planning, Partnerships and Population Health Committee;
- Remuneration and Terms of Service Committee;
- Workforce and Culture Committee.

The detailed Terms of Reference, agendas and papers for each of the current Committees can be found on the Health Board's [Website](#).

The Chair of each Committee reports the business of each meeting to the Board on the committee's activities and any matters of concern or escalation to be brought to the attention of the Board, through a Chair's report. This contributes to the Board's assessment of risk, level of assurance and scrutiny against the delivery of objectives. Annual reports will be prepared for individual committees after year-end.

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The Board and Committee Effectiveness review was undertaken in a Board Development session. The review involved a survey of all Board members and the Board considered arrangements to be appropriate. Decision logs for Board and committees are maintained and used to inform the summary of Board and committee business. Decisions are recorded within minutes which are reported at the following Board or committee meeting.

With the limitations on public gatherings introduced early in the pandemic the Health Board moved to holding Board and Committee meetings virtually, via electronic means. This is not in accordance with the Public Bodies (Admissions to Meetings) Act 1960 whereby the organisation is required to hold its meetings in public. The Health Board is committed to openness and transparency and conducts as much of its Board and Committee business as possible in a session that members of the public are normally welcome to attend and observe. This is either via a livestream (Board meetings), or by inviting members of the public to contact the Director of Corporate Governance to request arrangements be made for an opportunity to observe Committee meetings which are not livestreamed. The following notice is included in each Committee agenda:

Powys Teaching Health Board is committed to openness and transparency and conducts as much of its business as possible in a session that members of the public are normally welcome to attend and observe.

However, considering the current advice and guidance in relation to Coronavirus (COVID-19), the Board has agreed to run meetings virtually by electronic means as opposed to in a physical location, for the foreseeable future. This will unfortunately mean that members of the public will not be able attend in person. The Board has taken this decision in the best interests of protecting the public, our staff and Board members.

The Board is considering plans to enable its committee meetings to be made available to the public via live streaming. In the meantime, should you wish to observe a virtual meeting of a committee, please contact the Director of Corporate Governance/Board Secretary in advance of the meeting in order that your request can be considered on an individual basis (please contact Helen Bushell, Director of Corporate Governance/Board Secretary, helen.bushell2@nhs.wales.uk).

These arrangements have continued in relation to Health Board committee meetings throughout the year. It is acknowledged that Standing Orders have not been fully complied with in terms of access to Board Committee meetings. However, the arrangements outlined above have been put in place to mitigate for this and are in the public interest.

The format and method of holding Board meetings continues to be under frequent review.

Figures 2 below provide an overview of the role and responsibilities of the Board's Committees, as set out within respective Terms of Reference.

Figure 3 below provides an overview of Board and Committee meetings held during 2022/2023.

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FIGURE 2: ROLES AND RESPONSIBILITIES OF COMMITTEES OF THE BOARD FROM APRIL 2022 – MARCH 2023

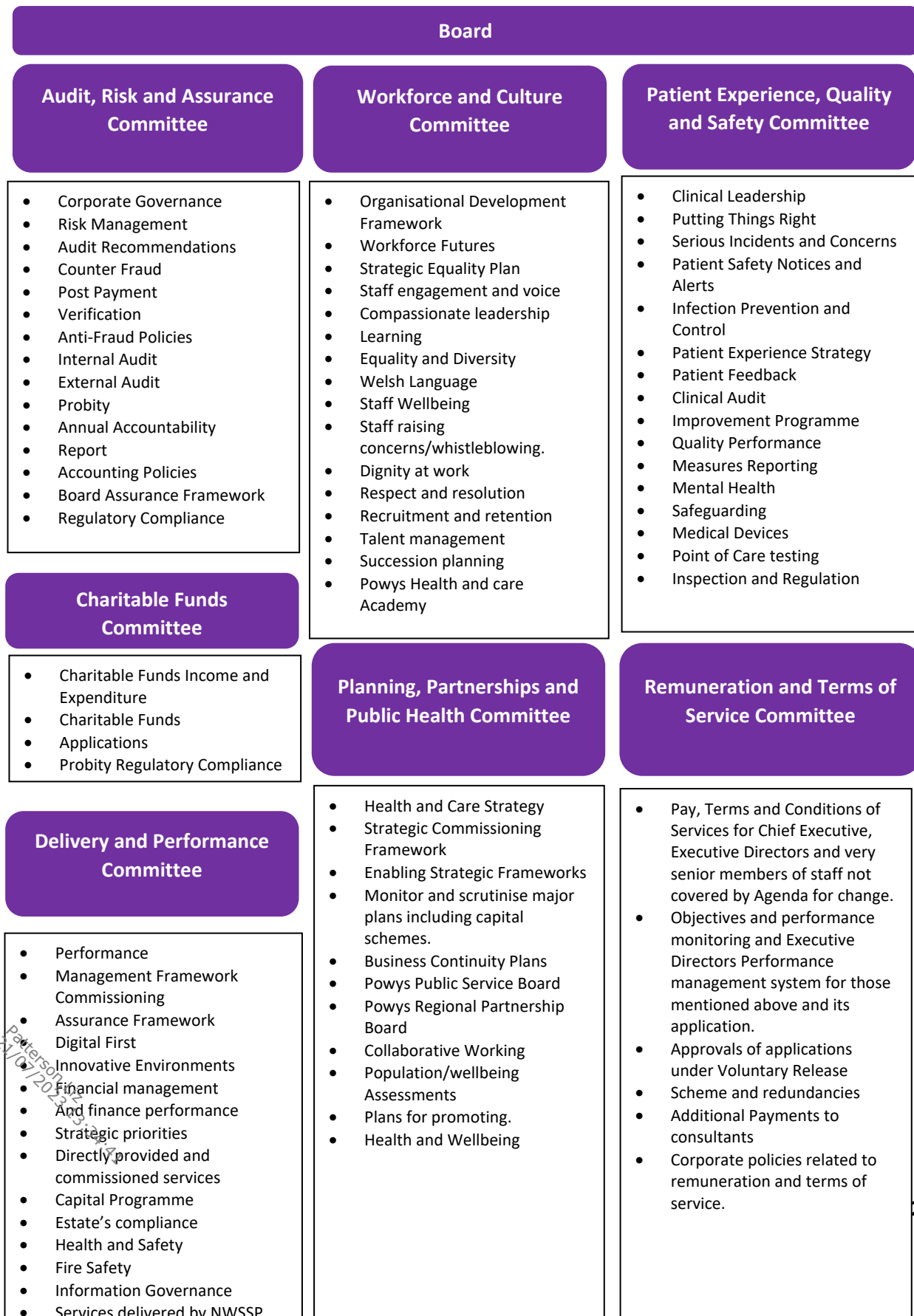


FIGURE 3: BOARD AND COMMITTEE MEETINGS HELD DURING 2022/2023

Board/ Committee	Dates											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board	28	25 & 31	14	27		28		30		25		29
Audit Risk and Assurance	26	17	13	18		27		15		31		21
Charitable Funds	26		14			23			07	16		01
Delivery and Performance		03	23			12		11			28	
Patient Experience Quality and Safety		12		07		13		24			23	
Planning, Partnerships and Population Health	07			14			20			19		
Remuneration and Terms of service		12		28		26			05	31		06 & 29
Workforce and Culture		31				20			13			14*

*It should be noted that it was necessary to cancel the March meeting of Workforce and Culture Committee in 2022/2023 at short notice, it was not possible to rearrange the meeting before the end of the corporate year. The Workforce and Culture Committee have thus not complied with the requirement to meet quarterly during this period. To avoid a long gap between meetings of the Committee, the first meeting of the Committee in 2023/2024 has been brought forward by a month whereafter the normal quarterly cycle will resume.

Details of Board Members and their attendance at the Board can be found at **Appendix 1** on **page 87**.

ITEMS CONSIDERED BY THE BOARD IN 2022/2023

During 2022/2023 the Board held:

- eight public meetings, all virtual, livestreamed and video uploaded after the meeting
- five In-Committee (private) meetings
- an Annual General Meeting
- one Chair's Action
- two Board Briefings; and
- nine Board development sessions.

All meetings of the Board held in 2022/2023 were appropriately constituted with the required quorum.

Board Activity:

During the year, the Board considered a number of key issues and took action where appropriate, these are summarised below:

Standing Items:

- Experience Stories (patient and staff)
- Report of Chair
- Report of Vice-Chair
- Report of CEO
- Minutes from previous meetings
- Performance Reports on:
 - the three year Integrated Medium Term Plan
 - the one year Delivery Plan; and
 - Financial Performance
- Corporate Risk Register
- Assurance Reports from:
 - Board Committees
 - Joint Committees
 - Partnerships
 - Advisory Group
- Report from Chief Officer of Community Health Council

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Board approved the following items:

- Charitable Funds Annual Report and Accounts 2020/2021
- General Medical Services Out of Hours
- Scheme of Delegation and Reservation of Powers
- Annual Accountability Report
- Letter of Representation
- Welsh Language Standards Annual Monitoring Report 2021/2022
- Equality, Diversity and Inclusion Annual Report 2021/2022
- Annual Report on Civil Contingencies
- Integrated Performance Framework
- Section 28A agreements
- Covid-19 Public Inquiry (module roles)
- Charitable Funds Strategy
- Management of Policies, Procedures and Written Control Documents
- Risk Management Framework and Risk Appetite Statement
- Winter Resilience Report
- Charitable Funds Annual Report and Annual Accounts 2022/2023
- Integrated Plan 2023-2026
- New Velindre Cancer Centre Full Business Case

Board noted the following items:

- Wellbeing Assessments
- Population Needs Assessment
- Report of sealed documents
- Annual Financial Statements
- Winter Planning

Board considered the following items:

- Renewal Priority – Breathe Well
- Health Wales Whole System Approach to Obesity Prevention
- Renewal Priority – Cancer Programme
- Health Inequalities Report
- Digital First Overview Report

ITEMS CONSIDERED BY COMMITTEES OF THE BOARD

During 2022/2023, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the Committees included a range of internal audit reports, external audit reports and reports from other review and

regulatory bodies, such as Healthcare Inspectorate Wales and the Health and Safety Executive.

As was the case in previous years, the Committees' consideration and analysis of such information has played a key role in my assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms.

The Committees also considered and advised on areas of local and national strategic developments and new policy areas. Board Members are also involved in a range of other activities on behalf of the Board, such as Board Development sessions, attending partnership meetings, shadowing and a range of other internal and external meetings.

An overview of the key areas of business of the Board committees is set out in **Figure 4**:

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Figure 4: Key Areas of Focus of Committees of the Board (in summary)

<p>Audit, Risk and Assurance Committee</p>	<ul style="list-style-type: none"> ▪ ratified approval of Single Tender Waivers ▪ received the Internal Audit Annual Report and Opinion ▪ approved the Annual Internal Audit Plan ▪ received Internal and External Audit Reports and tracked implementation of audit recommendations ▪ received Counter Fraud updates and reports ▪ tracked implementation of Welsh Health Circulars ▪ kept under review the Health Board’s arrangements for risk management and assurance ▪ reviewed and sought assurance on the accuracy of the Annual accounts and Annual accountability statement ▪ reviewed and sought assurance on the Charitable Funds Annual report and accounts ▪ reviewed and sought assurance on the accuracy of annual reports ▪ received Annual Register of Interests ▪ reviewed and sought assurance on the Annual Governance Programme ▪ reviewed and sought assurance on losses and special payments.
<p>Executive Committee</p>	<ul style="list-style-type: none"> ▪ provided advice to the Board in relation to the development of the Integrated Plan for 2023-2026 ▪ reviewed and provided advice to the Board in relation to the identification and management of corporate risks ▪ reviewed and sought assurance in relation to limited and no assurance internal and external audit reports ▪ received various service-based business cases, service, and improvement plans, making decisions relevant to operational delivery of the Boards strategy and in-year plan

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	<ul style="list-style-type: none"> ▪ took forward actions arising from the Integrated Performance Report and performance managing the delivery of those action plans ▪ kept the operational effectiveness of policies and procedures under review ▪ scrutinised key reports and strategies prior to their submission to other Committees of the Board and/or the Board to ensure their accuracy and quality ▪ provided a strategic view of issues of concern ensuring co-ordination between Executive Directorates ▪ provided advice to the Committees of the Board and/or the Board on matters related to quality, safety, planning, commissioning, service level agreements and change management initiatives ▪ ensured staff are kept up to date on Health Board wide issues ▪ acted as the forum in which Executive Directors and senior managers can formally raise concerns and issues for discussion, making decisions on these issues.
<p>Charitable Funds Committee</p>	<ul style="list-style-type: none"> ▪ scrutinised applications for charitable funds; ▪ kept an overview of charitable funds income and expenditure ▪ reviewed and recommended to the Board the Charity's Annual report and Annual accounts.
<p>Delivery and Performance Committee</p>	<ul style="list-style-type: none"> ▪ sought assurance on performance on the Integrated Medium Term Plan and Delivery Plan ▪ reviewed the Performance section of the Annual Report ▪ sought assurance on financial performance, closely scrutinising areas of cost pressure and savings plans ▪ scrutinised primary care performance (General Medical Services, General Dental Services, Community Pharmacy and Out of Hours) ▪ reviewed Digital First Updates ▪ reviewed Innovative Environments updates, including seeking assurance on Health and Safety matters ▪ sought assurance on the Information Governance and Records Management Improvement plans

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	<ul style="list-style-type: none"> ▪ reviewed Strategic Renewal Portfolio priorities including Value Based Healthcare, Children and Young People, Urgent and Emergency Care and Community Model ▪ sought assurance on the Committee based Corporate Risk Register.
Patient Experience, Quality and Safety Committee	<ul style="list-style-type: none"> ▪ scrutinised the Integrated Quality Report including: <ul style="list-style-type: none"> ○ implementation of the Quality and Engagement Act ○ scrutinise Commissioning Escalation Report ○ monitor Incidents and Concerns ○ monitor the Inspections and External Bodies Report and Action Tracking ○ sought assurance on patient experience ○ sought assurance on Infection, Prevention and Control including nosocomial updates. ▪ monitored Maternity Services Assurance reports including local escalation and de-escalation of Maternity Services ▪ received the Annual Reports of the Accountable Officer Controlled Drugs ▪ monitored compliance with Mental Health legislation ▪ scrutinised the Board’s Clinical Quality Framework ▪ sought assurance on the Committee based Corporate Risk Register.
Planning, Partnerships and Population Health Committee	<ul style="list-style-type: none"> ▪ reviewed the strategic change report ▪ reviewed development of the Integrated Plan ▪ sought assurance on the Regional Partnership Board programmes ▪ sought assurance on the Wellbeing Assessment and Population Assessment ▪ monitored primary care cluster planning ▪ sought assurance on Smoke Free Premises and Vehicles compliance ▪ sought assurance on the Covid-19 Vaccination Programme 2022/2023 ▪ sought assurance on the delivery of Multi-Agency Plan for ALN and Education Tribunal (Wales) Act 2018 ▪ sought assurance on the Tobacco control Delivery Plan

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	<ul style="list-style-type: none"> ▪ sought assurance on the Healthy Schools and Healthy Preschools schemes ▪ approved the Healthy Wales Whole System Approach to Obesity Prevention ▪ sought assurance on the Committee based Corporate Risk Register.
<p>Workforce and Culture Committee</p>	<ul style="list-style-type: none"> ▪ scrutinised the Workforce Performance Reports ▪ scrutinised the Equality, Diversity and Inclusion monitoring report ▪ sought assurance on Workforce Futures: <ul style="list-style-type: none"> ○ Carers and Volunteers) ○ Workforce and Planning ○ Education and Training ○ Leadership and Team Development ○ Intensive Learning Academy ▪ sought assurance and on the Communications and Engagement six month report ▪ reviewed the implementation of agile working and new ways of working ▪ sought assurance on staff wellbeing ▪ received the Welsh Language Standards Annual Report 2020/2021 ▪ considered Staff Wellbeing including regulatory report and management response (Caring for the Carers) ▪ received the Medical Job Planning Annual Report ▪ received the Communications and Engagement Situation Report ▪ sought assurance on the Committee based Corporate Risk Register

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BOARD DEVELOPMENT

During the year, the Board took part in a number of development and briefing sessions which covered the following topics:

- Board and Committee Effectiveness (2021/2022);
- Discussion on learning from significant reviews;
- Climate and carbon;
- Procurement Training;
- Charities Governance and Strategy;
- Development of The Board;
- Risk identification and Risk Registers;
- Review of Board level frameworks;
- Integrated Medium Term Planning;
- Financial Planning;
- Accelerated Sustainable Model development;
- Duty of Quality and Duty of Candour.

The Board has scheduled its annual self-assessment and reflection for 2022/2023 to take place in quarter 1 of 2023 (to include consideration of the effectiveness of its committees).

ADVISORY GROUPS

PTHB's Standing Orders require the Board to have three advisory groups in place. When active, these allow the Board to seek advice from and consult with staff and key stakeholders. They are:

- a Stakeholder Reference Group;
- a Local Partnership Forum; and
- a Healthcare Professionals' Forum.

Information in relation to the role and terms of reference of each Advisory Group can be found in the Health Board's Standing Orders on the Health Board [website](#).

The Local Partnership Forum (LPF) is well established. Work has continued during 2022/2023 to strengthen the Forum's operating arrangements and maximise its role in providing advice to the Board. The Forum has considered the Integrated Medium Term Plan, reviewed the Terms of Reference, received regular updates on the financial position, workforce analysis and a summary report from the Director of Workforce and OD. Other areas considered include agile working, staff facilities, services at Knighton and Crug Ward, Brecon, winter preparedness, industrial action,

carparking across the estate and support mechanisms for wellbeing. All reports have a staffside focus.

The Standing Orders require the Health Board to constitute a Stakeholder Reference Group and Healthcare Professionals Forum. System pressures have meant that progress was not made to constitute these groups during 2022/2023. The Health Board therefore declares a non-compliance with our Standing Orders in so far as these two forums are concerned.

In the absence of the Healthcare Professionals Forum, the Board engages clinical professionals through its clinical Executive Directors (Medical, Nursing and Midwifery, Therapies and Health Sciences and Public Health), and existing management groups such as the Heads of Nursing and Midwifery Group and the Heads of Therapies. The Health Board also engages with GPs through its cluster arrangements, other primary care contractors through established forums and with many representative and regulatory bodies.

In the absence of the Stakeholder Reference Group the Board engages with partners and stakeholders through robust local partnership arrangements which make best use of the coterminous relationship between the Health Board, Local Authority and third sector umbrella body, PAVO. This includes the Powys Public Service Board, Powys Joint Partnership Board (Health Board and Local Authority) and Powys Regional Partnership Board.

The Regional Partnership Board has well established engagement mechanisms to inform an integrated health and care agenda, with user voice and stakeholder engagement networks in place. The RPB's Engagement and Insight Network also brings together engagement officers from across partner organisations to ensure a co-ordinated and collaborative approach to community engagement. This puts the citizen at its heart, as evidence through a joined-up engagement approach to inform the develop of well-being and population assessments, and the area plan and well-being plan. Constructive relationships have also been in place during the year with the Powys Community Health Council at both County and Local Committee level. Work is under way to transition these relationships into Llais, the new Citizen Voice Body for health and care, so that we can work together on co-productive community engagement to shape the future of health and care.

Given the complex geography of Powys and our dependence on care pathways to multiple acute and tertiary providers outside our borders, we also need to take a bespoke and localised approach to service engagement that works closely with the most relevant stakeholders. For example, focused activity across North Powys as part of our North Powys Wellbeing partnership programme, hyperlocal activity on the Monmouthshire border following an application to close a cross-border branch surgery, and

localised activity in mid-west Powys relation to hospital reconfiguration in Hywel Dda.

It is intended to make arrangements to convene the Healthcare Professional's Forum in 2023/2024.

JOINT COMMITTEES

Regular reports on the work of the Joint Committees are provided by the Chief Executive to the Board at each meeting and can be viewed on the Health Board's [website](#).

WELSH HEALTH SPECIALISED SERVICES COMMITTEE (WHSSC) & EMERGENCY AMBULANCE SERVICES COMMITTEE (EASC)

The Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee are joint committees of Welsh Health Boards, established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the WHSSC Directions) and the Emergency Ambulance Services Committees (Wales) Directions 2014 (2014/8 (W.8)) (the EASC Directions).

Update and assurance reports from WHSSC and EASC meetings are reported to the Board; relevant decisions required from WHSSC and EASC that are owned by the Health Board are referred to the Board.

PARTNERSHIP AND COLLECTIVE WORKING

Regular reports on the work of the Partnership Boards are provided by the Chief Executive to the Board at each meeting and can be viewed on the Board and Committee pages of the Health Board website. The Planning, Partnerships and Population Health Committee also has a key role in ensuring that the Health Board is working effectively with partners.

NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE (NWSSPC)

An NHS Wales Shared Services Partnership Committee (NWSSPC) has been established under Velindre NHS Trust which is responsible for exercising shared services functions including the management and provision of Shared Services to the NHS in Wales.

More information on the governance and hosting arrangement of these committees can be found in the Health Board's Standing Orders on the Health Board [website](#).

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POWYS COUNTY COUNCIL

Powys Teaching Health Board and Powys County Council have a series of overarching Section 33 agreements through which the organisations manage joint arrangements for Care Homes, the Community Equipment Service, Glan Irfon, Information Communication Technology (ICT) services, Reablement Services and Substance Misuse. In addition to Section 33 agreements, a Memorandum of Understanding is in place regarding services for Carers and there are a number of key areas where there is integrated working. These include Mental Health services, services for people with learning disabilities, older people, and children. Section 33 arrangements are overseen by a Joint Partnership Board which is outlined in the next section.

JOINT PARTNERSHIP BOARD

Powys has been made a region in its own right under Part 9 of the Social Services Wellbeing (Wales) Act 2014. In light of this and combined with the requirements of the Well-being of Future Generations Act (Wales) 2015 and the Social Services Wellbeing (Wales) Act 2014, together with the collective drive towards increased integration between the two organisations, in February 2016, PTHB and Powys County Council established a Joint Partnership Board (JPB). The JPB brings together nominated strategic leaders from both organisations to support effective partnership working across organisations within the county for the benefit of the people of Powys. The Joint Partnership Board is responsible for oversight of the integration agenda. Formal Terms of Reference are in place and a collaborative agreement between the Health Board and Powys County Council has been signed.

In 2022/2023, Powys County Council were responsible for the governance arrangements and administration of the JPB, in 2023/2024 this transfer to the Health Board.

POWYS PUBLIC SERVICE BOARD

The Public Service Board (PSB) is the statutory body established by the Well-being of Future Generations (Wales) Act 2015 which brings together the public bodies in Powys to meet the needs of Powys citizens present and future. The aim of the group is to improve the economic, social, environmental, and cultural well-being of Powys. Working in accordance with the five ways of working, the Board has published its Well-being Assessment and Well-being Plan. The Well-being Plan which has been

developed through extensive engagement sets out four local objectives for the Powys we want by 2040.

The Health Board contributes to achieving these objectives through the delivery of 'A Healthy Caring Powys' and the Integrated Medium-Term Plan. The PSB has set out its Well-being Plan 12 well-being steps that we will concentrate on to contribute achieving the four local objectives. These steps are those where the biggest difference can be made by developing solutions together.

The PSB reports annually outlining progress and next steps. The PSB annual reports can be found here: [Powys Public Service Board – Our Annual Progress Report – Powys County Council](#)

POWYS PUBLIC SERVICE BOARD SCRUTINY COMMITTEE

The PSB Scrutiny Committee was set up in September 2018 as a joint committee with representatives of the organisations which sit on the Powys Public Service Board. This Committee last met in November 2021 and is being reformed with membership limited to elected members of the Local Authority.

POWYS REGIONAL PARTNERSHIP BOARD

The Powys Regional Partnership Board (RPB) was established under the Social Services and Well-being (SSWB) (Wales) Act 2014 in April 2016.

The RPB brings together a range of public service representatives including Powys County Council, the Health Board, third sector, citizens and other key partners, to promote effective working together better to improve health and wellbeing in Powys.

The RPB identifies key areas of improvement for care and support services in Powys. The RPB has also been legally tasked with identifying integration opportunities between social care and health. This has been achieved through building on years of joint working and through the development of 'A Healthy Caring Powys' which has identified key priorities. The key opportunities for integrated working identified, and the actions to be taken in support of them are outlined in the Area Plan and focuses on 'Delivering the Vision'. Priorities have been identified as a Focus on Well-being, Tackling the Big 4 (Cancer, Cardio-vascular diseases, respiratory diseases and mental health), Early Help and Support and Joined up Care. The Regional Partnership Board is currently overseeing a major integrated project in North Powys providing a new model of care jointly for health and social care and extending to include supported accommodation and primary education.

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Putting people and what matters to them at the centre of health and care services is core to the RPB. The RPB oversees the delivery of this in Powys, which is done through its programmes: Start Well, Live Well, Age Well as well as some other work which cuts across all of these.

The Board's priorities are set out in the Powys Area Plan – 'A Healthy Caring Powys'. Some of the Board's responsibilities include making sure resources are available, that people remain independent for as long as possible, and that health and care services are fully joined up.

To help make this happen, the RPB also has responsibility for allocating funds from Welsh Government's Regional Integration Fund (RIF), which it uses to support key priorities.

MID WALES JOINT COMMITTEE FOR HEALTH AND CARE

Following the Welsh Government's formal recognition of mid Wales as a designated planning area, the Mid Wales Healthcare Collaborative transitioned to the Mid Wales Joint Committee for Health and Care in March 2018. The Welsh Government's long-term plan for the future of health and social care in Wales, 'A Healthier Wales: Our Plan for Health and Social Care', sets out the long-term future vision of a 'whole system approach to a health and social care' which focuses on health, wellbeing and prevention of illness.

The Mid Wales Joint Committee supports this direction of travel, and its Strategic Intent sets out what we will do to ensure there is a joined-up approach to the planning and delivery of regional solutions across organisational boundaries.

The Board receives reports from the Mid Wales Joint Committee as part of the partnership assurance arrangements.

Further detail on the Mid Wales Joint Committee can be found [here](#).

THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code currently relevant to NHS bodies is 'The corporate governance in central government departments: code of good practice' (published 21 April 2017).

The Health Board, like other NHS Wales organisations, is not required to comply with all elements of the Code, however, the main principles of the Code stand as they are relevant to all public sector bodies.

The Corporate Governance code is reflected within key policies and procedures. Further, within our system of internal control, there are a range of mechanisms in place that are designed to monitor our compliance with

the Code. These include self-assessment, internal and external Audit and independent reviews.

The Board complies with the relevant principles of the Code and is conducting its business openly and in line with the Code, and that there were no departures from the Code as it applies to NHS bodies in Wales.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

It has been reported in previous Annual Governance Statements, the system of internal control operating across Powys Teaching Health Board is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the Health Board, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively, and economically. I can confirm the system of internal control has been in place at the Health Board for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which supports the achievement of the organisation's objectives. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. It has been supported in this role by the work of the committees, each of which provides regular reports to the Board, underpinned by a sub-committee structure, as shown in Figure 1 of this statement (page 22). Some elements of the system of internal control were, however, adapted or suspended during 2022/2023 with the approval of the Board to support the Health Board's response to system pressures, specifically:

- the Risk and Assurance Group met once during the year, although risk management remained the responsibility of managers as set out within the Risk Management Framework and enhanced COVID-19 risk management arrangements were put in place; and
- the escalated leadership arrangements established in 2020/2021 to lead the planning and response to COVID-19 were redeployed from December 2022 to March 2023 to respond to system resilience pressures during the winter period.

CAPACITY TO HANDLE RISK AND KEY ASPECTS OF THE CONTROL FRAMEWORK

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The Board collectively has responsibility and accountability for the setting of the organisation's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

As Accountable Officer I have overall responsibility for risk management and report to the Board on the effectiveness of risk management across the Health Board. My advice to the Board has been informed by executive officers and feedback received from the Board's Committees, in particular the Audit, Risk and Assurance Committee and Patient Experience, Quality and Safety Committee.

The Executive Committee (Committee of the Board, as per page 25) meetings present an opportunity for executive directors to consider, evaluate and address risk, and actively report to the Board and its committees on the organisation's risk profile.

The Health Board's lead for risk is the Director of Corporate Governance and Board Secretary, who is responsible for establishing the policy framework and systems and processes that are needed for the management of risks within the organisation. Risks are assigned to Directors to lead the organisational response.

Emergency plans and business continuity arrangements have been in place for the duration of 2022/2023, in accordance with the Health Board's statutory duties under the Civil Contingencies Act 2004 and Emergency Planning Guidance as issued by Welsh Government. The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response to system pressures, and recovery and renewal phases following the COVID-19 pandemic. It has been necessary to ensure that this is underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve its strategic objectives.

THE RISK MANAGEMENT FRAMEWORK

Robust risk management is a key tool for the Board and is essential to good management. The aim is to ensure it is integral to the Health Board's culture and is an increasingly important element of the Health Board's planning, budget setting and performance processes.

The Board's Risk Management Framework sets out the Health Board's processes and mechanisms for the identification, assessment, and escalation of risks. It has been developed to create a robust risk management culture across the Health Board by setting out the approach and mechanisms by which the Health Board will:

- ensure that the principles, processes, and procedures for best practice risk management are consistent across the Health Board and are fit- for-purpose;
- ensure that risks are identified and managed through a robust organisational Assurance Framework and accompanying Corporate and Directorate Risk Registers;
- embed risk management and established local risk reporting procedures to ensure an effective integrated management process across the Health Board’s activities;
- ensure that strategic and operational decisions are informed by an understanding of the organisation’s risks and their likely impact;
- ensure that risks to delivery of the Health Board’s strategic objectives are eliminated, transferred, or proactively managed;
- manage the clinical and non-clinical risks facing the Health Board in a co-ordinated way; and
- keep the Board and its Committees suitably informed of significant risks facing the Health Board and associated plans to treat the risk.

The Risk Management Framework sets out a multi-layered reporting process, which comprises the Board Assurance Framework and Corporate Risk Register, Directorate Risk Registers, Local Risk Registers and Project Risk Registers. It has been developed to help build and sustain an organisational culture that encourages appropriate risk taking, effective performance management and organisational learning in order to continuously improve the quality of the services provided and commissioned.

The Risk Management Framework sets out the ways in which risks will be identified and assessed. It is underpinned by a number of policies that relate to risk assessment including incident reporting, information governance, training, health and safety, violence and aggression, complaints, infection control, whistleblowing, human resources, consent, manual handling, and security. The Risk Management Toolkit was developed to assist risk owners in the day-to-day identification, assessment, and management of risk. This is supported with training, support and advice from the Health Board’s Corporate Governance Team who endeavor to facilitate a risk aware culture by effectively engaging with services to embed the risk management framework and process. Generic Risk Management Training is available to all staff via ESR. Tailored Health Board specific training is provided to the Risk and Assurance Group on an annual basis and to directorates/services upon request. In 2023-24 work will be undertaken by the Corporate Governance Team to further engage with Executive Directors to identify areas within the organisation which would benefit from in-house risk management training, the outcome of this engagement will be developed into a comprehensive risk management training plan.

The Risk Management Framework is available on the Health Board's website [here](#).

MANAGEMENT OF RISKS DURING 2022/2023

Strategic Risks

Strategic risks are those risks that represent a threat to achieving the Health Board's strategic objectives or its continued existence.

Strategic risks are recorded in the Board's Corporate Risk Register (CRR), which provides an organisational-wide summary of significant risks facing the Board. The criteria for a risk to be included in the Corporate Risk register is:

- the risk must represent an issue that has the potential to hinder achievement of one or more of the Health Board's strategic objectives;
- the risk cannot be addressed at directorate level; and/or
- further control measures are needed to reduce or eliminate the risk; A considerable input of resource is needed to treat the risk (finance, people, time, etc.).

A fundamental review of the Corporate Risk Register was undertaken in 2022/2023 following approval of the 2022-2025 Integrated Medium-Term Plan, in order to ensure that the register reflected consistently the risks to delivering the Health Board's strategic objectives. Key themes arising from the review included:

- financial sustainability and use of resources;
- sustainability of services throughout the health and care system;
- the ongoing need to monitor quality, defined as safety, effectiveness and experience and the potential for harm to patients;
- the risk represented by ongoing challenges in recruiting and retaining staff;
- the focus that continues to be needed on effective working with partners;
- the potential for care to be compromised due to the Health Board's estate not being fit for purpose;
- the ever-present risk of a cyber-attack; and
- the risk presented by a significant public health event/emergency.

EMBEDDING EFFECTIVE RISK MANAGEMENT

Embedding effective risk management remains a key priority for the Board as it is integral to enabling the delivery of our objectives, both strategic and operational, and most importantly to the delivery of safe, high-quality

services.

In March 2020, Internal Audit undertook a review of Risk Management and Board Assurance arrangements, which focused on how the Board Assurance Framework and Risk Management Framework are being implemented and updated in-line with the revised IMTP. A limited assurance rating was provided to the Board in respect of this review.

In July 2022 a further review was undertaken which recognised the progress made in the area and provided a reasonable assurance rating. Highlighted in the review was the Risk Management Framework (RMF) and Toolkit, approved by the Board in November 2021 which together provide a comprehensive and user-friendly approach to organisational risk management strategy. The Framework outlines the roles and responsibilities for risk management, the organisational risk management structure, Corporate and Directorate monitoring and reporting lines, the Board's approach to risk appetite and risk management processes including the escalation, consolidation and aggregation of risks. The Framework and Toolkit (alongside the Risk Appetite Statement) are reviewed on an annual basis by the Board. This was undertaken in Quarter 3 of 2022/2023 and a revised version was approved by the Board in November 2022 with no material changes made.

As a result of the pandemic the review of the Board Assurance Framework (BAF) was paused in 2020/2021. We recognise the importance of the BAF in the risk environment. In the first quarter of 2023/2024, work will begin to refresh the Board Assurance Framework (BAF) to ensure robust assurance is provided to the Board and Board Committees and inform decision making at Board, Executive and Directorate level. Work is currently being undertaken to update the Corporate Risk Register which will enhance information in relation to assurance of the key controls being reported to the Board.

The Risk and Assurance Group met once in 2022/23. Further work will be undertaken in 2023/2024 to strengthen the arrangements in relation to the Group to enable coordination of the achievement of the Risk Management Framework's objectives through the organization's directorates, by embedding risk management and establishing local risk reporting procedures. This will enable the effective integrated management of risk and assurance. The Group will also seek to ensure that the Board has in place effective systems for the reporting of risk, and the management of risk registers (local, directorate and corporate) and the Board's Assurance Framework (BAF).

Consultation with internal and external stakeholders and partners is an important element of the risk management process. Communication and engagement varies depending upon the nature and severity of the risk. For

example, our risk related to accessing planned, secondary and specialised care requires a partnership approach and is dependent on working closely with key commissioners in both NHS Wales and NHS England. Engagement of stakeholders has also taken place through multi-agency partnership working. The Regional Partnership Board, Joint Partnership Board and Public Services Board is part of the Health Board governance structure that helps to support the management of risk facing the organisation through collective dialogue.

RISK APPETITE

The Board's Risk Appetite Statement sets out the Board's strategic approach to risk-taking by defining its risk appetite thresholds. It is a 'live' document that is regularly revised and modified, so that any changes to the organisation's strategies, objectives, or its capacity to manage risk are properly reflected. The Risk Appetite Statement is composed of two parts: a general written statement, supported by the cumulative risk appetite categories.

In updating and approving its Risk Appetite Statement, the Board considered the Health Board's capacity and capability to manage risk.

The Board recognises that risk is inherent in the provision and commissioning of healthcare services, and therefore a defined approach is necessary to articulate risk context, ensuring that the organisation understands and is aware of the risks it is prepared to accept in the pursuit of its aims and objectives.

In 2021/2022 the Risk Appetite Statement was developed to reflect an increased appetite in relation to innovative and financial risks, which may be necessary to support achievement of the Board's ten-year strategy 'A Health, Caring Powys'. In recognising the risks inherent in healthcare services, the risk appetite statement starts at the basis of a low appetite. The underlying principles of the 2021/2022 Risk Appetite Statement were maintained in 2022/2023.

All Board Members were involved in preparing the statement and the complexities in relation to the establishment of the Board's appetite in respect of quality in the context of current and future system pressures and financial outlook was recognised. The Risk Appetite Statement for 2022/2023 sought therefore to further consider the nature of the external environment within which the Health Board operates and the need for greater clarity and granularity to aid decision making and the treatment of risk.

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The following risk appetite levels, have been included and have been used as the basis in determining the appetite levels set out in the Statement:

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

The thresholds provided with the Risk Appetite Statement are provided below:

Risk Category	Description
APPETITE FOR RISK: Averse	
Safety	<p>We consider the safety of patients and staff to be paramount and core to our ability to operate and carry out the day-to-day activities of the organisation. We have a low appetite to risks that result in, or are the cause of, incidents of avoidable harm to our patients or staff.</p> <p>We will not accept risks, nor any incidents or circumstances which may compromise the safety of any staff members and patients or contradict our values i.e., unprofessional conduct, underperformance, bullying or an individual's competence to</p>

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Risk Category	Description
	perform roles or tasks safely nor any incident or circumstances which may compromise the safety of any staff members or group.
APPETITE FOR RISK: Minimal	
Quality	The provision of high-quality services is of the utmost importance for the Health Board. The Board acknowledges that in order to achieve individual patient care, treatment and therapeutic goals there may be occasions when a low level of risk must be accepted. Where such occasions arise, we will support our staff to work in collaboration with those who use our services, to develop appropriate and safe care plans. We therefore have a low appetite for risks which may compromise the quality of the care we deliver / could result in poor quality care, non-compliance with standards of clinical or professional practice or poor clinical interventions. Our service is underpinned by clinical and professional excellence and any risks which impact on quality could adversely affect outcomes and experiences of our patients, service users and communities.
APPETITE FOR RISK: Cautious	
Regulation & Compliance	We are cautious when it comes to compliance and regulatory requirements. Where the laws, regulations and standards are about the delivery of safe, high-quality care, or the health and safety of the staff and public, we will make every effort to meet regulator expectations and comply with laws, regulations, and standards that those regulators have set, unless there is strong evidence or argument to challenge them.
Reputation & Public Confidence	<p>We will maintain high standards of conduct, ethics and professionalism at all times, espousing our Values and Behaviours Framework, and will not accept risks or circumstances that could damage the public's confidence in the organisation.</p> <p>Our reputation for integrity and competence should not be compromised with the people of Powys, Partners, Stakeholders and Welsh Government.</p> <p>We have a moderate appetite for risks that may impact on the reputation of the Health Board when these arise as a result of the Health Board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory environment.</p>
Performance	We have a low-moderate risk appetite for risks which may

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Risk Category	Description
and Service Sustainability	affect our performance and service sustainability. We are prepared to accept managed risks to our portfolio of services if they are consistent with the achievement of patient/donor safety and quality improvements as long as patient/donor safety, quality care and effective outcomes are maintained. Whilst these will both be at the fore of our operations; we recognise there may be unprecedented challenges (such as Covid-19, workforce availability and limited resources) which may result in lower performance levels and unsustainable service delivery for a short period of time.
Financial Sustainability	We have been entrusted with public funds and must remain financially viable. We will make the best use of our resources for patients and staff. Risks associated with investment or increased expenditure will only be considered when linked to supporting innovation and strategic change. We will not accept risks that leave us open to fraud or breaches of our Standing Financial Instructions.
Workforce	The Health Board is committed to recruit and retain staff that meet the high-quality standards of the organisation and will provide on-going development to ensure all staff reach their full potential. This key driver supports our values and objectives to maximize the potential of our staff to implement initiatives and procedures that seek to inspire staff and support transformational change whilst ensuring it remains a safe place to work.
APPETITE FOR RISK: Open	
Partnerships	The Health Board is committed to working with its stakeholder organisations to bring value and opportunity across current and future services through system-wide partnership. We are open to developing partnerships with organisations that are responsible and have the right set of values, maintaining the required level of compliance with our statutory duties. We therefore have a high-risk appetite for partnerships which may support and benefit the patients in our care. For example, the Health Board has a high appetite for risks associated with innovation and partnership with the third sector, industry, and academia in order to realise the provision of new models of care, new service delivery options, new technologies, efficiency gains and improvements in clinical practice. However, the Health Board will balance the opportunities with the capacity and capability to deliver such opportunities and is confident that there will be no adverse impact on the safety and quality of the services provided.
Innovation & Strategic	We wish to maximise opportunities for developing and growing our services by encouraging entrepreneurial activity

Risk Category	Description
Change	<p>and by being creative and pro-active in seeking new initiatives, consistent with the strategic direction set out in the Integrated Medium-Term Plan, whilst respecting and abiding by our statutory obligations.</p> <p>We will consider risks associated with innovation, research, and development to enable the integration of care, development of new models of care and improvements in clinical practice that could support the delivery of our person and patient centered values and approach.</p> <p>We will only take risks when we have the capacity and capability to manage them and are confident that there will be no adverse impact on the safety and quality of the services we provide or commission.</p>

THE HEALTH BOARD'S RISK PROFILE

As can be seen from the Heat Map at Figure 7, at the end of March 2023 a number of key risks to the delivery of the Health Board's strategic objectives had been identified. Full details of the controls in place and actions taken to address these risks can be found in the Corporate Risk Register on the Health Board's website [here](#).

Figure 7: Strategic Risk Heat Map

In-Committee Risks (Private)		-A cyber-attack results in significant disruption to services and quality of patient care				
Impact	Catastrophic	5				<ul style="list-style-type: none"> - the Health Board fails to manage its financial resources in line with statutory requirements -the urgent and emergency health and social care system fails to deliver a timely response for care for Powys citizens

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	Major	4		- a significant public health event/emergency impacts on provision, continuity and sustainability of services	-the Health Board fails to adequately allocate resources, including transformation capacity, to improve health outcomes/experience and reduce inequalities -citizens of Powys receive poor quality care (quality defined as safety, effectiveness and experience) from one or more of a range of providers -failure to plan for, recruit and retain an appropriate workforce results in an inability to sustain high quality services -the care provided in some areas is compromised due to the Health Board's estate being not fit for purpose	-inequity of access to planned, secondary and specialised care results in poorer outcomes and experience for some Powys citizens -the demand and capacity pressures in the primary care system lead to services becoming unsustainable	
	Moderate	3		-ineffective partnership working, including on service change/reconfiguration, results in poorer outcomes and experience for citizens of Powys			
	Minor	2					
	Negligible	1					
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost Certain
			Likelihood				

An overview of the key risks (i.e., those in the red section of the Heat Map) and actions taken to manage the risks are provided in Figure 8.

Figure 8: Key Risks and Controls

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
[CRR 001 – Risk Score 20] the Health Board fails to manage its financial resources in line with statutory	<p>CONTROLS IN PLACE / ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ Balanced Financial Plan included in IMTP Submission ▪ Financial Control Procedures and Standing Orders and Standing Financial Instructions and Budgetary Control Framework, Budgetary Control Audit rated as substantial assurance ▪ Risks and Opportunities – focus and action to maximise opportunities and minimise / mitigate risks ▪ Service Reviews / Performance reviews to strengthen financial monitoring of performance and longer-term impact on financial plan

requirements	<p>(support better decision making)</p> <ul style="list-style-type: none"> ▪ Contracting Framework to monitor and forecast the impact of arrangements in 2022/2023 and going forward ▪ Task and Finish Groups established for CHC, Variable Pay and Contracting with identified leads and clear expectation re delivery, these groups will have a short and longer-term focus for delivery ▪ Savings Plan monitoring and reporting linked to the Efficiency Framework and Investment Benefits Group and supporting the VBHC approach ▪ Regular communication and reporting to Welsh Government and Finance Delivery Unit regarding the impact of pressures and ongoing Covid-19 and expectations regarding funding and impact on Financial Plan and underlying position <p>Additional control - Finance and Performance Group established as sub-group of Executive Committee. Initial focus on savings and opportunities.</p>
	<p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</p>
	<ul style="list-style-type: none"> ▪ Strengthening of the capability and sustainability of the Finance Team and establish a modernisation programme to improve function performance and delivery ▪ Financial Plan for 2023/2024 being developed, including robust assessment of cost pressures and establishment of saving schemes ▪ Increase focus on longer term efficiency and sustainability (value) and balance within year delivery as needed for plan. New Efficiency Framework approved and live and Value Based Healthcare Board established.

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RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
<p>[CRR 004 – Risk Score 20] the urgent and emergency health and social care system fails to deliver a timely response for care for Powys citizens</p>	<p>CONTROLS IN PLACE / ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ Daily management system in place to manage patient flow including multiple daily local and national calls ▪ Continuous focus on reducing delays for health and social care reasons including complex care management, fast track cases and implementation of a home first ethos ▪ Regular reviews of long stay patients in community hospitals to reduce average length of stay ▪ Training on discharge and complex care management is provided to ward based staff through the Complex Care and Unscheduled Care Team ▪ Review of urgent care team arrangements, with exploration of a business case to advance capacity of Discharge Liaison officers ▪ Care coordination in place across all acute hospital sites to facilitate timely repatriation of patients back into Powys ▪ Bed escalation plans activated to support the national programme of extra community care beds across Wales by end of October 2022 (within limits of staffing availability) ▪ Care Home risk and escalation plans to support care home capacity ▪ Social care fragility and delays – regular attendance at Head of Service level to Delivery Coordination Group and escalated discussions at Director and CEO level ▪ Delivery Coordination Group in place to manage operational delivery across whole system ▪ Winter Plan developed to manage whole system pressures. Urgent review of escalation options in development between health and social care to increase community care capacity and to reduce delays ▪ Industrial action command and control structure in place to manage service impact and to minimise disruption to services. <p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</p> <ul style="list-style-type: none"> ▪ Daily operational management of patient flow ▪ System escalation including senior officer daily review and weekly Gold level oversight ▪ Review of Complex Care arrangements in place to improve system improvements and to reduce delays ▪ Transformational development of urgent care system (6 Goals) including community care capacity and focus on handover delays ▪ Urgent escalation plan in development to secure additional system impact to improve community care capacity and flow ▪ Industrial action management plans in place, coordinated and reporting at bronze, silver and gold levels.

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RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
<p>[CRR 005 – Risk Score 20] inequity of access to planned, secondary and specialised care results in poorer outcomes and experience for some Powys citizens</p>	<p>CONTROLS IN PLACE / ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ Performance Trajectories and details on harm reviews for Powys residents requested from commissioned service providers in NHS England and NHS Wales to understand both yearend position 2022/2023 and for 2023/2024 (latter with reference to NHS Wales Planning Framework 2023-26 access target requirements by June 2023; and NHSE access target requirements by March 2024) ▪ Medinet contract extended – proposals being developed to offer Powys residents experiencing long waits in commissioned service providers in NHS Wales to be treated in Powys ▪ Identify key priorities to deliver elective treatments within ministerial access targets ▪ Implementation of Integrated Performance Framework. ▪ Ongoing scrutiny and oversight through CQPR meetings utilising Commissioning Assurance Framework with escalation through monthly ICAM meetings and through Integrated Performance Report ▪ Provider issue summary and fragile services log ▪ Develop funding proposal to WG to support recovery of waiting times for Powys activity in English Providers Ensure Powys residents are included in the activity being sourced through the West Midlands Mutual Aid hub. <p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</p> <ul style="list-style-type: none"> ▪ Secure performance improvement trajectories from providers ▪ Insourcing and outsourcing options being considered (subject to capacity). All providers now expected to agree improvement trajectories in light of 2022/2023 guidance published for planned care recovery.

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RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
<p>[CRR 008 – Risk Score 20] the demand and capacity pressures in the primary care system lead to services becoming unsustainable</p>	<p>CONTROLS IN PLACE / ACTION TAKEN:</p>
	<ul style="list-style-type: none"> ▪ Close monitoring and liaison with practices to offer support including regular review of the sustainability matrix to monitor changes and sustainability funding application process ▪ Implementation of Accelerated Cluster Development Programme ▪ Health Board management of practices if contracts are handed back until tendering process is successful ▪ Aداstra – Continued daily participation in national BCI calls with 111 to manage situation. Following successfully testing Shropdoc Aداstra was reinstated on 19/10/22 albeit with limited functionality. System being used for the patient contact/record. Manual admin process still required at the front end. Reactivation of GP OOH report messaging and special patient notes now in place. Fully operational Aداstra and CAS system hoped to be in place before the 4 day Christmas BH period. 111 and Shropdoc remain in BCI Commissioning of urgent access slots across Powys and new contract in place for Llandrindod. Implementation of the new Dental contract 2022/2023 metrics should increase provision and access. Community Dental Service clinics support urgent access to mitigate against gaps in provision. Mid-Year Review meetings completed and in year contract adjustments being considered. Awaiting national guidance to support year end.
	<p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</p>
<ul style="list-style-type: none"> ▪ Primary Care – Ongoing regular review of sustainability matrix and applications for support. Weekly review of Escalation tool ▪ Regular discussions with Cluster Leads to discuss ongoing demands and additional actions to manage peaks ▪ Implementation of the Accelerated Cluster Development Programme to meet national milestones. ▪ Following the Aداstra Cyber incident on the 4th August, that as of today a fully functioning Aداstra system is now operational across Wales and Shropdoc. 	

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RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
<p>[CRR 006 – Risk Score 16] failure to plan for, recruit and retain an appropriate workforce results in an inability to sustain high quality services.</p>	<p>CONTROLS IN PLACE / ACTION TAKEN:</p> <ul style="list-style-type: none"> ▪ A calendar for a rolling programme of recruitment events has been developed which includes student streamlining, department for working pensions and open days across the county ▪ All roles on trac are monitored to improve the time to hire ▪ Services continue to ensure all key vacant posts are being processed in a timely manner ▪ Rolling adverts for all substantive and bank nurse vacancies remain open across all sites ▪ Interviews were held in January for the remainder of phase 1 of the international all Wales nurse recruitment programme, 5 nurses were successful. Offers have been issued and accepted with a target in country date of 11th April 2023 (this is subject to changes with visa applications) ▪ Interviews were held in January for the remainder of phase 1 of the international all Wales nurse recruitment programme, 5 nurses were successful. Offers have been issued and accepted with a target in country date of 11th April 2023 (this is subject to changes with visa applications) ▪ Weekly reports on temporary staffing are produced and shared with Head of Nursing ▪ The Executive Director of Nursing and Midwifery has undertaken a formal review of community ward establishments to ensure there are recommended minimum safe staffing levels that align with the current service delivery model ▪ Further work has commenced on the development of an Accelerated Sustainable Model ▪ By the end of Q1 we will have undertaken a wellbeing roadshow at each of the main hospital sites across the county.
	<p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</p>
	<ul style="list-style-type: none"> ▪ Working with partners a joint recruitment event across Health and Social Care is being explored ▪ Develop a proposition for the candidate journey from application to induction, identifying changes or omissions within the current process that are required to improve the candidate journey ▪ Roll out the organisationally agreed workforce planning model by delivering training which supports services to develop their resource plans ▪ Undertaken a wellbeing roadshow at each of the main hospital sites across the county.

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RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
<p>[CRR 010 – Risk Score 16] the care provided in some areas is compromised due to the Health Board’s estate being not fit for purpose</p>	<p>CONTROLS IN PLACE / ACTION TAKEN:</p> <p>ESTATES</p> <ul style="list-style-type: none"> ▪ Specialist sub-groups for each compliance discipline ▪ Risk-based improvement plans introduced ▪ Specialist leads identified ▪ Estates Compliance Group and Capital Control Group established ▪ Medical Gases Group; Fire Safety Group; Water Safety Group; Health & Safety Group in place. New Ventilation Safety Group set up ▪ Capital Programme developed for compliance and approved ▪ Capital and Estates set as a specific Organisational Priority in the Health Board’s Annual Plan ▪ Address (on an ongoing basis) maintenance and compliance issues ▪ Address maintenance and compliance improvements to ensure patient environment is safe, appropriate and in line with standards. <p>CAPITAL</p> <ul style="list-style-type: none"> ▪ Capital Procedures for project activity ▪ Routine oversight / meetings with NWSSP Procurement ▪ Specialist advice and support from NWSSP Specialist Estates Services ▪ Audit reviews by NWSSP Audit and Assurance ▪ Close liaison with Welsh Government, Capital Function ▪ Reporting routinely to P&R Committee ▪ Capital Programme developed and approved ▪ Detailed Strategic, Outline and Full Business Cases defining risk ▪ Capital and Estates set as a specific Organisational Priority. <p>ENVIRONMENT</p> <ul style="list-style-type: none"> ▪ ISO 14001 routine external audit to retain accreditation ▪ Environment & Sustainability Group ▪ NWSSP Specialist Estates Services (Environment) support and oversight ▪ Welsh Government support and advice to identify and fund decarbonisation project initiatives. <p>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</p> <ul style="list-style-type: none"> ▪ Implement the Capital Programme and develop the long-term capital programme ▪ Continue to seek WG Capital pipeline programme funding continuity: seek alternative capital funding opportunities to mitigate funding reduction for 2022/2023 and develop projects in readiness for any capital slippage in latter part of financial year cycle. Additional funding from Welsh Government being provided for 2022/2023 (i.e., year-end slippage). Monies will be spent across equipment, ICT and estates. Formal notification also imminent for final allocation Estates Funding Advisory Board (EFAB) for 2023/2024 onward ▪ Develop capacity and efficiency of the Estates and Capital function ▪ Review current structure of capital and estates department – Estates Management and Senior Management Team structure enhancements in place. Second tier of structure review required to

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	<p>address limited establishment staff numbers in Works Team and recruitment challenges.</p> <p>Initial resource review undertaken by IEG in June 2022 with financial constraints necessitating more detailed analysis. This has been further discussed in IEG in October and a more detailed paper will be brought to IEG in December including demand levels and performance around Planned and Preventative Maintenance (PPMs) this will be further discussed at IEG in March 2023.</p>
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The Board received and reviewed the Corporate Risk register at each meeting of the Board during 2022/2023. As a result of the reviews undertaken by the Executive Committee and the Board, the risk scores for a number of risks changed during the year in the context of the external environment, and other developments such as improvements made to the control process.

As undertaken in 2022/2023, following Board approval of the Integrated Medium-Term Plan for 2023-2026 a full review of the Corporate Risk Register will take place to ensure priorities are identified, assessed and mitigating actions established, as well as assurance levels assessed.

EMERGENCY PREPAREDNESS

The Civil Contingencies Act 2004 and Emergency Planning Guidance issued by Welsh Government, places statutory duties on the Health Board to ensure arrangements are in place to respond to emergencies and major incidents. To meet this duty, the Health Board has a range of emergency response and business continuity plans in place to respond to emergencies and disruption to services. This includes the provision of training and participation in other emergency preparedness events.

Over the last twelve-month period, the Health Board has used the arrangements outlined in our plans to respond to a wide range of business continuity events that have impacted on the Health Board’s services.

In addition, the Health Board continues to regularly engage and work collaboratively with our multi-agency partners on a wide range of preparedness activities and also in response to incidents. This collaboration is achieved through the Dyfed Powys multi-agency Local Resilience Forum and with other NHS Wales organisations through a variety of groups.

To demonstrate compliance with the Civil Contingencies Act, the Health Board is required to submit an assessment on the Health Board’s emergency preparedness activities to Welsh Government on an annual basis, and also produces an Annual Report on Civil Contingencies Planning for the Board.

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PLANNING ARRANGEMENTS

The organisation's planning arrangements in 2022/2023 form a key part of the Performance Report section of the Annual Report. Further detail can be found throughout the Performance Report.

KEY ASPECTS OF THE CONTROL FRAMEWORK

In addition to the Board and Committee arrangements described earlier in this document, I have worked to further strengthen the Health Board's control framework over the last 12 months. Key elements of this include:

QUALITY GOVERNANCE ARRANGEMENTS, INCLUDING CLINICAL RISKS AND CLINICAL AUDIT PLAN

As an NHS Wales organisation, there are clear expectations set out for the quality standards we must maintain. These are set out through the:

- Health and Social Care (Quality and Engagement) (Wales) Act 2020;
- A Healthier Wales;
- Core Commissioning Requirements.

With our aims to continuously improve and learn, new legislative requirements support the quality governance framework during 2022/2023. The Health and Social Care (Quality and Engagement) (Wales) Act 2020, places more responsibility on health and care organisations in Wales. Enhancing quality, honesty and transparency, the legislation provides the Health Board with a Duty of Quality, Duty of Candour, and establishes a Citizen Voice, enriching engagement with our patients, relatives, carers, staff, and communities. Developing our organisational culture and embedding the Duty of Candour are critical in being open and honest with our patients and service users where our services have not met expectations or caused harm. Candour will be utilised to drive improvement whilst embracing improvement and innovation opportunities. The Health Board will deliver the Duty of Quality by ensuring services provide the highest quality of care for our patients, relatives, carers, staff and communities. We are committed to improve the experience of care and seek opportunities to provide positive patient experiences through the patient journey across services. Our vision is quality-driven, with data driven improvement and learning through experience.

The existing quality governance structure has been maintained. The Patient Experience, Quality and Safety Committee continued to receive reports on assurance and escalated risks linked to patient experience, quality, and safety.

The key aspects of the quality governance arrangements in the Health Board are:

- Commissioning Assurance Framework:
 - Quality
 - Safety
 - Effectiveness
 - Experience
 - Access
 - Cost/Finance
 - Governance & strategic change
- Putting Things Right (Concerns, Incident and Claims)
- Clinical Audit
- Data – CHKS – healthcare intelligence and quality improvement, benchmarking
- External Reviews – e.g., Getting It Right First Time
- Professional practice supervision/regulation
- Staff Surveys
- Organisational Development Framework
- Relationships/Escalations – Care Quality Commission, Healthcare Inspectorate Wales etc

A focus on quality has been maintained through the following activity in 2022/2023:

- Recommendations from the Audit Wales Review of Quality Governance (Oct 2021). The Review was positive overall with helpful areas for improvement identified
- Quality governance arrangements within service groups continue to embed, with focus on improving quality metric reporting which will be supported by the implementation of the Integrated Performance Framework (IPF)
- Implementation of the Medical Examiner Service
- National Nosocomial COVID-19 Programme (NNCP) implementation
- Safeguarding & public protection annual report presentation to the Patient Experience, Quality and Safety in December 2022
- Specific maternity and neonatal governance arrangements in place including our Maternity Assurance Framework.

There has been continued focus on the health board's formal process, in line with the NHS (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 also known as Putting Things Right, which aims to address concerns in a proactive, timely and open manner.

Organisational learning from concerns has continued to develop, taking account of the need to learn quickly and effectively during the pandemic

period, and ensuring the Health Board listen and learn from patient and staff experiences.

The Learning from Experience Group has created the opportunity to discuss and triangulate quality issues and supports the organisation in expanding learning across all services. The implementation of the CIVICA patient experience system during Q3 will be realised in 2023/2024. The Health Board wide approach to ensure patient experience is triangulated with a strong focus on the provision of person centred, outcome focused care to help inform decision making in relation to service planning design, delivery, and evaluation.

Health and Care Standards

The extant Health and Care Standards continue to inform the quality of services provided in in-patient settings. The Health and Care Standards are cross referenced as part of Committee reporting, with associated risks and escalation raised. Peer review quality checks across services reflect the Health and Care Standards, albeit a reduced programme during the last year, inform improvement and development in care and treatment supported with refreshed policies and procedures.

Clinical Audit

During 2022 the clinical audit plan has been further developed to bring greater focus on ensuring that learning from events has been embedded into practice. Areas of focus include:

- themes or significant concerns identified during investigations of Nationally Reportable Incidents or complaints
- new policies or changes to existing policy / practice to confirm new practice is established
- the prioritisation of new and repeat clinical audit projects based on recognised clinical risk
- clinical audits required to confirm that practice has improved where concern had been raised.

There has been improved triangulation of learning through the learning from experience group.

Service Group arrangements

The Community Services Group refreshed its approach to the management of clinical audit. A service-level quality meeting is synchronised to the timetable of the Patient Experience, Quality and Safety Committee. This will allow for the efficient flow of audit reports.

For Therapies, clinical audit is an agenda item for each monthly Heads of Service Meeting.

For the Mental Health Team, learning from clinical audit is presented to the Mental Health learning group and Operational Managers group as agenda items. Recommendations are put into action through these groups.

The Women and Childrens Service Group Clinical Audit Plan outlines the Service Group's commitment to continuous improvement through clinical audit and service improvement. The Clinical Audit Plan has been reviewed and agreed via the Women and Children's Quality and Assurance Learning Forum in order to evaluate effectiveness. Audits are presented on a monthly basis to the Quality and Assurance Learning Forum and shared via service group meetings. The Audit Information is also shared with Quality Improvement Manager who presents the information into PEQS Committee on a quarterly basis. Lessons learnt from concerns are also shared via the Quality and Assurance Learning forum on a monthly basis in addition to be shared via team meetings. Patient Experience also feeds into this group through the production of patient stories, alongside learning and good practice.

The Health Board continued to participate in National Audits. Findings were shared via the learning group.

The local clinical audit list remains large. Quality dashboards are being developed which will be updated by teams. Live information will be visible to them to facilitate more agile learning. They will ultimately replace some of the clinical audits.

An update report detailing progress against the 2022/2023 local clinical audit plan, describing findings from the audit was reported to, and approved by, the March and the October 2022 meetings of the Patient Experience, Quality and Safety Committee. The audit plan for 2023/2024 was approved by the February Patient Experience, Quality and Safety Committee.

Complaints and Concerns Framework

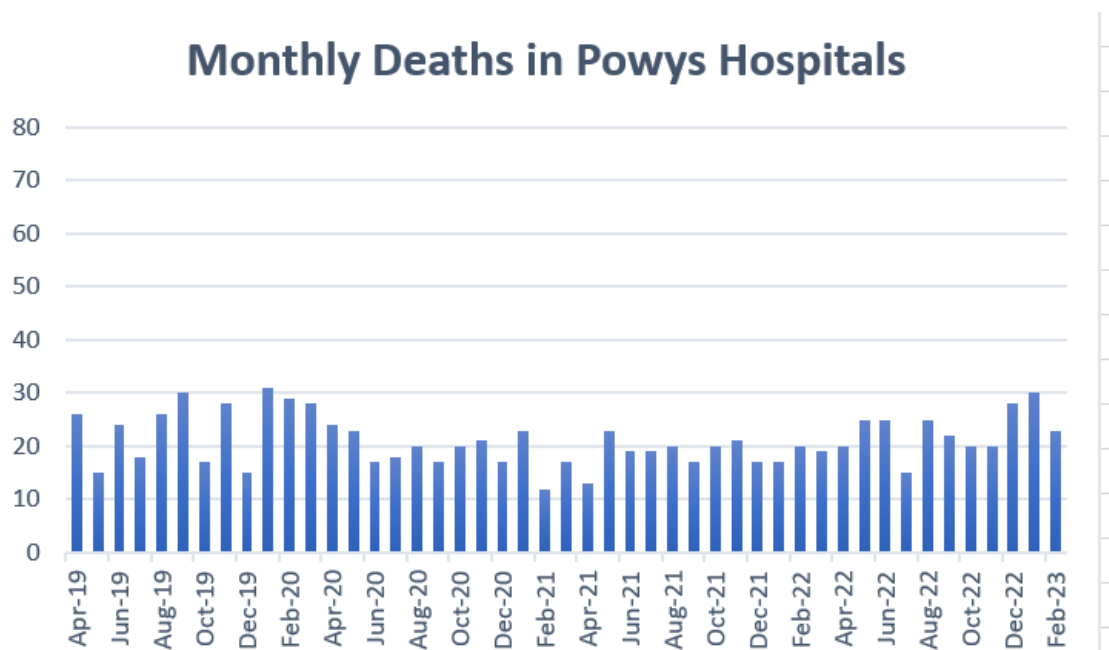
A continued focus on compliance with the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 has been maintained. This is extended to the way in which serious incidents are managed, through to investigation, learning and sharing of lessons. Investment in training during 2022/2023 has built on existing knowledge and experience across the Health Board.

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These and further information on Putting Things Right can be found on the Health Board [website](#).

Mortality Reviews

During the COVID-19 pandemic, the number of monthly deaths in Powys Community Hospitals has remained comparable with the period before the pandemic. The average number of monthly deaths increased slightly from 22 per month in calendar year 2019 to 23 per month in calendar year 2020, before falling to 18 per month, and 21 per month in 2021 and 2022 respectively.



A mortality report was submitted to the November 2022 meeting of the Patient Experience, Quality and Safety Committee, which detailed the findings of the previous round of reviews. No major clinical concerns were identified, and feedback given to the medical staff encouraging the use of Treatment Escalation Plans had dramatically improved the adoption of this process.

As part of part 2 mortality review discussion, themes were identified, including timing and documentation of treatment decisions. There was positive learning around visibility of Multi-Disciplinary Team notes and decision making on some sites. It was agreed that this would be fed through the learning group and work would be undertaken with the ward managers to encourage earlier discussion and more standardised documentation to improve visibility.

During 2022, South Powys hospitals began to submit cases to the Medical Examiner service. A total of 13 cases have been referred back to the Health

Board by the Medical Examiner Service. Seven cases were issues raised by family members concerning care provided by groups other than the Health Board, such as out of county DGHs, Welsh Ambulance or private carers. Six cases were requests from the Medical Examiner to review care where the examiner felt that whilst there was no obvious significant failing in care, the organisation might identify minor areas for improvement. Of these cases, none have been found to have significant concerns in care.

The medical examiner role is now rolling out across the remaining community hospitals. Formal Health Board Mortality reviews will cease but ward-based team Morbidity and Mortality meetings will continue. Learning from the Medical Examiner feedback will be considered by the Quality and Safety team and themes fed through the learning group.

The final round of Health Board mortality reviews will include all of the cases prior to Medical Examiner roll out. There has been delay due to operational pressures but is in progress.

Learning from Experience Group

The Learning from Experience Group, comprising all Clinical Executive Directors, the Head of Medicine Management and invited Assistant Directors met in May, June, August, and December of 2022.

The group provides an opportunity for senior staff to informally discuss issues around quality and learning and use this discussion to guide the activity of other groups within the organisation. During 2022, the subjects of; Incident investigation, staff use of the Datix system, mortality reviews and the Medical Examiner Service, clinical audit, coroner's cases, and organisational risk management were all discussed.

Themes from concerns and incidents, Medical Examiner feedback, the cancer harm review process are considered by the group. Agreement is made on mechanisms for cascading learning and suggestions are made around future clinical audits based on the themes discussed.

Actions agreed by the group included the organisation of a Development Day to discuss the Quality and Engagement Act and the organisation's response to the Welsh Risk Pool review of consent to treatment arrangements in Powys. The Terms of Reference for the Group are being refreshed to ensure alignment to the Quality and Engagement Act.

EXECUTIVES PORTFOLIOS

In May 2022, the Board approved an updated Scheme of Delegation and Reservation of Powers. This document set out the delegation of responsibility to Executive Directors. The allocation of responsibilities is based on ensuring an appropriate alignment of accountabilities and

authority within each Executive Directorate and Executive Director portfolio, and to also ensure that Executive Directorates focus on their core responsibility. A small change was made in January 2023 with the addition of a second non-Executive (non-voting) Director, (Corporate Governance). An overview of Executive Director portfolios is set out in **Figure 9**.

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Figure 9: Executive Portfolios – April 2022 – March 2023

Chief Executive

Executive Director of Primary, Community Care and Mental

- Delivery of primary and community services
- Primary Care Out of Hours arrangements
- Accreditation of enhanced services
- Operationalisation of continuing health care
- Access of RTT targets, and oversight of ambulance service performance
- Delayed transfer of care
- Primary Care contractor performance management
- Integration agenda
- Primary Care Development, including Clusters
- Removal of violent patients from GMS services
- Operationalisation of Medicines Management

Executive Medical Director

- Clinical Leadership and Engagement
- Medicines Management
- Caldicott Guardian
- Clinical Audit
- Medical Legislation & National Policy
- Professional Medical & Dental Workforce Standards Education, Regulation and Revalidation
- Blood Safety & Quality
- Organ Donation
- Clinical Networks
- NICE compliance
- Library Services
- Individual Patient Commissioning
- Medical Royal College Standards Compliance
- Innovation and Service Improvement
- Admission to the performers list
- Human Tissue Issues
- Research and Development
- Resuscitation
- Mortality Review

Executive Director of Nursing

- Professional leadership of Nursing and Midwifery, including standards, education, regulation, revalidation, and supervision of midwives
- Quality, Patient Experience & Satisfaction Raising Concerns and Putting Things Right
- Patient Safety Alerts
- Decontamination
- Funded nursing care and continuing health care strategy
- Safeguarding Adults and Children
- Nutrition & Hydration
- Deprivation of Liberty Safeguards
- Infection Prevention and Control Carers
- Children and Young People Services
- Volunteering

Executive Director of Finance, Information & IT

- Statutory Financial duties including annual accounts
- Financial Planning
- Financial Management, monitoring and reporting
- Financial systems and controls
- Procurement
- Counter Fraud
- Charitable Funds accounting
- HCRW & CHC financial arrangements
- Delivery of IM&T strategy and services
- Provision of clinical and management information systems, ICT Infrastructure, and telephony
- Business intelligence, data quality & clinical coding
- Provision of Financial Services to Executive Directorates
- Liaison with External Financial Auditors
- Asset Accounting
- Information Governance

Executive Director of Planning and Performance

- Planning arrangements
- Commissioning, including performance management of commissioned services & relationship with WHSSC
- Third Sector liaison
- Cross -border healthcare
- Performance Management
- CHC liaison relating to service change
- Professional leadership of planning, performance management, commissioning, capital estates and service change

Executive Director of Public Health

- Health Improvement Strategy
- Health Needs Assessment
- Public Health Planning
- Public Health Monitoring & Surveillance
- Outbreak Control
- Civil Contingency, Emergency Planning and Business Continuity
- Provision of Public Health Advice
- Armed Forces and Veterans
- Prudent Health and care
- Well-being of Future generations Act
- Professional Leadership of Public Health workforce
- Executive Director of Public Health Annual Report

Executive Director of Workforce and Organisational Development

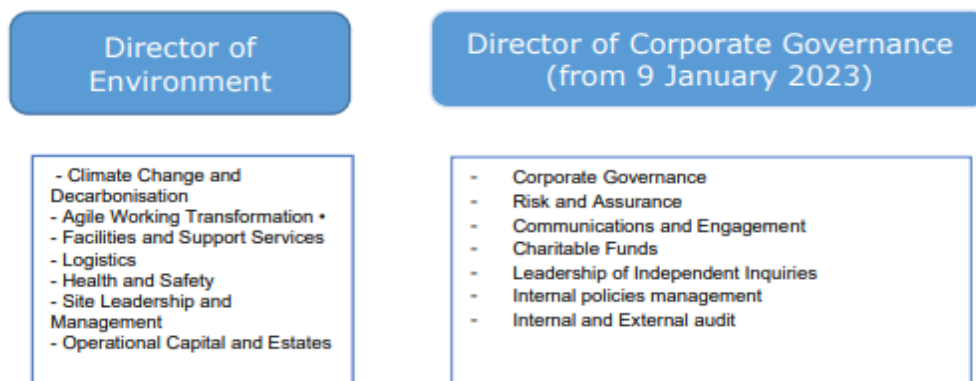
- Employment and staff relations & engagement
- Workforce Planning
- Workforce Policies and Practices
- Employee Health and Well-being including Occupational Health Services
- Trade Union Partnership arrangements
- Workforce Information Management Systems
- Values and Standards of Behaviour Framework
- Raising concerns
- Disclosure and Barring Arrangements
- Tackling Violence and Aggression
- Employee Record Management
- Hosted Functions Lead

Executive Director of Therapies and Health Science

- Professional leadership of Therapies and Health Sciences
- Lead for Radiology, radiography, stroke and Neurological services
- Medical Devices
- Human Rights
- Equality and Diversity
- Welsh Language Provision

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Figure 9 continued Executive (non-voting) Director Portfolios



Staff and Staff Engagement

The Local Partnership Forum is a formal advisory group providing opportunity for two-way discussion and collaboration between the health board management and staff. ensuring action is considered and taken in response to feedback. Engagement with staff side has been key to ensuring collaboration on range of staffing and well-being initiatives.

A summary of activity include:

- Wellbeing Framework and plan and Organisational Development Framework
- Workforce Futures Engagement and Wellbeing theme
- retainment of the Corporate Health Gold standard award
- Wellbeing pulse surveys using the 7 engagement index questions from the NHS national survey
- development of the SharePoint Staywell Wellbeing pages, which continue to be the primary source of self-help information as well as the advertising portal for events and other opportunities. Including the introduction of Financial Wellbeing pages
- Wellbeing Roadshows – A series of well attended staff roadshows have taken place across the county, starting in December through to May which enabled staff to speak face to face with a range of support functions such as VIVUP (Employee Assistance Programme/ Counselling service), Freedom Leisure, Health Shield, Chat2Change, Trade Unions, Menopause
- a suite of Positive Psychology and Resilience workshops with topics such as: Joy at work – Positive Psychology and the Science of Happiness, Emotions at Work – how we perceive, use, understand and manage emotions at work, Trust and Psychological Safety – creating an environment where everyone can flourish.

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Communication and Engagement

During 2022/2023 the Health Board's engagement and communication team has supported the wider Health Board activities as we move from pandemic to endemic including active support for the COVID-19 spring and autumn booster campaigns.

Given the continued ease of restrictions, engagement and consultation activity has continued to resume and has included:

- engagement on proposals affecting stroke services in Herefordshire and Worcestershire
- assessment of options for the future delivery of nuclear medicine services in BCUHB
- engagement on the future shape of Cochlear Implant and BCHI services in South Wales
- engagement following an application from Crickhowell Group Practice to close their branch surgery in Gilwern
- consultation on the location for a new urgent and planned care hospital site in Hywel Dda (with consequential impact for communities in the Llanwrtyd Wells area who currently access acute hospital services in Carmarthen)
- informal engagement and planning ready of the launch shortly after year end of a period of formal engagement by the Emergency Ambulance Services Committee on the future service model for the NHS Emergency Medical Retrieval and Transfer Services (EMRTS) in partnership with the Wales Air Ambulance Charity
- support for the PSB and RPB-led engagement on the draft Well-being plan and Area Plan, followed by statutory consultation on the Well-being Plan for Powys.

Informal stakeholder engagement activity has been ongoing for a number of other projects and programmes. These include the redevelopment of Bro Ddyfi Community Hospital and the development of Knighton Hospital as an interim re-ablement facility to provide more care closer to home whilst the ward remains closed due to ongoing staffing and recruitment issues.

Engagement work also commenced for the North Powys Wellbeing Programme Outline Business Case, with an expanded programme of events including a Newtown community festival in September 2022. This event fell during the period of official mourning following the death of Her Majesty Queen Elizabeth II so was sensitively refocused to ensure an engaging event for children and the wider community.

A wider programme of communication activity has been able to recommence as the requirements of the COVID-19 pandemic response

reduced, but critical activities remained to retain awareness of protective behaviours and continued risk.

Key areas of focus included our winter resilience communications plan. This involved regular engagement with key stakeholders including the Community Health Council, County Council, MSs and MPs, staff, public briefing sessions, PAVO and wider partners to help inform the Health Board's plans and to support and encourage everyone to play a part in Keeping Powys Safe. This has included a focus on Help Us Help You and promotion of NHS 111 Wales services. Given the increasingly challenging financial context the messaging was also linked with Cost-of-Living advice including a new cost of living hub on the Health Board website.

With industrial action taking place during the year, the team was also central to the Health Board response, providing public messaging to help people access the right service at the right time, complicated by action affecting Powys, neighbouring Health Boards, and services in England in different ways at different times.

Key campaigns have included SilverCloud Online CBT, and the launch of a new ChatHealth service to help schoolchildren access advice from their school nursing team.

The new SharePoint intranet site went live in April 2022 and has expanded considerably during the year, joined by new internal communications platforms including Viva Engage (formerly Yammer). In support of wider staff engagement, the team has supported the re-establishment of a programme of staff health and wellbeing roadshows. Whilst a Diolch Powys staff engagement event was paused in September 2022 during the period of official mourning, Q4 saw planning under way for the NHS 75th birthday and the relaunch of the Staff Excellence Awards which will take place in 2023/2024.

On the national stage, Health Board staff have led the national programme of communication and promotional work to enable the launch of the new statutory duties of candour and quality which came into force from 1 April 2023. This has included working with partners across the NHS and beyond to develop and deliver a comprehensive suite of resources to help organisations implement the new statutory duties.

Other key priorities for 2023/2024 include engagement and communication in support of the accelerated service model, and continued re-establishment of continuous engagement mechanisms aligned to the establishment of the new Llais Citizen Voice Body.

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Information Governance

Information Governance (IG) is the way in which the Health Board handles all information, in particular, personal, and sensitive information relating to our patients, services users and employees. IG sets out the requirements and standards that the Health Board must achieve to ensure it fulfils its obligations to handle information securely, efficiently, and effectively.

Reliance on IG continue to increase as the Health Board's services have continued to introduce new technologies to enable them to share information and communicate with patients and staff. Some of these changes have taken place on a national level and IG Managers across Wales have been involved in ensuring the necessary assurances were in place to meet legislative requirements.

Responsibility for IG in the Health Board rests with the Executive Director of Finance IT and Information Services and the Head of Information Governance and Records is the Health Board's nominated Data Protection Officer (DPO) in line with the requirements of the UK General Data Protection Regulation (UK GDPR). The Executive Director of Finance, IT and Information Services also acts as the Senior Information Risk Owner (SIRO), the Executive Medical Director is the nominated Caldicott Guardian, and the Chief Clinical Information Officer is fulfilled by the Executive Director of Therapies and Health Sciences.

Compliance with Legal and Regulatory Framework is co-ordinated and monitored by the IG Team. Key legislation such as the UK General Data Protection Regulation, Data Protection Act 2018, Environmental Information Regulations and Freedom of Information Act. Performance against IG-related legislation is captured and reported to our Delivery and Performance Committee.

Information Governance Training

As of 31 March 2023, the Health Board achieved a rate of 89% for the mandatory Information Governance training which is a small decrease from the previous year.

The profile of the Information Governance awareness has been raised further this past year. Through:

- assuring new and existing systems
- collaborating with services to identify and develop information sharing agreements
- investigating IG related incidents
- providing tailored training sessions
- issuing IG Alerts
- updating the internal and external webpages

- providing advice as part of digital transformation
- better presence in meetings/groups
- close working relationships with colleagues throughout Wales and across the border through national groups.

Personal Data Related Incidents (Breaches)

A personal data incident is a breach of security leading to the accidental or unlawful destruction, loss, alteration, un-authorized disclosure of, or access to personal data. In line with GDPR requirements, all personal data incidents must be reviewed daily, and any incidents deemed significant must be formally reported to the Information Commissioner's office (ICO) within 72 hours. During 2022/2023, four personal data incidents were formally reported to the ICO. The Health Board did not incur any financial penalties from the ICO because of those incidents reported. The Health Board has adopted any recommendations made and the actions in these areas and progress is tracked (as part of the audit recommendations tracker) until complete. The Health Board continues to take on board any lessons learned, or feedback received. Figures on the number of IG related breaches are reported to our Delivery and Performance Committee.

Freedom of Information Act

The Freedom of Information Act 2000 (FOIA) gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. During the period 1 April 2021 to 31 March 2022 the Health Board received a total of 327 requests for information, with 227 of these answered within the 20-day timeframe. Eight requests for internal review were received and responded to with no further action being taken by the requestor. As a Health Board, we are committed to complying with the FOIA by making information readily available via our Publication Scheme which can be found on the Health Board's [website](#):

UK General Data Protection Regulation (GDPR) and Access to Health Records Act (AHRA) 1990

UK GDPR and AHRA give individuals and family members the right to access their own or someone else's personal data. This is commonly referred to as a Subject Access Request (SAR), and the organisation has a statutory timeframe in which to respond. During the period 1 April 2022 to 31 March 2023, the Health Board responded to 476 SARs, with 437 of those responded to within the statutory timeframe.

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Welsh Information Governance (IG) Toolkit

The Health Board is required to undertake the NHS Wales Information Governance Toolkit for Health Boards and Trusts and all NHS Wales organisations must complete this to provide assurance that they are practising good data security and that personal information is handled correctly.

As a result of progress made on the Records Management Improvement plan since February 2022, it is anticipated that the toolkit submission will demonstrate an improvement in our compliance levels.

An information governance workplan is in place which the team will continue deliver during 2023/2024.

Information Security

Strengthening local processes whereby a group of digital experts review and approve the procurement of any local new or existing digital solution to ensure compliance with relevant legislation and standards (UK GDPR and NIS Regulations). The intention is to avoid the Health Board being put at un-necessary risk, such as from a cyber-attack, loss of data, incident/breach of patient's data, fine from the ICO or NCSU.

Information Sharing: National WASPI Code of Conduct: The Wales Accord of Sharing of Personal Information (WASPI) Code of Conduct (CoC) is a proposed annual assessment that the IG team will be required to complete to provide assurance against information sharing practices. The WASPI CoC proposal and consultation closes at the end of April 2023. The forecasted timeline proposes that the CoC will be live from Spring 2024, with planning being undertaken to ensure the IG team has provision to support this assessment going forward.

Local Reviews and Newly Developed Agreements: Over the last 12 months, 26 information sharing agreements have been completed. The team has seen a positive increase in the number of services voluntarily contacting the IG department for support with updating existing, or drafting new, information sharing agreements to support patient care with our external partners. The team has worked closely with services to review existing agreements and confirm if still required to ensure we meet our legislated obligations.

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Data Protection Officer:

The Data Protection Officer (DPO) is responsible for ensuring that the application of data protection and confidentiality legislation is consistently observed, and any weaknesses in current practices are identified and remedied where possible. In 2018, the Health Board successfully implemented the General Data Protection Regulation and Data Protection Act (2018), alongside existing Confidentiality obligations. Since this time, the DPO has provided data protection advice across the Health Board. Common themes include clarity around internal and cross-organisational information sharing and assessing privacy risks. Updates and issues are discussed regularly with the Health Board's Medical Director/Caldicott Guardian and Senior Information Risk Owner (SIRO).

As Data Protection Officer the expectation is to see on-going maturity of the IG and Records Management Improvement Plans alongside clear IG and Records Strategy/obligations.

DISCLOSURE STATEMENTS

Pensions Scheme

I can confirm that as an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employers' contributions and payments into the Scheme are in accordance with Scheme rules and that the member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. Note 9.7 to the Annual Accounts provides details of the scheme, how it operates and the entitlement of employees.

Equality, Diversity and Inclusion

The organisation's approach to Equality, Diversity and Inclusion in 2022/2023 forms a key part of the organisations work. The Equalities, Diversity and Inclusion Annual Report 2022-23 will be considered for approval at Board in July 2023 and then published to the Health Boards website - [Equality and Welsh Language - Powys Teaching Health Board \(nhs.wales\)](https://www.nhs.uk/healthboards/Equality-and-Welsh-Language-Powys-Teaching-Health-Board)

Sustainability Report

Powys Teaching Health Board continues to support sustainability as a central organising principle. The importance of the environment agenda is reflected as a golden thread across the Integrated Medium-Term Plan (IMTP) for 2022-2025. The IMTP also supports the Health Board's endeavours to embed the principles of the Wellbeing of Future Generations

Act and the five ways of working. During 2022/2023 the organisation was successful in gaining re-certification to ISO14001 (2015) environmental management system standard and has successfully demonstrated its continued methodology and approach to environment management.

As part of the public sector obligation to become net zero by 2030, the Health Board reports annual quantitative carbon emissions. The Health Board submitted operational data for the 2021/2022 reporting period which calculated the total emission for the organisation as 24.12kt CO₂e, which is an increase over 2020/2021 data (17.02kt CO₂e). The Health Board's supply chain expenditure has increased from £39.9M in 2020/2021 to £63.3M in 2021/2022 (58.65% increase). This has correlated to a 41.66% equivalent carbon emission increase from 17,021 tCO₂e in 2020/2021 to 24,112 tCO₂e in 2021/2022.

Summary of carbon emissions

Categories	Units of tCO ₂ e			
	Scope 1	Scope 2	Scope 3	Total
Buildings, fleet & other assets	3,339.370	736.751	904.908	4,981.029
Business travel, commuting & homeworking	0	0	534.990	534.990
Waste	0	0	25.431	25.431
Land based emissions	0	0	-36.879	-36.879
Supply chain	0	0	18,539.810	18,539.810
				24,118.139

This is based predominately on financial expenditure and not detailed life cycle analysis, with investment across our estate impacting our emission levels. Increased Continuing NHS Healthcare (also known as CHC) spending has led to an increase in human health services. Minor Works expenditure increased as a result of our major capital investment projects, most notably the extensive renovation of Bro Ddyfi Community Hospital, the replacement of the roof in Ystradgynlais, the construction of a new staff car park in Brecon, the renovation of Basil Webb, and programmes to minimise ligature harm.

SIC Code	SIC Description	Expenditure		Subsequent emissions	
		2020-21	2021-22	2020-21	2021-22
81	Minor Works	£3,171,918	£16,285,649	779 tCO ₂ e	3,999 tCO ₂ e
86	Human Health Services	£19,086,758	£28,369,647	4,756 tCO ₂ e	7,070 tCO ₂ e

While the Health Board continues to repatriate services and implement our COVID-19 recovery plan, it is possible that health care spending may rise even further. Additionally, the 10-year capital investment programme will continue to see increases in carbon emissions in consecutive periods. Assurance can be given from the steady trajectory of our non-supply chain emissions which highlight a continued positive trend towards minimising carbon emissions and contributing towards a net zero public sector by 2030.

A major initiative is underway to engage with energy contractors to make energy efficiency savings across all buildings within our estate. The improvements are designed to cut carbon emissions, reduce energy usage and costs, improve building efficiency and control, introduce renewable energy generation and improve the quality of built environment for staff, patient and visitor wellbeing. The programme of construction works to introduce our innovative energy conservation measures will commence in 2023.

In compliance with our section 6 duty within Environment (Wales) Act, the Health Board produced and published its first Biodiversity Report. The report highlights progress made over the past three years and communicates our future plans including the Health and Social Care Climate Emergency-funded Biodiversity Enhancement and Protection project. This will be pivotal in the short, mid, and long-term protection and enrichment of biodiversity across all the Health Board's estate to ensure the Health Board responds accordingly to any identified biodiversity risks.

Data Security

A summary in relation to personal data incidents which required formal reporting to the Information Commissioner's Office (ICO) is provided on page 72 of this report.

Quality of Data used by the Board

The Health Board continually reviews the quality of data that it is using within the organisation including for decision making and assurance at Board level. Each of the separate data quality strands within the organisation are reviewed frequently that span across the main domains including finance, operational, workforce, quality, and safety data. However, it is a continuous process spanning an array of data systems and datasets including new systems being implemented. The Performance Report includes a Statement on Data Quality on page 12.

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MINISTERIAL DIRECTIONS AND WELSH HEALTH CIRCULARS

Welsh Government has issued a number of Ministerial Directions in 2022/2023. A record of the Ministerial Directions given is available via the following link: <https://gov.wales/health-social-care>. A record of the Welsh Health Circulars is available via the following link: [Health circulars | GOV.WALES](#)

Receipt of Welsh Health Circulars are logged and a lead Executive Director identified to oversee the implementation of the required action or to develop the required response. The Audit, Risk and Assurance Committee received quarterly update reports on the implementation status of Welsh Health Circulars in 2022/2023. From this work it was evidenced that the Health Board was not impeded by any significant issues in implementing the actions required. This work is overseen by the Director of Corporate Governance / Board Secretary.

Appendices 3a/3b (p 90-95) provide an overview of Ministerial Directions and Welsh Health Circulars received during 2022/2023 and their implementation status as of March 2023.

Post Payment Verification

In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the Health Board by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA), and in accordance with NHS Wales agreed protocols. The Work of the Post Payment Verification Team is reported to the Board's Audit, Risk and Assurance Committee with papers available on the Health Board's [website](#).

Review of Effectiveness

The National Health Service Finance (Wales) Act 2014 amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. The Act places two financial duties on Local Health Boards:

- a duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of three financial years; and
- a duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and

approved by the Welsh Ministers.

The 2022-2025 Integrated Medium-Term Plan was submitted to Welsh Government in March 2022 and approved by the Minister in July 2022. However, the Health Board has not been able to secure that its expenditure does not exceed the aggregate of the funding allocated to it over the three financial years from 2020-2023 as it is reporting a financial deficit of £7.002m in 2022/2023.

Review of Effectiveness of System of Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board receives assurance on the effectiveness of the system of internal control from a number of internal and external sources, these include:

- Delivery of Internal and External Annual Audit Plans;
- Audit Wales Structured Assessment;
- Audit Recommendation Tracking;
- Local Counter Fraud and Post Payment Verification Activity;
- Independent inspections and regulation provided by Health Inspectorate Wales;
- Engagement with Commissioners;
- Engagement with staff, patients, and other key stakeholders;
- Welsh Government review and advisement; and
- the Committees of the Board, in particular the Audit, Risk and Assurance Committee.

Internal Audit


Internal Audit provide me as Accountable Officer and the Board through the Audit, Risk and Assurance Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit, Risk and Assurance Committee and is focussed on significant risk areas and local improvement priorities.

The Head of Internal Audit Annual Opinion provides assurance on governance, risk management and the system of internal control and is based on the risk-based audit programme. The opinion contributes to the

picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement. A summary of the Head of Internal Opinion 2022/2023 is provided below.

Head of Internal Audit Opinion for 2022/2023

The Head of Internal Audit Opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management, and control for 2022-23 is set out below:

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>
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The internal audit plan is agile and responsive to ensure that key developing risks to the Health Board are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit, Risk and Assurance Committee (the ‘Committee’). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for the 2022/23 year was initially presented to the Committee in March 2022. Changes to the plan have been made during the course of the year and these changes have been reported to the Committee as part of our regular progress reporting.

Overall, the Head of Internal Audit was able to provide assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas as set out below:

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Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> • Control of Contractors: Follow-up • Looked After Children Health Assessments • Cancer Services - Access to Symptomatic FIT • Women & Children's Services • Performance Management & Reporting 	<ul style="list-style-type: none"> • Staff Rostering • Security Services • Machynlleth Hospital Reconfiguration Project • North Powys Wellbeing Programme • Charitable Funds • Workforce Futures Strategic Framework • Incident Management • Therapies and Health Sciences Professional Governance Structure • Temporary Staffing Department • Occupational Health Follow-up • Risk Management and Board Assurance Framework • Savings Plans / Efficiency Framework • Internal Audit Recommendation Tracking Process
Limited Assurance	Advisory & Non-Opinion
<ul style="list-style-type: none"> • IT Infrastructure and Asset Management • Welsh Language Standards • Cyber Security 	<ul style="list-style-type: none"> • Site Leadership & Coordination • Decarbonisation
No Assurance	
N/A	

Limited Assurance Rated Reviews

Three Limited assurance rated reviews had been received during 2022/23. The reports were in respect of:

- IT Infrastructure and Asset Management
- Welsh Language Standards; and
- Cyber Security.

All Limited Assurance Rated Reviews are reported to Welsh Government on a quarterly basis in addition to our own internal reporting and monitoring arrangements.

Counter Fraud

In line with the Government Functional Standard 013 Counter Fraud NHS Requirements the Local Counter Fraud Specialist (LCFS) and Executive Director of Finance agreed a work plan for 2022/2023 at the beginning of the financial year. This was approved by the Audit, Risk and Assurance Committee in March 2022.

Following introduction of Government Functional Standards on Counter Fraud, which replaced NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)' from 2021/2022, the Health Board's Counter Fraud Workplans have been aimed at ensuring compliance for the first enforcement year of the new standards in 2023/2024. To assess compliance, the Health Board is required to submit an annual self-assessment Functional Standard Return on a RAG rated basis to NHS Counter Fraud Authority.

Good progress has been made since the introduction of the new Standards and this is reflected in continuing improvements to RAG ratings for each Standard in self assessed Functional Standard Returns throughout the last two financial years. There are two Standards Components that are still not Green rated at the end of 2022/2023 however:

Component 1B - Accountable individual - rated Amber

This Standard is currently rated Amber due to the Health Board only recently nominating a Fraud Champion to the role. The Health Board's Director of Corporate Governance was identified as the most suitable Senior Officer to meet the requirements of the Fraud Champion role and a nomination was subsequently completed. An action plan has been set for Fraud Champion activity for 2023/2024 which includes support in enabling managing fraud risks via the existing Health Board mechanisms, providing strategic support around our reporting of counter fraud work, and communications around gifts and hospitality/declarations of interests. This activity will result in Green rating within the next review.

Component 3 - Fraud bribery and corruption risk assessment - rated Amber

This Component is currently rated as Amber due to the requirements for maturity of this area of work to enable demonstration of continuous monitoring of fraud risk at a senior level, evidence of subsequent risk mitigation and that review of resources has been undertaken to ensure levels are suitable for this purpose.

Since introduction of this Component the Counter Fraud Team have sought to establish the fraud risk assessment processes aligned to the Health Board's existing Risk Management procedures.

The Team have then created a core fraud risk profile developed from 129 NHS fraud risk descriptors. Alongside this, further scanning has been undertaken to capture and manage emerging fraud risks such as arising from investigation, Fraud Prevention Notices, local intelligence, audit reports and findings, and NHS CFA IBURN releases. A tracker has been

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created to track and manage the actions around these known and emerging fraud risks.

LCFSs have subsequently sought to undertake comprehensive risk assessments in liaison with local risk owners to establish a core foundation of assessments to work from. Arrangements have been made to record those risks on the DATIX system which will be utilised from 2023/2024 to manage, track and measure fraud risk within the Health Board.

Use of the DATIX system, alongside the local tracker, will allow evidence to be developed to meet the remaining elements outstanding to uplift this Component to Green.

Improvement activity for these areas is included within the 2023/2024 Counter Fraud Work Plan. Further detail can be found in the Counter Fraud Annual Report for 2022/2023, which will be presented to the Audit, Risk and Assurance Committee.

Audit Wales Structured Assessment

The Auditor General for Wales is the Health Board's statutory external auditor, and the Wales Audit Office undertakes audits on his behalf. The Structured Assessment enables the Auditor General to be satisfied proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources.

The 2022 Structured Assessment took place whilst NHS bodies were continuing to respond to challenges presented by the COVID-19 pandemic. The key focus of work was on the Health Board's corporate arrangements with a specific focus on governance, strategic planning, and financial planning arrangements, together with arrangements for managing the workforce, digital assets, the estate and other physical assets.

Overall Audit Wales found the Health Board had generally good governance arrangements but needed to update the Board Assurance Framework to have a clear understanding of risks, ensure there are no key governance gaps and help develop and prioritise workplans. In addition, whilst the Health Board have a well-established long term strategy and Integrated Medium Term Plan (IMTP) in place, there was scope to engage the Board earlier in the planning process. Clear arrangements for monitoring the delivery of the IMTP and supporting plans are in place but greater focus is needed on measures and impact. Opportunities existed to improve public access to key Health Board documents, strengthen staff feedback and improve Board self-review mechanisms. Despite recent appointments there remained continued change at Executive level which could lead to instability and a risk the operations portfolio is disproportionate. Interim governance arrangements have been addressed but capacity to support the governance

function remains and issue. The Health Board have appropriate arrangements for financial management and control, and oversight and scrutiny has improved with more timely information being reported to Board and Committees. The Health Board have appropriate arrangements in place to support and oversee staff wellbeing but could do more to monitor progress against previous Audit Wales recommendations. Whilst the Health Board are developing a digital framework, the digital infrastructure and availability of funding are significant issues. The Health Board generally have good oversight of the management of estates although visibility and discussion could be improved at Board.

Audit Wales made ten recommendations based on the 2022 work in relation to improving strategic planning arrangements, further enhancing systems of assurance, improving Board and committee effectiveness and recruiting to key positions.

The Structured Assessment and Management Response was reported to the Audit, Risk and Assurance Committee on 16 May 2023 and can be found on the Health Board's pthb.nhs.wales/about-us/the-board/committees-partnerships-and-advisory-groups/powys-teaching-health-board-committees/audit-risk-and-assurance-committee/2023/16-may-2023/arac-agenda-16-may/

MODERN SLAVERY ACT 2015: TRANSPARENCY IN SUPPLY CHAINS

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was published in May 2017 to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the UK and overseas. It is expected that all NHS Wales organisations will sign up for the Code.

The Health Board fully endorses the principles and requirements of the Code and the Modern Slavery Act 2015 and is committed to playing its role as a major public sector employer, to eradicate unlawful and unethical employment practices, such as:

- modern Slavery and Human rights abuses;
- the operation of blacklist/prohibited lists;
- false self-employment;
- unfair use of umbrella schemes and zero hours' contracts; and
- paying the Living Wage.

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The following actions are already in place which meet the Code's commitments:

- We follow the All-Wales procedure for staff to raise concerns (Whistleblowing), which provides the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice by either our staff or suppliers/contractors working on University Health Board premises;
- We have a target in place to pay our suppliers within 30 days of receipt of a valid invoice;
- We comply with the six NHS pre-employment check requirements to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work check;
- We do not engage or employ staff our workers on zero hours' contracts;
- We have an Equality, Diversity and Human Rights Policy in place which ensures that no potential applicant, employee, or worker engaged is in any way unduly disadvantaged in terms of pay, employment rights, employment, or career opportunities;
- We also seek assurances from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. We also require confirmation and assurances that they do not make use of blacklist/prohibited list information;
- In accordance with Transfer of Undertaking (Protection of Employment) Regulations any Health Board staff member who may be required to transfer to a third party will retain their NHS Terms and Conditions of Service;
- We use the Modern Slavery Act (2015) compliance tracker by way of contracts procured by NHS Wales Shared Services Partnership (NWSSP) on behalf of the Health Board. NWSSP is equally committed to ensuring that procurement activity conducted on behalf of NHS Wales is undertaken in an ethical way. On our behalf, they ensure that workers within the supply chains through which they source our goods and services are treated fairly, in line with Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

The Health Board continues to work in partnership with relevant stakeholders and trade union partners to develop and implement actions which set out our commitment to ensure the principles of ethical employment within our supply chains are implemented and adhered to.

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Conclusion

As Accountable Officer for Powys Teaching Health Board, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the Board including its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place, during the year, a system of providing assurance aligned to corporate objectives to assist with identification and management of risk. I am pleased to note that as a result of our internal control arrangements, Powys Teaching Health Board continues to be on 'routine' monitoring as part of NHS Wales Escalation and Intervention arrangements during 2022/2023.

During 2022/2023, we proactively identified areas requiring improvement and requested that Internal Audit undertake detailed assessments in order to manage and mitigate associated risks. Further work will be undertaken in 2023/24 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will continue in 2023/2024 to embed risk management and the assurance framework at a corporate level. Implementation of the Board's Annual Governance Programme will see a further strengthening of the Board's effectiveness and the system of internal control in 2023/2024.

This Annual Governance Statement confirms that Powys Teaching Health Board has continued to mature as an organisation and, whilst there are areas for strengthening, no significant internal control or governance issues have been identified. The Board including the Executive Team has had in place a sound and effective system of internal control that provides regular assurance aligned to the organisation's strategic objectives and strategic risks. Together with the Board and Director of Corporate Governance, I will continue to drive improvements and will seek to provide assurance for our citizens and stakeholders that the services we provide are efficient, effective, and appropriate, and are designed to meet patient needs and expectations.

SIGNED BY:

DATE: xx xx 2022

HAYLEY THOMAS [INTERIM CHIEF EXECUTIVE]

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Appendix 1: Board and Board Committee Membership and Attendance at Board

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2022-23	Board Champion Role
Vivienne Harpwood	Chair (To 16 October 2022)	▪ Chair of the Board	5/5	
		▪ Chair of the Charitable Funds Committee	2/2	
		▪ Chair of the Remuneration and Terms of Service Committee	3/3	
Carl Cooper	Chair (From 17 October 2022)	▪ Chair of the Board	4/4	
		▪ Chair of the Charitable Funds Committee	3/3	
		▪ Chair of the Remuneration and Terms of Service Committee	4/4	
Kirsty Williams	Vice Chair	▪ Vice Chair of the Board	8/9	<ul style="list-style-type: none"> • Infection Prevention and Control • Armed Forces and Veterans • Mental Health • Children and Young People
		▪ Chair of the Patient Experience, Quality and Safety Committee	5/5	
		▪ Vice Chair of the Remuneration and Terms of Service Committee	7/7	
		▪ Member of the Delivery and Performance Committee	5/5	
		▪ Member of the Planning, Partnerships and Population Health Committee	2/4	
Ian Phillips	Independent Member [Information Technology]	▪ Member of the Board	8/9	
		▪ Member of the Patient Experience, Quality and Safety	4/4	
		▪ Chair of the Workforce and Culture Committee	3/3	
		▪ Vice Chair of the Planning, Partnerships and Population Health Committee	4/4	
		▪ Remuneration and Terms of Service Committee	7/7	
Jennifer Owen-Adams	Independent Member [Third Sector]	▪ Member of the Board	4/5	
		▪ Vice Chair of the Patient Experience, Quality and Safety Committee	2/3	

	(From 30 August 2022)	<ul style="list-style-type: none"> ▪ Member of the Workforce and Culture Committee 	1/2	
		<ul style="list-style-type: none"> ▪ Member of the Planning, Partnerships and Population Health Committee 	2/2	
Matthew Dorrance	Independent Member [Local Authority]	<ul style="list-style-type: none"> ▪ Member of the Board 	2/3	• Equality
	(To 30 June 2022)	<ul style="list-style-type: none"> ▪ Member of the Audit, Risk and Assurance Committee 	1/3	
		<ul style="list-style-type: none"> ▪ Vice Chair of the Workforce and Culture Committee 	0/1	
Chris Walsh	Independent Member [Local Authority]	<ul style="list-style-type: none"> ▪ Member of the Board 	2/3	
	(Active from 01 January 2023)	<ul style="list-style-type: none"> ▪ Member of Workforce and Culture Committee 	0/0	
Rhobert Lewis	Independent Member [General]	<ul style="list-style-type: none"> ▪ Member of the Board 	9/9	
		<ul style="list-style-type: none"> ▪ Vice Chair of the Charitable Funds Committee 	5/5	
		<ul style="list-style-type: none"> ▪ Member of the Audit, Risk and Assurance Committee 	7/8	
		<ul style="list-style-type: none"> ▪ Chair of the Planning, Partnerships and Population Health Committee 	4/4	
		<ul style="list-style-type: none"> ▪ Member of the Delivery and Performance Committee (from 11 November 2022) 	2/2	
		<ul style="list-style-type: none"> ▪ Provided cover at Workforce and Culture 20/09/2022 	1/1	
Tony Thomas	Independent Member [Finance]	<ul style="list-style-type: none"> ▪ Member of the Board 	5/9	
		<ul style="list-style-type: none"> ▪ Vice Chair of the Audit, Risk and Assurance Committee (Chair to 18 July 2022 Vice Chair) 	6/8	
		<ul style="list-style-type: none"> ▪ Member of the Remuneration and Terms of Service Committee 	3/7	
		<ul style="list-style-type: none"> ▪ Vice Chair of the Delivery and Performance Committee 	2/5	
Mark Taylor	Independent Member [Capital and Estates]	<ul style="list-style-type: none"> ▪ Member of the Board 	8/9	
		<ul style="list-style-type: none"> ▪ Chair of the Audit, Risk and Assurance Committee (Vice Chair to 18 July 2022 then Chair) 	8/8	

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		<ul style="list-style-type: none"> ▪ Member of the Remuneration and Terms of Service Committee 	6/7	
		<ul style="list-style-type: none"> ▪ Member of the Patient Experience, Quality and Safety Committee 	3/5	
		<ul style="list-style-type: none"> ▪ Chair of the Delivery and Performance Committee 	5/5	
Frances Gerrard	Independent Member [University] (To 30 June 2022)	<ul style="list-style-type: none"> ▪ Member of the Board 	1/3	
		<ul style="list-style-type: none"> ▪ Member of the Charitable Funds Committee 	1/1	
		<ul style="list-style-type: none"> ▪ Member of the Patient Experience, Quality and Safety Committee 	1/1	
Simon Wright	Independent Member [University] (From 08 August 2022)	<ul style="list-style-type: none"> ▪ Member of the Board 	4/5	
		<ul style="list-style-type: none"> ▪ Member of the Patient Experience, Quality and Safety Committee 	2/3	
Ronnie Alexander	Independent Member [General]	<ul style="list-style-type: none"> ▪ Member of the Board 	7/9	
		<ul style="list-style-type: none"> ▪ Member of the Audit, Risk and Assurance Committee 	7/8	
		<ul style="list-style-type: none"> ▪ Vice Chair of the Delivery and Performance Committee 	5/5	
		<ul style="list-style-type: none"> ▪ Member of Workforce and Culture Committee (From 31 May 2022 to January 2023) 	2/3	
		<ul style="list-style-type: none"> ▪ Member of Planning, Partnerships and Population Health Committee 	4/4	
Cathie Poynton	Independent Member [Trade Union]	<ul style="list-style-type: none"> ▪ Member of the Board 	8/9	
		<ul style="list-style-type: none"> ▪ Member of the Workforce and Culture Committee 	3/3	
		<ul style="list-style-type: none"> ▪ Member of the Charitable Funds Committee 	3/3	
		<ul style="list-style-type: none"> ▪ Member of the Delivery and Performance Committee 	5/5	
Carol Shillabeer	Chief Executive	<ul style="list-style-type: none"> ▪ Board 	9/9	
Hayley Thomas	Deputy Chief Executive and Interim Director of Primary, Community Care and Mental Health	<ul style="list-style-type: none"> ▪ Board 	7/9	
Pete Hopgood	Director of Finance, IT and Information Services	<ul style="list-style-type: none"> ▪ Board 	8/9	
Kate Wright	Medical Director	<ul style="list-style-type: none"> ▪ Board 	6/9	<ul style="list-style-type: none"> • Caldicott

Claire Roche	Director of Nursing and Midwifery	▪ Board	9/9	<ul style="list-style-type: none"> • Children and Young People • Putting Things Right
Claire Madson	Director of Therapies and Health Sciences	▪ Board	7/9	
Stephen Powell	Interim Director of Planning and Performance	▪ Board	9/9	
Mererid Bowley	Interim Director of Public Health	▪ Board	5/6	<ul style="list-style-type: none"> • Emergency Planning
Julie Rowles	Director of Workforce and Organisational Development	▪ Board	1/1	
Debra Wood-Lawson	Interim Director of Workforce and Organisational Development	▪ Board	3/4	
James Quance	Board Secretary	▪ Board	6/6	
Helen Bushell	Director of Corporate Governance / Board Secretary	▪ Board	3/3	

The Board Champion for Health and Safety during 2022/23 was Jamie Marchant, Director of Environment.

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Appendix 2: Table of Quoracy

Board/Committee	Dates:									Quorate
Board	28 April 2022	25 May 2022	14 June 2022	27 July 2022	28 September 2022	30 November 2022	25 January 2023	20 February 2023	29 March 2023	Yes
Charitable Funds	14 June 2022	23 September 2022	07 December 2022	16 January 2023	01 March 2023					Yes
Remuneration and Terms of Service	12 April 2022	28 July 2022	26 September 2022	05 December 2022	31 January 2023	6 March 2023	29 March 2023			Yes
Planning, Partnerships and Population Health Committee	07 April 2022	14 July 2022	20 October 2022	19 January 2023						Yes
Patient Experience, Quality and Safety Committee	12 May 2022	29 July 2022	13 September 2022	24 November 2022	23 February 2023					Yes
Delivery and Performance Committee	03 May 2022	23 June 2022	12 September 2022	11 November 2022	28 February 2023					Yes
Audit, Risk and Assurance Committee	26 April 2022	17 May 2022	12 June 2022	18 July 2022	27 September 2022	31 January 2023	21 March 2023			Yes
Workforce and Culture Committee	31 April 2022	20 September 2022	13 December 2022							Yes

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Appendix 3a: Welsh Health Circulars 2022/2023

Welsh Health Circular	Date/Year of Adoption	Action to Demonstrate Implementation/Response	Status
2022-009 Prioritisation of COVID-19 patient episodes by NHS Wales Clinical Coding Departments	April 2022	WHC actioned and implemented	Complete
2022-015 Changes to the vaccine for the HPV Immunisation Programme	May 2022	This WHC has been superseded by WHC-2022/2023	N/A
2022-016 The National Influenza Vaccination Programme 2022-23	June 2022	Regular PTHB Influenza Vaccination Oversight Group held, led by Consultant in Public Health, with GP Practice reps. All GP Practices and Community Pharmacies participating in flu vaccination programme. All GP Practices invited to participate in the Autumn covid-19 vaccination programme. 12 out of 16 GP practices agreed to participate in covid-19 campaign: 11 GP Practices offering covid-19 vaccine to over 75s cohort and COPD cohort, 1 GP Practice offering to all eligible groups (bar Health & social care staff/care home residents). Delivery of remaining Covid-19 to eligible groups via HB MVC/Mobile teams. Co-administering flu and covid vaccination to Health board staff. Meetings held with individual GP Practices in late August 22/early September 22 to discuss COVID-19 programme delivery and confirmation letter sent to each individual practice outlining programme expectations and support available.	In Progress
2022-002 NHS Wales National Clinical Audit and Outcome Review Plan. Annual Rolling Programme for 2022-2023	June 2022	Complete but with acknowledgement that participation in audits will be improved in 23/24: The Podiatry service is participating in the National Diabetes Foot Care audit and the collection of data for the audit is on-going. An action plan will be published following the release of the national report. PTHB has re-established its pulmonary rehabilitation offer and intends to continue to participate in future audits.	Complete
2022-019 Non-Specialised Paediatric Orthopaedic Services	June 2022	Implementation not yet due as of April 2023	Not Yet Due
2022-012 Donation and Transplantation Plan for Wales 2022-2026	June 2022	Implementation not due until December 2026	Not Yet Due
2022-018 Guidelines for managing patients	June 2022	PTHB provides limited diagnostic services for cancer and minimal treatments as the majority	In Progress

on the suspected cancer pathway		of Powys residents with suspected cancer are managed by commissioned provider services in England and Wales. Referral to treatment times are the responsibility of the Director of Planning and Performance for Commissioned Services and the Director of Primary, Community Care and Mental Health for directly provided services. Performance is monitored through the Integrated Performance Framework for the Health Board and regularly reported to the Board and relevant committees. The Cancer Renewal Programme has established a Harm Review Panel to review harm reviews undertaken by other Health Boards and NHS trusts treating Powys patients.	
2022-006 Direct Paramedic referral to same day emergency care	April 2022	Emergency/acute care not commissioned within Powys. However, a range of actions being taken as defined in the Integrated Care Action Plan (ICAP), fully integrated with 6 Goals delivery, and reviewed in monthly monitoring arrangements. Ongoing work with commissioned partners to ensure quality, safe and timely care in Emergency Departments – annual cycle, alongside daily engagement with operational flow across National urgent care system.	In Progress
2022-017 Wales Rare Diseases Action Plan 2022-2026	June 2022	We plan to ensure representation via the specialised service lead, but this post is not yet appointed. PTHB does not provide any specialised services. It does not have the range of Clinical Directorates that would usually be involved in supporting and implementing this work in relation to Rare Diseases. The Planning and Performance Directorate attends the WHSSC Management Committee, and the CEO attends the WHSSC Joint Committee. Through participation in the WHSSC Management Group and Joint Committee PTHB works to ensure that its Integrated Medium-Term Plan reflects the approved WHSSC Integrated Commissioning Plan. The Health Board is working to create a Specialised Pathway Lead post.	In Progress
2022-022 Role of the Community Dental Service and Services for vulnerable people	August 2022	Recruited 1 WTE salaried GDP to provide routine GDS services, 0.6WTE vacancy for specialist in special care dentistry. Looking to use a cloud-based service to improve IT record systems within the CDS. Recruitment of Paediatric specialist for 3 sessions per month to improve governance and service. Skill mixing using direct access therapists	In Progress
2022-021 National Optimal Pathways for Cancer	July 2022	PTHB provides limited diagnostic services for cancer and minimal treatment. The majority of Powys residents with suspected cancer are managed by commissioned NHS services. In the Powys context the optimal pathways apply across organisational boundaries involving services provided by other Health Boards in	In Progress

		Wales and also services provided by NHS trusts in England. Executive leads for cancer need to use the optimal pathways to support planning and design of pathways. The Wales Cancer Network has appointed two posts managed centrally to work with PTHB on mapping the optimal pathways. However, the first stage produced highly generalised information which was of limited value. At present only the Welsh flows are included but to be meaningful for Powys this must also include its English flows so further work is being undertaken with the network.	
2022-020 Never Events Policy and Incident List	July 2022	Never Events are reported to Patient Experience, Quality and Safety (PEQS) Committee on a quarterly basis; to note there have not been any Never Events in the last 18months.	Complete
2022-023 Changes to the Vaccines for the HPV Immunisation Programme	September 2022	Confirmation received from Chief Pharmacist is aware for PGD changes. No further action to take currently as the WHC states: 'It is important to note that we do not expect the one dose schedule to commence before the 2023/24 academic year'.	Complete
2022-003 Guidance for the provision of continence containment products for Adults in Wales	October 2022	We have Band 6 Continence Promotion Practitioners. Waiting list around 8 weeks. They assess patients and from their assessment pads may or may not be provided. We are an assessment/ treatment service and pads are provided on need and according to bladder and bowel dysfunction. We have a triage system for referrals so end of life patients for example are assessed and pads provided if required within 48 /72 hours. For children, the appropriate person assesses, e.g., children's nurse, school nurse etc. and pads are then allocated again according to need.	Complete
2022-004 Guidance for the care of Children and young people with continence problems	October 2022	The service is completing the SOP which will incorporate the guidance – the deadline for completion has overrun but is expected for completion this quarter. The review of the list of the children in receipt of containment products against the guidance is outstanding this has been requested again as a priority for completion this quarter.	In Progress
2022-027 & 2022-029 Urgent polio catch up programme for children under 5 years old	October 2022	Director of Public Health has contacted the Primary care Team to ask them to send the letter to GP Practices to ask who wishes to participate in catch-up, with deadline of 09 Nov 22 for returns. All GP Practices participating in catch-up and underway.	In Progress
2022-026 Approach for respiratory viruses-Technical guidance for healthcare planning	October 2022	11 October 2022 letter from Director of Public Health to all GP Practices/Pharmacies (sent via pharmacy and Primary care leads). Agenda item on Executive Committee meeting on 19 October 2022. Letter to all HB staff inviting for co-administering Covid-19 & flu vaccinations	In Progress

		commencing week of 10/10/22. Joint Message to all staff from four Executive clinical leads to encourage vaccination & how to access covid & flu vaccines (communicated via Powys News and carousel) (live on carousel from 26/10/22). Chief Executive to include message on vaccination in all staff briefing on 26 October 2022. Pathway and triage processes in place, led by pharmacy, to access antivirals. Pathway reviewed regularly jointly by Chief Pharmacist, Medical Director, Director of Public Health & Assistant Director of Community Services. Testing pathways in place.	
2022-013 Monthly Financial monitoring return guidance	April 2022	The Health Board is meeting WG guidance in respect of reporting its financial performance to Welsh Government.	Complete
2022-008 New records management code of practice for health and care 2022	April 2022	Implementation not yet due as of May 2023.	Not Yet Due
2022-028 More than just words Welsh Language Awareness Course	November 2022	The Welsh Awareness Training Course is now included within statutory and mandatory training through ESR. Compliance will be monitored through the workforce performance reporting alongside all other statutory and mandatory training, Compliance as at 17.2.23 is 60.93%.	Complete
2022-031 Reimbursable vaccines and eligible cohorts for the 2023/24 NHS seasonal Influenza (flu) Vaccination Programme	December 2022	Chief Pharmacist and Assistant Director of Primary Care circulated letter to GP Practices and Community pharmacy and for ordering of HB stocks. Further guidance received to community pharmacy & GPs. Additional actions as per flu update.	In Progress
2022-035 Influenza (flu) Vaccination Programme deployment 'mop up' 2022-2023	December 2022	Walk ins in place from early January for all eligible residents at all 3 MVCs. Promoted at least weekly through Health Board comms channels. Proactive MECC approach to all eligible attendees attending for COVID-19 vaccination.	Complete
2023-001 Eliminating Hepatitis B and C as a Public Health threat in Wales – actions for 2022-2023 and 2023-2024	January 2023	Implementation not yet due as of end of March 2023	Not Yet Due
2023-002 New Lower Gastrointestinal 'FIT' National optimal Pathway	January 2023	All general practices now have access to symptomatic Faecal Immunochemical Test (FIT) services where there is a suspicion of colorectal cancer. The new Lower Gastrointestinal 'FIT' National Optimal Pathway documentation has been distributed to Powys General Practices. The PTHB Cancer Clinical Lead has worked closely with Cluster Leads and GP Collaboratives to ensure they are up to date with Faecal Immunochemical Test pathways and the National Optimal Pathway for FIT including highlighting the importance of 'safety netting'.	Complete

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		An Internal Audit conducted in October 2022 concluded there was substantial assurance with regard to the controls and processes in place and that the planned actions to allow improved access to symptomatic FIT are being effectively delivered. This is now 'business as usual' with no further action required.		
2022-034 Health Board 2023-2024 Allocations	December 2022	Implementation not yet due as of end of March 2023	Not Due	Yet
2023-004 Covid-19 Spring Booster Vaccination Programme 2023	March 2023	Implementation not yet due as of June 2023	Not Due	Yet
2022-032 Further extending the use of Blueteq in secondary care	March 2023	Implementation not yet due as of April 2023	Not Due	Yet
2023-007 Patient Testing Framework-Updated Guidance	March 2023	Framework due to be reviewed in June 2023 (depending on public health indicators)	Not Due	Yet
2023-003 Guidelines for the investigation of moderate or severe early developmental impairment or intellectual disability (EDI/ID)	April 2023	Guideline to be reviewed in May 2023	Not Due	Yet
2023-006 Commencement of the Health and Social Care (Quality and Engagement (Wales) Act 2020	March 2023	To be reviewed in April 2023	Not Due	Yet

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Appendix 3b: Ministerial Directions 2022-23

Ministerial Directions (MDs)	Date/Year of Adoption	Action to demonstrate implementation/response	Status
Ministerial Direction 1 Our Programme for transforming and modernising planned care and reducing waiting lists in Wales	April 2022	Implementation not yet due as of April 2026	Not Yet Due
Ministerial Direction 2 Financial Entitlements Amendments	June 2022	Completed as per the date of issue/effective from and would have been discharged for us via Business Services Unit who pay Primary Care contractors on all Health Board behalf.	Complete
Ministerial Direction 3 The Primary care (contracted Services Immunisations)	August 2022	Implementation not yet due.	Not Yet Due

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PART B: REMUNERATION AND STAFF REPORT

This report contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc and has been compiled by the Directorate of Finance, Information & IT and the Workforce and Organisational Development Directorate

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Background

The remuneration and staff report sets out the organisation's remuneration policy for Executive Directors and senior managers, reports on how that policy has been implemented and sets out the amounts awarded to Executive Directors and senior managers and where relevant the link between performance and remuneration. The FReM requires that a Remuneration Report shall be prepared under the headings in SI2008 No 410 to the extent that they are relevant. The definition of "Senior Managers" for these purposes is:

"those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual Executive Directorates or departments."

This section of the Accountability Report meets these requirements.

The Remuneration Terms of Service Committee

Remuneration and terms of service for Executive Directors and the Chief Executive are agreed and kept under review by the Remuneration and Terms of Service Committee. The Committee also monitors and evaluates the annual performance of the Chief Executive and individual Executive Directors (the latter with the advice of the Chief Executive).

In 2022/2023, the Remuneration and Terms of Services Committee was chaired by the Health Board's Chair, firstly Vivienne Harpwood (to 15 October 2022) followed by Carl Cooper (from 17 October 2022), and the membership included the following Independent Members:

- Kirsty Williams, Vice Chair of the Board
- Tony Thomas, Independent Member (Finance)
- Mark Taylor, Independent Member (Capital and Estates)
- Ian Phillips, Independent Member (ICT)

Meetings are minuted and decisions fully recorded.

The meeting is attended by the Chief Executive, Director of Workforce and Organisational Development and Director of Corporate Governance / Board Secretary with appropriate corporate governance support.

Independent Members' Remuneration

Remuneration for Independent Members is decided by the Welsh Government, which also determines their tenure of appointment.

Directors' and Independent Members' Remuneration

Details of Directors' and Independent Members' remuneration for the 2022/23 financial year, together with comparators are given in Tables below. The norm is for Executive Directors and Senior Managers salaries to be uplifted in accordance with the Welsh Government identified normal pay inflation

percentage. In 2022/23, Executive Directors received a pay inflation uplift, in-line with Welsh Government's Framework.

The Committee also seeks assurance from the Chief Executive in relation to Executive team objectives and performance when considering recommendations in respect of annual pay uplifts. It should be noted that Executive Directors are not on any form of performance related pay. All contracts are permanent with a three-month notice period. Conditions were set by Welsh Government as part of the NHS Reform Programme of 2009.

For part of the year there were a number of interim Directors in post including; an Interim Director of Public Health, Interim Director of Workforce and Organisational Development, Interim Director of Planning and Performance, Interim Director of Primary, Community Care and Mental Health and Interim Board Secretary.

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Table 1: Salary and Pension Disclosure Table: Salaries and Allowances, single total figure of Remuneration

Name and title	2022 - 23					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £00	(to nearest £1000) £000	(bands of £5,000) £000	(bands of £5,000) £000
Executive directors						
Carol Shillabeer - Chief Executive	175 - 180	0	0	29	205 - 210	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive (to 31st March 2022) and Director of Primary Care, Community and Mental Health (from 1st April 2022) **	125 - 130	0	0	26	155 - 160	0
Stephen Powell - Interim Director of Planning and Performance (from 1st April 2022)	115 - 120	0	0	206	325 - 330	0
Pete Hopgood - Director of Finance, Information and IT Services * and **	120 - 125	0	6	0	120 - 125	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services until 1st December 2021)	130 - 135	0	0	45	175 - 180	0
Debra Wood Lawson - Interim Director of Workforce and OD (from 3rd October 2022)	70 - 75	0	0	7	75 - 80	0
Kate Wright - Medical Director	140 - 145	0	0	8	145 - 150	0
Claire Madsen - Director of Therapies and Health Science **	105 - 110	0	0	33	140 - 145	0
Stuart Bourne - Director of Public Health (To 11th March 2022) ****	0	0	0	0	0	0
Mererid Bowley - Director of Public Health (from 27th June 2022)	90 - 95	0	0	46	135 - 140	0
Alison Davies - Director of Nursing and Midwifery (To 14th March 2022) ****	0	0	0	0	0	0
Clare Roche - Director of Nursing and Midwifery (From 7th March 2022)* and ****	115 - 120	0	1	34	150 - 155	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021) - Director of Environment (From 1st December 2021) *	110 - 115	0	1	0	110 - 115	0
Rani Mallison - Board Secretary (To 27th November 2021) * & *** & ****	0	0	0	0	0	0
James Quance - Board Secretary (From 4th January 2022 to 31st December 2022) * & ****	70 - 75	0	0	18	85 - 90	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	20 - 25	0	0	5	25 - 30	0

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Name and title	2021 - 22					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £00	(to nearest £1000) £000	(bands of £5,000) £000	(bands of £5,000) £000
Executive directors						
Carol Shillabeer - Chief Executive	175 - 180	0	0	61	235 - 240	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive (to 31st March 2022) and Director of Primary Care, Community and Mental Health (from 1st April 2022) **	125 - 130	0	0	59	180 - 185	0
Stephen Powell - Interim Director of Planning and Performance (from 1st April 2022)	0	0	0	0	0	0
Pete Hopgood - Director of Finance, Information and IT Services * and **	115 - 120	0	0	56	170 - 175	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services until 1st December 2021)	120 - 125	0	19	58	175 - 180	0
Debra Wood Lawson - Interim Director of Workforce and OD (from 3rd October 2022)	0	0	0	0	0	0
Kate Wright - Medical Director	140 - 145	0	0	109	250 - 255	0
Claire Madsen - Director of Therapies and Health Science **	100 - 105	0	0	34	135 - 140	0
Stuart Bourne - Director of Public Health (To 11th March 2022) ****	100 - 105	0	0	41	145 - 150	0
Mererid Bowley - Director of Public Health (from 27th June 2022)	0	0	0	0	0	0
Alison Davies - Director of Nursing and Midwifery (To 14th March 2022) ****	110 - 115	0	0	41	155 - 160	0
Clare Roche - Director of Nursing and Midwifery (From 7th March 2022)* and ****	5 - 10	0	0	4	10 - 15	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021) - Director of Environment (From 1st December 2021) *	115 - 120	0	0	9	120 - 125	0
Rani Mallison - Board Secretary (To 27th November 2021) * & *** & ****	60 - 65	0	0	21	85 - 90	0
James Quance - Board Secretary (From 4th January 2022 to 31st December 2022) * & ****	20 - 25	0	0	0	20 - 25	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	0	0	0	0	0	0

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Name and title	2022 - 23					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £00	(to nearest £1000) £000	(bands of £5,000) £000	(bands of £5,000) £000
Associate Members						
Nina Davies - Interim Director of Social Serices and Housing, Powys County Council (from 1st January 2023)	0	0	0	0	0	0
Chair of Healthcare Professionals Forum (TBC)	0	0	0	0	0	0
Chair of Stakeholder Reference Group (TBC)	0	0	0	0	0	0
Non-Officer Members						
Professor Vivienne Harwood - Chair (to 16th October 2022)	20 - 25	0	0	0	20 - 25	0
Carl Cooper - Chair (from 17th October 2022)	20 - 25	0	0	0	20 - 25	0
Melanie Davies - Vice Chair (to 26th December 2021) *****	0	0	0	0	0	0
Kirsty Williams - Vice Chair (from 10th January 2022) *****	35 - 40	0	0	0	35 - 40	0
Anthony Thomas - Independent Member (Finance)	5 - 10	0	0	0	5 - 10	0
Matthew Dorrance - Independent Member (Local Authority to 30th June 2022)	0 - 5	0	0	0	0 - 5	0
Patricia Buchan - Independent Member (Third Sector - to 31st March 2022)	0	0	0	0	0	0
Frances Gerrard - Independent Member (University held post relating to health to 30th June 2022)	0 - 5	0	0	0	5 - 10	0
Ian Phillips - Independent Member (ICT)	5 - 10	0	0	0	5 - 10	0
Susan Newport - Independent Member (Trade Union to 30th September 2021)	0	0	0	0	0	0
Cathie Poynton - Independent Mmber (Trade Union from 11th November 2021)	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates)	5 - 10	0	0	0	5 - 10	0
Rhobert Lewis - Independent Member (General)	5 - 10	0	0	0	10 - 15	0
Ronnie Alexander - Independent Member (General from 21st June 2021)	5 - 10	0	0	0	5 - 10	0
Chris Walsh - Independent Member (Local Authority - from 1st November 2022)	0 - 5	0	0	0	0 - 5	0
Jennifer Owen Adams - Independent Member (Third Sector - from 30th August 2022)	5 - 10	0	0	0	5 - 10	0
Simon Wright - Independent Member (University held post relating to health - from 8th August 2022)	5 - 10	0	0	0	5 - 10	0

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Name and title	2021 - 22					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £00	(to nearest £1000) £000	(bands of £5,000) £000	(bands of £5,000) £000
Associate Members						
Nina Davies - Interim Director of Social Services and Housing, Powys County Council (from 1st January 2023)	0	0	0	0	0	0
Chair of Healthcare Professionals Forum (TBC)	0	0	0	0	0	0
Chair of Stakeholder Reference Group (TBC)	0	0	0	0	0	0
Non-Officer Members						
Professor Vivienne Harwood - Chair (to 16th October 2022)	40 - 45	0	0	0	40 - 45	0
Carl Cooper - Chair (from 17th October 2022)	0	0	0	0	0	0
Melanie Davies - Vice Chair (to 26th December 2021) *****	25 - 30	0	0	0	25 - 30	0
Kirsty Williams - Vice Chair (from 10th January 2022) *****	5 - 10	0	0	0	5 - 10	0
Anthony Thomas - Independent Member (Finance)	5 - 10	0	0	0	5 - 10	0
Matthew Dorrance - Independent Member (Local Authority to 30th June 2022)	5 - 10	0	0	0	5 - 10	0
Patricia Buchan - Independent Member (Third Sector - to 31st March 2022)	5 - 10	0	0	0	5 - 10	0
Frances Gerrard - Independent Member (University held post relating to health to 30th June 2022)	5 - 10	0	0	0	5 - 10	0
Ian Phillips - Independent Member (ICT)	5 - 10	0	0	0	5 - 10	0
Susan Newport - Independent Member (Trade Union to 30th September 2021)	0	0	0	0	0	0
Cathie Poynton - Independent Mmember (Trade Union from 11th November 2021)	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates)	5 - 10	0	0	0	5 - 10	0
Rhobert Lewis - Independent Member (General)	10 - 15	0	0	0	10 - 15	0
Ronnie Alexander - Independent Member (General from 21st June 2021)	5 - 10	0	0	0	5 - 10	0
Chris Walsh - Independent Member (Local Authority - from 1st November 2022)	0	0	0	0	0	0
Jennifer Owen Adams - Independent Member (Third Sector - from 30th August 2022)	0	0	0	0	0	0
Simon Wright - Independent Member (University held post relating to health - from 8th August 2022)	0	0	0	0	0	0

* Please note that the salary for Jamie Marchant includes £9,000 sacrificed in relation to a leased car (in 2021-22 the figure was £10,000), the salary for Rani Mallison includes £0 sacrificed in relation to a leased car (in

2021/22 the figure was £4,000), the salary for James Quance includes £1,000 in relation to a leased car (in 2021/22 the figure was £1,000) the salary for Pete Hopgood includes £7,000 in relation to a leased car (in 2021/22 the figure was £0) and the salary for Clare Roche includes £1,000 in relation to a leased car (in 2021/22 the figure was £0).

** Please note that the portfolio of the Director of Primary, Community and Mental Health Services was split for a period and allocated to three Executive Directors from 1st December 2021 to 31st March 2022. The portfolio was split as follows; Pete Hopgood Primary Care; Hayley Thomas Community Care and Clare Madsen Mental Health Services'; no additional remuneration was paid to these Directors as a result of the additional responsibilities.

*** Please note that there was an agreement for Rani Mallison to work for Aneurin Bevan University Health Board for 1 day a week from 1st November 2021.

**** Please note that the full year equivalent salary banding, in bands of £5,000, for starters and leavers during 2022/23 was as follows; James Quance £90,000-£95,000, Julie Rowles £120,000 - £125,000, Debra Lawson Wood, Mererid Bowley, Helen Bushell £105,000 - £110,000

***** Please note that salary overpayments have been identified during 2021/22 and these are still being recovered.

The value of pension benefits is calculated as follows: (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member) * excluding increases due to inflation or any increase or decrease due to a transfer of pension rights.

The remuneration report now contains a Single Total Figure of remuneration, this is a different way of presenting the remuneration for each individual for the year. The table used is similar to that used previously, and the salary and benefits in kind elements are unchanged. The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes and is based on information received from NHS BSA Pensions Agency.

The Single Total Figure of remuneration is not an amount which has been paid to an individual by the THB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g., changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme

from their pay and other valuation factors affecting the pension scheme as a whole.

Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director /employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. The 2022-23 financial year is the second-year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required.

		2022-23 £000	2022-23 £000	2022-23 £000		2021-22 £000	2021-22 £000	2021-22 £000
Total pay and benefits		Chief Executive	Employee	Ratio		Chief Executive	Employee	Ratio
	25th percentile pay	177	25	7.1:1		177	22	8.0:1
	Median pay	177	33	5.4:1		177	32	5.5:1
	75th percentile pay ratio	177	43	4.1:1		177	41	4.3:1
Salary component of total pay and benefits								
	25th percentile pay	177	25			177	22	8.0:1
	Median pay	177	33			177	32	5.5:1
	75th percentile pay ratio	177	43			177	41	4.3:1
Total pay and benefits		Highest Paid Director	Employee	Ratio		Highest Paid Director	Employee	Ratio
	25th percentile pay	177	25	7.1:1		177	22	8.0:1
	Median pay	177	33	5.4:1		177	32	5.5:1
	75th percentile pay ratio	177	43	4.1:1		177	41	4.3:1
Salary component of total pay and benefits								
	25th percentile pay	177	25			177	22	8.0:1
	Median pay	177	33			177	32	5.5:1
	75th percentile pay ratio	177	43			177	41	4.3:1

In 2022-23, 2 (2020-21, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £20,758 to £217,294 (2021-22, £18,576 to £188,839).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Percentage Changes:

9.6.2 Percentage Changes				2021-22		2020-21
				to		to
				2022-23		2021-22
% Change from previous financial year in respect of Chief Executive				%		%
	Salary and allowances			2		3
% Change from previous financial year in respect of highest paid director	Performance pay and bonuses			0		0
	Salary and allowances			2		3
Average % Change from previous financial year in respect of employees takes as a whole	Performance pay and bonuses			0		0
	Salary and allowances			5		5
	Performance pay and bonuses			0		0

Table 2: Salary and Pension Disclosure

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Name and title	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 Mar 2023	Lump sum at age 60 related accrued pension at 31st Mar 2023	Cash Equivalent transfer value at 31 Mar 2023	Cash Equivalent transfer value at 31 Mar 2022	Real increase in Cash Equivalent transfer value	Employer's contribution to stakeholder pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	Restated £000	£000	£000
Carol Shillabeer - Chief Executive	2.5 - 5.0	(0.0) - (2.5)	70 - 75	150 - 155	1,353	1,253	36	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive (to 31st March 2022) and Director of Primary Care, Community and Mental Health (from 1st April 2022)	0.0 - 2.5	(0.0) - (2.5)	40 - 45	75 - 80	718	657	22	0
Pete Hopgood - Director of Finance, Information and IT Services	0.0 - 2.5	(5.0) - (7.5)	45 - 50	90 - 95	838	804	-7	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services to 1st December 2021)	2.5 - 5.0	(2.5) - (5.0)	65 - 70	145 - 150	1,413	1,307	51	0
Kate Wright - Medical Director	0.0 - 2.5	(2.5) - (5.0)	35 - 40	50 - 55	665	622	5	0
Claire Madsen - Director of Therapies and Health Science	0.0 - 2.5	0.0 - 2.5	35 - 40	110 - 115	871	792	41	0
Clare Roche - Director of Nursing (From 7th March 2022)	0.0 - 2.5	0.0 - 2.5	45 - 50	115 - 120	974	890	40	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021); Director of Environment (From 1st December 2021)	0.0 - 2.5	(2.5) - (5.0)	30 - 35	45 - 50	584	557	-3	0
James Quance - Board Secretary (From 4th January 2022)	0.0 - 2.5	0	5 - 10	0	111	85	8	0
Stephen Powell - Interim Director of Planning and Performance (from 1st April 2022)	7.5 - 10	22.5 - 25.0	50 - 55	115 - 120	1,005	762	219	0
Debra Lawson Wood - Interim Director of Workforce and OD (from October 2022)	0.0 - 2.5	0	10 - 15	0	208	171	9	0
Mererid Bowley - Director of Public Health (from July 2022)	2.5 - 5.0	0.0 - 2.5	40 - 45	70 - 75	763	673	46	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	0.0 - 2.5	0	5 - 10	0	70	49	5	0

The above calculations are provided by the NHS Pensions Agency and are based on the standard pensionable age of 60.

For Directors marked * the member is over retirement age in existing scheme therefore a CETV calculation is not applicable

As Non officer members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own

cost. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Numbers

Number of Employed Staff

As at 31 March 2023, the total number staff employed by the Health Board stood at **1,929.39 Whole Time Equivalent** (WTE). The table below provides the average WTE of staff employed by the Health Board in 2021/2022 and 2022/2023 broken down by staffing group. This excludes hosted services such as the Boards of Community Health Councils and Health and Care Research Wales.

Staff Group	2021/22	2022/23
Add Prof Scientific and Technic	72.80	75.63
Additional Clinical Services	382.59	395.76
Administrative and Clerical	504.93	529.41
Allied Health Professionals	133.54	134.59
Estates and Ancillary	175.05	173.91
Healthcare Scientists	4.58	5.86
Medical and Dental	33.56	29.97
Nursing and Midwifery Registered	564.42	552.99
Grand Total	1,871.46	1898.13

Overall, on average, the Health Board has seen an increase of **26.68 WTE** in the number of staff employed in 2022/2023 when compared to 2021/2022. Despite this success, recruiting to a number of clinical roles, in particular Registered Nurse and Medical roles, continues to be challenging. There is a decrease overall of 11.42 WTE in the number of Registered Nurse staff employed by the Health Board. Registered Nurse vacancy levels within the wards has increased, with an overall vacancy deficit (excluding absence) of **30%** at March 2022, increasing to **33%** as at March 2023. To mitigate this risk the Health Board has recruited 2 overseas nurses with a further 5 due to arrive in April 2023. The Health Board has also continued

to develop the Aspiring Nurse programme, to grow our own internal pipeline to address the deficits.

Staffing Composition

As of 31 March 2023, the Health Board employed **2,369** substantive employees (excluding bank workers) which equated to **1,929.39 WTE**. The number (headcount) of female and male employees of the Health Board are as follows:

	Female	Male
Headcount	2,028	341
Percentage	86%	14%

Of this staffing composition, at 31 March 2023, the Executive Team consisted of 9 voting members of the Board (inclusive of the Chief Executive Officer). There was one additional Director and the Board Secretary (both non-voting members) who are members of the Executive Team and are included in the staffing composition below:

	Female	Male
Headcount	8	3
%	73%	27%

Sickness Absence Data

Information on sickness absence for 2021/2022 and 2022/2023 is provided within the table below:

Staff Group	2021/22	2022/23
WTE Days Lost Long Term	28,157.95	29,910.21
WTE Days Lost Short Term	11,158.48	13,291.37
Total Days Lost	39,316.43	43,201.58
Total Staff Years (avg WTE staff Absent)	107.72	118.36
Average Working Days Lost	16.38	18.24
Total Staff Employed in Period (Headcount)	2401	2369
Total Staff Employed in Period with no absence (Headcount)	1276	882
Percentage of Staff with no Sick Leave	53%	37%

The Health Board's overall rolling sickness absence rate for 2022/2023 is **5.83%**, compared to **5.76%** in 2021/2022. The overall increase in staff absence is reflective of the difficult and challenging time, as the Health Board continue to respond to the impacts of the COVID-19 pandemic.

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Staff Policies

Powys Teaching Health Board has a policy framework in place which covers policies and procedures that apply to employees and workers engaged with the Health Board. All workforce related policies are actively monitored, developed, and agreed in partnership with our Trade Union colleagues. The Equality Impact Assessment policy is applied throughout the financial year for the development of policies and procedures.

- for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities
- for continuing the employment of and for arranging appropriate training for employees, who have become disabled persons during the period when they were employed by the company
- otherwise for the training, career development and promotion of disabled persons employed by the Health Board

All staff policies include a requirement to undertake an analysis of the impact of the policy in respect of equality. In conjunction with this approach, the *all Wales Managing Attendance at Work Policy* and *Recruitment and Selection Policy* were utilised to ensure fair consideration was given to applications for employment made by a disabled person and for supporting their continued employment.

Other Employee Matters

Health and Safety 2023/2024

The Health and Safety (H&S) team workplan focuses on the priorities of the Health Board via the Health and Safety Group (HSG). This plan covers a wide range of important areas and is designed to assist in managing and prioritising the resources of the health and safety team and provide support to departments and directorates to develop and ensure the local management of health and safety matters.

Three policies have been reviewed, updated, and approved by the Health and Safety Group in year. These have been communicated through Powys Announcements and are “live” on the intranet. These policies are;

- Manual Handling Policy;
- Violence and Aggression Policy;
- Stress Management Policy.

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A fundamental role of the Health and Safety Group (HSG) is to monitor the review and learning from accidents and incidents. A summary report is provided at each meeting with details of incidents at departmental level. During 2022/2023 the format has changed to make use of outputs from the Datix system.

Discussion at HSG focuses on ensuring robust review at departmental level of the incidents ensuring appropriate closure and learning. Review of data output from Datix is also assisting in improving the quality of the data input. As the membership of the Group has matured, "near misses" are also being reported.

The Executive Committee agreed that these areas should be prioritised across all departments and that the subsequent audit program of 2022/2023 would concentrate on reviewing these risk assessments as well as any service specific tasks.

The modules were;

- driving for Work
- lone Working
- display Screen Equipment
- violence and Aggression
- manual Handling
- workplace Stress

As part of the programme, twenty teams across various departments in Support Services, Estates, Workforce and Organisation Development, Women and Childrens Service Group and Community Services Group were audited by the Health and Safety and good practice, areas for development were shared via the Health and Safety Group.

Training and education are essential to allow staff to be aware and manage health and safety issues. With relation to the specific areas of violence and aggression and manual handling training, the Health Board has two directly employed trainers.

Welsh Ambulance Service NHS Trust (WAST) Health and Safety function are working with the Health Board to provide sessions for IOSH accredited Leading Safely course. This will provide training for Executive Directors and Assistant/Deputy Directors as well as adding a new element of training developed by WAST relating to "behavioural approach" to Health and Safety.

Alongside this approach, the local Health and Safety Officers have been supporting training for the IOSH Working Safety as part of the Workforce Managers Programme and to date 87 staff have completed the course.

To support the ongoing local management and compliance for staff relating to manual handling, the work for 2022/2023 has included a specific focus on manual handling, involving the introduction and training of manual handling link workers as identified in a Health and Safety Executive (HSE) Notification of Contravention in 2019. A commitment was made to appoint link workers within departments with the initial focus on the wards. Whilst there were some challenges during the Covid-19 pandemic, work has been undertaken to review the nominated leads and complete any gaps. It is expected to have a full complement of people across specific departments by the end of March.

Powys Teaching Health Board recognises that when staff deal with any situation in which individuals, whether Child or Adult, are violent or intimidating toward them, it can be very difficult. Appropriate Training is provided in accordance with the "All Wales NHS Violence and Aggression Training Passport and Information Scheme."

Teams within the Health Board work with a very diverse group of patients, and as such it is appropriate that they receive personal safety training, full prevention, and management training for physical intervention techniques, whichever is appropriate for their role/s, as identified by the service departments. The Training Programme is designed to meet identified training needs based upon Risk Assessment for Staff Groups.

To strengthen the resources available to staff a new webpage has been constructed and is live on the intranet. This will be updated and continually evolve and contains advice and guidance on a number of health and safety subjects, along with easy-to-follow videos on risk assessment and lone working. All H&S template documents are available through the website and SharePoint.

Following the identification of a number of Hand Arm Vibration incidents which resulted in action being undertaken by the Health and Safety Executive (HSE), they have acknowledged that a great deal of progress has been made by PTHB and the Estates department since early 2020, in relation to compliance with the Control of Vibration at Work Regulations 2005.

Beyond the work to respond to the Improvement Notices, an additional range of actions were committed and completed by the Health Board. These included;

- undertake a full audit of all equipment that poses a vibration risk to Support Services employees
- policy and process for the procurement and purchase of low vibratory work equipment
- implement a regime of tool maintenance

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- information
- ensure the risk of vibration exposure for task undertaken within Support Services are suitably risk assessed
- vibration Monitoring - monitoring and reviewing exposure levels on a regular basis; and
- health surveillance- identify any support services staff that have been exposed to the use of vibrating tool to check and ensure they are not suffering from ill health effects from past exposure.

The Health and Safety Group continues to take forwards its agenda supported by relevant subgroups, namely Fire Safety Group and Security Oversight Group.

Future Work Programme

The HSG will be developing work plan priorities for 2023/2024.

Expenditure on Consultancy

As disclosed in note 3.3 (page 29) of its financial statements, the Health Board spent £0.557M on consultancy services during 2022-23 compared to £0.505M M in 2021-22.

Off Payroll Engagement

For all off-payroll engagements as of 31 March 2023, for more than £245 per day:

No. of existing engagements as of 31 March 2023	18
Of which, the number that have existed:	0
for less than one year at time of reporting.	<5
for between one and two years at time of reporting.	5
for between two and three years at time of reporting.	<5
for between three and four years at time of reporting.	<5
for four or more years at time of reporting.	7

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	Number
Number. of new engagements, between 1 April 2022 and 31 March 2023	<5
Of which...	
<i>No. assessed as caught by IR 35</i>	0
<i>No. assessed as not caught by IR 35</i>	<5
<i>No. engaged directly (via PSC contracted to department) and are on the departmental payroll.</i>	0
<i>No. of engagements reassessed for consistency / assurance purposes during the year</i>	0
<i>No. of engagements that saw a change to IR35 status following the consistency review</i>	0

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

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Numbers that are between 1 and 4 are referred to as less than 5 (<5) to protect the potential identification of individuals.

There have been no-off payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2022 and 31 March 2023.

Exit Packages and Severance Payments

This disclosure reports the number and value of exit packages taken by staff leaving in the year. This disclosure is required to strengthen accountability in the light of public and Parliamentary concern about the incidence and cost of these payments.

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	1

Redundancy and other departure costs if paid would have been paid in accordance with the provisions of the NHS Agenda for Change Terms and Conditions and NHS Voluntary Early Release Scheme (VERS). Exit costs in this note are accounted for in full in the year of departure on a cash basis in this note as specified in EPN 380 Annex 13C. Should the Health Board have agreed early retirements, the additional costs would have been met by the Health Board and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension's scheme and are not included in the table.

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PART C: SENEDD CYMRU/WELSH PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

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Regularity of Expenditure

Regularity is the requirement for all items of expenditure and receipts to be dealt with in accordance with the legislation authorising them, any applicable delegated authority and the rules of Government Accounting. The health board ensures that the funding provided by Welsh Ministers has been expended for the purposes intended by Welsh Ministers and that the resources authorised by Welsh Ministers to be used have been used for the purposes for which the use was authorised.

The health board's Chief Executive is the Accountable Officer and ensures that the financial statements are prepared in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, the Chief Executive is required to:

- observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
- prepare them on a going concern basis on the presumption that the services of the health board will continue in operation

Fees and Charges

Where the health board undertakes activities that are not funded directly by the Welsh Government the health board receives income to cover its costs which will offset expenditure reported under programme areas. Miscellaneous Income can be seen in Note 4 of the Annual Accounts. When charging for this activity the health board has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Remote Contingent Liabilities

Remote contingent liabilities are made for three categories, comprising indemnities, letters of comfort and guarantees. The value of remote contingent liabilities for 2022-23 is £0.00m (2021-22 £0.00m) and is disclosed in note 21.2 of the Health Board's Annual Accounts

Audit Certificate and Auditor General Wales Report

Opinion on financial statements

I certify that I have audited the financial statements of Powys Teaching Health Board (the Health Board) for the year ended 31 March 2023 under Section 61 of the Public Audit (Wales) Act 2004.

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These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Powys Teaching Health Board as at 31 March 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Powys Teaching Health Board's financial statements because the Health Board has breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three-year period 2020-2021 to 2022-23. This spend constitutes irregular expenditure.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Powys Teaching Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require

entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;
- the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the LHB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive anticipate that the services provided by the LHB's will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Board's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override and unusual journals;

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- obtaining an understanding of Health Board’s framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Assurance Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Health Board controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other auditor’s responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my Report on page [122](#)

Adrian Crompton
Auditor General for Wales
27 July 2023

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

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Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Powys Teaching Health Board's (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2023 to draw attention to one key matter for my audit. This is the failure against the first financial duty and consequential qualification of my 'regularity' opinion. I have not qualified my 'true and fair' opinion in respect of this matter.

Financial duties

Health Boards are required to meet two statutory financial duties – known as the first and second financial duties.

For 2022-23, the Health Board failed to meet the first financial duty.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2020-21 to 2022-23.

As shown in Note 2.1 to the Financial Statements, the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £1,133 million by £6.8 million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the Health Boards authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Adrian Crompton

Auditor General for Wales

27 July 2023

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POWYS TEACHING HEALTH BOARD

FOREWORD

Statutory background

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

Powys Teaching Local Health Board was established under the Local Health Boards (Establishment) (Wales) Order 2003 (S.I. 2003/148 (W.18))

As a statutory body governed by Acts of Parliament the LHB is responsible for :

- agreeing the action which is necessary to improve the health and health care of the population of Powys;
- supporting and financing General Practitioner-led purchasing of the services needed to meet agreed priorities, including charter standards and guarantees;
- supporting and funding the contractor professions;
- the commissioning of health promotion, emergency planning and other regulatory tasks;
- the stewardship of resources including the financial management and monitoring of performance in critical areas;
- eliciting and responding to the views of local people and organisations and changing and developing services at a pace and in ways that they will accept;
- providing Hospital and Community Healthcare Services to the residents of Powys.

Up until 31st March 2023, Powys LHB hosts the Community Health Councils in Wales. In addition, it is also responsible for hosting specific functions in respect of the accounts of the former Health Authorities mostly significantly in respect of clinical negligence. The THB also hosts the functions of Health and Care Research Wales (HCRW).

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2022-23. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the LHB which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1 April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

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**Statement of Comprehensive Net Expenditure
for the year ended 31 March 2023**

	Note	2022-23 £000	2021-22 £000
Expenditure on Primary Healthcare Services	3.1	74,960	72,389
Expenditure on healthcare from other providers	3.2	201,541	194,502
Expenditure on Hospital and Community Health Services	3.3	135,289	132,034
		411,790	398,925
Less: Miscellaneous Income	4	(16,094)	(15,825)
LHB net operating costs before interest and other gains and losses		395,696	383,100
Investment Revenue	5	0	0
Other (Gains) / Losses	6	0	(19)
Finance costs	7	1	(60)
Net operating costs for the financial year		395,697	383,021

See note 2 on page 26 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 74 form part of these accounts.

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Other Comprehensive Net Expenditure

	2022-23 £000	2021-22 £000
Net (gain) / loss on revaluation of property, plant and equipment	(2,260)	(3,331)
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	<u>(2,260)</u>	<u>(3,331)</u>
Total comprehensive net expenditure for the year	<u><u>393,437</u></u>	<u><u>379,690</u></u>

The notes on pages 8 to 74 form part of these accounts.

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Statement of Financial Position as at 31 March 2023

		31 March 2023 £000	31 March 2022 £000
	Notes		
Non-current assets			
Property, plant and equipment	11	103,185	93,331
Right of Use Assets	11.3	1,670	
Intangible assets	12	0	0
Trade and other receivables	15	20	16,085
Other financial assets	16	0	0
Total non-current assets		104,875	109,416
Current assets			
Inventories	14	147	143
Trade and other receivables	15	18,134	11,959
Other financial assets	16	0	0
Cash and cash equivalents	17	1,268	2,658
		19,549	14,760
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		19,549	14,760
Total assets		124,424	124,176
Current liabilities			
Trade and other payables	18	(49,845)	(59,256)
Other financial liabilities	19	0	0
Provisions	20	(14,980)	(1,301)
Total current liabilities		(64,825)	(60,557)
Net current assets/ (liabilities)		(45,276)	(45,797)
Non-current liabilities			
Trade and other payables	18	(508)	0
Other financial liabilities	19	0	0
Provisions	20	(862)	(17,085)
Total non-current liabilities		(1,370)	(17,085)
Total assets employed		58,229	46,534
Financed by :			
Taxpayers' equity			
General Fund		11,604	2,153
Revaluation reserve		46,625	44,381
Total taxpayers' equity		58,229	46,534

The financial statements on pages 2 to 7 were approved by the Board on 25th July 2023 and signed on its behalf by:

Chief Executive and Accountable Officer

Date:
25/07/2023

The notes on pages 8 to 74 form part of these accounts.

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**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2023**

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance as at 31 March 2022	2,153	44,381	46,534
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	614	0	614
Balance at 1 April 2022	<u>2,767</u>	<u>44,381</u>	<u>47,148</u>
Net operating cost for the year	(395,697)		(395,697)
Net gain/(loss) on revaluation of property, plant and equipment	0	2,260	2,260
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	16	(16)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	(32)	0	(32)
Total recognised income and expense for 2022-23	<u>(395,713)</u>	<u>2,244</u>	<u>(393,469)</u>
Net Welsh Government funding	400,275		400,275
Notional Welsh Government Funding	4,275		4,275
Balance at 31 March 2023	<u>11,604</u>	<u>46,625</u>	<u>58,229</u>

The notes on pages 8 to 74 form part of these accounts.

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Statement of Changes in Taxpayers' Equity For the year ended 31 March 2022

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2021-22			
Balance at 31 March 2021	(2,532)	41,053	38,521
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Balance at 1 April 2021	(2,532)	41,053	38,521
Net operating cost for the year	(383,021)	0	(383,021)
Net gain/(loss) on revaluation of property, plant and equipment	0	3,331	3,331
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	0	0	0
Release of reserves to SoCNE	3	(3)	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2021-22	(383,018)	3,328	(379,690)
Net Welsh Government funding	383,639	0	383,639
Notional Welsh Government Funding	4,064	0	4,064
Balance at 31 March 2022	2,153	44,381	46,534

The notes on pages 8 to 74 form part of these accounts.

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Statement of Cash Flows for year ended 31 March 2023

	2022-23 £000	2021-22 £000
Cash Flows from operating activities		
Net operating cost for the financial year	(395,697)	(383,021)
Movements in Working Capital	27 167	9,755
Other cash flow adjustments	28 9,701	12,864
Provisions utilised	20 (1,761)	(9,523)
Net cash outflow from operating activities	(387,590)	(369,925)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(14,013)	(13,702)
Proceeds from disposal of property, plant and equipment	0	19
Purchase of intangible assets	0	0
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
Net cash inflow/(outflow) from investing activities	(14,013)	(13,683)
Net cash inflow/(outflow) before financing	(401,603)	(383,608)
Cash Flows from financing activities		
Welsh Government funding (including capital)	400,275	383,639
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	0	0
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(62)	0
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	400,213	383,639
Net increase/(decrease) in cash and cash equivalents	(1,390)	31
Cash and cash equivalents (and bank overdrafts) at 1 April 2022	2,658	2,627
Cash and cash equivalents (and bank overdrafts) at 31 March 2023	1,268	2,658

The notes on pages 8 to 74 form part of these accounts.

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Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2022-23 Manual for Accounts. The accounting policies contained in that manual follow the 2022-23 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2. Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.4.2. Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Other Note within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

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1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5. Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However, IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

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Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

1.6.3. Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated. For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7. Intangible assets

1.7.1. Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the intention to complete the intangible asset and use it.
- the ability to use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8. Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale,

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within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

List any other transition expedients employed by the entity at its discretion.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 20xx will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The entity will not apply IFRS 16 to any new leases of in tangible assets applying the treatment described in

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List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16

The entity is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The entity is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset [the entity] applies a revised rate to the remaining lease liability.

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the LHB.

1.11.2 The LHB as lessor (where relevant)

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of [the entity]'s net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the entity's net investment outstanding in respect of the leases.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Wales organisation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2021-22. The WRP is hosted by Velindre NHS University Trust.

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1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.16. Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2. Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4. Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.16.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

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1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

1.17.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

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Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRP).

The NHS Wales organisation accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budget

The NHS Wales organisation has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

The NHS Wales organisation provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

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1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
	Contingent Liability for all other estimated expenditure.	
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

* Personal injury cases - Defence fee costs are provided for at 100%.

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary’s Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

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1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

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1.26 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.26.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.26.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.26.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

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1.26.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.26.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

1.26.5. Other assets contributed by the NHS Wales organisation to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

1.27. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.29. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.30. Accounting standards issued that have been adopted early

During 2022-23 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales organisation has established that as it is the corporate trustee of the 'Powys Teaching Local Health Board Charitable Fund and other related charities', it is considered for accounting standards compliance to have control of the the 'Powys Teaching Local Health Board Charitable Fund and other related charities' as a subsidiary and therefore is required to consolidate the results of the the 'Powys Teaching Local Health Board Charitable Fund and other related charities' within the statutory accounts of the NHS Wales organisation.

The determination of control is an accounting standard test of control and there has been no change to the operation of the the 'Powys Teaching Local Health Board Charitable Fund and other related charities' or its independence in its management of charitable funds.

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

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2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2020-21	2021-22	2022-23	Total
	£000	£000	£000	£000
Net operating costs for the year	356,471	383,021	395,697	1,135,189
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,851	1,355	1,609	4,815
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Less unfunded revenue consequences of bringing RoU Leases onto SoFP	0	0	0	0
Total operating expenses	358,322	384,376	397,306	1,140,004
Revenue Resource Allocation	358,465	384,456	390,304	1,133,225
Under /(over) spend against Allocation	143	80	(7,002)	(6,779)

Powys Teaching Health Board has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2020-21 to 2022-23.

The health board did not receive strategic cash support in 2022-23.

2.2 Capital Resource Performance

	2020-21	2021-22	2022-23	Total
	£000	£000	£000	£000
Gross capital expenditure	6,366	15,926	13,211	35,503
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	0	0	0	0
Less capital grants received	0	0	0	0
Less donations received	(13)	0	(527)	(540)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Add: recognition of RoU Assets Dilapidations on crystallisation	0	0	0	0
Charge against Capital Resource Allocation	6,353	15,926	12,684	34,963
Capital Resource Allocation	6,380	15,993	12,752	35,125
(Over) / Underspend against Capital Resource Allocation	27	67	68	162

Powys Teaching Health Board has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2020-21 to 2022-23.

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2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2022-2025 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2022-2025 in accordance with NHS Wales Planning Framework.

The Powys Teaching Health Board submitted a 2022-2025 Integrated Medium Term Plan in accordance with the planning framework

The Minister for Health and Social Services extant approval

Status
Date

Approved
July 2022

The LHB has therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2022-23	2021-22
Total number of non-NHS bills paid	50,476	47,474
Total number of non-NHS bills paid within target	44,751	41,546
Percentage of non-NHS bills paid within target	88.7%	87.5%

The LHB has not met the target.

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3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2022-23 Total £000	2021-22 Total £000
General Medical Services	40,791		40,791	39,418
Pharmaceutical Services	5,028	(2,529)	2,499	2,621
General Dental Services	8,806		8,806	8,214
General Ophthalmic Services	0	920	920	1,078
Other Primary Health Care expenditure	941		941	1,509
Prescribed drugs and appliances	21,003		21,003	19,549
Total	76,569	(1,609)	74,960	72,389

1. General Medical Services includes £0.527M (£0.636M 2021/22) of staff related costs in respect of a Health Board managed GP Practice. 2. The negative non cash limited balance on Pharmaceutical services relate to prescriptions for Powys residents being dispensed in non Powys pharmacies. The effect of this is a net outflow for Powys LHB.

3.2 Expenditure on healthcare from other providers

	2022-23 £000	2021-22 £000
Goods and services from other NHS Wales Health Boards	44,679	44,598
Goods and services from other NHS Wales Trusts	1,905	3,592
Goods and services from Welsh Special Health Authorities	1,051	277
Goods and services from other non Welsh NHS bodies	69,733	67,874
Goods and services from WHSSC / EASC	50,202	44,608
Local Authorities	4,045	6,564
Voluntary organisations	2,111	2,152
NHS Funded Nursing Care	2,131	2,149
Continuing Care	23,667	20,837
Private providers	745	513
Specific projects funded by the Welsh Government	0	0
Other	1,272	1,338
Total	201,541	194,502

The 7 Health Boards in Wales have established the Welsh Health Specialised Services Committee (WHSSC) which, through the operational management of Cwm Taf Morgannwg University Health Board, secures the provision of highly specialised healthcare for the whole of Wales. These arrangements include funding of services operated through a risk sharing arrangement. The LHB payment for the WHSSC/EASC commissioning arrangements for the year ended 31st March 2023 is £50.203M (2021/22: £44.608M).

The increase in goods and services from other non Welsh NHS bodies results from increased costs for contracts with English NHS providers. The most significant increases are Wye Valley NHS Trust £3.840M in comparison to 2021/22 expenditure. Wolverhampton NHS Foundation Trust also increased by £0.506M in comparison to 2021/22 expenditure.

The decrease in Local Authorities expenditure during 2022/23 is in relation to payments made to jointly deliver the county effort for the Test, Trace and Protect service for Covid 19 of £1.924M (21/22 £4.457M) funded by Welsh Government as per Note 34.2.

The increase in Continuing Health Care expenditure during 2022/23 has resulted from an increase in the number of cases and cost per case compared to 2021/22.

Other Expenditure includes Integrated Care Fund expenditure of £5.084M (2021/22: £4.147M) which aims to drive and enable integrated and collaborative working between social services, health, housing, the third and independent sectors to support underpinning principles of integration and prevention.

Other Expenditure also includes a negative balance which relates to the write back of liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years. The 2022/23 value of write backs is more than 2021/22.

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3.3 Expenditure on Hospital and Community Health Services

	2022-23	2021-22
	£000	£000
Directors' costs	1,665	1,560
Operational Staff costs	108,361	100,718
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	6,089	5,663
Supplies and services - general	1,407	1,409
Consultancy Services	557	505
Establishment	2,247	1,986
Transport	1,031	1,107
Premises	8,308	8,982
External Contractors	0	0
Depreciation	4,216	4,361
Depreciation (Right of Use assets RoU)	654	
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	1,339	(41)
Fixed asset impairments and reversals (RoU Assets)	0	
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	300	272
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	206	189
Research and Development	0	0
Expense related to short-term leases	0	
Expense related to low-value asset leases (excluding short-term leases)	0	
Other operating expenses	(1,091)	5,323
Total	135,289	132,034

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2022-23	2021-22
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	(3,363)	1,938
Primary care	19	13
Redress Secondary Care	102	2
Redress Primary Care	0	0
Personal injury	136	695
All other losses and special payments	1	38
Defence legal fees and other administrative costs	75	71
Gross increase/(decrease) in provision for future payments	(3,030)	2,757
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	266	67
Less: income received/due from Welsh Risk Pool	2,970	(2,635)
Total	206	189

	2022-23	2021-22
	£	£
Permanent injury included within personal injury £:	(146,835)	(36,697)

The main increases in staff costs relates to £1,400 Pay rise and 1.5% Non Consolidated payment for NHS staff during 2022/23 and the effect of the increase in employer pensions costs payable by 6.3% during the year of £4.254M in comparison to 2021/22 (£4.064M). Full details of the impact of these additional pension costs is provided in detail at note 34.1.

Staff costs also includes an accrual of £1.382M for a consolidated pay increase of 1.5% announced by Welsh Government backdated for 22/23 which will be paid to employees during 2023/24.

Clinical Redress expenditure including defence fees during the year was £0.108M in respect of 31 cases (2021 -22 £0.007M in respect of 28 cases). This relates to the movement on provision for claims currently in progress. These are expected to be fully reimbursed by the Welsh Risk Pool should payments be made in respect of the claims. This provision is included within Note 20 of the accounts.

The Movement on Clinical Negligence, Personal Injury and Defence fees links to Note 20 of the accounts and includes the arising in year amounts on these lines offset by the reversed unused amounts of the opening provision.

Increase on line Supplies & Services - Clinical relates mainly to the accounting required for items purchased in respect of the THB renewals programme which aims to implement service provision and improvements to patient treatments post pandemic.

The decrease on line Premises mainly relates to the decrease of costs for providing mass vaccination facilities and decreased digital related spend in comparison to 2021/22.

The decrease in other operating expenses includes a decrease of provision relating to Ex Health Authority early retirement provision of £0.000M (£1.743M 2021/22). The decrease also includes £0.825M decrease in expenditure in comparison to 2021/22 linked to Covid, Increase in dental recharge to General Dental Contract of £1.451M (2021/22: £0.546M) and a negative balance which relates to the write back of liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years.

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4. Miscellaneous Income

	2022-23 £000	2021-22 £000
Local Health Boards	2,371	2,027
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	51	51
NHS Wales trusts	89	67
Welsh Special Health Authorities	485	0
Foundation Trusts	0	0
Other NHS England bodies	426	312
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	3,739	4,797
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	1,065	996
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	33	68
Other income from activities	1,841	1,790
Patient transport services	18	34
Education, training and research	710	2,554
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	527	0
Receipt of Government granted assets	0	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	0	0
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	1,997	743
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	64	71
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	111	101
Mortuary fees	19	16
Staff payments for use of cars	0	0
Business Unit	0	0
Scheme Pays Reimbursement Notional	110	47
Other	2,438	2,151
Total	16,094	15,825

Welsh Government miscellaneous income includes funding received on behalf of the hosted function of Health and Care Research Wales within the LHB. This has decreased to £2.657M from an amount of £4.145M received in 21/22.

The decrease in education, training and research income mainly relates to research income received by the LHB hosted function of Health and Care Research Wales of £0.648M (2021/22 £2.591).

Dental fee income has increased in comparison to 2022/23 due to the an increase of volumes of patients treated via the General Dental Services contract in comparison to 2021/22.

The Receipt of Donated Assets of £0.527M relates to contributions from Charitable Organisations to capital schemes. This is further detailed in Note 11.

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5. Investment Revenue

	2022-23 £000	2021-22 £000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2022-23 £000	2021-22 £000
Gain/(loss) on disposal of property, plant and equipment	0	19
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	0	19

7. Finance costs

	2022-23 £000	2021-22 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	14	0
Interest on obligations under PFI contracts;		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	14	0
Provisions unwinding of discount	(13)	(60)
Other finance costs	0	0
Total	1	(60)

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8. Future change to SoCNE/Operating Leases

LHB as lessee

As at 31st March 2023 the LHB had 66 operating leases agreements.

	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other	
	2022-23	2022-23	2021-22
	£000	£000	£000
Payments recognised as an expense			
Minimum lease payments	0	305	1,035
Contingent rents	0	0	0
Sub-lease payments	0	0	0
Total	0	305	1,035
Total future minimum lease payments Payable	£000	£000	£000
Not later than one year	0	62	786
Between one and five years	0	18	650
After 5 years	0	0	149
Total	0	80	1,585

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only. Previously reported Expenditure £542k and Minimum lease Payments £1,029k transitioned to the balance sheet as right of use assets.

LHB as lessor

	Post Implementation of IFRS 16	Pre implementation of IFRS 16
	£000	£000
Rental revenue		
Rent	48	51
Contingent rents	0	0
Total revenue rental	48	51
Total future minimum lease payments Receivable	£000	£000
Not later than one year	48	48
Between one and five years	39	43
After 5 years	39	48
Total	126	139

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	79,020	632	10,776	0	0	0	90,428	84,438
Social security costs	7,295	0	0	0	0	0	7,295	6,760
Employer contributions to NHS Pension Scheme	13,964	0	0	0	0	0	13,964	13,340
Other pension costs	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	100,279	632	10,776	0	0	0	111,687	104,538

Charged to capital	497	483
Charged to revenue	111,190	104,055
	111,687	104,538

Net movement in accrued employee benefits (untaken staff leave)	0	863
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		863
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		0

Please detail other staff .

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2021-22
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	675	6	2	0	0	0	683	652
Medical and dental	30	0	11	0	0	0	41	47
Nursing, midwifery registered	554	1	35	0	0	0	590	597
Professional, Scientific, and technical staff	78	0	10	0	0	0	88	82
Additional Clinical Services	397	0	25	0	0	0	422	402
Allied Health Professions	136	0	7	0	0	0	143	142
Healthcare Scientists	6	0	0	0	0	0	6	5
Estates and Ancillary	174	0	0	0	0	0	174	176
Students	0	0	0	0	0	0	0	0
Total	2,050	7	90	0	0	0	2,147	2,103

9.3. Retirements due to ill-health

	2022-23	2021-22
Number	5	3
Estimated additional pension costs £	477,190	48,847

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

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9.5 Reporting of other compensation schemes - exit packages

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	1

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	6,000
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	6,000

Exit costs paid in year of departure	Total paid in year 2022-23	Total paid in year 2021-22
	£	£
Exit costs paid in year	0	6,000
Total	0	6,000

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

There have been no exit packages in 2022/23

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9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director /employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	2022-23 £000 Chief Executive	2022-23 £000 Employee	2022-23 £000 Ratio	2021-22 £000 Chief Executive	2021-22 £000 Employee	2021-22 £000 Ratio
Total pay and benefits						
25th percentile pay ratio	177	25	7.1:1	177	22	8.0:1
Median pay	177	33	5.4:1	177	32	5.5:1
75th percentile pay ratio	177	43	4.1:1	177	41	4.3:1
Salary component of total pay and benefits						
25th percentile pay ratio	177	25		177	22	
Median pay	177	33		177	32	
75th percentile pay ratio	177	43		177	41	
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	177	25	7.1:1	177	22	8.0:1
Median pay	177	33	5.4:1	177	32	5.5:1
75th percentile pay ratio	177	43	4.1:1	177	41	4.3:1
Salary component of total pay and benefits						
25th percentile pay ratio	177	25		177	22	
Median pay	177	33		177	32	
75th percentile pay ratio	177	43		177	41	

In 2022-23, 2 (2021-22, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £20,758 to £217,294 (2021-22, £18,576 to £188,839).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Financial year summary

9.6.2 Percentage Changes	2021-22 to 2022-23 %	2020-21 to 2021-22 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	2	3
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	2	3
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	5	5
Performance pay and bonuses	0	0

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9.7 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

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c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2022-2023 tax year (2021-2022 £6,240 and £50,000).

Restrictions on the annual contribution limits were removed on 1st April 2017.

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10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2022-23	2022-23	2021-22	2021-22
	Number	£000	Number	£000
NHS				
Total bills paid	1,524	24,182	1,684	164,059
Total bills paid within target	1,015	16,398	1,153	154,222
Percentage of bills paid within target	66.6%	67.8%	68.5%	94.0%
Non-NHS				
Total bills paid	50,476	123,821	47,474	105,864
Total bills paid within target	44,751	118,997	41,546	101,902
Percentage of bills paid within target	88.7%	96.1%	87.5%	96.3%
Total				
Total bills paid	52,000	148,003	49,158	269,923
Total bills paid within target	45,766	135,395	42,699	256,124
Percentage of bills paid within target	88.0%	91.5%	86.9%	94.9%

The LHB performance at 88.2% has not met the administrative target of payment 95% of the number of non-nhs creditors paid within 30 days nor did it in 2021/22

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2022-23	2021-22
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

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11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	14,377	71,032	722	12,665	8,538	424	7,493	0	115,251
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2022	14,377	71,032	722	12,665	8,538	424	7,493	0	115,251
Indexation	(403)	2,469	49	0	0	0	0	0	2,115
Additions									
- purchased	0	2,643	100	8,642	494	0	743	0	12,622
- donated	0	527	0	0	0	0	0	0	527
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	2,763	299	(3,062)	0	0	0	0	0
Revaluations	(545)	(10,609)	308	0	0	0	0	0	(10,846)
Reversal of impairments	0	1,213	0	0	0	0	0	0	1,213
Impairments	(386)	(2,166)	0	0	0	0	0	0	(2,552)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(507)	0	(2,042)	0	(2,549)
At 31 March 2023	13,043	67,872	1,478	18,245	8,525	424	6,194	0	115,781
Depreciation at 31 March bf	0	11,104	132	0	5,905	284	4,495	0	21,920
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2022	0	11,104	132	0	5,905	284	4,495	0	21,920
Indexation	0	14	0	0	0	0	0	0	14
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(10,872)	(133)	0	0	0	0	0	(11,005)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(507)	0	(2,042)	0	(2,549)
Provided during the year	0	2,479	53	0	788	61	835	0	4,216
At 31 March 2023	0	2,725	52	0	6,186	345	3,288	0	12,596
Net book value at 1 April 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Net book value at 31 March 2023	13,043	65,147	1,426	18,245	2,339	79	2,906	0	103,185
Net book value at 31 March 2023 comprises :									
Purchased	13,043	61,952	1,426	18,245	2,302	79	2,906	0	99,953
Donated	0	3,195	0	0	37	0	0	0	3,232
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2023	13,043	65,147	1,426	18,245	2,339	79	2,906	0	103,185
Asset financing :									
Owned	13,043	65,147	1,426	18,245	2,339	79	2,906	0	103,185
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	13,043	65,147	1,426	18,245	2,339	79	2,906	0	103,185

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	79,616
Long Leasehold	0
Short Leasehold	0
	<u>79,616</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

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11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2021	14,026	64,084	689	4,745	7,408	424	5,663	0	97,039
Indexation	283	2,454	33	0	0	0	0	0	2,770
Additions									
- purchased	68	3,162	0	9,452	1,414	0	1,830	0	15,926
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,532	0	(1,532)	0	0	0	0	0
Revaluations	0	(241)	0	0	0	0	0	0	(241)
Reversal of impairments	0	568	0	0	0	0	0	0	568
Impairments	0	(527)	0	0	0	0	0	0	(527)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(284)	0	0	0	(284)
At 31 March 2022	14,377	71,032	722	12,665	8,538	424	7,493	0	115,251
Depreciation at 1 April 2021	0	9,025	98	0	5,441	223	3,858	0	18,645
Indexation	0	426	5	0	0	0	0	0	431
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,233)	0	0	0	0	0	0	(1,233)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(284)	0	0	0	(284)
Provided during the year	0	2,886	29	0	748	61	637	0	4,361
At 31 March 2022	0	11,104	132	0	5,905	284	4,495	0	21,920
Net book value at 1 April 2021	14,026	55,059	591	4,745	1,967	201	1,805	0	78,394
Net book value at 31 March 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Net book value at 31 March 2022 comprises :									
Purchased	14,377	57,126	590	12,665	2,557	140	2,998	0	90,453
Donated	0	2,802	0	0	76	0	0	0	2,878
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Asset financing :									
Owned	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000
Freehold	74,895
Long Leasehold	0
Short Leasehold	0
	74,895

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

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11. Property, plant and equipment (continued)**Disclosures:****i) Donated Assets**

Powys LHB has received the following donated assets during the year. £0.250M from the Iris and Jack Lloyd Memorial Fund £0.150M from the Moondance Foundation and £0.100M from Brecon Hospital League of Friends towards the creation of additional car parking facilities at Brecon War Memorial Hospital. An amount of £0.027M has been received from Welshpool Hospital League for Friends for the creation of a canopy at the entrance of Victoria War Memorial Hospital.

ii) Valuations

The LHBS land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The LHB is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

There has also been a valuation of the Car Parking scheme at Brecon War Memorial Hospital upon it being brought into use during the year.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

There has not been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

There have not been write downs.

vi) The LHB does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.

There are not assets held for sale or sold in the period.

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11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	0	0	0	0	0	0
Balance brought forward 1 April 2021	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2022	0	0	0	0	0	0

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11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, one is significant in its own right:

Glan Irfon lease held under Land and Buildings - NBV at 31 March 2023 £0.488m

2022-23	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	1,796	0	0	466	0	0	0	2,262
Cost or valuation at 1 April	0	1,796	0	0	466	0	0	0	2,262
Additions	0	0	0	0	62	0	0	0	62
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	0	1,796	0	0	528	0	0	0	2,324
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	0	0	0	0	0	0	0	0
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	0	418	0	0	236	0	0	0	654
At 31 March	0	418	0	0	236	0	0	0	654
Net book value at 1 April	0	1,796	0	0	466	0	0	0	2,262
Net book value at 31 March	0	1,378	0	0	292	0	0	0	1,670
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	0	488	0	0	0	0	0	0	488
Other Public Sector Market Value Leases	0	286	0	0	0	0	0	0	286
Private Sector Peppercorn Leases	0	75	0	0	0	0	0	0	75
Private Sector Market Value Leases	0	529	0	0	292	0	0	0	821
Total	0	1,378	0	0	292	0	0	0	1,670

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11.3 Right of Use Assets continued
Quantitative disclosures

Maturity analysis

Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	603
2-5 years	508
> 5 years	0
Total	1111

Lease Liabilities (net of irrecoverable VAT)

	£000
Current	603
Non-Current	508
Total	1111

Amounts Recognised in Statement of Comprehensive Net Expenditure

	£000
Depreciation	654
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	0
Sub-leasing income	0
Expense related to short-term leases	0
Expense related to low-value asset leases (excluding short-term leases)	0

Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)

	£000
Interest expense	14
Repayments of principal on leases	0
Total	14

The LHB leases land, buildings and equipment where required to deliver core services.

Where an extension option exists within a lease, the LHB has assessed on an individual contract basis and reflected any extension period within the reported liabilities where it is reasonably certain that the option will be exercised.

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**12. Intangible non-current assets
2022-23**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	0	0	0	0	0	0	0
Amortisation at 1 April 2022	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	0	0	0	0	0	0	0
Net book value at 1 April 2022	0	0	0	0	0	0	0
Net book value at 31 March 2023	0	0	0	0	0	0	0
NBV at 31 March 2023							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	0	0	0	0	0	0	0

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12. Intangible non-current assets
2021-22

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2022	0	0	0	0	0	0	0
Amortisation at 1 April 2021	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2022	0	0	0	0	0	0	0
Net book value at 1 April 2021	0	0	0	0	0	0	0
Net book value at 31 March 2022	0	0	0	0	0	0	0
NBV at 31 March 2022							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2022	0	0	0	0	0	0	0

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Additional Disclosures re Intangible Assets

The LHB does not hold any Intangible Assets

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13 . Impairments

	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000	2021-22 Property, plant & equipment £000	2021-22 Right of Use Assets £000	2021-22 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0		0
Abandonment in the course of construction	0	0	0	0		0
Over specification of assets (Gold Plating)	0	0	0	0		0
Loss as a result of a catastrophe	0	0	0	0		0
Unforeseen obsolescence	0	0	0	0		0
Changes in market price	0	0	0	0		0
Others (specify)	2,552	0	0	527		0
Reversal of Impairments	(1,213)	0	0	(568)		0
Total of all impairments	1,339	0	0	(41)		0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	1,339	0	0	(41)		0
Charged to Revaluation Reserve	0	0	0	0		0
Total	1,339	0	0	(41)		0

There is a reversal of impairment of £0.751M which has occurred as a result of an increase arising on revaluations due to the quinquennial revaluation exercise and £0.464M for indexation applied during the year that reversed an impairment for the same assets previously recognised as impairments in expenditure. In these cases it is credited to expenditure to the extent of the decrease previously charged there

Within the healthcare segment of the LHB, there are two downward impairments in year totalling £1.011M charged to the statement of Comprehensive Net Expenditure. This includes the downward valuation of £1.011M Land and building assets for which there was insufficient revaluation reserve accumulated at the quinquennial valuation date. There has also been an impairment of £1.541M as a result of the initial valuation for the bringing into use the enhanced access arrangements and car parking at Brecon War Memorial Hospital. Impairment funding to cover adjustments required is provided to the LHB by Welsh Government on an annual basis.

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14.1 Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	105	99
Consumables	30	24
Energy	4	2
Work in progress	0	0
Other	8	18
Total	147	143
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2023 £000	31 March 2022 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

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15. Trade and other Receivables

Current	31 March 2023 £000	31 March 2022 £000
Welsh Government	148	6,860
WHSSC / EASC	58	539
Welsh Health Boards	605	365
Welsh NHS Trusts	742	612
Welsh Special Health Authorities	178	255
Non - Welsh Trusts	430	241
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	136	47
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	12,752	1,131
NHS Wales Primary Sector FLS Reimbursement	51	24
NHS Wales Redress	185	131
Other	0	0
Local Authorities	838	825
Capital debtors - Tangible	34	7
Capital debtors - Intangible	0	0
Other debtors	1,944	976
Provision for irrecoverable debts	(650)	(383)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	683	329
Other accrued income	0	0
Sub total	18,134	11,959
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	0	16,085
NHS Wales Primary Sector FLS Reimbursement	20	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	20	16,085
Total	18,154	28,044

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2023 £000	31 March 2022 £000
By up to three months	269	128
By three to six months	129	81
By more than six months	209	364
	<u>607</u>	<u>573</u>

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(383)	(316)
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	58	67
(Increase) / decrease in receivables impaired	(325)	(134)
Bad debts recovered during year	0	0
Balance at 31 March	<u>(650)</u>	<u>(383)</u>

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

Receivables VAT

Trade receivables	0	0
Other	0	0
Total	<u>0</u>	<u>0</u>

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16. Other Financial Assets

	Current		Non-current	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0		0	
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	2022-23 £000	2021-22 £000
Balance at 1 April	2,658	2,627
Net change in cash and cash equivalent balances	(1,390)	31
Balance at 31 March	1,268	2,658
Made up of:		
Cash held at GBS	1,168	2,453
Commercial banks	98	202
Cash in hand	2	3
Cash and cash equivalents as in Statement of Financial Position	1,268	2,658
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	1,268	2,658

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18. Trade and other payables

Current	31 March	31 March
	2023	2022
	£000	£000
Welsh Government	1	0
WHSSC / EASC	192	389
Welsh Health Boards	5,089	2,649
Welsh NHS Trusts	469	772
Welsh Special Health Authorities	532	96
Other NHS	4,184	2,115
Taxation and social security payable / refunds	1,044	108
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	1,225	1
Non-NHS payables - Revenue	6,787	3,803
Local Authorities	2,716	5,145
Capital payables- Tangible	3,829	4,720
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	603	
Obligations under finance leases, HP contracts		0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,395	7,826
Non NHS Accruals	21,296	29,635
Deferred Income:		
Deferred Income brought forward	1,997	743
Deferred Income Additions	483	1,997
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(1,997)	(743)
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	49,845	59,256
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	508	
Obligations under finance leases, HP contracts		0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	508	0
Total	50,353	59,256

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

The implementation of IFRS 16 on 1st April 2023 has created a requirement for accounting for leases that were previously disclosed as operating leases being reclassified as Right of Use Assets and brought onto Balance Sheet. This has created a requirement for Lease Liability to reflect the payments of the leases in future years. Please see note 11.3 for further details

RoU Lease Liability Transitioning & Transferring	£000
RoU liability as at 31 March 2022	0
Transfer of Finance Leases from PPE Note	0
Operating Leases Transitioning	2,262
RoU Lease liability as at 1 April 2022	2,262

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2023	2022
	£000	£000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	<u>0</u>	<u>0</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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20. Provisions

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence-									
Secondary care	123	0	(403)	16,019	34	(501)	(3,397)	0	11,875
Primary care	0	0	0	0	19	(11)	0	0	8
Redress Secondary care	78	0	(14)	0	147	(13)	(45)	0	153
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	996	0	0	83	490	(1,122)	(207)	(13)	227
All other losses and special payments	0	0	0	0	1	(1)	0	0	0
Defence legal fees and other administration	65	0	0	96	77	(90)	(38)		110
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	39		2,473	0	95	0	0		2,607
Total	1,301	0	2,056	16,198	863	(1,738)	(3,687)	(13)	14,980
Non Current									
Clinical negligence-									
Secondary care	16,019	0	0	(16,019)	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	921	0	0	(83)	0	0	(147)	0	691
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	98	0	0	(96)	36	(2)	0		36
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	47			0	109	(21)	0	0	135
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	17,085	0	0	(16,198)	145	(23)	(147)	0	862
TOTAL									
Clinical negligence-									
Secondary care	16,142	0	(403)	0	34	(501)	(3,397)	0	11,875
Primary care	0	0	0	0	19	(11)	0	0	8
Redress Secondary care	78	0	(14)	0	147	(13)	(45)	0	153
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,917	0	0	0	490	(1,122)	(354)	(13)	918
All other losses and special payments	0	0	0	0	1	(1)	0	0	0
Defence legal fees and other administration	163	0	0	0	113	(92)	(38)		146
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	47			0	109	(21)	0	0	135
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	39		2,473	0	95	0	0		2,607
Total	18,386	0	2,056	0	1,008	(1,761)	(3,834)	(13)	15,842

Expected timing of cash flows:

	In year to 31 March 2024	Between 1 April 2024 and 31 March 2028	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	11,875	0	0	11,875
Primary care	8	0	0	8
Redress Secondary care	153	0	0	153
Redress Primary care	0	0	0	0
Personal injury	227	266	425	918
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	110	36	0	146
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	135	0	135
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	2,607	0	0	2,607
Total	14,980	437	425	15,842

The LHB estimates that in 2023/24 it will receive £12.233M and in 2024-25 and beyond £0.020M from the Welsh Risk Pool in respect of Losses and Special Payments.

£11.924M (2021/22: £15.297M) of the provision total relates to the probable liabilities of former Health Authorities in respect of Medical Negligence and Personal Injury claims for incidents which occurred before the establishment of NHS Trusts (Pre 1996 and Pre 1992 depending on the Trust)

Contingent Liabilities are directly linked to these claims in Note 21.

Included within 'other' at 31st March 2023 is £2.473M relating to a liability that met the definition of a provision but had previously been recognised as a trade payable. The transfer of provision to creditors column has been used for this classification correction during 2022-23

Also included within 'other' at 31st March 2023 is £0.134M relating to retrospective continuing health care claims (2021/22 £0.039M).

Included within the Redress Secondary Care line and Defence Legal Fees and Other Administration is a provision for expected payments in respect of redress arrangements under National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. The amount of Provision in relation to this at 31st March 2023 is £0.155M including defence costs (2021/22: £0.078M) and all payments are expected to be fully reimbursed from the Welsh Risk Pool.

20. Provisions (continued)

	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	107	0	0	0	168	(72)	(80)	0	123
Primary care	0	0	0	0	13	(13)	0	0	0
Redress Secondary care	116	0	0	0	47	(40)	(45)	0	78
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,296	0	0	150	867	(2,196)	(111)	(10)	996
All other losses and special payments	0	0	0	0	38	(38)	0	0	0
Defence legal fees and other administration	126	0	0	9	86	(122)	(34)		65
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	627			0	0	(627)	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	64		0	0	20	(34)	(11)		39
Total	3,336	0	0	159	1,239	(3,142)	(281)	(10)	1,301
Non Current									
Clinical negligence:-									
Secondary care	14,259	0	0	0	1,850	(90)	0	0	16,019
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,132	0	0	(150)	0	0	(61)	0	921
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	90	0	0	(9)	37	(2)	(18)		98
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,593			0	1,885	(6,289)	(140)	(49)	0
2019-20 Scheme Pays - Reimbursement	0			0	47	0	0	0	47
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	20,074	0	0	(159)	3,819	(6,381)	(219)	(49)	17,085
TOTAL									
Clinical negligence:-									
Secondary care	14,366	0	0	0	2,018	(162)	(80)	0	16,142
Primary care	0	0	0	0	13	(13)	0	0	0
Redress Secondary care	116	0	0	0	47	(40)	(45)	0	78
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,428	0	0	0	867	(2,196)	(172)	(10)	1,917
All other losses and special payments	0	0	0	0	38	(38)	0	0	0
Defence legal fees and other administration	216	0	0	0	123	(124)	(52)		163
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	5,220			0	1,885	(6,916)	(140)	(49)	0
2019-20 Scheme Pays - Reimbursement	0			0	47	0	0	0	47
Restructuring	0			0	0	0	0	0	0
Other	64		0	0	20	(34)	(11)		39
Total	23,410	0	0	0	5,058	(9,523)	(500)	(59)	18,386

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21. Contingencies

21.1 Contingent liabilities

	2022-23	2021-22
	£'000	£'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	11,457	1,059
Primary care	1,628	252
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	0	0
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	13,085	1,311
Amounts (recovered) in the event of claims being successful	(12,791)	(884)
Net contingent liability	294	427

Legal Claims for alleged medical or employer negligence: £0.221M of the £11.457M relates solely to the former Health Authorities in respect of Medical Negligence and Personal Injury claims for incidents which occurred before the establishment of NHS Trusts (Pre 1996 and Pre 1992 depending on the Trust). £11.236M of the £11.457M relates to Powys LHB cases. Legal advice has established that these claims are not likely to result in payments. In the unlikely event that amounts are payable, all payments over a threshold of £0.025M will be reimbursed to Powys LHB by the Welsh Risk Pool for Powys LHB cases and reimbursed in full for former Health Authority and Primary Care cases.

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21.2 Remote Contingent liabilities

	2022-23	2021-22
	£000	£000
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	0	0

21.3 Contingent assets

	2022-23	2021-22
	£000	£000
Please give details	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2022-23	2021-22
	£000	£000
Property, plant and equipment	536	8,283
Right of Use Assets	0	0
Intangible assets	0	0
Total	536	8,283

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23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2023	
	Number	£
Clinical negligence	55	568,253
Personal injury	63	1,100,722
All other losses and special payments	2	584
Total	120	1,669,559

Analysis of cases in excess of £300,000

Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
	Number	£	Number	£
Cases in excess of £300,000:				
CN	MN/030/0623/GAK	332,514	MN/030/0623/GAK	716,642
CN	MN/030/1441/OF	484,365	MN/030/1441/OF	551,603
PI			PI/030/1252/HS	346,045
PI			PI/030/1377/AH	589,917
PI			PI/030/1467/AH	300,482
Sub-total	0	816,879	0	2,504,689
All other cases	0	852,680	0	358,745
Total cases	0	1,669,559	0	2,863,434

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24. Right of Use / Finance leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset / finance leases:	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
Land	31 March 2023 £000	31 March 2022 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

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24.1 Right of Use / Finance leases obligations

	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
Buildings	31 March 2023	31 March 2022
	£000	£000
Minimum lease payments		
Within one year	389	0
Between one and five years	481	0
After five years	0	0
Less finance charges allocated to future periods	(14)	0
Minimum lease payments	856	0
Included in:		
Current borrowings	382	0
Non-current borrowings	474	0
	856	0
Present value of minimum lease payments		
Within one year	382	0
Between one and five years	474	0
After five years	0	0
Present value of minimum lease payments	856	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
Other- Non property		
	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
	31 March 2023	31 March 2022
	£000	£000
Minimum lease payments		
Within one year	221	0
Between one and five years	35	0
After five years	0	0
Less finance charges allocated to future periods	(1)	0
Minimum lease payments	255	0
Included in:		
Current borrowings	221	0
Non-current borrowings	34	0
	255	0
Present value of minimum lease payments		
Within one year	221	0
Between one and five years	34	0
After five years	0	0
Present value of minimum lease payments	255	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

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24.2 Right of Use Assets / Finance lease receivables (as lessor)

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under right of use assets / finance leases:	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
	31 March 2023 £000	31 March 2022 £000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

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25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The LHB has no PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2023 £000	31 March 2022 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11 £000
0

Contract start date:

Contract end date:

The LHB has no Private Finance Initiatives in operation

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>

	On SoFP PFI Capital element 31 March 2022 £000	On SoFP PFI Imputed interest 31 March 2022 £000	On SoFP PFI Service charges 31 March 2022 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>

31/03/2023
£000

Total present value of obligations for on-SoFP PFI contracts 0

25.3 Charges to expenditure

	2022-23	2021-22
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	0	0
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	0	0

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	0	0
Total	0	0

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
PFI Contract		On / Off- statement of financial position
Number of PFI contracts which individually have a total commitment > £500m		0
PFI Contract		On/off

25.5 The LHB has no Public Private Partnerships

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26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk

The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk

The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

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27. Movements in working capital

	2022-23 £000	2021-22 £000
(Increase)/decrease in inventories	(4)	16
(Increase)/decrease in trade and other receivables - non-current	16,065	(1,682)
(Increase)/decrease in trade and other receivables - current	(6,175)	220
Increase/(decrease) in trade and other payables - non-current	508	0
Increase/(decrease) in trade and other payables - current	(9,411)	13,425
Total	983	11,979
Adjustment for accrual movements in fixed assets - creditors	891	(2,224)
Adjustment for accrual movements in fixed assets - debtors	(27)	0
Other adjustments	(1,680)	0
	167	9,755

28. Other cash flow adjustments

	2022-23 £000	2021-22 £000
Depreciation	4,870	4,361
Amortisation	0	0
(Gains)/Loss on Disposal	0	(19)
Impairments and reversals	1,339	(41)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in provisions	(783)	4,499
Other movements	4,275	4,064
Total	9,701	12,864

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29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 25th July 2023; the date the financial statements were certified by the Auditor General for Wales was 27th July 2023..

NHS Wales Recovery payment 2022-23

NHS Wales bodies were notified in a pay circular letter issued on 25th May 2023 by the Welsh Government, of the additional pay arrangements for employees covered by the Agenda for Change terms and conditions in Wales for 2022-23, which will be funded by the Welsh Government.

NHS Wales bodies will make a one off non-consolidated, prorated "recovery payment" for staff employed on the Agenda for Change terms and conditions (this includes most NHS staff including nursing staff but excludes medical staff).

These costs have not been recognised in the 2022-23 financial statements because the obligating event was the publication of the offer agreed with the Minister on 20 April 2023 and therefore post 31st March 2023. The costs will be accounted for in the 2023-24 Annual Accounts of NHS Wales bodies.

The estimated cost is £2.183M.

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30. Related Party Transactions

The Welsh Government is regarded as a related party. During the year the LHB have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely

Related Party	Board Member Interests	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government		7	403,399	1	148
Aneurin Bevan University Health Board		14,754	323	1,827	121
Betsi Cadwaladr University Health Board		4,322	549	626	101
Cardiff & Vale University Health Board		2,405	53	655	28
Cwm Taf Morgannwg University Health Board		5,307	168	134	162
Hywel Dda University Local Health Board		10,049	227	859	22
Public Health Wales NHS Trust		449	1,310	58	191
Swansea Bay University Health Board		10,315	1,481	988	171
Velindre University NHS Trust (inc. WRP)		3,334	1,275	399	1,300
Welsh Ambulance Services Trust		21	45	12	18
Welsh Health Specialised Services Committee (WHSSC)	Ian Phillips Chair of Welsh Renal Clinical Network (Sub-Committee of WHSSC)	50,202	104	192	58
Health Education and Improvement Wales (HEIW)		0	1,048	0	151
Digital Health & Care Wales (DHCW)		1,746	524	532	27
Powys County Council	Councillor Chris Walsh & Councillor Matthew Dorrance Councillors, Powys County Council	15,481	2,313	2,716	838
NHS Confederation	Professor Vivienne Harpwood Chair of the Welsh NHS Confederation & Independent Member and Trustee of the Central NHS Confederation	36	0	0	0
Neath Port Talbot College Group	Rhobert Lewis Chair of Governors, Corporation Board of Neath Port Talbot College Group	0	3	0	0
Powys Association of Voluntary Organisations	Carl Cooper Recently retired as CEO of Powys Association of Voluntary Organisations	1,293	0	409	0
Freedom Leisure	Jennifer Owen Adams Close relative is senior manager for Freedom Leisure with strategic responsibility for Powys.	11	0	6	0
		119,732	412,822	9,414	3,336

Powys LHB has hosted the following functions on behalf of NHS Wales on which it receives income from the Welsh Government and other LHB's:

- Residual Clinical Negligence
- Community Health Councils
- Health and Care Research Wales (HCRW)

Powys LHB also has material transactions with English NHS Trusts with whom it commissions healthcare including:

- Shrewsbury and Telford NHS Trust
- Wye Valley NHS Trust
- The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

Powys LHB has also received items donated from the Powys LHB Charitable Fund, for which the Board is the Corporate Trustee.

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31. Third Party assets

The LHB held £160 cash at bank and in hand at 31 March 2023 (31st March 2022, £200) which relates to monies held by the LHB on behalf of patients. This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

None of this cash was held in Patients' Investment Accounts in either 2022-23 or 2021-22.

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32. Pooled budgets

A Funded Nursing Care

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the Health Act 1999. The health related function which is subject to these arrangements is the provision of care by a registered nurse in care homes, which is a service provided by the NHS Body under section 2 of the National Health Service Act 1977. In accordance with the Social Care Act 2001 Section 49 care from a registered nurse is funded by the NHS regardless of the setting in which it is delivered. (Circular 12/2003)
The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations. The partnership agreement operates in accordance with the Welsh Government Guidance NHS Funded Nursing Care 2004.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys Teaching Health Board	2,108,424		2,108,424
Total Funding	2,108,424		2,108,424
Expenditure			
Monies spent in accordance with Pooled budget arrangement		2,130,956	2,130,956
Total Expenditure		2,130,956	2,130,956
Net under/(over) spend			(22,532)
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

B Provision of Community Equipment

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of community equipment in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. The purpose of the agreement is to facilitate the provision of a community equipment service and the development of this service in Powys. The service is provided from a pooled fund and is within the THB's and the Council's powers.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	675,000		675,000
Powys Teaching Health Board	675,000		675,000
Total Funding	1,350,000		1,350,000
Expenditure			
Monies spent in accordance with Pooled budget arrangement		1,350,000	1,350,000
Total Expenditure		1,350,000	1,350,000
Net under/(over) spend			0
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

C Provision of Section 33 Joint Agreement for the provision of IT Services

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.

The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations.

Powys County Council is the lead commissioner and the host partner for the purposes of the regulations.

The purpose of the agreement is to facilitate the provision of ICT services within Powys.

	Funding	Net Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	1,411,720		1,411,720
Powys Teaching Health Board	839,630		839,630
Total Funding	2,251,350		2,251,350
Net Expenditure			
Monies spent in accordance with Pooled budget arrangement			
Expenditure		2,639,132	2,639,132
Income		(465,329)	(465,329)
Total Expenditure			2,173,803
Net under/(over) spend			77,547
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

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32. Pooled budgets (Continued)

D Provision of Section 33 Joint Agreement for the provision of a Reablement Service

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of an effective and sustainable joint reablement service which meets the needs of the Powys communities in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. This service is provided from a pooled fund and is within the THB's and the Council's powers.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	413,380		413,380
Powys Teaching Health Board	828,000		828,000
Total Funding	1,241,380		1,241,380
Expenditure			
Monies spent in accordance with Pooled budget arrangement		1,273,398	1,273,398
Total Expenditure		1,273,398	1,273,398
Net under/(over) spend			(32,018)
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

E Provision of Section 33 Joint Agreement for the provision of Tier 2/3 Psycho-social Treatment Services

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations. The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations. The purpose of the agreement is to provide a Tier 2 and 3 service provision for drug and alcohol users and their concerned others.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	672,808		672,808
Powys Teaching Health Board	121,864		121,864
Total Funding	794,672		794,672
Expenditure			
Monies spent in accordance with Joint Arrangement		794,672	794,672
Total Expenditure		794,672	794,672
Net under/(over) spend			0
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

F Provision of Section 33 Joint Agreement for the provision of Personal Care at Glan Irfon Integrated Health and Social Care Unit, Builth Wells

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement to enable the use of resources relating to the Inpatient Services at the Glan Irfon Health and Social Centre, Builth Wells. This agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.

The purpose of the agreement is to facilitate the provision of person centred care at Glan Irfon, for 12 residents within the short stay shared care reablement unit with in-reach clinical, nursing and reablement support (registered under CSSIW for Residential Care).

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	269,627		269,627
Powys Teaching Health Board	269,627		269,627
Total Funding	539,254		539,254
Expenditure			
Monies spent in accordance with Pooled budget arrangement		546,762	546,762
Total Expenditure		546,762	546,762
Net under/(over) spend			(7,508)
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

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33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments. On 1st April 2023, the hosted function of Community Health Councils ceased and has been replaced by a new organisation Citizens Voice Body/Llais. There will be a transfer during 23/24 for any assets and liabilities held in respect of this function at the balance sheet date

2022/23

	Note	Total Total Powys "Health" £'000	Total Residual Clinical Negligence £'000	Total Community Health Councils £'000	Total Health and Care Research Wales (HCRW) £'000	Consolidation Adjustments £'000	Total £'000
Expenditure on Primary Healthcare Services	3.1	74,960	0	0	0	0	74,960
Expenditure on healthcare from other providers	3.2	200,680	0	0	861	0	201,541
Expenditure on Hospital and Community Health Services	3.3	125,720	25	4,760	4,859	(75)	135,289
		401,360	25	4,760	5,720	(75)	411,790
Less: Miscellaneous Income	4	10,867	0	0	5,302	(75)	16,094
THB net operating costs before interest and other gains and losses		390,493	25	4,760	418	0	395,696
Investment Income	5	0	0	0	0	0	0
Other (Gains) / Losses	6	0	0	0	0	0	0
Finance costs	7	3	0	(2)	0	0	1
THB Net Operating Costs		390,496	25	4,758	418	0	395,697
Add Non Discretionary Expenditure	3.1	1,609	0	0	0	0	1,609
Revenue Resource Limit	2.1	385,103	25	4,758	418	0	390,304
Under / (over) spend against Revenue Resource Limit		(7,002)	0	0	0	0	(7,002)

2021/22

	Note	Total Total Powys "Health" £'000	Total Residual Clinical Negligence £'000	Total Community Health Councils £'000	Total Health and Care Research Wales (HCRW) £'000	Consolidation Adjustments £'000	Total £'000
Expenditure on Primary Healthcare Services	3.1	72,389	0	0	0	0	72,389
Expenditure on healthcare from other providers	3.2	191,784	0	0	2,718	0	194,502
Expenditure on Hospital and Community Health Services	3.3	122,592	25	4,562	4,855	(75)	131,959
		386,765	25	4,562	7,573	(75)	398,850
Less: Miscellaneous Income	4	8,461	0	0	7,364	(75)	15,750
THB net operating costs before interest and other gains and losses		378,304	25	4,562	209	0	383,100
Investment Income	5	0	0	0	0	0	0
Other (Gains) / Losses	6	(19)	0	0	0	0	(19)
Finance costs	7	(61)	0	1	0	0	(60)
THB Net Operating Costs		378,224	25	4,563	209	0	383,021
Add Non Discretionary Expenditure	3.1	1,355	0	0	0	0	1,355
Revenue Resource Limit	2.1	379,659	25	4,563	209	0	384,456
Under / (over) spend against Revenue Resource Limit		80	0	0	0	0	80

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2022 to 31 March 2023. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2022 and February 2023 alongside Health Board/Trust/SHA data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2022-23
	£000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2023	
Expenditure on Primary Healthcare Services	76
Expenditure on Hospital and Community Health Services	4,178
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023	
Net operating cost for the year	4,254
Notional Welsh Government Funding	4,254
Statement of Cash Flows for year ended 31 March 2023	
Net operating cost for the financial year	4,254
Other cash flow adjustments	4,254
2.1 Revenue Resource Performance	
Revenue Resource Allocation	4,254
3. Analysis of gross operating costs	
3.1 Expenditure on Primary Healthcare Services	
General Medical Services	0
General Dental Services	46
Other Primary Healthcare Expenditure	30
Prescribed Drugs and Appliance	0
3.3 Expenditure on Hospital and Community Health Services	
Directors' costs	66
Staff costs	4,112
9.1 Employee costs	
Permanent Staff	
Employer contributions to NHS Pension Scheme	4,254
Charged to capital	19
Charged to revenue	4,235
18. Trade and other payables	
Current	
Pensions: staff	0
28. Other cash flow adjustments	
Other movements	4,254

34. Other Information

34.2 Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

	2022-23 £000	2021-22 £000
Capital		
Capital Funding Field Hospitals		0
Capital Funding Equipment & Works		1612
Capital Funding other (Specify)		0
Welsh Government Covid 19 Capital Funding	0	1,612

Revenue

Stability Funding	5,747	13,984
Covid Recovery	0	7,578
Cleaning Standards	0	564
PPE (including All Wales Equipment via NWSSP)	0	321
Testing / TTP- Testing & Sampling - Pay & Non Pay	651	1,123
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	2,049	5,150
Extended Flu Vaccination / Vaccination - Extended Flu Programme	345	309
Mass Covid-19 Vaccination / Vaccination - COVID-19	3,552	8,385
Annual Leave Accrual - Increase due to Covid		0
Urgent & Emergency Care		399
Private Providers Adult Care / Support for Adult Social Care Providers		1,470
Hospices		0
Other Mental Health / Mental Health		1,642
Other Primary Care	0	0
Social Care		0
Other	931	0
Welsh Government Covid 19 Revenue Funding	13,275	40,925

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THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.

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Director of Finance and the Chair of the
Audit, Risk and Assurance Committee,
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LD3 0LY

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Reference: Powys Teaching Health Board 2022 – 23

Powys Teaching Health Board's 2022-23 financial statements: audit enquiries to those charged with governance and management.

As your external auditors we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This letter and the enclosed content formally seek the documented consideration and understanding of some key governance areas that impact on the audit of the financial statements.

The enclosed pages include a section for management; a section for 'those charged with governance' (the Audit and Governance Committee); and a section with some background information.

I would be grateful if you could oversee the completion of the 'Response' column in the enclosed tables.

Yours sincerely

Mike Jones

Audit Manager

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Enquiries of management

Enquiries of Management - General enquiries (including financial reporting)	
Question	Response
1. Please detail the extent of delegated authorities granted by the entity.	These are outlined within the Standing Orders and associated appendices including Standing Financial Instructions and Scheme of Delegation.
2. Are there significant matters and/or events that have occurred since April 2022 that could influence our audit approach or the Health Boards's financial statements?	<p>IFRS 16 Leases supersedes IAS 17 Leases and became effective in the public sector from 1 April 2022. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise right-of-use assets and liabilities for leases with a term more than 12 months unless the underlying value is of low value.</p> <p>This new accounting standard has resulted in changes in the format and content of the draft accounts – in line with the Manual of accounts issued by the Welsh Government.</p>

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	<p>The methodology for other significant estimates is approved by the Audit Committee on an annual basis.</p> <p>Although not impacting on the 22-23 financial statements the hosted body of Community Health Councils ceases to exist on 1st April 2023 and functions transfer to a new organisation Citizens Voice Body/Llais</p>
<p>3. Provide details of any professional advisors (e.g. solicitors, consultants etc) consulted during the year and the issue consulted on.</p>	<p>PTHB utilises the services of NHS Wales Shared Services Legal and Risk for the majority of its legal service advice and litigation (e.g., leases, employment matters).</p> <p>PTHB has sought specialist advice in respect of Value Added Tax, Estates, Property and Statutory Compliance related Issues.</p>
<p>4. How does the entity communicate to employees regarding their views on business practices and ethical behaviour?</p>	<p>The organisation has an agreed Values and Behaviours Framework and Standards of Behaviour Policy. The Board also has an approved Bribery Policy. Values and Behaviours as well as standards of</p>

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behaviour are reinforced through the appraisal process. Declaration of Interest are sought annually, with an onus on staff to disclose at any time in between.

5. What are your general views on the Health Boards's risk assessment process relating to financial reporting?

PTHB has an effective system of internal control. Financial systems internal audits and statutory audits have been assessed as substantial and reasonable, with some recommendations by both internal and external audit on governance and other matters which have been addressed. The Head of Internal Audit's Opinion for 2021-22 was 'reasonable'.

Each year the finance team present a paper to the Audit Committee identifying the key judgements and assumptions underpinning the annual accounts.

The Audit Risk and Assurance Committee receives reports on Single Tender Waivers at each meeting. It also undertakes an annual process of assessing adherence to Standing Orders.

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Additionally, PTHB secured LCFS via an SLA with Swansea Bay University Health Board, from which the Audit Risk and Assurance Committee receive reports on the actions against the work plan (as approved) on fraud policy and reviewing progress against the fraud annual work plan. Where incidences of potential fraud are identified PTHB has access to local and regional fraud services. Independent members of the Audit, Risk and Assurance Committee and the Board Secretary meet with the LCFS, External Audit and Internal Audit without Management.

Referrals are communicated appropriately between the Director of Finance (DOF) and the LCFS. Where appropriate, investigations which are deemed to be in excess of £15K are referred directly to the NHS Wales Counter Fraud Service as per NHS Protect requirements. Reports are regularly received of progress and quarterly returns are provided by LCFS to the Health Board (Via Audit Committee). In relation to cases below the £15K threshold the DOF receives regular monthly updates re case progress

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	and the Audit Risk and Assurance Committee is notified on a periodical basis in the form of redacted reports. In relation to cases above the £15K threshold the National Counter Fraud Services briefs the DOF regularly.
6. Are you aware of significant transactions that are outside the normal trading activities of the Health Board's business?	<p>There are no significant transactions outside of the normal trading activities of the Health Board's business.</p> <p>Please note that the hosted functions of Health and Care Research Wales and Community Health Councils have roles and delivery that differ slightly from that of the Health Board's core business.</p>
7. Have there been any issues that may impact the preparation of the 2022-23 financial statements?	There are two members of the finance team who are/ have been on long term sick leave. This has meant less capacity for the team in preparing the financial statements.
8. Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast	None are known at this point

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significant doubt on the entity's ability to continue as a going concern?	
9. Are there any issues around the use of service organisations or common functions, including uncorrected misstatements from service organisations? This would include the NHS Wales Shared Services Partnership.	None are known at this point

Enquiries of management in relation to related parties

Question	Response
1. Have there been any changes to related parties from the prior year? If so, what is the identify of the related parties and the nature of those relationships?	A number of board member changes have taken place and therefore some amendment to related parties is required. These declarations of interest have been detailed in March 2023 ARA meeting papers.

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<p>2. What transactions have been entered into with related parties during the period? What is the purpose of these transactions?</p>	<p>All transactions entered into with related parties are aligned with the provision of healthcare and associated services. These include the use of Voluntary Sector Partners, local leisure centre services and training supporting services</p>
<p>3. What controls are in place to identify, account for and disclose related parties?</p>	<p>The declaration of interest register is reviewed for relevant parties and then a review of PTHB financial systems is undertaken to identify relevant transactions to be declared.</p>
<p>4. What controls are in place to authorise and approve significant transactions and arrangements:</p> <ul style="list-style-type: none"> • with related parties; and • outside the normal course of business? 	<p>A director limit of £50k is set. Any above this are referred for Chief Executive Approval up to £100k and the additional approval of Chair/Board for items above £100k. Welsh Government for contracts >£1m.</p> <p>At procurement stages declarations of interests are completed to ensure no conflicts in process. Staff are communicated to and expected to undertake the requirements outlined in the standards of behaviour incorporating Declarations of Interest, gifts, hospitality and sponsorship policy</p>

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Enquiries of management in relation to laws and regulations

Question	Response
4. What are the policies and procedures in place to identify applicable legal and regulatory requirements to ensure compliance?	<p>During 2022-23 a series of Welsh Health Circulars were issued to the health board. Compliance with these is monitored by the corporate governance team and a nominated Director is required to oversee implementation. The financial impact of each WHC is assessed but none issued in 2022-23 had a significant impact on the health board's financial statements.</p> <p>Where relevant, key policies/procedures identify and reference applicable legal and regulatory requirements. Examples include, but are not limited to:</p> <ul style="list-style-type: none"><input type="checkbox"/> Access to Health Records<input type="checkbox"/> Disciplinary Policy<input type="checkbox"/> Bribery Policy<input type="checkbox"/> Claims Management Policy<input type="checkbox"/> Counter Fraud Policy<input type="checkbox"/> Disclosure & Barring Policy

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	<ul style="list-style-type: none"> <input type="checkbox"/> Health & Safety Policy <input type="checkbox"/> Standing Financial Instructions <input type="checkbox"/> Standards of Behaviour incorporating Declarations of Interests, Gifts, Hospitality and Sponsorship
<p>5. What policies and procedures are in place for identifying, evaluating and accounting for litigation claims and assessments?</p>	<p>Potential Clinical Negligence Cases and other provisions such as Continuing Health Care are accounted for in the annual accounts and managed during the year in concert with the NHS Shared Services Partnership. There have been no significant issues raised to date by External or Internal Audit on the values contained within the financial statements on an annual basis.</p> <p>A Losses and Special Payments report is provided to the Audit Risk and Assurance Committee in respect of clinical negligence/redress and ex gratia payments made and detailed reports on each case reviewed by the Executive Team. There are comparatively low levels of claims paid by PTHB. PTHB continues to monitor any potential impact of personal injury claims from staff who contracted covid but there have been no identified claims or cases to date.</p> <p>PTHB is not aware of the existence of loss contingencies or un-asserted claims that</p>

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	<p>may affect the financial statements, other than the Clinical Negligence and Personal Injury Claims; Putting Things Right Redress claims and Retrospective Continuing Healthcare Claims outlined within the provisions and contingent liabilities notes within the financial statements. There is no ongoing Employment Tribunal cases at the balance sheet date.</p>
<p>6. Are you aware of any instances of non-compliance with laws or regulations? Has the Health Board received any notice of any such known of possible instances of non-compliance?</p>	<p>A formal Notification of Contravention letter was received on 02 March 2021 identifying two contraventions of health and safety law (Health and Safety at Work Act 1974) relating to Hand Arm Vibration Syndrome (HAVS). A court judgement was received on 22nd November 2022 and a fine imposed, which was payable by May 2023.</p>
<p>7. Have there been any examinations or inquiries performed by licensing, tax, or other authorities/regulators?</p>	<p>No further non-compliance has been noted with regard to health and safety or other laws and/or regulations.</p>
<p>8. Has there been any significant communications with regulators?</p>	<p>Apart from routine legal correspondence in relation to legal claims there has been no significant communications with regulators</p>

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9. For the Health Board's service organisations, have you reported any non-compliance with laws and regulations?

Except for the Health and Safety Executive Case relating to HAVS there is one other known non compliance with laws and regulations by Health Board's service organisations. This relates to a home office immigration right to work case which the health board has appealed.

Enquiries of management in relation to fraud

Question	Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?	The Health Board is required to demonstrate compliance with NHS Requirements of Government Functional Standard 013 Counter Fraud. PTHB undertook a Self-Assessment during the year which provided an overall green rating with a small number of improvement areas which are currently being implemented and 22-23 report demonstrated deterioration for some areas identified as part of 21-22 assessment. The Standard Component 1B – Accountable Individual is currently rated Amber due to the

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Enquiries of management in relation to fraud

Question	Response
	<p>Health Board only recently nominating a Fraud Champion to the role. The Health Board's Director of Corporate Governance was identified as the most suitable Senior Officer to meet the requirements of the Fraud Champion role and a nomination was subsequently completed.</p> <p>The Counter Fraud annual work programme is identified and agreed by the Audit Committee each year with dedicated resource and time allocated against 4 strategic areas of Strategic Governance, Inform, and Involve, Prevent, and Deter and Hold to Account. Progress against the work programme and regular updates re case workload are regularly reported (via Audit Committee).</p> <p>There has been an increased focus on prevention exercises to help protect and minimise the incidence of fraud. Throughout the last year there has been increased communication and awareness in relation to the additional potential risks and this have been linked to National and Local awareness.</p> <p>The work has also included the transition to the new Government Functional Standards to meet latest best practice. The Counter Fraud team have completed several fraud risk assessments in relation to the strategic risks as outlined in previous fraud alerts.</p>

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Enquiries of management in relation to fraud

Question	Response
	<p>Procurement related transactions, Accounts Payable Transactions, Primary Care Contractor payments, staff related expenses and all transactions involving the handling of cash are the classes of transactions most at risk to fraud. However, PTHB ensures segregation of duties and controls are in operation to ensure that risk of fraud is minimised, and these actions also include actions undertaken by NHS Wales Shared Services Partnership in relation to the functions they support and provide. There was also regular communication regarding the increased risk of fraud at this time lead by the National and Local Counter Fraud teams.</p> <p>The progress and subsequent outcome of all investigations undertaken is also reported to the Director of Finance and Audit Committee.</p> <p>Based on the actions as identified the risk is perceived to be minimal.</p>
2. Do you have knowledge of any actual, suspected or alleged fraud affecting the entity?	Referrals have been received, in relation to concerns directly to the Local Counter Fraud Service and subsequent

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Enquiries of management in relation to fraud

Question	Response
	<p>investigations have taken place. The Board has in place a Raising Concerns Policy and any complaints under this would be handled by the Chief Executive, Director of Workforce & OD and/or Director of Corporate Governance as appropriate.</p>
<p>3. What is management's process for identifying and responding to the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention?</p>	<p>PTHB secured LCFS via an SLA with Swansea Bay University Health Board, from which the Audit Risk and Assurance Committee receive reports on the actions against the work plan (as approved) on fraud policy and reviewing progress against the fraud annual work plan. Where incidences of potential fraud are identified PTHB has access to local and regional fraud services.</p> <p>Independent members of the Audit, Risk and Assurance Committee and the Director of Corporate Governance meet with the LCFS, External Audit and Internal Audit without Management.</p> <p>Referrals are communicated appropriately between the Director of Finance (DOF) and the LCFS. Where appropriate, investigations which are deemed to be in excess of £15K are referred directly to the NHS Wales Counter Fraud Service as per NHS Protect requirements. Reports are regularly</p>

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Enquiries of management in relation to fraud

Question	Response
	<p>received of progress and quarterly returns are provided by LCFS to the Health Board (Via Audit Committee). In relation to cases below the £15K threshold the DOF receives regular monthly updates re case progress and the Audit Risk and Assurance Committee is notified on a periodical basis in the form of redacted reports. In relation to cases above the £15K threshold the National Counter Fraud Services briefs the DOF regularly.</p>
<p>4. What classes of transactions, account balances and disclosures, within the financial statements, have you identified as most at risk of fraud?</p>	<p>An increase in mandate fraud, whereby fraudsters seek to change bank account details of suppliers to divert payments to accounts they control, have targeted the NHS throughout 2022/23 with new cyber enabled methods deployed. This resulted in NHS Counter Fraud Authority issuing a Fraud Prevention Notice around Cyber Enabled Mandate Fraud risks. A comprehensive risk assessment was undertaken in response to the Notice by the Counter Fraud Team.</p>

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Enquiries of management in relation to fraud

Question	Response
5. Are you aware of any whistleblowing or complaints by potential whistle-blowers? If so, what has been the Health Board's response?	No referrals received by the Counter Fraud Team have been classed as whistleblowing under the Health Board's Raising Concerns Policy instead being actioned under the Health Board's Counter Fraud Policy and Response Plan as allegations of Fraud, Bribery and Corruption
6. What is management's communication, if any, to those charged with governance (the Board) regarding their processes for identifying and responding to risks of fraud?	The Health Board is committed to the corporate governance framework which communicates expectations to staff and board members. The governance framework includes standing orders, standards of business conduct, standing financial instructions, a scheme of delegation, a values and behaviour framework and a variety of corporate policies that outline processes to be followed. This is all reported within the Annual Governance Statements within the Accountability report.

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Enquiries of management in relation to fraud

Question	Response
7. What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?	The organisation has an agreed Values and Behaviours Framework and Standards of Behaviour Policy. The Board also has an approved Bribery Policy. Values and Behaviours as well as standards of behaviour are reinforced through the appraisal process. Declaration of Interest are sought annually, with an onus on staff to disclose at any time in between.
8. For service organisations, have you reported any fraud or potential fraud to the user entity(ies)?	No fraud reported

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Enquiries of management in relation to risk and governance

Question	Response
1. How do you communicate to those charged with governance regarding business risks including fraud?	<p>Detailed reports on the content of, and movements within, the Health Board Risk Register and Board Assurance Framework, are received on a regular basis by the Board and its Committees.</p> <p>The Health Board has a Risk Management Framework in place, which is reviewed/updated on a regular basis, and approved by the Board (Nov 2022). The Board also sets/approves the organisation's risk appetite. The Health Board has a programme of fraud awareness undertaken on an annual basis. Targeted risk based fraud awareness training is delivered under this programme.</p> <p>Alerts and intelligence of emerging fraud risks are shared with the business areas affected by those risks by the Counter Fraud Team.</p>
2. What is the allocation of responsibilities between those charged with governance and management?	<p>The Health Board is an NHS Wales statutory body, with clearly mandated distinctions between Independent Members, who comprise a majority of the Board and executive directors who are the most senior officers of management.</p>

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	<p>The Audit and Corporate Governance committee comprises independent members and is a sub-committee of the Board. It is considered to be ‘those charged with governance’.</p> <p>In terms of specific roles and responsibilities, these are clearly set out in the Risk Management Policy, which is regularly reviewed/updated, and approved by the Board</p>
<p>3. What procedures are in place to ensure the compliance and completeness of Governance reports?</p>	<p>These are part of the Board and Audit and Corporate Governance Committee work programmes for regular assurance and scrutiny, with a committee update reports included on each Board agenda to highlight any matters to be brought to the attention of the board.</p>
<p>4. What procedures are in place to ensure the compliance and completeness of Sustainability reports?</p>	<p>Executive and action leads nominated for key areas Senior Responsible Officer for Sustainability responsible for processes to collate reports Management Board approve reports for submission Board receive reports and inform future developments through Board Development Sessions</p>

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Enquiries of management in relation to regularity

Question	Response
1. What is your assessment of the risk of material irregularity, in respect of the 2022-23 financial statements?	Our assessment is that the financial transactions recorded in the ledger are free of misstatement and in line with the powers given to the Health Board. There have been no changes to the processes to record transactions in the financial statements in 2022/23 and the health board believes that as in previous years that the transactions are free from material misstatement.
2. What is the process for responding to the risk of irregularity?	The Board Governance Framework provides assurance to the Board on Health Board activity, including any risk of irregularity. The components of the Board Governance Framework is regularly reported upon to the Audit and Corporate Governance Committee and Board
3. What is your knowledge of actual, suspected or alleged irregularity?	None. Apart from the 2021/22 annual accounts in respect of the Ministerial Direction on senior clinicians' pensions regarding the 2019-20 Scheme Pays Reimbursement however for 2022-23 it has been determined that whilst any transactions included in the

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	LHB's financial statements strictly remain irregular, the Auditor General for Wales does not consider them material by their nature and therefore no further qualification of regularity opinion will continue into 2022/23
4. Where service organisations are used by the Health Board, have any irregularities been reported to the user entity?	None

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Enquiries of those charged with governance

Enquiries of those charged with governance – general enquiries	
1. Are you aware of any actual, suspected or alleged irregularity affecting the entity?	None are known
2. What is the process for identifying and responding to the risks of fraud?	<p>PTHB secured LCFS via an SLA with Swansea Bay University Health Board, from which the Audit Risk and Assurance Committee receive reports on the actions against the work plan (as approved) on fraud policy and reviewing progress against the fraud annual work plan. Where incidences of potential fraud are identified PTHB has access to local and regional fraud services.</p> <p>Independent members of the Audit, Risk and Assurance Committee and the Director of Corporate Governance meet with the LCFS, External Audit and Internal Audit without Management</p> <p>A meeting was held with the NHS Counter Fraud Authority Quality Assurance Inspector (QA Inspector) as it was confirmed that the Health Board has been selected to be reviewed. The QA Inspector reviewed outcomes of action plans set following previous Thematic Assessment of the former Standards 3.4,3.5</p>

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	<p>and 3.6 and Testing Fraud Risk Assessment and Local Proactive Exercises undertaken by the Counter Fraud Team.</p> <p>The QA Inspector was satisfied with response to actions plans set out in previous Thematic Assessment.</p> <p>Feedback was generally positive around risk assessment.</p>
3. Does any of the entity's objectives and strategies or business related risks have the potential to result in material misstatement in the financial statements?	None are known
4. Are there any matters which those charged with governance consider require particular attention during the audit?	None are known
5. Are there any other matters which those charged with governance consider may influence the audit of the financial statements?	None are known
6. Are those charged with governance aware of any significant communications with regulators?	Except for updates in respect of Legal cases (clinical negligence, Continuing Health Care & Health and Safety) to relevant committees and Board in some circumstances there is no further significant communications with regulators.

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<p>7. What arrangements are in place to oversee the effectiveness of internal control?</p>	<p>PTHB has an effective system of internal control. Financial systems internal audits and statutory audits have been assessed as substantial and reasonable, with some recommendations by both internal and external audit on governance and other matters which have been addressed. The Head of Internal Audit's Opinion for 2022-23 was 'reasonable'.</p>
<p>8. What actions have those charged with governance taken in response to developments in accounting standards, corporate governance practice or other guidance and related matters?</p>	<p>Updates are provided to the ARA committee and other committees as deemed relevant to that committee.</p>
<p>9. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the entity?</p>	<p>None are known</p>

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Enquiries of those charged with governance in relation to fraud

Question	Response
1. Do you have any knowledge of actual, suspected or alleged fraud affecting the entity?	All cases of fraud are reported via the LCFS reports to the Audit and Assurance Committee on a regular basis. As a result of the above processes the LCFS has received referrals of suspected fraud. All referrals were investigated and updates on the outcomes of investigations were reported to the Audit, Risk and Assurance Committee on a regular basis.
2. What is your assessment of the risk of fraud within the entity, including those risks that are specific to the Health Board's business sector?	PTHB undertook a Self-Assessment during the year which provided an overall green rating with a small number of improvement areas which are currently being implemented. This was reported to the January 23 Committee meeting. The Counter Fraud annual work programme is identified and agreed by the Audit and Risk Assurance Committee each year with dedicated resource and time allocated against 4 strategic areas of Strategic Governance, Inform, and Involve, Prevent, and Deter and Hold to Account. Progress against the work programme and regular updates re case workload are regularly reported (via ARA Committee).

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Enquiries of those charged with governance in relation to fraud

Question	Response
<p>3. How do you exercise oversight of:</p> <ul style="list-style-type: none">- management's processes for identifying and responding to the risk of fraud in the entity; and- the controls that management has established to mitigate these risks?	<p>The LCFS meets in confidence with the Audit Risk and Assurance Committee at least twice annually. The LCFS attend the Audit Risk and Assurance Committee meetings and had scheduled reporting built into the Committee's workplan. PTHB utilises the services of NHS Wales Shared Services Legal and Risk for much of its legal service advice and litigation (e.g., leases, employment matters). PTHB has sought specialist advice in respect of Value Added Tax, Estates, Property and Statutory Compliance related Issues.</p>

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Background information

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management, and 'those charged with governance', which for the Health Board is the Board itself. Management, with the Board, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by the Board.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets; or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the Board exercises oversight of management's processes. We are also required to make enquiries of both management and the Board as to their knowledge of any actual, suspected or alleged fraud and for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

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Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, (the Board), is responsible for ensuring that the Fund's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements; and
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the Board as to whether the Fund is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

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PTHB Annual Report 2022/23 Responses and Actions Control Table (Accountability report, performance report and remuneration report)

The table below summarises the feedback received from Audit Wales, Internal Audit and Welsh Government following submission of the draft in May. The right-hand column confirms the actions taken. The document is provided for assurance in relation to the control of changes.

Spelling, grammar, proof reading and presentational issues are not included in the table.

Comments Received	Action Taken
Welsh Government – Performance Report	
Statement on Page 82 - Audit Wales Structured Assessment still to be finalised (response provided in relation to Accountability Report)	Statement included
Welsh Government – Director’s Report	
No comments received	N/A
Welsh Government – Annex - Annual Governance Statement Mandatory Requirements	
A summary of activity of the Local Partnership Forum has been included under ‘Staff and Staff Engagement’ (Page 68) – this is ok but some further narrative should be included in the ‘Advisory Groups’ section (other than one small paragraph).	Additional information included
Welsh Government – Annex Capacity to handle risk	
The Risk Management Framework sets out the ways risks will be identified and assessed.	Statement included
Risk management toolkit developed to assist risk owners in the day-to-day identification, assessment and management of risk. Supported with training, support and advice from the Corporate Governance Team. A more specific comment on staff training would be useful.	
Summarise how public stakeholders are involved in managing risks which impact upon them.	Statement included

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<i>Where the risk environment identifies weaknesses, the emphasis should be on how these have been addressed - No specific comment where the risk environment identifies weaknesses is made.</i>	Statement included
Welsh Government – Annex - Emergency preparedness	
No comments received	N/A
Welsh Government – Planning Frameworks	
A clear statement confirming approval should be included. A direct link to the full plan is however provided.	The approval date included alongside the link to the plan (p21)
Welsh Government – Other Control Frameworks	
No comments received	N/A
Welsh Government – Review of Effectiveness	
A section for the Chief Executive to sign has not been included. (After Audit Wales – Structured Assessment – page 41 of guidance)	Added a section for CEO to sign after conclusion (following guidance on p41)
Welsh Government - General	
No comments received	N/A
Audit Wales – Accountability Report	
Some sentences in the reports are quite long – around 50 words. It makes them tough to read and digest.	Checked and amended
Some of the graphics have not copied over very well and are really small and difficult to make out. I have highlighted the most difficult ones, but some others may need resizing/reformatting.	Reformatted tables included
P29 correct date of W&C from 31 April to 31 May	Corrected
P30 Check numbers and dates of Board In-Committee and Board Development	Corrected
P31 Population Needs Assessment – check if approved or noted	Corrected
P38 Consider including the intention re SRG	Included
P82 Structured assessment – update now SA is final	Included
P100 and p103 Figures are hard to read	Reformatted tables included
Audit Wales – Performance Report	

Some sentences in the reports are quite long – around 50 words. It makes them tough to read and digest.	Checked and amended
Some of the graphics have not copied over very well and are really small and difficult to make out. I have highlighted the most difficult ones, but some others may need resizing/reformatting.	Reformatted tables included
Shift graph on p8 to 'Tight' so text is not split	Completed
Internal Audit	
No specific comments received	N/A
Other – Accountability Report	
Technical Update Note 10	Wording amended as per requirement (section titled CETV)
Additional disclosure needed re CETV figures	
Include Head of Internal Opinion	Final version included
Add in once received: <ul style="list-style-type: none"> • Regularity of Expenditure • Fees and Charges • Remote contingent Liabilities • Compliance with cost allocation and charging requirements Report on Audit and Financial Statements	Received and included
Other – Performance Report	
P23 – source RTT data for England to be added	Performance data to year end included

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Audit of Accounts Report – Powys Teaching Health Board

Audit year: 2022-23

Date issued: July 2023

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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 infoofficer@audit.wales.

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

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Contents

We intend to issue an unqualified true and fair audit opinion on your accounts. The audit opinion in respect of the regularity of expenditure is proposed to be qualified because the Health Board did not meet its revenue resource allocation over the three-year period ending 2022-23.

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Introduction

- 1 We summarise the main findings from our audit of your 2022-23 accounts in this report.
- 2 We have already discussed these issues with the Director of Finance and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled. We set this level at £4.1 million for this year's audit.
- 4 There are some areas of the accounts that we judge may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Remuneration report/senior pay disclosures; and
 - Related party transactions.
- 5 Our audit is substantially completed this year's audit subject to final review of the audit file, with the exception of:
 - Review of the final draft of the financial statementsWe will provide an update to the Audit Committee on 21 July 2023 in respect of these items.
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of revised ISA315 on this year's audit

- 7 Our audits of NHS accounts for the year ended 31 March 2023 have been carried out under a revised auditing standard (ISA 315 (UK) Identifying and Assessing the Risks of Material Misstatement (Revised July 2020)). The revised standard has had a significant impact this year on how auditors undertake audit risk assessments and our overall audit approach.
- 8 In planning our audit, we are now required to undertake more detailed and extensive risk assessment procedures to identify risks of material misstatement. The subsequent design and performance of our audit approach has been responsive to each assessed risk.

- 9 The introduction of the revised Standard and a different audit approach has had implications for audit timetables, and the new approach has required additional time to implement. We are also conscious that there have been additional challenges for finance teams preparing accounts this year, including the introduction of IFRS 16 – Accounting for Leases and accounting adjustments resulting from the quinquennial valuation of the NHS estate. It was important that finance teams had sufficient time to reflect these changes accurately in draft accounts submitted for audit to ensure a smooth audit process. As a result, it was agreed that for 2022-23 that the revised timetable for the completion of the audit and the submission of the audited documents would be 31 July.

Exhibit 1 – impact of revised ISA315 on this year’s audit

Timetable	<ul style="list-style-type: none">• The Welsh Government’s deadlines for Health Board submission are:<ul style="list-style-type: none">– the draft Financial Statements by 5 May; and– the draft Performance Report and Accountability Report by 12 May.• The Health Board met the above deadlines bar a short delay to the Performance Report which was provided on 25 May.• The Audit Report will be presented to Audit, Risk and Assurance Committee on 21 July and to the Board on 25 July• The Auditor General for Wales is scheduled to certify his audit report on 27 July.• The Welsh Government’s deadline for audit completion and the submission of the audited documents is 31 July.
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Proposed audit opinion

- 10 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion
- 11 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 12 We intend to issue an unqualified true and fair opinion but a qualified regularity opinion on your Accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 13 Our proposed audit report is set out in **Appendix 2**. The audit report explains that the regularity opinion for 2022-23 is qualified due to the Health Board breaching its revenue resource limit by spending £6.8 million over the £1.33 billion that it was authorised to spend in the three-year period 2020-2021 to 2022-23.

Uncorrected misstatements

- 14 The Health Board has chosen not to correct for a number of issues identified from our audit of payables and post year end payments. These are outlined in exhibit 2 below. The cumulative value of these errors is above our trivial level (£0.2m) but lower than materiality (£4.1m).
- 15 In addition, the Health Board has left other misstatements individually below our trivial level uncorrected (£0.2m).
- 16 However, in totality, the cumulative value of all uncorrected misstatement lower than materiality.

Corrected misstatements

- 17 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that the more significant of these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 18 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There is one issue to bring to your attention. This is set out as follows:

Exhibit 2 – Significant issues arising from the audit

Payables (Note 18)

Payables Testing

Our initial audit testing identified a number of errors within the payables population. Our work, and the errors identified are summarised below:

- Total payables in Accounts - £44.2 million
- We initially tested a sample of 29 payables with a value of £10.3million
- We identified 8 errors from our work:
 - 1 (£127k) misclassification of receivables as payables. The Health Board identified a further 2 instances totalling £740k of the same issue on review of the population.
 - 1 (£1.3 million) misclassification of a provision as a payable. We tested one element of the payable, which totalled £2.5million.
 - 6 valuation errors totalling a £119k overstatement.

Based on these findings we performed additional audit procedures to provide assurance that there is not a material issue in the remaining population as follows;

- The total un-tested population was £33.9 million
- We tested an additional 10 totalling £8.0 million
- No further issues were identified from this work.
- This left a remaining un-tested population of £25.9 million

The misclassification errors have not impact on the surplus/deficit position of the Health Board, however six valuation errors result is an overstatement of the Health Boards expenditure and so deficit position in the 2022/23.

Post year end payments testing

We also identified errors from our testing of post year-end payments. This work is to ensure the expenditure in relation to post year end payments has been accounted for in the correct financial year. Our work, and the errors identified are summarised as follows;

- The total population of post year end payments was £25.2 million
- We initially tested a sample of 22 payments with a value of £10.2 million

See
recommendation 1
(Appendix 4)

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- We identified 1 calculation error resulting in an overstatement of £15k, and 1 omission error resulting in a £93k understatement.

We undertook additional testing to provide assurance that there is not a material issue in the remaining population as follows;

- The total un-tested population was £14.9 million
- We tested an additional 10 payments (£2 million)
- No further issues were identified from this work.
- This left a remaining un-tested population of £12.9 million

The errors we have identified would lead to a net understatement of the Health Boards expenditure and so deficit position in 2022/23 of £78k.

We have concluded that the total value of errors identified is not material individually or in aggregate and are content that there is not a material issue in the remaining un-tested populations.

The Health Board has chosen to correct the misclassification of the provision as a payable, but the other errors remain uncorrected in the final draft of the financial statements.

We have reported errors identified from our payables testing in the last two audit reports, consequently we have made recommendation for improvement in this area.

Recommendations

- 19 The recommendation arising from our audit are set out below. Management has responded to this, and we will follow up progress against them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

Exhibit 3 – Recommendation from 2022/23 audit

Matter arising 1 – Issues identified in Payable balances	
Findings	See exhibit 2 for full details of the issues identified.
Priority	High
Recommendation	The Health Board should ensure their closedown and quality control procedures are reviewed and strengthened to minimise errors within year end payables.
Benefits of implementing the recommendation	<p>Implementation of this recommendation will lead to the following benefits:</p> <ul style="list-style-type: none"> - Improved accuracy in year-end payables balances within the financial statements; - Improved audit trail to support balances within the financial statements; - Improved efficiency in the process for auditing payables; and - Reduced officer time in responding to audit queries relating to payables.
Accepted in full by management	Agreed
Management response	The Health Board will review its closedown and quality assurance processes and take action to strengthen them ahead of the preparation of the 2023/24 Financial Statements
Implementation date	May 2024

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Appendix 1

Final letter of representation

[Audited body's letterhead]

Auditor General for Wales
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

25 July 2023

Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Powys Teaching Health Board (the Health Board) for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that, to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
 - observe the accounts directions issued by Welsh Ministers/HM Treasury, including the relevant accounting and disclosure requirements, and apply appropriate accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and

- prepare them on a going concern basis on the presumption that the services of the Health Board will continue in operation;
- ensuring the regularity of any expenditure and other transactions incurred;
- the design, implementation and maintenance of internal control to prevent and detect error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Health Board and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;
- our knowledge of all possible and actual instances of irregular transactions.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor, accounted for, and disclosed in accordance with the applicable financial reporting framework.

There are £0.867k misclassification and £0.041k valuation uncorrected misstatements in the financial statements. The effects of uncorrected misstatements identified during the audit are considered immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by those charged with governance

We acknowledge that the above representations made by management have been discussed with us.

We acknowledge our responsibility for ensuring that the company maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Health Board on 25 July 2023.

We confirm that we have taken all necessary steps to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Executive as Accountable Officer

Date:

Signed by:

Chair of Board

Date:

Appendix 2

Proposed Audit Report

The Certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Powys Teaching Health Board (the Health Board) for the year ended 31 March 2023 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Powys Teaching Health Board as at 31 March 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Powys Teaching Health Board's financial statements because the Health Board has breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three-year period 2020-2021 to 2022-23. This spend constitutes irregular expenditure.

Further detail is set out in my Report at appendix 3

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Powys Teaching Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;
- the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

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- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the LHB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive anticipate that the services provided by the LHB's will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Board's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override and unusual journals;
- obtaining an understanding of Health Board's framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Assurance Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Health Board controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my Report in Appendix 3.

Adrian Crompton
Auditor General for Wales
27 July 2023

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Appendix 3

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Powys Teaching Health Board's (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2023 to draw attention to one key matter for my audit. This is the failure against the first financial duty and consequential qualification of my 'regularity' opinion. I have not qualified my 'true and fair' opinion in respect of this matter.

Financial duties

Health Boards are required to meet two statutory financial duties – known as the first and second financial duties.

For 2022-23, the Health Board failed to meet the first financial duty.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2020-21 to 2022-23.

As shown in Note 2.1 to the Financial Statements, the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £1,133 million by £6.8 million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the Health Boards authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Adrian Crompton

Auditor General for Wales

27 July 2023

Appendix 4

Summary of Corrections Made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 3: summary of corrections made

Value of correction	Nature of correction
Various	Remuneration Report Our audit identified a number of amendments throughout the report relating to senior officer remuneration, to ensure that disclosures complied with the requirements of the underlying accounting framework. These include: <ul style="list-style-type: none">the inclusion of benefits in kind received by officers; andsome changes to figures within the tables, in particular the pension benefits table.
£1,266k	Note 18 Payables As per exhibit 2, we identified a liability that met the definition of a provision but has been recognised as a payable and had therefore been misclassified. The error we identified was a £1,266k element of the total accrual of £2,473k. Officers have agreed to correct the classification this liability.
£416k	Note 23 Losses and special payments This note should be prepared on a cash basis, and therefore the non-cash movement of £416k should be excluded.

Value of correction	Nature of correction
£270k	<p>Note 10 and Note 2.4</p> <p>Our audit work identified a transposition error which resulted in a £270k overstatement of the Total Non-NHS Bills paid in 22/23. This resulted in an understatement of the Non-NHS Percentage of Bills paid on target which increased from 88.2% to 88.7% upon correction. The transposition error outlined above also required correction in Note 2.4.</p>
£261k	<p>Note 22 Capital Commitments</p> <p>Our audit work identified 3 capital projects where capital commitments not been included within the disclosure in the financial statements. This led to an understatement of the disclosure totalling £261k.</p>
Various	<p>Note 30 Related Parties</p> <p>Our audit work identified two organisations which had been correctly disclosed by two individuals on their Declaration of Interest form, but which had been incorrectly excluded from the note to accounts.</p> <p>The values of transactions requiring disclosure are as follows;</p> <p>Expenditure to PAVO should be £1,293k Amounts owed to PAVO should be £409k Expenditure to Freedom Leisure should be £11k Amounts owed to Freedom Leisure should be £6k</p>

Value of correction	Nature of correction
Various	<p>Note 30 Related Parties</p> <p>Our audit work identified discrepancies, due to input error, between transactions and balances included for organisations within the relate party note, and the transactions and balances included within the ledger.</p> <p>The values of transactions requiring disclosure are as follows;</p> <p>Expenditure to WAST should be £21k Expenditure to WHSSC should be £192k Amounts owed to WAST should be £18k Amounts owed to WHSSC should be £58k</p>
Various	<p>Note 34.1 6.3% Staff Employer Pension Contributions</p> <p>Various amendments were required to ensure consistency with other areas of the accounts.</p>
Disclosure	<p>Our audit work identified a number of minor narrative or disclosure errors that required correction. These have all been agreed with the client.</p> <p>Notes to the accounts where this was required include:</p> <ul style="list-style-type: none"> • Note 11 – Property, plant and equipment • Note 17 - Cash and cash equivalents • Note 20 – Provisions • Note 23 – Losses and special payments • Note 29 – Events after the reporting period • Note 30 - Related parties

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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.

Patterson, Liz
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Agenda Item: 3.2

Audit, Risk and Assurance Committee		Date of Meeting: 11th July 2023
Subject:	Head of Internal Audit Opinion and Annual Report 2022/23	
Approved and Presented by	Director of Corporate Governance / Head of Internal Audit	
Prepared by:	Head of Internal Audit	
Other Committees and Meetings considered at:		
PURPOSE:		
To provide the Audit, Risk and Assurance Committee with the opportunity to review the Head of Internal Audit Opinion and Annual Report 2022/23.		
RECOMMENDATION(S):		
The Audit, Risk & Assurance Committee are requested to:		
<ul style="list-style-type: none"> • Consider & Note the final Head of Internal Audit Opinion and Annual Report 2022/23. 		
Approval	Discussion	Information
	X	X

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THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):

Strategic Objectives:	1. Focus on Wellbeing	
	2. Provide Early Help and Support	
	3. Tackle the Big Four	✓
	4. Enable Joined up Care	✓
	5. Develop Workforce Futures	✓
	6. Promote Innovative Environments	✓
	7. Put Digital First	✓
	8. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	✓
	5. Timely Care	✓
	6. Individual Care	✓
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

The HIA Opinion for 22/23 is that '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'.

From the individual audits completed at the time of producing the Annual Report, the following final ratings have been provided:

- 5 Substantial Assurance
- 13 Reasonable Assurance
- 3 Limited Assurance.
- 2 Assurance not Applicable

The Report also includes details of the 2 audits that have been deferred from the plan during 2022/23, as reported to previous meetings of the Committee. These audits and the reason for their deferment have been considered when compiling the draft HIA Opinion.

The HIA Opinion will need to be reflected within the Health Board's Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to the 3 Limited Assurance opinions issued during the year and the significance of the recommendations made.

BACKGROUND AND ASSESSMENT:

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

This is achieved through delivery of an audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities. The 2022/23 plan was formally approved by the Audit, Risk and Assurance Committee at its March 22 meeting.

The Annual Report sets out the HIA Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Public Sector Internal Audit Standards.

The report also details the outcome of audits undertaken at NWSSP, DHCW, WHSSC and EASC that support the overall opinion for the Health Board.

NEXT STEPS:

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Head of Internal Audit Opinion & Annual Report 2022/2023

June 2023

Powys Teaching Health Board

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Gwasanaethau Archwilio a Sicrwydd
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Addysgu Powys
Powys Teaching
Health Board



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Appendix A	Conformance with Internal Audit Standards
Appendix B	Audit Assurance Ratings

Report status:	Final
Draft report issued:	04 May 2023
Final report issued:	27 June 2023
Author:	Ian Virgill, Head of Internal Audit
Executive Clearance:	Director of Corporate Governance
Audit Committee:	July 2022

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Risk & Assurance Committee.

Audit reports are prepared by the staff of the NHS Wales 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 Powys Teaching Health Board 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. EXECUTIVE SUMMARY


1.1 Purpose of this Report

Powys Teaching Health Board’s (The ‘Health Board’) Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

This report sets out the Head of Internal Audit Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Public Sector Internal Audit Standards.

1.2 Head of Internal Audit Opinion 2022-23

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board’s own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused on risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement. The overall opinion for 2022/23 is that:

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.
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1.3 Delivery of the Audit Plan

Our internal audit plan is agile and responsive to ensure that key developing risks to the Health Board are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit, Risk and Assurance Committee (the ‘Committee’). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an

overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for the 2022/23 year was initially presented to the Committee in March 2022. Changes to the plan have been made during the course of the year and these changes have been reported to the Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken at NWSSP, DHCW, WHSSC and EASC that support the overall opinion for NHS Wales health bodies (see section 3).

Our latest External Quality Assessment (EQA), conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) (in March 2023), and our own annual Quality Assurance and Improvement Programme (QAIP) have both confirmed that our internal audit work 'fully conforms' to the requirements of the Public Sector Internal Audit Standards for 2022/23. We are able to state that our service 'fully conforms to the IIA's professional standards and to PSIAS.'

1.4 Summary of Audit Assignments

This report summarises the outcomes from our work undertaken in the year. In some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations (again, see section 3).

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, we can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas in the table below.

Where we have given Limited Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

In addition, we also undertook a number of advisory and non-opinion reviews to support our overall opinion. A summary of the audits undertaken in the year and the results are summarised in table 1 below.

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Table 1 – Summary of Audits 2022/23

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> • Control of Contractors: Follow-up • Looked After Children Health Assessments • Cancer Services - Access to Symptomatic FIT • Women & Children’s Services • Performance Management & Reporting 	<ul style="list-style-type: none"> • Staff Rostering • Security Services • Machynlleth Hospital Reconfiguration Project • North Powys Wellbeing Programme • Charitable Funds • Workforce Futures Strategic Framework • Incident Management • Therapies and Health Sciences Professional Governance Structure • Temporary Staffing Department • Occupational Health Follow-up • Risk Management and Board Assurance Framework • Savings Plans / Efficiency Framework • Internal Audit Recommendation Tracking Process
Limited Assurance	Advisory & Non-Opinion
<ul style="list-style-type: none"> • IT Infrastructure and Asset Management • Welsh Language Standards • Cyber Security 	<ul style="list-style-type: none"> • Site Leadership & Coordination • Decarbonisation
No Assurance	
N/A	

Please note that our overall opinion has also taken into account both the number and significance of any audits that have been deferred during the course of the year (see section 5.7) and also other information obtained during the year that we deem to be relevant to our work (see section 2.4.2).

2. HEAD OF INTERNAL AUDIT OPINION

2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is a statement made by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Standards; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Health Board's risk management process and system of assurance should bring together all of the evidence required to support the Annual Governance Statement.

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through an audit plan that has been focussed on key strategic and operational risk areas and known improvement opportunities, agreed with executive management and approved by the Committee, which should provide an appropriate level of assurance.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Health Board. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As such, it is a key component that the Board takes into account but is not intended to provide a comprehensive view.

The Board, through the Audit, Risk and Assurance Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing its Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Powys Teaching Health Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

This opinion will in turn assist the Board in the completion of its Annual Governance Statement and may also be taken into account by regulators including Healthcare Inspectorate Wales in assessing compliance with the

Health & Care Standards in Wales, and by Audit Wales in the context of both their external audit and performance reviews.

The overall opinion by the Head of Internal Audit on governance, risk management and control results from the risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

2.3 Assurance Rating System for the Head of Internal Audit Opinion

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2022/23 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

A quality assurance review process has been applied by the Director of Audit & Assurance and the Head of Internal Audit in the annual reporting process to ensure the overall opinion is consistent with the underlying audit evidence.

We take this approach into account when considering our assessment of our compliance with the requirements of PSIAS.

The assurance rating system based upon the colour-coded barometer and applied to individual audit reports remains unchanged. The descriptive narrative used in these definitions has proven effective in giving an objective and consistent measure of assurance in the context of assessed risk and associated control in those areas examined.

This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual assignment audit reviews. The assurance rating system together with definitions is included at **Appendix B**.

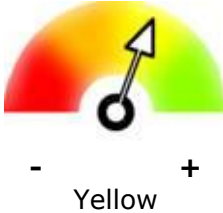
The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results using the eight assurance domains that were used to frame the audit plan at its outset (see section 2.4.2).

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2.4 Head of Internal Audit Opinion

2.4.1 Scope of opinion

The scope of my opinion is confined to those areas examined in the risk-based audit plan which has been agreed with senior management and approved by the Audit, Risk and Assurance Committee. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management, and control is set out below.

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>
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This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were three audits in 2022/23).

2.4.2 Basis for Forming the Opinion

The audit work undertaken during 2022/23 and reported to the Audit and Assurance Committee has been aggregated at Section 5.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit, Risk and Assurance Committee throughout the year. In addition, and where appropriate, work at either draft report stage or in progress but substantially complete has also been considered, and where this is the case then it is identified in the report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements (see section 2.4.3).
- The results of any audit work related to the Health & Care Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the Governance, Leadership and Accountability module.

Patterson, Liz
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- Other assurance reviews which impact on the Head of Internal Audit opinion including audit work performed at other organisations (see Section 3).
 - Other knowledge and information that the Head of Internal Audit has obtained during the year including cumulative information and knowledge over time; observation of Board and other key committee meetings; meetings with Executive Directors, senior managers and Independent Members; the results of *ad hoc* work and support provided; liaison with other assurance providers and inspectors; research; and cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the Opinion for this year.

As stated above, these detailed results have been aggregated to build a picture of assurance across the Health Board.

In reaching this opinion we have identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas.

From the opinions issued during the year, five were allocated Substantial Assurance, thirteen were allocated Reasonable Assurance and three were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion. In addition, two advisory or non-opinion reports were also issued.

At the time of producing the Annual Report, one audit was still work in progress but had not been sufficiently progressed to reliably determine the assurance rating. The outcome for this audit will therefore feed into the Opinion for 2023/24.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited assurance was reported. Further, the Head of Internal Audit has considered the impact where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year. The reasons for changes to the audit plan were presented to the Audit, Risk and Assurance Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review, the Head of Internal Audit has considered the impact of changes made to the plan when forming their overall opinion.

A summary of the findings is shown below. We have reported the findings using the 8 areas of the Health Board's activities that we use to structure both our 3-year strategic and 1-year operational plans.

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Corporate Governance, Risk Management and Regulatory Compliance

We have undertaken three reviews in this area.

Welsh Language Standards – At the time of the audit, the Health Board needed to develop and publish a formal Welsh Language Policy. There was also a need to undertake a full review of the action plans for achieving compliance with the standards that were produced in 2019 to ensure they were appropriate and applicable to the relevant service areas. The arrangements for monitoring and reporting progress against the action plans needed to be reviewed and strengthened and regular meetings established between the Welsh Language department and service leads. We issued a **limited** assurance opinion.

Risk Management and Board Assurance Framework - Work is progressing to develop the Health Board's BAF but it is not yet finalised or operational. A comprehensive and up to date Risk Management Framework and toolkit is in place but risk management training has not been undertaken during the year. Effective processes are in place for recording, monitoring and escalating risks at Corporate and Service levels. However, the role of the Audit Committee and Corporate Risk and Assurance Group need to be confirmed. We issued a **reasonable** assurance opinion.

Internal Audit Recommendation Tracking Process - The Health Board has a robust process in place for recording Internal Audit recommendations and tracking their completion. The reports provided to the Committee provide a good level of detail and analysis. However, our review of the reporting of the status of recommendations identified inaccuracies in the information provided to the Audit, Risk and Assurance Committee. We issued a **reasonable** assurance opinion.

A review of the draft Annual Governance Statement highlighted that it was generally consistent with our knowledge of the UHB through the audit work performed in the Internal Audit plan and a review of other organisational documents.

Strategic Planning, Performance Management & Reporting

We have undertaken two reviews in this area.

North Powys Wellbeing Programme – Appropriate approvals were in place for the Programme at the Programme Business Case and Strategic Outline Case stages, along with the required funding. A plan had been in place for 21/22 but there was a need to finalise the 22/23 programme plan to ensure effective on-going management, monitoring and reporting of the programme. We also identified the need to ensure standardised processes were in place for monitoring the acceleration for change projects, carry out effective on-going review and management of the programme risk register

and ensure the benefits and outcome framework and service mapping were effectively updated. We issued a **reasonable** assurance opinion.

Performance Management & Reporting - There are robust processes in place for the production of the Integrated Performance Report which are working effectively. There is a schedule in place to ensure that the Integrated Performance Report is completed in time for the relevant governance forums and effective validation processes are in operation. Further work is however required to ensure the Integrated Performance Framework is fully implemented. We issued a **substantial** assurance opinion.

Financial Governance and Management

We have undertaken two reviews in this area.

Charitable Funds – The Health Board’s Charitable Funds policy was overdue for review. The processes for managing donations and expenditure are operating effectively although enhancements were required for recording donations relating to a single event and the completion of application forms for expenditure. Regular reports needed to be issued to each fundholder and discussed with them and the Charitable Funds Committee Terms of Reference were due for review. We issued a **reasonable** assurance opinion.

Savings Plans / Efficiency Framework – The Health Board had a savings plan in place for 22/23 with appropriate mechanisms in place for monitoring and reporting. However, the target was only achieved through the identification of non-recurrent savings. Robust recurrent savings plans need to be identified to enable the Health Board to achieve a breakeven position going forward. We issued a **reasonable** assurance opinion.

The audits of the payment systems provided by NWSSP, which we undertake each year to provide assurance to the Health Board all concluded with positive assurance. The four primary care contractor payment systems were given either Reasonable or Substantial Assurance, with the audits of Payroll and Accounts Payable both receiving Reasonable Assurance.

Quality & Safety

We have undertaken three reviews in this area.

Looked After Children Health Assessments – The Looked after Children (LAC) Team have developed comprehensive procedures and have robust processes in place which are working effectively and adhere to the best practice standards set out within “The Framework”. The LAC Team take a pro-active approach to the Health Assessment process, and we could evidence that they work above and beyond their roles and responsibility to

ensure that looked after children receive a Health Assessment as soon as they become looked after. We issued a **substantial** assurance opinion.

Cancer Services - Access to Symptomatic FIT – There are effective governance arrangements in place for the Cancer Renewal Programme, which includes improving access to FIT as one of its key pathways. Access to FIT is in place for all Powys residents and supporting guidance and training has been made available to all GP practices. There was a need to ensure that a breakdown of FIT figures is received from the Wye Valley Trust. We issued a **substantial** assurance opinion.

Incident Management – The Health Board has Incident Management guidance in place but needed to publish a Health Board wide Incident Reporting procedural guidance and develop a navigable incident reporting page on SharePoint. Key stages / processes within the incident reporting cycle were not always undertaken within expected timelines. There was also a lack of evidence of periodic reporting / monitoring of incidents within the Community Services Group. We issued a **reasonable** assurance opinion.

The planned advisory work on the Covid 19 – Outbreak Control Plan, Contact Tracing was removed from the plan as it was no longer appropriate due to the changing Covid 19 situation.

Information Governance & Security

We have undertaken two reviews in this area.

IT Infrastructure and Asset Management - Although improvements in monitoring and updating equipment have taken place, the infrastructure still contains old items and is subject to security and resilience weaknesses. We identified the following issues; old equipment was in place which results in a security risk, there was limited active monitoring and management of the infrastructure, Switches were not patched, server rooms had weakness which resulted in reduced resilience, poor cabling resulted in unmanaged hubs being deployed and the network architecture was flat and without firewall provision. We issued a **limited** assurance opinion.

Cyber Security – A cyber security improvement plan has been developed, and we noted progress in improving the overall security of the organisation. However, the reporting of the progress had ceased and there was limited detail on actions, and no reporting of the security position of the Health Board. We also noted weakness in the security and validity of back up information. There was a lack of detail in cyber security position reporting, asset location and cyber security condition information was incomplete and inaccurate and backup storage was not secure and there was no record of test restorations being carried out. We issued a **limited** assurance opinion.

The two reviews undertaken within the Information Governance and Security area both received limited assurance ratings. The Health Board will

need to ensure that going forward there is appropriate investment and development within this area to address the identified issues.

Operational Service and Functional Management

We have undertaken four reviews in this area.

Site Leadership and Coordination – The advisory review identified that the Health Board had approved an appropriate site coordination and leadership model which was being effectively implemented, supported by robust governance arrangements. We proposed opportunities for consideration by the Health Board including; reviewing the role of site co-ordinators, holding joint 'local' meetings for some sites and enhancements to the site co-ordination forum.

Security Services – Appropriate security structures and groups are in place within the Health Board, but improvements are required in areas such as attendance, record keeping and updates to the Health & Safety Group. Documented security plans were not in place for all service areas. Where plans were in place, they were not being reviewed centrally. We issued a **reasonable** assurance opinion

Women & Children's Services - Effective governance structures are in place within the Women and Children's Service, supported by robust risk management and financial management arrangements. The workforce and risk management controls within the School Nursing and Health Visiting Departments are also well established and operating effectively. We issued a **substantial** assurance opinion.

Therapies and Health Sciences Professional Governance Structure - The Directorate has structures in place which allow for scientific and therapy staff, professional registrants and practitioners to work within clearly defined professional and clinical governance arrangements. The Policies and procedures required review and finalisation and there was no overarching Framework in place. The process for identification of any professionally registered Therapy and Health Science professionals who are not operationally managed by the Professional Heads of Service also required strengthening. We issued a **reasonable** assurance opinion.

Workforce Management

We have undertaken four reviews in this area.

Staff Rostering – Policies and procedures are in place, and formal HealthRoster training has been delivered to all roster creators and Clinical Services Managers. However, a significant number of rosters were not being produced, approved, and published by wards / teams in a timely manner and in line with the Staff Rostering Policy. Rosters are produced in

accordance with funded establishments and ensure appropriate skill mix. The HealthRoster system had several functionalities that were not being exploited to their full potential. We issued a **reasonable** assurance opinion

Workforce Futures Strategic Framework – Effective partnership and governance arrangements are in place for the Framework and regular reporting is taking place within the Health Board. However, management need to ensure annual, or more frequent, updates are provided on the outcomes. The action plans for the Workforce Futures Framework Programme Board and Workforce Futures Oversight Group could not always be followed from one meeting to the next. We issued a **reasonable** assurance opinion

Temporary Staffing Department - The Health Board has policy and procedure in place for the management of bank staff across the organisation. A structured approach to engagement with service users needed to be developed to identify and address areas of improvement in service provision. We identified further issues around the recruitment process and the length of time to complete Pre-employment checks, errors in the rate of pay for off contract agency invoices, the consistent recording of the invoice date within Oracle. We issued a **reasonable** assurance opinion.

Occupational Health Follow-up - Good progress has been made in addressing the recommendations from the 21/22 limited assurance report. Two of the six actions had been fully complete with the remaining four partially complete. We issued a Reasonable assurance opinion. We issued a **reasonable** assurance opinion.

Capital & Estates Management

We have undertaken three reviews / outputs in this area.

Control of Contractors: Follow-up - Agreed actions from the prior review had been largely implemented, with 6 of the 7 recommendations closed (including 3 high priority matters). Only one matter remained partially outstanding, in relation to site-specific signing in protocols. Recognising the controls already implemented by the Estates team, the recommendation priority was lowered from high to medium; with the remaining actions, due to their nature, to be undertaken in conjunction with the wider Health Board. We issued a **substantial** assurance opinion.

Decarbonisation – This was an advisory review which identified specific opportunities for the Health Board but also affirmed common themes to provide an overview of the overarching position across NHS Wales. Our report concluded that, whilst some progress has been observed, this has been restricted by the availability of financial and staff resource. Our recommendations aimed to aid management in driving forward the strategies, whilst also highlighting some of the competing pressures/ risks.

Machynlleth Hospital Reconfiguration Project - The project operated within a robust governance framework during the period, with reasonable controls evidenced in areas including valuation and payments. Initial preparations for commencing the commissioning and handover stages were also evidenced. The forecast outturn cost remained within budget, and whilst noting the project was delayed by a total of 13 weeks from the original contractual completion date, risks to operational delivery are considered minimal. The key matters arising at the project were; the need for consistent inclusion of the cost report within Project Board papers and the need for a project-specific scheme of delegation, to ensure compliance with Standing Orders. We issued a **reasonable** assurance opinion.

Advice and support were also provided to the Health Board through the year in relation to the future development of integrated audit plans.

2.4.3 Approach to Follow Up of Recommendations

As part of our audit work, we consider the progress made in implementing the actions agreed from our previous reports for which we were able to give only Limited Assurance. In addition, where appropriate, we also consider progress made on high priority findings in reports where we were still able to give Reasonable Assurance. We also undertake some testing on the accuracy and effectiveness of the audit recommendation tracker.

In addition, Audit Committees monitor the progress in implementing recommendations (this is wider than just Internal Audit recommendations) through their own recommendation tracker processes. We attend all audit committee meetings and observe the quality and rigour around these processes.

It is the role of Audit Committees to consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by Management.

We have considered the impact of both our follow-up work and where there have been delays to the implementation of recommendations, on both our ability to give an overall opinion (in compliance with the PSIAS) and the level of overall assurance that we can give.

From the specific follow up audits undertaken in 2022/23, it was identified that progress had been made by management in implementing recommendations from the following previous Limited Assurance audits, with improved assurance ratings, as identified:

- Control of Contractors: Follow-up – Substantial Assurance; and
- Occupational Health: Follow-up – Reasonable Assurance.

Through 2022/23, the Corporate Governance team has continued to review all outstanding recommendations with management and the outcomes have been reported to each meeting of the Audit, Risk & Assurance Committee.

We undertook work towards the end of the year as part of the Audit of the Internal Audit Recommendation Tracking Process to validate the stated position for a sample of recommendations. We were able to confirm the recorded position for all of the sampled recommendations and therefore provide the Audit Committee with additional assurance around the accuracy of the tracker.

2.4.4 Limitations to the Audit Opinion

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems.

As mentioned above the scope of the audit opinion is restricted to those areas which were the subject of audit review through the performance of the risk-based Internal Audit plan. In accordance with auditing standards, and with the agreement of senior management and the Board, Internal Audit work is deliberately prioritised according to risk and materiality. Accordingly, the Internal Audit work and reported outcomes will bias towards known weaknesses as a driver to improve governance risk management and control. This context is important in understanding the overall opinion and balancing that across the various assurances which feature in the Annual Governance Statement.

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems. In addition, the impact of COVID-19 on previous year's programme makes any comparison even more difficult.

2.4.5 Period covered by the Opinion

Internal Audit provides a continuous flow of assurance to the Board and, subject to the key financials and other mandated items being completed in-year, the cut-off point for annual reporting purposes can be set by agreement with management. To enable the Head of Internal Audit opinion to be better aligned with the production of the Annual Governance Statement a pragmatic cut-off point has been applied to Internal Audit work in progress.

By previous agreement with the Health Board, audit work reported to draft stage has been included in the overall assessment, with all other work in progress rolled-forward and reported within the overall opinion for next year.

The majority of audit reviews will relate to the systems and processes in operation during 2022/23 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

Follow-up work will provide an assessment of action taken by management on recommendations made in prior periods and will therefore provide a

limited scope update on the current condition of control and a measure of direction of travel.

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after the year end. Where required, any specified assurance work would be aligned with the timeline for production of the Health Board's Annual Report and accordingly will be completed and reported to management and the Audit Committee subsequent to this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

2.5 Required Work

Please note that following discussions with Welsh Government we were not mandated to audit any areas in 2022/23.

2.6 Statement of Conformance

The Welsh Government determined that the Public Sector Internal Audit Standards (PSIAS) would apply across the NHS in Wales from 2013/14.

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. The work of Internal Audit is also subject to an annual assessment by Audit Wales. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023. The CIPFA concluded that NWSSP's Audit & Assurance Services conforms with all 64 fundamental principles and 'it is therefore appropriate for NWSSP Audit & Assurance Services to say in reports and other literature that it fully conforms to the IIA's professional standards and to PSIAS.'

The NWSSP Audit and Assurance Services can assure the Audit, Risk and Assurance Committee that it has conducted its audit at the Health Board in conformance with the Public Sector Internal Audit Standards for 2022/23.

Our conformance statement for 2022/23 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2022/23 which will be reported formally in the Summer of 2023; and
- the results of the work completed by Audit Wales.

We have set out, in **Appendix A**, the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included

in the 2022/23 QAIP report. There are no significant matters arising that need to be reported in this document.

We also note that there have been no impairments to the independence of the Head of Internal Audit or to any member of NWSSP's Audit & Assurance Service who undertook work on the Powys audit programme for 2022/23.

2.7 Completion of the Annual Governance Statement

While the overall Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement, the Accountable Officer and the Board need to take into account other assurances and risks when preparing their statement. These sources of assurances will have been identified within the Board's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability;
- internally assessed performance against the Health & Care Standards;
- results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management;
- reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period; and
- reviews completed by external regulation and inspection bodies including Audit Wales and Healthcare Inspectorate Wales.

3. OTHER WORK RELEVANT TO THE HEALTH BOARD

As our internal audit work covers all NHS Wales organisations there are a number of audits that we undertake each year which, while undertaken formally as part of a particular health organisation's audit programme, will cover activities relating to other Health bodies. These are set out below, with relevant comments and opinions attached, and relate to work at:

- NHS Wales Shared Services Partnership;
- Digital Health & Care Wales;
- Welsh Health Specialised Services Committee; and
- Emergency Ambulance Services Committee.

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NHS Wales Shared Services Partnership (NWSSP)

As part of the internal audit programme at NHS Wales Shared Services Partnership (NWSSP), a hosted body of Velindre University NHS Trust, a number of audits were undertaken which are relevant to the Health Board. These audits of the financial systems operated by NWSSP, processing transactions on behalf of the Health Board, derived the following opinion ratings:

Audit	Opinion	Objectives
Accounts Payable	Reasonable	To evaluate and determine the adequacy of the systems and controls in place over the management of the NWSSP P2P service.
Payroll	Reasonable	To evaluate and determine the adequacy of the systems and controls in place for the management of Payroll Services.
Primary Care Services – Medical (GMS), Pharmaceutical (GPS), Dental (GDS), and Ophthalmic (GOS) Services	Reasonable Substantial Substantial Substantial	To evaluate and determine the adequacy of controls in place to administer timely and accurate payments to primary care contractors.
Other audits: Recruitment Services	Reasonable	To assess the adequacy and effectiveness of systems and controls for the management of Recruitment Services
Procurement	Reasonable	To review national sourcing procurement activity within the new integrated procurement teams to establish consistency in processes and assess compliance with procurement guidance.

Please note that other audits of NWSSP activities are undertaken as part of the overall NWSSP internal audit programme. The overall Head of Internal Audit Opinion for NWSSP is Reasonable Assurance.

Digital Health & Care Wales (DHCW)

As part of the internal audit programme at DHCW, a Special Health Authority that started operating from 1 April 2021, a number of audits were undertaken which are relevant to the Health Board. These audits derived the following opinion ratings:

Audit	Opinion	Objectives
Switching Services	Reasonable	Ensure that the switching service is maintained appropriately and that risks to the operation of the service are appropriately managed.
Embedding the Stakeholder Engagement Plan	Reasonable	To provide an opinion over the arrangements for the embedding of the plan.
Centre of Excellence	Reasonable	To provide an opinion over the controls for the establishment of the Office 365 Centre of excellence.
Technical Resilience	Substantial	To establish and assess the organisation's position to maintain acceptable service levels through, and beyond, severe disruptions to its critical processes and the IT systems which support them.
Cyber Security	Substantial	To ensure that the organisation is working to improve its cyber security position, and that appropriate reporting is in place that shows the current status.

Please note that other audits of DHCW activities are undertaken as part of the overall DHCW internal audit programme. The overall Head of Internal Audit Opinion for DHCW is Reasonable Assurance.

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Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC)

The work at both the Welsh Health Specialist Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) is undertaken as part of the Cwm Taf Morgannwg internal audit plan. These audits are listed below and derived the following opinion ratings:

Audit	Opinion	Objectives
WHSSC – Quality Unit	Substantial	To evaluate and determine the adequacy of the systems and controls in place within WHSSC in relation to quality assurance reporting.
WHSSC – Neurosciences and long-term conditions	Substantial	To evaluate and determine the adequacy of the systems and controls in place for the Neurosciences and Long-Term Conditions Programme.
EASC – Ambulance handover improvement arrangements	Substantial	We focused on the adequacy of the systems and controls in place within EASC for the development of the seven Welsh health boards' ambulance handover improvement plans and their Integrated Commissioning Action Plans (ICAPs) and ongoing monitoring.

While these audits do not form part of the annual plan for the Health Board, they are listed here for completeness as they do impact on the organisation's activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Trust Head of Internal Audit Opinion and Annual Report. DHCW audits are summarised in the DHCW Head of Internal Audit Opinion and Annual Report, and the WHSSC and EASC audits are summarised in the Cwm Taf Morgannwg University Health Board Head of Internal Audit Opinion and Annual Report.

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4. DELIVERY OF THE INTERNAL AUDIT PLAN

4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit, Risk and Assurance Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Committee during the year. Audits that remain to be reported but are reflected within this Annual Report will be reported alongside audits from the 2023/24 operational audit plan.

The audit plan approved by the Committee in March 2022 contained 23 planned reviews. Changes have been made to the plan through the year with 2 audits cancelled and 3 audits added. All these changes have been reported to and approved by the Committee. As a result, we planned to deliver a total of 24 reviews.

The assignment status summary is reported at section 5.

In addition, we may respond to requests for advice and/or assistance across a variety of business areas across the Health Board. This advisory work, undertaken in addition to the assurance plan, is permitted under the standards to assist management in improving governance, risk management and control. This activity is reported during the year within our progress reports to the Audit, Risk and Assurance Committee.

4.2 Service Performance Indicators

In order to monitor aspects of the service delivered by Internal Audit, a range of service performance indicators have been developed. The key performance indicators are summarised as follows:

Indicator Reported to Audit and Assurance Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2022/23	G	March 2022	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2022/23	G	96% (23/24)	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	100%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	G	83% (19/23)	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100%	80%	v>20%	10%<v<20%	v<10%

5. RISK BASED AUDIT ASSIGNMENTS

The overall opinion provided in Section 1 and our conclusions on individual assurance domains is limited to the scope and objectives of the reviews we have undertaken, detailed information on which has been provided within the individual audit reports.

5.1 Overall summary of results

In total 23 audit reviews were reported during the year. Figure 2 below presents the assurance ratings and the number of audits derived for each.

Figure 2 Summary of audit ratings

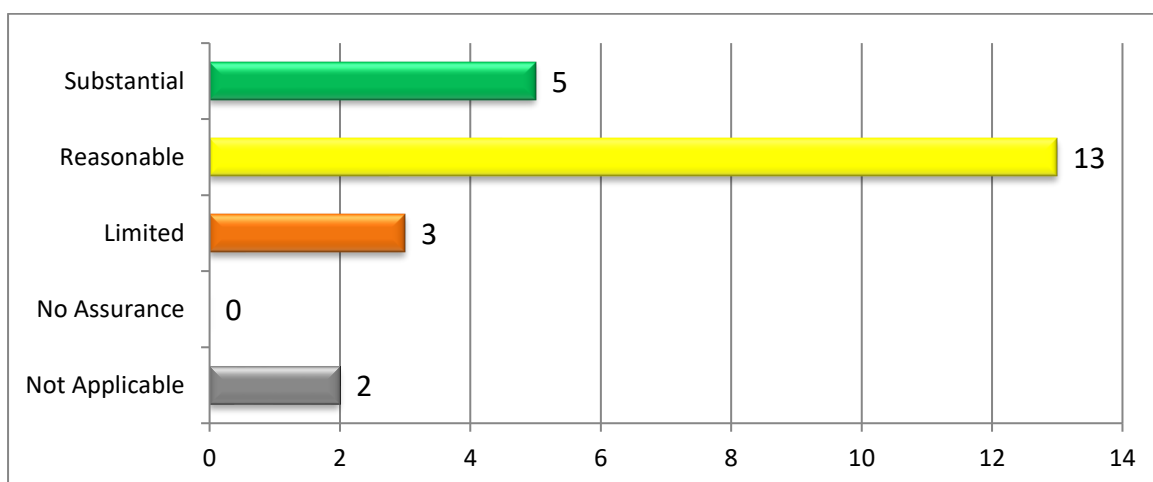


Figure 2 above does not include the audit ratings for the reviews undertaken at NWSSP and DHCW.

The assurance ratings and definitions used for reporting audit assignments are included in **Appendix B**.

In addition to the above, there were two audits which did not proceed following preliminary planning and agreement with management. It was recognised that the underlying position and associated risks had changed and audit review at that time would not add additional value. These audits are documented in section 5.7.

The following sections provide a summary of the scope and objective for each assignment undertaken within the year along with the assurance rating.

5.2 Substantial Assurance (Green)



In the following review areas, the Board can take **substantial assurance** that arrangements to secure governance, risk management and internal

control are suitably designed and applied effectively. Those few matters that may require attention are compliance or advisory in nature with low impact on residual risk exposure.

Review Title	Objective
Control of Contractors: Follow-up	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 21/22 'Control of Contractors' Audit, which reported 'Limited' assurance.
Looked After Children Health Assessments	To provide assurance that effective processes are in place to ensure that LAC health assessments are appropriately completed for all relevant looked after children, in accordance with the requirements of the Framework.
Cancer Services - Access to Symptomatic FIT	To provide assurance that the planned actions to allow improved access to symptomatic FIT are being effectively delivered.
Women & Children's Services	To evaluate and determine the adequacy of the systems and controls in place within the Women and Children's service, in order to provide assurance that risks material to the achievement of the system's objectives are managed appropriately.
Performance Management & Reporting	To provide assurance on the effectiveness of the Health Board's performance management and reporting arrangements, ensuring the achievement of an Integrated approach through the Improving Performance Framework.

5.3 Reasonable Assurance (Yellow)



In the following review areas, the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some matters require management attention in either control design or operational compliance and these will have low to moderate impact on residual risk exposure until resolved.

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Review Title	Objective
Staff Rostering	To review the controls and processes in place for the planning and management of staff rosters focusing on the nursing rosters.
Security Services	To assess the structure and effectiveness of Security Services within the Health Board.
Machynlleth Hospital Reconfiguration Project	To evaluate the progression and delivery of the project against the key business case objectives and to assess the adequacy of the systems and controls in place to support the successful delivery of the project.
North Powys Wellbeing Programme	To evaluate and determine the adequacy of the systems and controls in place for the North Powys Wellbeing Programme to provide assurance that risks material to the achievement of system objectives are managed appropriately.
Charitable Funds	To review the processes in place within the Health Board to ensure that Charitable Funds are appropriately managed and administered in accordance with relevant legislation and Charity Commission guidance.
Workforce Futures Strategic Framework	To provide assurance that the framework has started to embed and is providing clear direction of the future work required to achieve the outcomes intended.
Incident Management	To review the arrangements in place within the Health Board for the identification, recording, investigation and management of incidents.
Therapies and Health Sciences Professional Governance Structure	To review the implementation of a structure to provide assurance on professional oversight.
Temporary Staffing Department	To evaluate and determine the adequacy of the systems and controls in place within the Temporary Staffing Unit, to provide assurance that risks material to the achievement of the systems objectives are managed appropriately.
Occupational Health Follow-up	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the Limited

Review Title	Objective
	Assurance Occupational Health Service review that was reported as part of our 2021/22 work programme.
Risk Management and Board Assurance Framework	To evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Risk Management and the Board Assurance Framework.
Savings Plans & Efficiency Framework	To provide assurance on the development, monitoring and achievement of the Health Board's savings plans linked to recovery and the associated Efficiency Framework.
Internal Audit Recommendation Tracking Process	To review the systems in place to monitor progress with the implementation of actions in response to internal audit recommendations.

5.4 Limited Assurance (Amber)



In the following review areas, the Board can take only **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.

Review Title	Objective
IT Infrastructure and Asset Management	to provide assurance that a process is in place for ensuring that the infrastructure hardware is tracked, maintained, supported and that the network is managed sufficiently to provide services for the organisation.
Welsh Language Standards	To assess the processes in place within the Health Board to ensure compliance with the requirements of the Welsh Language Standards Act.
Cyber Security	to ensure that the organisation is working to improve its cyber security position, and that appropriate reporting is in place that shows the current status.

5.5 No Assurance (Red)



No reviews were assigned a 'no assurance' opinion.

5.6 Assurance Not Applicable (Grey)



The following reviews were undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for these reviews are deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance definitions are not appropriate but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Site Leadership & Coordination	To assess the effectiveness of operational site management and coordination arrangements within the Health Board.
Decarbonisation	To affirm common decarbonisation themes, to provide an overview of the overarching position across NHS Wales

5.7 Deferred Audits

Additionally, the following audits were deferred for the reasons outlined below. We have considered these reviews and the reason for their deferment when compiling the Head of Internal Audit Opinion.

Review Title	Reason for Deferral
Covid 19 – Outbreak Control Plan, Contact Tracing	The review was no longer appropriate due to the changing Covid 19 situation.
Planned Care / Recovery of Backlog Services	The Health Board were provided with assurance on this area through the 'Review of the Strategic Portfolio' work undertaken by Audit Wales.

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5.8 Work in Progress

At the time of producing the Annual Report, the following audit was still work in progress and the assurance rating had not been determined. The outcome of this audit will therefore feed into the HIA Opinion for 2023/24.

Review Title	Objective
SLAs for IN-reach Medical Staff	To Provide assurance over actions taken to review and update SLA arrangements for in-reach medical staff across all Health Board services.

6. ACKNOWLEDGEMENT

In closing I would like to acknowledge the time and co-operation given by Directors and staff of the Health Board to support delivery of the Internal Audit assignments undertaken within the 2022/23 plan.

Ian Virgill

Head of Internal Audit

Audit and Assurance Services

NHS Wales Shared Services Partnership

June 2023

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Appendix A

ATTRIBUTE STANDARDS	
1000 Purpose, authority and responsibility	Internal Audit arrangements are derived ultimately from the NHS organisation's Standing orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
1100 Independence and objectivity	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Chief Executive and Audit Committee chair. There have been no impairments to our independence during 2022/23.
1200 Proficiency and due professional care	Staff are aware of the Public Sector Internal Audit Standards and code of ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is professionally qualified.
1300 Quality assurance and improvement programme	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. Audit Wales complete an annual assessment. An EQA was undertaken in 2018.
PERFORMANCE STANDARDS	
2000 Managing the internal audit activity	The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP integrated medium term plan. A risk based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of

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	<p>specific assignments and sets out overall resource requirement. The audit strategy and annual plan is approved by Audit Committee.</p> <p>Policies and procedures which guide the Internal Audit activity are set out in an Audit Quality Manual. There is structured liaison with Audit Wales, HIW and LCFS.</p>
2100 Nature of work	<p>The risk based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach.</p>
2200 Engagement planning	<p>The Audit Quality Manual guides the planning of audit assignments which include the agreement of an audit brief with management covering scope, objectives, timing and resource allocation.</p>
2300 Performing the engagement	<p>The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.</p>
2400 Communicating results	<p>Assignment reports are issued at draft and final stages. The report includes the assignment scope, objectives, conclusions and improvement actions agreed with management. An audit progress report is presented at each meeting of the Audit Committee.</p> <p>An annual report and opinion is produced for the Audit Committee giving assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p>
2500 Monitoring progress	<p>An internal follow-up process is maintained by management to monitor progress with implementation of agreed management actions. This is reported to the Audit Committee. In addition audit reports are followed-up by Internal Audit on a selective basis as part of the operational plan.</p>

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2600 Communicating the acceptance of risks

If Internal Audit considers that a level of inappropriate risk is being accepted by management it would be discussed and will be escalated to Board level for resolution.

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Appendix B - Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<p>Substantial assurance</p>	<p>Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.</p>
	<p>Reasonable assurance</p>	<p>Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.</p>
	<p>Limited assurance</p>	<p>More significant matters require management attention. Moderate impact on residual risk exposure until resolved.</p>
	<p>No assurance</p>	<p>Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.</p>
	<p>Assurance not applicable</p>	<p>Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.</p>

Patterson Liz
 21/07/2023 13:34:41



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11/07/2025 13:34:41



Agenda Item: 3.3

Audit, Risk and Assurance Committee	Date of Meeting: 11th July 2023
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Subject:	Internal Audit Progress Report
Approved and Presented by	Director of Corporate Governance / Head of Internal Audit
Prepared by:	Head of Internal Audit
Other Committees and Meetings considered at:	

PURPOSE:

To provide the Audit, Risk and Assurance Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan; including details and outcomes of reports finalised since the previous meeting of the committee.

RECCOMENDATION(S):

The Audit, Risk & Assurance Committee are requested to:

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

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Approval	Discussion	Information
X		X

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):

Strategic Objectives:	1. Focus on Wellbeing	
	2. Provide Early Help and Support	
	3. Tackle the Big Four	
	4. Enable Joined up Care	
	5. Develop Workforce Futures	
	6. Promote Innovative Environments	
	7. Put Digital First	✓
	8. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	
	5. Timely Care	
	6. Individual Care	
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

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

The following audit reports from the 2022/23 plan have been finalised since the May 23 meeting of the Committee:

- Performance Management and Reporting (Substantial Assurance)
- Risk Management & Board Assurance Framework (Reasonable Assurance)
- Follow-up: Occupational Health Service (Reasonable Assurance)
- Savings Plans & Efficiency Framework (Reasonable Assurance)
- Internal Audit Recommendation Tracking Process (Reasonable Assurance)

The progress report also includes details of early progress with the delivery of the 2023/24 plan.

BACKGROUND AND ASSESSMENT:

The NHS Wales Shared Services Partnership (NWSSP) Audit and Assurance Service provides an Internal Audit service to Powys Teaching Health Board.

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

The 2023/24 plan was formally approved by the Audit, Risk and Assurance Committee at its March 23 meeting.

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

Appendix A of the progress report sets out the Internal Audit plan as agreed by the committee, including commentary as to progress with the delivery of assignments.

NEXT STEPS:

A progress report will be submitted to each meeting of the the Audit, Risk and Assurance Committee.

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Powys Teaching Health Board

Internal Audit Progress Report

Audit, Risk & Assurance Committee
July 2023

NWSSP Audit and Assurance Services



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<i>3.Delivery of the 2023/24 Internal Audit Plan</i>	<i>4</i>
<i>4.Engagement</i>	<i>4</i>

Appendix A Assignment Status Schedule

Appendix B Assurance Ratings

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1. Introduction

This progress report provides the Audit, Risk & Assurance Committee with the current position regarding the work to be undertaken by the Audit & Assurance Service as part of the delivery of the approved 2023/24 Internal Audit plan.

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



The plan for 2023/24 was agreed by the Audit, Risk & Assurance Committee in April 2023 and is delivered as part of the arrangements established for the NHS Wales Shared Service Partnership - Audit and Assurance Services.

2. Outcomes from Completed Audit Reviews

Five audit reports from the 2022/23 plan were not finalised in time for submission to the Audit Committee in May 23, although the outcomes are included within the Head of Internal Audit Opinion and Annual Report for 2022/23.

All of the audits have now been finalised, as detailed in the table below along with the allocated assurance ratings.

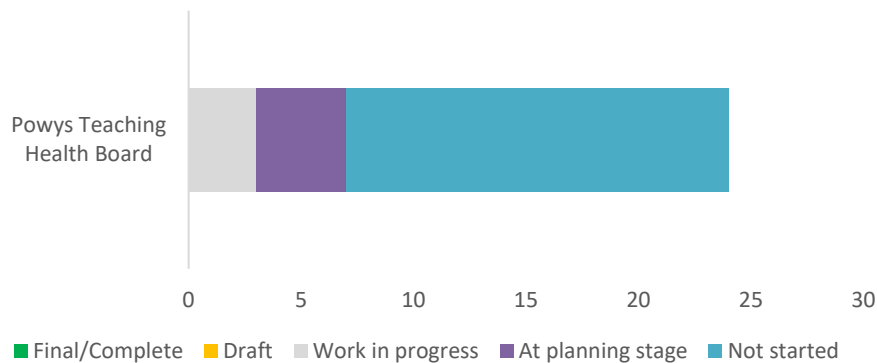
The full versions of the reports are included in the committee's papers as separate items.

FINALISED AUDIT REPORTS (2022/23 Opinion)	ASSURANCE RATING	
Performance Management and Reporting	Substantial	
Risk Management & Board Assurance Framework	Reasonable	
Follow-up: Occupational Health Service		
Savings Plans & Efficiency Framework		
Internal Audit Recommendation Tracking Process		

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3. Delivery of the 2023/24 Internal Audit Plan

There are a total of 24 reviews included within the 2023/24 Internal Audit Plan, and overall progress at this early stage of the year is summarised below.



From the illustration above it can be seen that three audits are currently work in progress with a further four at the planning stage.

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

Appendix A also includes details of one audit from the 2022/23 plan that had not been sufficiently progressed to be included within the Head of Internal Audit Opinion for 2022/23. The outcome from this audit will feed into the 2023/24 Opinion.

4. Engagement

During the current reporting period, the Audit & Assurance team have observed Board and Sub Committees and held meetings as follows:

Board / Sub Committees

- Board Meeting – 24 May

Health Board Meetings

- Kate Wright, Medical Director – 4 May
- Helen Bushell, Director of Corporate Governance – 25 May & 15 June
- Audit Wales – 9 May

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ASSIGNMENT STATUS SCHEDULE

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
2022/23 Plan								
SLAs for In Reach Medical Staff	Actions taken to review and update SLA arrangements for in-reach medical staff across all Health Board services.					Work in Progress		October
2023/24 Plan								
Information Governance	To evaluate and determine the adequacy of the resourcing, capacity, and resilience of the Information Governance structures to achieve compliance with GDPR and FoI requirements.	09	Deputy CEO/Finance Information & IT Services	1		Work in Progress		October
Clinical Audit	To review the adequacy of the systems and controls in place for the planning, delivery and reporting of Clinical Audit work.	12	Medical	1		Work in Progress		October
Clinical Education -HCSW induction scheme	Review the arrangements for the deployment of the Framework, including the induction programme to establish if effective processes are in place to ensure compliance.	04	Workforce & Organisational Development	2		Work in Progress		October
Additional Learning Needs Legislation	Review the structures and processes in place within the Health Board for ensuring compliance with the requirements of the Additional Learning Needs and Educational Tribunal Act (Wales).	15	Medical	2		Planning		October
Board & Committee Structure / Effectiveness	Evaluate the Health Board's Board and Committee structure and assess the operation of the Board and Committees to ensure effective and efficient reporting, scrutiny and decision making on areas of accountability.	02	Corporate Governance	2/3		Planning		January

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Continuing Healthcare	Review the processes in place for the assessment, approval, recording and monitoring of CHC to ensure that care is provided to the required standards with appropriate financial controls in operation. Review to include the arrangements covering Child, Adult and Mental Health.	17	Operations / Community & Mental Health	2/3		Planning		January
Primary Care Dental Services	Executive identified Dental Services as one of the key areas for review within Primary Care – Relating to access for patients.	18	Deputy CEO/ Finance Information & IT Services	2/3		Planning		January
Quality & Safety Governance – Incident Management	Focused review of processes for management of incidents and ensuring effective learning from events. To be undertaken within Maternity and a second comparator area to be agreed.	05	Nursing & Midwifery	3				January
Health & Safety Arrangements	Review and assess the adequacy of the structures, governance arrangements, policies and processes in place to ensure compliance with Health & Safety legislation.	23	Therapies and Health Science	3				January
Efficiency Framework / Value Board	Provide assurance around the development, monitoring and achievement of the Health Board’s financial plans linked to efficiency and sustainability.	07	Deputy CEO/ Finance Information & IT Services	3/4				January
Frailty / End of Life Care Services	A review of Frailty and / or Endo of Life Care Services to be included for the second half of the plan. Exact scope of the review will need to be considered and agreed.	13	Medical	3/4				January
Staff Recruitment & Retention	Review and assessment of the plans and processes in place to enable the Health Board to recruit and retain an appropriate workforce to allow the sustained delivery of high-quality services.	03	Workforce & Organisational Development	3/4				March

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
	Include focus on the Health Board's approach and structures around retention.							
Variable Pay	Scope and focus of the audit to be agreed.	08	Workforce & OD / Deputy CEO/Finance Information & IT Services	3/4				March
Integrated Performance Framework	Review how the Integrated Performance Framework has been introduced and establish if it is being appropriately utilised to provide effective assurance on the services being provided and commissioned. Scope to include how the Health Board are managing quality from visiting clinicians and the interface with EASC / WHSSC.	19	Performance & Commissioning	3/4				March
Business Continuity Planning	Establish if the Health Board has appropriate arrangements in place to ensure effective business continuity across all areas and services. Scope to include IT technical continuity and fault domain awareness within the organisation.	22	Public Health / Deputy CEO/Finance Information & IT Services	3/4				March
Infection Prevention and Control	Review of the structures, plans, monitoring and reporting arrangements in place across the Health Board (including Primary Care and Care Homes) to ensure that the risk of infection is minimised, and the spread of infection is effectively controlled, and all relevant guidelines and legislation are complied with.	06	Deputy CEO/Finance Information & IT Services	4				March
Welsh Language Standards Follow-up	Follow-up of 22/23 Limited Assurance report.	16	Workforce & OD	4				March

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Vaccination Programmes	Review the development of structures and plans for the on-going delivery of vaccination programmes.	21	Public Health	4				March
Risk Management & Assurance	Review the on-going development, implementation and application of the Health Boards Risk Management and Board Assurance processes.	01	Corporate Governance	4				May
Patient Experience	Review of the arrangements and processes in place around patient experience, potentially focusing on quadrant reporting. Further discussion needed to determine and agree exact scope.	14	Nursing & Midwifery	4				May
Partnership Governance Framework	Review of the development and implementation of the Framework.	20	Performance & Commissioning / Corporate Governance	4				May
Estates Assurance – Estates Condition	To determine the adequacy of, and operational compliance with, the health board's systems and procedures, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.	24	Capital, Estates & Property	TBC				TBC
IT Infrastructure and Asset Management Follow-up	Follow-up of 22/23 Limited Assurance report.	11	Deputy CEO/Finance Information & IT Services	TBC				TBC
Cyber Security Follow-up	Follow-up of 22/23 Limited Assurance report.	12	Deputy CEO/Finance Information & IT Services	TBC				TBC

Reviews removed from the plan

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Assurance Ratings

	<p>Substantial assurance</p>	<p>Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.</p>
	<p>Reasonable assurance</p>	<p>Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.</p>
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Performance Management and Reporting

Final Internal Audit Report

May 2023

Powys Teaching Health Board



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Review reference:	PTHB-2223-15
Report status:	Final
Fieldwork commencement:	15 th December 2022
Fieldwork completion:	15 th May 2023
Debrief meeting:	n/a
Draft report issued:	23 rd May 2023
Management response received:	8th June 2023
Final report issued:	9 th June 2023
Auditors:	Morgan Bartley-Edmunds, Principal Auditor Stuart Bodman, Principal Auditor
Executive sign-off:	Stephen Powell, Interim Director of Performance & Commissioning
Distribution:	Simon Mclellan, Performance Manager
Committee:	Audit Risk & Assurance Committee



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

Acknowledgement

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

Disclaimer notice - please note

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

Audit reports are prepared by the staff of the NHS Wales 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 Powys Teaching Health Board 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.

Executive Summary

Purpose

The overall objective of the audit was to provide assurance on the effectiveness of the Health Board’s performance management and reporting arrangements.

Overview

We have issued **Substantial** assurance on this area.

There are robust processes in place for the production of the Integrated Performance Report which are working effectively.

There is a schedule in place to ensure that the Integrated Performance Report is completed in time for the relevant governance forums.

The Health Board has developed a new Integrated Performance Framework which aligns with the NHS Wales Performance Framework. However, further work is required to ensure that the Health Board’s Framework is fully implemented and operating effectively.

Other recommendations / advisory points are within the detail of the report.

Report Opinion



Few matters require attention in control design or compliance.

Low impact on residual risk exposure.

Assurance summary¹

Objectives	Assurance
1 Appropriate governance arrangements are in place to ensure effective reporting and oversight of the Health Board’s Integrated Performance Report	Reasonable
2 The robustness of systems and processes to capture and validate the data required to produce the Integrated Performance Report	Substantial
3 The timely compilation of the Integrated Performance Report for reporting to the relevant governance forums	Substantial
4 Appropriate actions are agreed and taken forward from issues identified within the Integrated Performance Report	Substantial

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Implementation of the Integrated Performance Framework	Design	Medium

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1. Introduction

- 1.1 Our review of Performance Management & Reporting was completed in line with the 2022/23 Internal Audit Plan for Powys Teaching Health Board (the 'Health Board').
- 1.2 Effective performance reporting is integral to the Health Board's overall management and assurance arrangements. Performance reporting should focus on continuous improvement and delivering improved outcomes, highlighting when action is required to meet expected outcomes aligned to overall strategy and ministerial priorities.
- 1.3 The Health Board has been developing an Integrated Performance Report which provides the Board with the latest available performance update against the 2022/23 NHS Wales Performance Framework which was released in July 2022. The first report to reflect the Framework was presented to the Delivery & Performance Committee in September 2022.
- 1.4 The Executive Director of Performance & Commissioning was the lead for this review.
- 1.5 The associated risks for the review were:
 - Inaccurate and / or incomplete performance information;
 - Health Board's exposure to reputational damages; and
 - Services do not meet performance measures due to ineffective monitoring and governance arrangements.

2. Detailed Audit Findings

Objective 1: Appropriate governance arrangements are in place to ensure effective reporting and oversight of the Health Board's Integrated Performance Report

- 2.1 At the time of our review, the governance arrangements for performance reporting were set out in Powys THB Framework for Improving Performance 17/18 – 19/20. Performance reporting and review is designed to take place at every level throughout the organisation, from the fundamentally important individual performance appraisals through to the Directorate Performance Review meetings. The reporting arrangements at all levels being proportionate and regular ensuring an effective approach to monitoring performance, achievements and non-delivery and agreeing actions and follow-up to ensure corrective action when appropriate.
- 2.2 The reporting and review processes are designed to provide assurance through to Committees of the Board and the Board on the quality and safety of services, access to care, improvement and delivery against the IMTP.
- 2.3 We reviewed the past six months-worth of Integrated Performance Reports and found all had been completed on schedule and had been delivered to all appropriate Board and committee meetings in this timeframe.

- 2.4 The Health Board has developed an appropriate and detailed revised and updated Integrated Performance Framework. This aligns to principles and procedures set out in Welsh Government's NHS Performance Framework and cites its key driver as Welsh Government's Quadruple Aim. This Framework was approved at the Health Board meeting that took place in September 2022 for implementation from 1st April 2023.
- 2.5 Roles and responsibilities, governance arrangements and reporting lines are clearly outlined in the revised framework. However, we understand that not all roles will be fully functional until the Integrated Performance Framework is implemented. (Matter Arising 1)

Conclusion:

- 2.6 At the time of our review, we note that Integrated Performance Reports were being completed in-line with required timescales and submitted to the relevant committees in accordance with the Powys THB Framework for Improving Performance. A revised Integrated Performance Framework has been approved for implementation from 1st April 2023. We have awarded Reasonable Assurance for this objective.

Objective 2: The robustness of systems and processes to capture and validate the data required to produce the Integrated Performance Report

- 2.7 A data validation process is outlined in the Validation Standard Operating Procedure, which was finalised in December 2022. This includes step by step guidance on how to validate weekly and monthly data before it is submitted to Welsh Government and the Delivery Unit. Data is processed using the Power BI application.
- 2.8 Data is then sense checked by the Performance Team against previous performance and what is published by Welsh Government. If an anomaly is detected this is queried with the data owner.
- 2.9 Our testing of Performance Targets sampled from the four Quadruple Aims (QA), as reported in the Month 9 2022/23 Integrated Performance Report, verified that the reported figures were accurate and could be reconciled to their data source.
- 2.10 We reviewed the Teaching Health Board's Integrated Performance Report and found it includes all applicable measures as outlined in Welsh Government's NHS Performance Framework. Each quantitative performance measure is accompanied with comprehensive narrative, relevant data, and RAG ratings within the report. A complete record of performance results and rankings is maintained via a performance dashboard.
- 2.11 We also found that qualitative performance measures data had been returned to Welsh Government on time. These returns had been completed using the correct templates as per Welsh Government's NHS Delivery Framework and were supplemented with summary narratives.

Conclusion:

2.12 There are robust systems and processes in place to produce the Integrated Performance Report. We have awarded Substantial Assurance for this objective.

Objective 3: The timely compilation of the Integrated Performance Report for reporting to the relevant governance forums

2.13 We reviewed the compilation process for the Integrated Performance Report and found performance data is published on a monthly basis via SharePoint, whether or not a report is intended to be compiled in that period. A comprehensive compilation process is outlined in a Standard Operating Procedure, which was finalised in December 2022. We were advised this process is so far working well.

2.14 The Teaching Health Board has a schedule in place for data submission and report completion which ties into the dates of the Executives Committees, Delivery and Performance Committees and Board Meetings. We reviewed this schedule and found several instances where a particular data set is not presented to Board until two months after it has been saved to SharePoint by the data owners, which poses a risk that data may not be up to date and accurate when the Board reviews it. However, we understand that raw data is maintained monthly via the performance scorecard which is available for Executives and other Board Members to interrogate at any time.

2.15 When reviewing the performance data schedule for the forthcoming year 2023-2024, we located a risk associated with a tight turnaround period for Officer Leads to complete their narratives in month seven. However, we found that controls to mitigate this risk had already been put in place.

Conclusion:

2.16 A comprehensive Standard Operating Procedure outlines the compilation process for the Integrated Performance Report. A processing schedule is maintained which outlines data submission timeframes to ensure the Integrated Performance Report is compiled in readiness for the appropriate committees and meetings. We have awarded Substantial Assurance for this objective.

Objective 4: Appropriate actions are agreed and taken forward from issues identified within the Integrated Performance Report

2.17 The Integrated Performance Report contains an 'actions' section for each Welsh Government measure which outlines actions to be taken for any issues identified. We identified some gaps in these sections but found these had intentionally been left blank either because; the measure was on-track and no action was needed, the action had been included in the mitigations section, or due to ongoing discussion regarding who should write the narrative due to organisational restructure (something beyond the Performance Team's control). (Matter Arising 2)

- 2.18 Our review of Delivery & Performance Committee Minutes confirmed that discussion is undertaken to challenge the contents of the information reported within Integrated Action Plans.
- 2.19 We also noted that when a significant performance challenge/issue is raised it is given its own folder and workstream where actions taken can be recorded.

Conclusion:

- 2.20 Appropriate action is taken when issues are identified within the Integrated Performance Report. Actions taken are recorded via separate workstreams. We have awarded Substantial Assurance for this objective.

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Appendix A: Management Action Plan

Matter Arising 1: Implementation of the Integrated Performance Framework (Design)		Impact	
<p>The Health Board has developed an Integrated Performance Framework 22/23 to 25/25 that aligns to principles and procedures set out in Welsh Government's NHS Performance Framework.</p> <p>At the time of our review, further work was required on the Framework prior to it being fully functional, including embedding of key roles and responsibilities. It was planned that the Framework would be implemented from April 2023.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Services do not meet performance measures due to ineffective monitoring and governance arrangements. 	
Recommendations		Priority	
1	Ensure that the Integrated Performance Framework has been fully implemented as planned and is operating effectively.	Medium	
Agreed Management Action		Target Date	Responsible Officer
1	<p>PTHB has established an IPF implementation group and developed a project implementation plan with the aim of integration by the end of Q3.</p> <p>Key areas of implementation include but are not limited to.</p> <ul style="list-style-type: none"> Power BI Performance and assurance dashboard Performance reporting (Commissioner and Provider assurance framework, Integrated Performance Report, Directorate performance reviews, and Performance and Engagement for key services). 	Q3	<p>Assistant Director of Performance & Commissioning</p> <p>Performance Manager</p>

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Matter Arising 2: Gaps in Integrated Performance Report (Design)		Impact	
<p>We reviewed past Integrated Performance Reports and identified some gaps in the 'Actions' sections with the reason 'no officer leads have been identified for narrative updates'. We were advised this is due to an ongoing Health Board restructure.</p> <p>We note that the Performance Team are aware of this issue.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Inaccurate and / or incomplete performance information 	
Recommendations		Priority	
2	Officer Leads should be identified for all performance measures to ensure Integrated Performance Report narrative sections are comprehensively completed moving forward.	Low	
Agreed Management Action		Target Date	Responsible Officer
2	Officer leads are to be confirmed following the Welsh Government release of the 2023/24 NHS Wales Performance framework at the end of June 2023.	July 2023	Performance Manager

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Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
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	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

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

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

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Risk Management & Board Assurance Framework

Final Internal Audit Report

Powys Teaching Health Board



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Health Board



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Review reference:	PTHB-2223-01
Report status:	Final
Fieldwork commencement:	13 th February 2023
Fieldwork completion:	24 th April 2023
Debrief meeting:	11 th May 2023
Draft report issued:	16 th May 2023
Management response received:	7 th June 2023
Final report issued:	15 th June 2023
Auditors:	Jayne Gibbon, Stuart Bodman
Executive sign-off:	Helen Bushell, Director of Corporate Governance/Board Secretary
Distribution:	Stella Parry, Interim Corporate Governance Manager Joy Garfitt, Interim Executive Director of Operations, Director of Community & Mental Health Victoria Deakins, Head of Therapies & Professional Head of Occupational Therapy
Committee:	Audit Risk & Assurance Committee



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

Acknowledgement

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

Disclaimer notice - please note

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

Audit reports are prepared by the staff of the NHS Wales 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 Powys Teaching Health Board 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.

Executive Summary

Purpose

The overall objective of our audit was to evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Risk Management and the Board Assurance Framework.



Overview

We have issued reasonable assurance on this area.

We have identified five key matters requiring management attention:

- Absence of risk management training programme in place, or provision of training to the Health Board or staff.
- Absence of Corporate Risk Register review at Audit & Risk Assurance Committee meetings.
- Absence of Corporate Risk Assurance Group during 2022/23 and review of its Terms of Reference.
- Inconsistent operational application of risk management processes within Mental Health Services.
- Board Assurance Framework (BAF) is not yet finalised and operational.

Report Opinion

		Trend
 <p>Reasonable</p>	Some matters require management attention in control design or compliance.	
<p>Low to moderate impact on residual risk exposure until resolved.</p>		2021/2022

Assurance summary¹

Objectives	Assurance
1 There is appropriate guidance in place which is accessible to all staff.	Substantial
2 Risk management structure and risk management resources are identified.	Reasonable
3 Review, monitoring, reporting and escalation of risks.	Reasonable
4 Board Assurance Framework	Limited

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Risk Management Training	2 Operation	Medium
2	Audit & Risk Assurance Committee ToR - Review of Corporate Risk Register	3 Operation	Medium
3	Corporate Risk and Assurance Group ToR and Activity	3 Operation	High
4	Mental Health Services: Departmental Risk Management	3 Operation	Medium
5	Board Assurance Framework	4 Design	High

1. Introduction

- 1.1 Our review of the 'Risk Management arrangements and Board Assurance Framework' was completed in line with the 2022/23 Internal Audit Plan for Powys Teaching Health Board (the 'Health Board').
- 1.2 The Health Board is committed to the principles of good governance and recognises the importance of effective risk management as a fundamental element of the Health Board's governance and system of internal controls.
- 1.3 The Board is committed to having a risk management culture that underpins and supports the business of the Health Board; providing and securing high quality care is a safe environment, that is complying with legal and regulatory requirements, meeting objectives and promoting its values.
- 1.4 The Health Board's Risk Management Framework inclusive of its Risk Appetite Statement is reviewed annually and was last reviewed and approved at the Board Meeting that took place on 30th November 2022.
- 1.5 Our testing was undertaken within the following three areas:
 - Corporate Governance Department.
 - Mental Health Services.
 - Therapies Department.
- 1.6 The relevant Executive lead for our review was the Director of Corporate Governance / Board Secretary.
- 1.7 The key risks considered in our review were as follows:
 - Lack of awareness of Risk Management Framework and supporting processes.
 - Risks are not identified, assessed or included on appropriate risk registers.
 - Risks are not being actively monitored.
 - Risks are not escalated through the Health Board as appropriate.
 - Lack of assurance on the management of risks to the delivery of the Health Board's objectives.

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2. Detailed Audit Findings

Objective 1: There is appropriate guidance in place which is accessible to all staff.

- 2.1 Our review of the Health Board's Intranet Risk Management pages confirmed that the current iteration of the Risk Management Framework and Toolkit is dated November 2022. We also note that an awareness exercise in respect of the revised Risk Management Framework and Toolkit was undertaken by the Corporate Services Department across the Health Board via the staff e-newsletter in December 2022.
- 2.2 The Risk Management Framework and Toolkit clearly state and define the key and cardinal roles and responsibilities of all Health Board staff and the risk management processes to be undertaken in respect of identification, recording, risk tolerance and reporting of risks.
- 2.3 The Board's approach to, and determination of its risk appetite is also documented within the Risk Management Framework.

Conclusion:

- 2.4 The Health Board has a formally approved and current risk management framework and procedure whose guidance is appropriate in content and easily accessible to all staff. We have provided Substantial Assurance for this objective.

Objective 2: There is an appropriate risk management structure in place within the organisation and resources are identified to ensure that risks are identified and managed.

- 2.5 The revised November 2022 iteration of the Risk Management Framework states and defines the organisational risk management structure and documents Directorate/Departmental risk monitoring and reporting lines.
- 2.6 We note that there has been no risk management training programme undertaken to facilitate the content of the Risk Management Framework that will further enable and advise Health Board risk management structures in place at all levels of the organisation. This was also confirmed by the risk management leads for Mental Health Services and Therapies Department respectively. (Matter Arising 1)

Conclusion:

- 2.7 Whilst the organisational risk management structure, monitoring and reporting processes are documented within the Risk Management Framework, a training programme is required to ensure that all Health Board staff are fully conversant with the application of these processes. We have provided Reasonable Assurance for this objective.

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Objective 3: There are appropriate processes in place for reviewing, monitoring and reporting of risks. Risks are escalated when appropriate.

- 2.8 All three areas within our audit (Corporate Management, Mental Health Services, Therapies Department) held current risk registers that are appropriately scored in accordance with the prescribed definitions stated in the Risk Assessment Toolkit and are subject to regular review and risk action planning monitoring by their respective management groups.
- 2.9 All three aforementioned risk registers state only 'actual' risks that could directly impact or impede upon service provision and not departmental issues, and their aged risks are subject to regular review so as to justify their ongoing relevance, and therefore inclusion within the respective risk registers.
- 2.10 Risk management roles and responsibilities as well as the pertinent risks that relate to clinical, operational and financial strategy are referenced in each of the respective Health Board Sub-Committee's Terms of Reference documents and risk management is a standing Agenda item (where deemed appropriate and contextual) at each of the Board Sub-Committees.
- 2.11 Corporate risk issues and risk register progress management is subject to bi-monthly review by the Executive Committee and Board.
- 2.12 Both the Mental Health Services and Therapies risk registers are subject to monthly review by their respective management groups in accordance with their Terms of Reference (ToR) requirements and this is documented accordingly within their meeting Minutes.
- 2.13 The Risk Management Framework states clearly the processes for escalating/de-escalating risks from the Directorates/Departments to/from the Corporate risk register, and the treatment of significant risks (high scoring risks or those of a strategic nature) in this respect.
- 2.14 Our review of the Mental Health Services and Therapies Department risk registers identified that their stated risks did not warrant or require escalation for inclusion onto the Corporate risk register.
- 2.15 Review and monitoring of the Corporate risk register by the Audit, Risk & Assurance Committee (ARAC) is not currently being undertaken despite it being a requirement of their ToR with effect from September 2022, and being scheduled as such within the ARAC Programme of Business for those meetings that took place after that date to the end of the 2022/23 financial year . (Matter Arising 2)
- 2.16 Additionally, and as previously reported in our 2021/22 Risk Management & Assurance Audit Report, the Corporate risk register continues not to be reviewed by the Corporate Risk and Assurance Group (RAG) although it is noted that the Group is due to undergo a reconstitution of its membership and role during 2023/24. (Matter Arising 3)

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- 2.17 It is also of note that the RAG has not been formally 'stood down' as a forum, nor has it informed the Executive Team that it has done so and therefore is still technically active as a reporting Group within the organisation. (Matter Arising 3)
- 2.18 There is an inconsistency of approach to the application of risk management process across Mental Health Services whereby of the four sampled departments (Adult Psychology Services Department, Adult Mental Health Services, Learning Disabilities Service, Integrated Autism Service) only the Adult Psychology Services Department maintains a risk register. (Matter Arising 4)
- 2.19 Whilst it is acknowledged that due to the size and scale of the Adult Psychology, Learning Disabilities and Integrated Autism Services, their department meetings would not warrant a formal ToR in place, no ToR is in place for the Operational Managers Team (OMT) within the Adult Mental Health Service that oversees risk management within this department. We also note that the Mental Health Senior Management Team's ToR (part of whose mandate is to oversee the Mental Health Services risk register) has not been reviewed since 2018. (Matter Arising 4)

Conclusion:

- 2.20 Our review found that there are appropriate processes for reviewing, monitoring and reporting of risks in place across all the areas we tested. However, further action is required to ensure that the Corporate risk register is subject to regular review by both the ARAC and RAG. Additionally, the RAG should be appropriately reconstituted to reflect its role and responsibilities. Also risk management processes within Mental Health Services should be consistently applied in accordance with the requirements of the Risk Management Framework. We have provided Reasonable Assurance against this objective.

Objective 4: There is a Board Assurance framework in place that is subject to regular review and monitoring to the Board.

- 2.21 Currently there is no Board Assurance Framework in place, but it is acknowledged and can be evidenced that work is ongoing to achieve completion by March 2024 with a working draft to be completed by September 2023. (Matter Arising 5)

Conclusion:

- 2.22 Work should continue to ensure finalisation of the Board Assurance Framework by the planned completion date. We have provided Limited Assurance against this objective.

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Appendix A: Management Action Plan

Matter Arising 1: Risk Management Training (Operation)		Impact	
<p>Section 10, Page 19 of the November 2022 iteration of the Risk Management Framework states the required training needs and frequency of training across different staff groups in accordance with their role in risk awareness and management of risks.</p> <p>However, at the time of our audit no training programme is in place, nor has any training been delivered to the Board or staff since the previous audit undertaken in 2021/22 due to there being no Corporate staff capacity to deliver training during that time.</p> <p>We do acknowledge that, Q3 of the Risk and Assurance Forward Plan 2023/24 states that risk management training is to be provided to Board Members and then a review of training is to be undertaken in Q4 in respect of wider delivery to Health Board staff.</p> <p>Our discussions with the respective risk management leads for Mental Health Services and Therapies confirmed that no risk management training has been provided to them since our previous audit.</p>		Lack of awareness of Risk Management Framework and supporting processes.	
Recommendations		Priority	
1.1	Risk awareness and management of risks training should be implemented as soon as is practicable at all levels of the organisation in accordance with the stated requirements of the Risk Management Framework.	Medium	
Agreed Management Action		Target Date	Responsible Officer
1.2	<p>Recommendation accepted.</p> <p>An implementation plan for Risk Management Training has been developed with the following key components due to be undertaken in 2023-24:</p> <ul style="list-style-type: none"> Delivery of Risk Appetite Training to the Board Delivery of Powys specific Risk Management Training to the RAG at either the September or November 2023 meeting 	March 2024	Director of Corporate Governance / Board Secretary

	<ul style="list-style-type: none">• Ad-hoc Powys specific training to services upon request, a timetable for this is currently under development via an Executive engagement exercise• Generic Risk Management Training available centrally funded to all staff via the University of South Wales/Intensive Learning Academy		
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Matter Arising 2: Audit & Risk Assurance Committee ToR - Review of Corporate Risk Register (Operation)		Impact	
<p>Our risk management audit report dated July 2022 recommended considering potential changes to be made to the Terms of Reference (ToR) of the Audit, Risk & Assurance Committee regarding its role in the oversight and review of the Corporate risk register, given that it was previously not carrying out the role.</p> <p>As such the ToR was reviewed at its September 2022 meeting, and it was noted that the requirement for the Committee to receive and review a copy of the Corporate risk register would remain.</p> <p>However, our review of the Agendas and Minutes for those Committee meetings held subsequent to September 2022 identified that this has not taken place.</p> <p>This was further corroborated by a review of the Audit & Risk Assurance Committee Programme of Business 2022/23 that was submitted to the March 2023 meeting that indicated that the Corporate risk register was scheduled to have been submitted to the November 2022 and March 2023 meetings.</p>		<p>Risks are not being actively monitored.</p>	
Recommendations		Priority	
2.1	<p>The Corporate risk register should be submitted to the ARAC in accordance with the stated requirements of its ToR and Programme of Business. However, should management decide that the Corporate Risk Register is not to be submitted to the Audit & Risk Assurance Committee then the Terms of Reference of the committee should be amended.</p>	<p>Medium</p>	
Agreed Management Action		Target Date	Responsible Officer
2.2	<p>Recommendation accepted.</p> <p>The ToR will be amended so that the CRR does not require frequent review of the register itself, the Committee should be focussed on the risk management system itself and its implementation.</p>	31 July 2023	<p>Director of Corporate Governance / Board Secretary</p>

Matter Arising 3: Corporate Risk and Assurance Group ToR and Activity (Operation)		Impact	
<p>Our previous risk management report recommendation in July 2022 advised that the Corporate Risk and Assurance Group (RAG) ToR document should be updated accordingly to reflect organisational changes, approach to risk governance and its review of the Corporate risk register since the TOR were last reviewed 2019.</p> <p>The Corporate Governance Team explained to the Auditor that the RAG ToR has not been revised and updated as the Group had lost its purpose and there was a lack of engagement by its membership. We were also advised that the RAG's current membership is not deemed as being appropriate with its Director members questioning their involvement within the Group.</p> <p>This was confirmed by a review of the Minutes of the only RAG meeting that was held in 2022/23 (July 2022) stating that the Group required reconstitution of its membership. However, the Auditor notes that the Group has not formally ceased its activity and discussion with the Corporate Governance Department identified there is no evidence that the Executive Team have been informed that this is the case, and therefore it currently remains as officially active in accordance with its ToR and stated reporting requirements.</p>		<p>Risks are not being actively monitored.</p>	
Recommendations		Priority	
3.1	<p>The RAG membership should be appropriately reconstituted and its ToR should be revised accordingly so as to ensure a prompt reactivation of its roles and responsibilities in respect of risk management oversight and reporting.</p> <p>Additionally, until the RAG is reconstituted the Executive Team should be formally advised that the Group has not been operating or delivering its mandate as prescribed within its current ToR.</p>	<p>High</p>	
Agreed Management Action		Target Date	Responsible Officer

<p>3.2</p>	<p>Recommendation accepted.</p> <p>Engagement with Executives is currently underway to reconstitute the Group and inform a refresh of the ToR to ensure its roles and responsibilities in respect of risk management oversight and reporting are fit for purpose. Subject to approval of the revised ToR by the Executive Committee, the first meeting of the refreshed Group is due to be held on 12 September 2023 and on a bi-monthly basis thereafter.</p>	<p>12 September 2023</p>	<p>Director of Corporate Governance / Board Secretary</p>
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Matter Arising 4: Mental Health Services: Departmental Risk Management (Operation)	Impact
<p>Of the four departments sampled within Mental Health Services only the Adult Psychology Services Department maintains a risk register and this is subject to monthly review within their monthly team meetings which are minuted accordingly.</p> <p>The Adult Mental Health Services, Learning Disabilities Service and Integrated Autism Service departments do not maintain individual risk registers, but could be evidenced as reviewing their risks within their respective team meetings and where appropriate these are escalated into the overarching Mental Health risk register.</p> <p>We requested copies of the ToRs for the four sampled Department’s meetings but given the small team sizes and focussed specialisation of the Adult Psychology Service, Learning Disabilities Service and Integrated Autism Service they do not warrant a formal ToR.</p> <p>However, no ToR is in place for the Operational Managers Team (OMT) which oversees risk management within the Adult Mental Health Service, whose size and mandate would justify a ToR to prescribe its role and responsibilities in this regard as well as wider governance issues.</p> <p>Whilst we were provided with a copy of the Mental Health Senior Management Team ToR that confirmed its role and responsibilities in respect of risk management and Departmental risk register review, we noted that the document is five years out of date having not been reviewed since 2018, which contravenes the requirement to review TOR annually.</p> <p><i>Patterson.Liz 21/07/2023 13:34:41</i></p>	<p>Risks are not being actively monitored.</p>

Recommendations		Priority	
4.1	<p>Mental Health Management should consider if the Adult Mental Health Services, Learning Disabilities Service and Integrated Autism Service departments should each introduce a risk register so as to provide a uniformity of approach to risk management within Mental Health, and thereby ensure that their respective risks are formally scored, recorded and subjected to action planning in accordance with the Risk Management Framework and Toolkit.</p> <p>Additionally, a ToR should be produced for the Adult Mental Health Service OMT to provide a formal structured outline of its roles and responsibilities for risk management oversight and reporting within the department and the Mental Health SMT ToR should be revised and updated accordingly to reflect any changes in its constitution or mandate, and specifically any regarding risk management oversight.</p>	Medium	
Agreed Management Action		Target Date	Responsible Officer
4.2	<p>Partially accepted</p> <p>It appears that the Psychology service have developed a risk register to assist their own future planning. We do not require the individual mental health service functions with the Mental Health Directorate to maintain individual risk logs. The process for managing risks within the service groups is for each service/team escalate operational risks to the Operational Management Team, and for risk scoring over 12 to be escalated to the Senior Management Team Risk register. Team managers and service leads from each speciality are represented at OMT.</p> <p>The consequence of a risk register for each service function would result in approximately 15 registers to maintain, an may introduce the risk of missing any escalation/risk management by the existence of multiple registers.</p>	July 2023	Assistant Director of Women’s and Children’s Services

	We agree that a ToR for OMT is required, and this is in development.		
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Matter Arising 5: Board Assurance Framework (Design)		Impact
<p>The Corporate Governance Department confirmed that the Board Assurance Framework (BAF) was not yet finalised and operational, but work has commenced and progressed during 2022/23. We also noted that updates regarding the BAF have been reported to the ARAC and Health Board meetings.</p> <p>Additionally, the Risk and Assurance Forward Plan 2023/24 also states that the BAF is provisionally timetabled for completion and presentation to the Board by September 2023</p>		Lack of assurance on the management of risks to the delivery of the Health Board’s objectives.
Recommendations		Priority
5.1	Corporate Governance Department should ensure that ongoing progress is maintained so as to enable completion and sign-off of the Board Assurance Framework by the Board in accordance with the prescribed Risk and Assurance Forward Plan 2023/24 timescale.	High
Agreed Management Action		Target Date
5.2	<p>Recommendation accepted.</p> <p>The BAF is in development, an initial working copy will be in place Autumn 2023 with a final copy approved for 1 March 2024.</p>	31 March 2024
		Responsible Officer
		Director of Corporate Governance / Board Secretary

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Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

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

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



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Savings Plans & Efficiency Framework Final Internal Audit Report

June 2023

Powys Teaching Health Board



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Cydwasaethau
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Shared Services
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Audit and Assurance Services



Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board



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Auditors:	Jayne Gibbon, Audit Manager Liz Vincent, Principal Auditor
Executive sign-off:	Pete Hopgood, Executive Director of Finance, Information and IT
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Committee:	Audit Risk & 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

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Executive Summary

Purpose

The overall objective of the audit was to provide assurance on the development, monitoring and achievement of the Health Board’s savings plans for 2022/23, linked to recovery and the associated Efficiency Framework.

Overview

We have issued reasonable assurance on this area.

The matters requiring management attention include:

- Pipeline schemes identified by individual Service Areas requires continued focus and robust recurrent savings schemes for 23-24 onwards need to be determined.
- Revisiting the Efficiency Framework so that it reflects the Health Boards current position with clear lines of responsibility.
- Backing documents that validate the figures of the savings’ schemes need to be in place and correct RAG rating applied to each one on the Savings Tracker.

Report Opinion

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Objectives	Assurance
1 Savings Plan in place.	Reasonable
2 Collaboration from all departments.	Substantial
3 Savings Plans are monitored.	Reasonable

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Savings schemes performance	1 Operation	Medium
2	Efficiency Framework	3 Operation	Medium
5	Validating the savings schemes	3 Operation	Medium

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1. Introduction

- 1.1 Our review of the 'Savings Plans & Efficiency Framework' was completed in line with the 2022/23 Internal Audit Plan for Powys Teaching Health Board (the 'Health Board').
- 1.2 The Health Board's IMTP which was approved on 30th March 2022 and submitted to Welsh Government at the end of March noted that 'the Financial Plan for 2022/23 will require the delivery of a 1.3% £4.6m efficiency and value target. The savings plan to deliver the target focussed on procurement, medicines management, Estates rationalisation and value-based commissioning, alongside maximising the benefits of developments implemented through Covid 19.
- 1.3 The Month 5 Financial Performance Report submitted to the meeting of the Health Board held on the 28th September 2022 noted that the savings target identified in the IMTP was not being met. As at month 5 there was an in-year forecast shortfall of £1.6m against the savings requirement and a recurrent shortfall of £3.9m.
- 1.4 The relevant Executive lead for our review was the Director of Finance, Information and IT.
- 1.5 The key risks considered in our review were as follows;
 - Health Board does not achieve its savings target;and
 - Health Board breaches its statutory duty to break even.

2. Detailed Audit Findings

Objective 1: The Health Board has a savings plan in place

- 2.1 The Health Boards saving plan that was noted in the IMTP for 2022-2025 was £4.6m. This target was determined by looking at the 20/21 savings plan of £5.1m, less the recurrent savings from 20/21 of £0.5m.
- 2.2 Schemes of £4.6m were identified at the start of financial year 22/23. These were based on historic plans that had been identified pre pandemic, which the Health Board felt were still viable. Thirty-one schemes were identified in total, of which only five have been achieved with a value of £0.286m. The remaining twenty-six schemes totalling £4.363m were identified as 'Amber' and therefore not yet finalized. This savings plan allowed the Health Board to report a forecast break-even position as part of the IMTP. **(Matter Arising 1)**
- 2.3 The Health Board Efficiency Framework 2022/23 was produced in conjunction with the IMTP and looked at various options that the Health Board could consider to support the management and delivery of efficiency and savings. Three options were identified, status quo, central target, or a hybrid approach.
- 2.4 The preferred option that was agreed by the Performance and Resources Committee and the Board in May 2022 was the hybrid approach. This method was designed to allocate the target to an Executive Workstream, instead of the

standard approach, which is to assign the target to individual budget holders. The savings target was therefore held centrally and managed corporately.

- 2.5 Midway through the financial year the Health Board put themselves into formal financial recovery and were forecasting a year end deficit of £7.5m. Welsh Government were informed, and bi-weekly / monthly meetings were held with the Director of Finance (DoF), Deputy Director of Finance (DDoF), relevant business partners and senior service leads to identify savings or to reduce the run rate.
- 2.6 An additional £5.408m savings was identified through accountancy gains, so the plan reported an over achievement of £1.3m. This however is non recurrent savings, therefore in order to achieve a breakeven position going forward, a recurrent savings target totaling £4.6m would need to be delivered. **(Matter Arising 1)**
- 2.7 All savings schemes are identified on the Saving Target Tracker, which is a shared document that can be accessed by all Finance Business Partners and is managed by the Assistant DoF. The Finance Business Partners will update the tracker and the Principal Finance Manager collates all the data for the WG monitoring returns, ensuring that it is submitted in line with the deadlines.

Conclusion:

- 2.8 Although there was a Saving Plan in place for 22-23 that aligned to the IMTP, the schemes identified were historic and none of the amber schemes progressed any further. New schemes were established throughout the year but are non-recurrent. The Health Board needs to determine recurrent savings totaling £4.6m to achieve a breakeven position. We have provided **reasonable** assurance against this objective.

Objective 2: Collaboration from all Departments was obtained when developing the 2022/23 savings plan

- 2.9 As identified under paragraph 2.4 the Health Board's approach for the 2022/23 financial year was to hold the savings targets centrally.
- 2.10 The allocation of the savings target for 22/23 was apportioned out to medicine management who manage their own target and to corporate cost centres, which was determined through the Efficiency Framework.
- 2.11 Budget Holders and Service leads were asked to complete individual recovery template sheets throughout October and November to help address the forecasted deficit position. During this period, the DoF and the DDoF met frequently with the key Service Leads and Directors to look at opportunities that the Health Board could accelerate to support the financial position.

Conclusion:

- 2.12 Collaboration from departments was not required when developing the 22-23 savings plan. Throughout the year however, interaction with Service leads and

budget holders took place to help develop new schemes to support the financial position. As such, we have provided **substantial** assurance against this objective.

Objective 3: Implementation of agreed savings is monitored, reported, and acted upon at department and Health Board level, and risks to the achievement of savings targets are identified

2.13 The previous versions of the Health Board's 'Framework for the Delivery and Performance Monitoring of the Health Boards Efficiency Framework' had 4 workstreams:

- Pathways
- Non-Pay, Procurement & CHC
- Workforce Efficiency
- Medicine Management

2.14 Following the launch of the Health Board's Value Based Health Care Programme Board, the All Wales Pharmacy Programme, the PthB Renewal Strategic Priority Board and the establishment of the CHC Task & Finish Group, it was proposed that the Groups overseeing the delivering of savings was Non-Pay & Procurement and Workforce Efficiency that would report via the existing Governance Framework.

2.15 The approach however to managing the savings plan altered once the Health Board moved towards financial recovery. This impacted on the proposals that were set out in the Efficiency Framework and the core components for delivering an efficient savings programme. **(Matter Arising 2)**

2.16 A Finance and Performance Group (FPG) was established in September 22 to allow appropriate escalation, review and management of the financial recovery plans and financial performance. From September 2022 to February 2023, six meetings took place, attendees included the Board Secretary, the Chief Executive, and Directors from all specialties. Attendance was high for each, and representatives for all key areas were present.

2.17 The financial position is presented to the FPG each month, and in November 2022 it was reported that each service area was given its own central monitoring sheet, to detail all additional actions and pipeline schemes. This live document was owned by the Service Areas and Finance Team representatives and is the basis of monitoring and reporting. In addition, each month Director updates on the delivery against green and amber schemes and pipeline ideas are discussed by exception.

2.18 The savings plan is also monitored via the monthly Financial Performance Report which is presented at the Delivery and Performance Committee and to the Board. The Health Boards financial savings plan of £4.6m was presented to the Delivery and Performance Committee in December 2021. This amount is what the Health Board is reporting against in the monthly monitoring returns to Welsh Government (WG) and to the Delivery and Performance Committee each month.

- 2.19 The Financial Performance Report that was presented to the Delivery and Performance (D&P) Committee in February 2023 confirmed the reported over achievement against plan of £1.3m, however it should be noted that £0.5m relates to 'Amber' schemes that have yet to be achieved. It was also noted that the narrative around the savings plan included in this report had not been updated since September 2022. **(Matter arising 3)**
- 2.20 The Health Board has adopted the 'RAG' rating system for monitoring the saving schemes, which is in line with the WHC (2022) 013 for the monitoring returns. The monthly Finance Performance Report presented to the D&P Committee incorporates the RAG system, however no definitions are contained within the report, which is publicly available. **(Matter arising 4)**
- 2.21 We were informed that the Saving Plan and its current position is discussed at the month end 'Closedown Meeting.' Each individual scheme is not discussed however the impact of over/ under achieving against the plan forms part of the month end conversations and variances in month. From a corporate perspective the saving plans are also part of the FPG meetings that are held every month.
- 2.22 A sample of 'Green' and 'Amber' saving schemes were selected. We requested evidence to validate the saving schemes, however Finance were not able to send through all the information to enable us to substantiate the reported position of the sampled schemes. In addition, one of the schemes was downgraded but this had not been reflected in the Savings Tracker. **(Matter Arising 5)**

Conclusion:

- 2.23 The Health Board have put in appropriate arrangements for the governance of the savings Plans. We found that the processes in place were operating effectively however, we did identify a number of issues concerning the information that is reported with the Finance Performance Report and being able to evidence some of the savings reported. We have provided **reasonable** assurance against this objective.

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Appendix A: Management Action Plan

Matter Arising 1: Saving schemes performance (Operation)		Impact	
<p>Schemes of £4.6m were identified at the start of financial year 22/23. These were based on historic plans that had been identified pre pandemic, which the Health Board felt were still viable. Thirty-one schemes were identified in total, of which five had been classified as 'Green' meaning that those schemes have been achieved and had a value of £0.286m. The remaining twenty-six schemes totalling £4.363m were identified as 'Amber' and therefore not yet finalised. This savings plan allowed the Health Board to report a forecast break-even position as part of the IMTP.</p> <p>Midway through the year the Health Board went into financial recovery and an additional £5.655m green schemes were identified. £5.583m however is non recurrent savings, therefore in order to achieve a breakeven position as set out in the 22-23 Financial Plan, a recurrent savings target totalling £4.6m needs to be delivered.</p> <p>During the year the Health Board identified forty-six 'red' schemes, which are pipeline ideas that need to be developed and investigated further into 23-24.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> The Health Board will breach its three-year rolling breakeven duty in 2022-23. 	
Recommendations		Priority	
1.1	Whilst we acknowledge that the Health Board went into financial recovery mid-year and new non recurrent schemes were identified, robust recurrent savings plans will need to be identified to enable the Health Board to achieve a breakeven position going forward.	Medium	
1.2	The Finance team must continue to support individual Directorates to maintain continuous pipeline opportunities but clear lines of accountability for completing plans and actions need to be developed and completed to help deliver the plan.		
Agreed Management Action		Target Date	Responsible Officer
1.1	Agreed. The Health Board has set an ambitious recurrent £7.5m saving target in 2023/24 as part of its financial plan, which is a deficit of £33.5m As at month	July 2023	Deputy Director of Finance

	<p>2, £6.9m of savings assessed as Green and Amber schemes are being implemented and a further £1.9m pipeline of ideas (Red) are being explored.</p> <p>A deadline of agreeing a full programme of £7.5 m recurrent schemes has been agreed for 31 July 2023. This will require the continued active involvement of all areas of the Health Board and will be co-ordinated and monitored by the Deputy Director of Finance and the Finance Directorate.</p>		
<p>1.2</p>	<p>A paper to agree the savings and efficiency approach for 2023/24 has been approved by the Executive Committee. It is a continuation and enhancement of the work, which was initiated during 2022/23 when the organisation forecast that it would be in financial deficit.</p> <p>The paper clearly sets out the target areas to achieve £7.5m, which had been developed through consultation with the Board. Clear lines of accountability are articulated, for example, the Executive lead for each workstream.</p> <p>The finance business partner team will continue to provide active support to each workstream.</p>	<p>Achieved</p>	<p>Assistant Director of Finance</p>

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Matter Arising 2: Efficiency Framework (Operational)		Impact	
As the Health Board moved towards financial recovery the proposals set out in the Efficiency Framework and the core components for delivering an efficient savings programme were not fully established.		Potential risk of: <ul style="list-style-type: none"> The Health Board will breach its three-year rolling breakeven duty in 2022-23. 	
Recommendations		Priority	
2	Management need to revisit the Efficiency Framework and refresh the document so that it is in line with where the Health Board is now. Clear guidelines need to be established on what groups are needed to help manage the plan and to keep the process visible.	Medium	
Agreed Management Action		Target Date	Responsible Officer
2	A paper to agree the savings and efficiency for 2023/24 has been approved by the Executive Committee. It is a continuation and enhancement of the work, which was initiated during 2022/23, when the organisation forecast that it would be in financial deficit.	Completed	Deputy Director of Finance

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Matter Arising 3: Financial Performance Report (Operation)		Impact	
<p>A Financial Performance Report is produced each month, which includes slides that provide the reader with the current and forecast financial position as well as an update on the Savings Plan. We reviewed the Month 10 Finance & Performance Report that was presented to the Delivery and Performance Committee in February 2023. We noted that the Savings Position reported reflected the position as at month 6 and had not been updated to reflect the current position at Month 10.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Inconsistency in the reporting figures 	
Recommendations		Priority	
3	<p>Management must ensure that the narrative supporting the savings plan in the Financial Performance Report is reporting the correct position and that it tallies with the corresponding tables.</p>	<p>Low</p>	
Agreed Management Action		Target Date	Responsible Officer
3	<p>Agreed. Performance reporting will be enhanced in 2023/24 to ensure accurate, consistent and timely reporting of the savings position is reported to all stakeholders.</p>	<p>Immediate</p>	<p>Assistant Director of Finance</p>

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Matter Arising 4: Clarity of the Savings Schemes RAG ratings (Operation)		Impact	
<p>The Health Board has adopted a 'RAG' rating system for monitoring its financial saving schemes, which is in line with the Welsh Health Circular (2022) 013. Only schemes assessed as 'Green' or 'Amber' can be included in the Monthly Monitoring Return to Welsh Government.</p> <p>Internally, within the Health Board any schemes that are categorised as 'Red' are known as pipeline ideas that have been identified but are not yet achievable. These schemes are not reported to Welsh Government but continue to show on the monthly Finance Performance Reports to the Delivery and Performance (D&P) Committee and are therefore public information. On review of the 'Report', the RAG rating system for the saving targets is not explained. Whilst this might be assumed knowledge of the D&P Committee, it may not be clear to members of the public who are able to access the report.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> Failure to deliver 2022-23 Saving Programme 	
Recommendations		Priority	
4	Management should consider incorporating the Financial Saving Schemes RAG rating definitions into the monthly 'Finance Report', to enhance transparency within the publicly available paper.	Low	
Agreed Management Action		Target Date	Responsible Officer
4	A reference and link to the All Wales guidance on RAG ratings will be provided in the report.	July 2023	Assistant Director of Finance

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Matter Arising 5: Validating the Savings Schemes (Operation)		Impact	
<p>Testing was undertaken on a sample of 11 schemes from the Month 12 Savings Tracker: 10 Green and 1 Amber. The purpose of the testing was to validate the level of savings that had been reported for each of the schemes. The following observations were made:</p> <ul style="list-style-type: none"> We were unable to validate the figures for 3 of the 11 schemes, one of which related to the Non-Recurring opportunities savings which is the largest identified scheme for 22-23 of £5.131m The Amber scheme that was chosen as part of the sample had been downgraded to red in October 2022, but this had not been reflected in the Saving Tracker or Monitoring Return to WG. 		<p>Potential risk of:</p> <ul style="list-style-type: none"> Failure to deliver 2022-23 Saving Programme 	
Recommendations		Priority	
5.1	Management must ensure that there is supporting documentation available to validate each of the schemes identified in the Savings Tracker.	Medium	
5.2	Management must ensure that the correct RAG rating is allocated to each of the schemes on the Savings Tracker.		
Agreed Management Action		Target Date	Responsible Officer
5.1	Service leads and their associated Finance Business Partner will ensure that supporting documentation evidencing the level of savings achieved will be filed on the HB's Sharepoint and readily accessible.	31 st July 2023	Assistant Director of Finance

5.2	The RAG ratings of schemes will be reviewed and reported on a monthly basis, by the Finance team in co-ordination with the manager responsible for the savings scheme.	31 st July 2023	Assistant Director of Finance
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Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

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

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



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Follow-up: Occupational Health Service

Final Internal Audit Report

May 2023

Powys Teaching Health Board



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Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board



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Final report issued:	22 nd May 2023
Auditors:	Jayne Gibbon – Audit Manager
Executive sign-off:	Debra Wood-Lawson Executive Director of Workforce & Organisational Development
Distribution:	Sarah Powell Assistant Director of Workforce & Organisational Development
Committee:	Audit, Risk and Assurance Committee



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

Acknowledgement

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

Disclaimer notice - please note

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

Audit reports are prepared by the staff of the NHS Wales 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 Powys Teaching Health Board 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.

Executive Summary

Purpose

The overall objective of the audit was to provide the Heath Board with assurance regarding the implementation of the agreed management responses from the Limited Assurance June 2022 Occupational Health Service audit.

Overview of findings

Management have made significant progress in addressing the recommendations and the management actions detailed in the Initial Final Internal Audit Report.

Provide a succinct analysis of status i.e. total recommendations / how many actioned / how many outstanding.

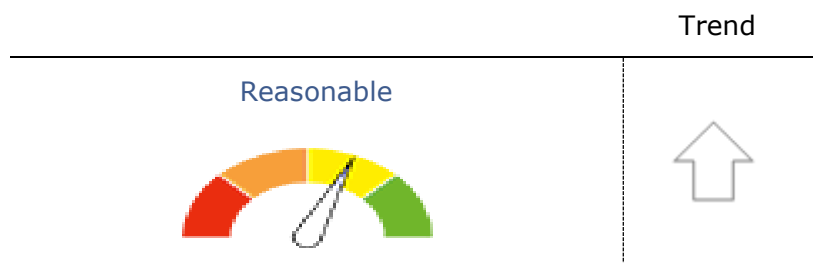
Of the 6 matters arising (8 recommendations) 4 recommendations have been closed, one of which was a high priority.

Progress has been made with the remaining 4 recommendations, but further action is still required. Two were high priorities, with one now downgraded to a medium priority and one to a low priority. The remaining 2 medium priorities have been downgraded to low priorities due to the actions that have been undertaken.

The outstanding recommendations relate to the review of the Occupational Health Policy and the collation and reporting of the newly developed KPI's for the department.

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Follow-up Report Classification



Progress Summary

Previous Matters Arising	Previous Priority Rating	Current Priority Rating
1 Occupational Health Policies	High	Medium
2 Recruiting to the Occupational Health Department	Medium	Closed
3.1 Timeliness between receipt of referrals and appointments	High	Low
3.2 Timeliness between receipt of referrals and appointments	Medium	Closed
4 Timeliness of completion of pre-employment checks for prospective employees	Medium	Low
5.1 Health Surveillance	High	Closed
5.2 Health Surveillance	Medium	Closed
6 Occupational Health Dashboard	Medium	Low

1. Introduction

- 1.1 The follow-up review of 'Occupational Health Service' was completed in line with the 2022/23 Internal Audit Plan for Powys Teaching Health Board (the 'Health Board'). The opinion provided through this review is a key component which will inform the Head of Internal Audit's Annual Opinion.
- 1.2 The audit is a follow up review of the original report that was issued in June 2022. This identified six issues and resulted in an overall assurance rating of 'Limited Assurance'.
- 1.3 The Lead Executive Director for this review is the Executive Director of Workforce and Organisational Development.
- 1.4 The potential risks considered in the original review were as follows:
- Inappropriate and / or inconsistent processes are undertaken;
 - Increased financial costs due to staff absences / recruitment delays;
 - Risks are not escalated through the Health Board as appropriate; and
 - Poor service performance is not identified or addressed.

2. Findings

- 2.1 The table below provides an overview of progress in implementing the previous internal audit recommendations:

Original Priority Rating	Number of Recommendations	Implemented / Obsolete (Closed - No Further Action Required)	Action Ongoing (Further Action Required)	Not implemented (Further Action Required)
High	3	1	2	0
Medium	5	3	2	0
Low	0	0	0	0
Total	8	4	4	0

- 2.2 Full details of recommendations requiring further action are provided in the **Management Action Plan** in **Appendix A**.

Appendix A: Management Action Plan

Previous Matter Arising 1: Occupational Health Policies (Design)		
Original Recommendation		Original Priority
Management need to ensure that both the Occupational Health Policy and Needlestick & Body Fluid Contamination Injuries Policy are updated and approved in a timely manner.		High
Management Response	Target Date	Responsible Officer
The Policy for Needlestick and Body Fluid contamination will be reviewed and presented for Executive Approval.	By end of June 2022	Assistant Director OD (with clinical input from the OH Physician)
The Occupational Health Policy will be reviewed and presented for Executive approval in Quarter 2 2022.	In Q2 2022/23	Assistant Director OD (with clinical input from Clinical Nurse team)
Current findings		Residual Risk
<p>The Policy for Needlestick and Body Fluid Contamination has been reviewed, updated and approved by the Health Board’s Executive Team. The policy is accessible to all Health Board staff via the Intranet.</p> <p>The Occupational Health Policy remains out of date due to the delay in appointing to the Occupational Health Consultant Nurse Post. The post has now been recruited to and the review of the policy has been identified as a priority action to be undertaken.</p> <p>Conclusion: The previous recommendation has been partially implemented.</p>		Inappropriate and / or inconsistent processes are undertaken
New Recommendations		Priority
1.1	Management need to ensure that the Occupational Health Policy is reviewed, updated and approved as soon as possible.	Medium

Management Response		Target Date	Responsible Officer
1.1	<p>The Occupational Health policy will be re written and consulted on by end of June</p> <p>The policy will be presented to Executive committee for approval sign off in July</p>	<p>End June 2023</p> <p>July 2023</p>	<p>Consultant Nurse Occupational Health / Assistant Director OD</p>

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Previous Matter Arising 3: Timeliness between receipt of referrals and appointments (Operation)		
Original Recommendation		Original Priority
3.1 Management within the Occupational Health Service need to ensure that employees are seen on a timely basis to ensure that any medical conditions which are affecting an employee's ability to carry out their duties is addressed in a timely manner.		High
Management Response	Target Date	Responsible Officer
3.1 The Occupation Health Team will develop a set of KPI's for timelines and monitor compliance relating to OH referrals and appointments (<i>this will be developed once the additional resources are in place</i>)	September 2022	Assistant Director OD
Current findings		Residual Risk
The KPI's have been developed but data recording only commenced 1 st April which means that monitoring and reporting compliance will not commence until the end of quarter 1 2023/24. Conclusion: The previous recommendation has been partially implemented.		Management are unaware of delays in accessing the Occupational Health Service
New Recommendation(s)		Priority
3.1 Management should ensure that once enough data has been recorded the KPI's for accessing the Occupational Health Service are reported to the appropriate forums.		Low
Management Response	Target Date	Responsible Officer
3.1 The KPIs relating to referral and appointments will be presented in 'dashboard' format and will be included in Workforce performance reports through to Workforce Steering Group/ Executive Committee and OH performance report dashboard into the Health and Safety Group.	Dashboards available from Q2	Consultant Nurse Occupational Health / OH Service Improvement Manager


Previous Matter Arising 4: Timeliness of completion of pre-employment checks for prospective employees (Operation)		
Original Recommendation		Original Priority
Management need to ensure that all prospective employees are cleared on a timely basis following receipt of the pre-employment questionnaires so that they can commence employment as soon as possible.		Medium
Management Response	Target Date	Responsible Officer
Develop a set of KPI's and implement monitoring of compliance against timelines relating to Occupational Health Pre-employment checks.	October 2022	Assistant Director OD
Current findings		Residual Risk
The KPI's have been developed but data recording only commenced 1 st April which means that monitoring and reporting compliance will not commence until the end of quarter 1 2023/24. Conclusion: The previous recommendation has been partially implemented.		Management are unaware of any issues regarding pre-employment checks.
New Recommendation(s)		Priority
4.1	Management should ensure that once enough data has been recorded the KPI's for accessing the Occupational Health Service are reported to the appropriate forums.	Low
Management Response		Target Date
4.1	The KPIs relating to OH pre employment checks will be presented in ' dashboard' format and will be included in Workforce performance reports through to Workforce Steering Group/ Executive Committee and OH performance report dashboard into the Health and Safety Group.	Dashboards available from Q2
		Responsible Officer
		Consultant Nurse Occupational Health / OH Service Improvement Manager

Previous Matter Arising 6: Occupational Health Dashboard (Design)		
Original Recommendation		Original Priority
Management should consider developing the current dashboard to include any indicators around timeliness of services provided by Occupational Health.		Medium
Management Response	Target Date	Responsible Officer
Occupational Health team will develop a set of KPSs to be introduced in the Occupational Health reporting dashboard for: <ul style="list-style-type: none"> • Timelines and compliance relating to OH referrals and appointments • Timelines and compliance relating to OH Pre employment checks 	October 2022	Assistant Director OD
Current findings		Residual Risk
Whilst the KPI's have been developed, data recording only commenced 1 st April 2023. The KPI's will be added to the dashboard once data has been compiled towards the end of quarter 1 2023/24. Conclusion: The previous recommendation has been partially implemented.		
New Recommendation(s)		Priority
6.1	Management should ensure that once enough data has been recorded for the newly developed KPI's they are added to the Occupational Health reporting dashboard. The dashboard should then be submitted to the appropriate forums for consideration.	Low
Management Response		Target Date
6.1	The KPIs for Occupational Health will be presented in ' dashboard' format and included in Workforce performance reports through to Workforce Steering Group/ Executive Committee along with reports into the Health and Safety Group.	Dashboards available from Q2
		Responsible Officer
		Consultant Nurse Occupational Health / OH Service Improvement Manager

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<p>Substantial assurance</p>	<p>Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure. Follow up: All recommendations implemented and operating as expected</p>
	<p>Reasonable assurance</p>	<p>Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved. Follow up: All high priority recommendations implemented and progress on the medium and low priority recommendations.</p>
	<p>Limited assurance</p>	<p>More significant matters require management attention. Moderate impact on residual risk exposure until resolved. Follow up: No high priority recommendations implemented but progress on most of the medium and low priority recommendations.</p>
	<p>No assurance</p>	<p>Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved. Follow up: No action taken to implement recommendations</p>

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

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

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Internal Audit Recommendation Tracking Process

Final Internal Audit Report

July 2023

Powys Teaching Health Board



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Final report issued:	14 th July 2023
Auditors:	Ian Virgil, Head of Internal Audit Jayne Gibbon, Audit Manager
Executive sign-off:	Helen Bushell, Director of Corporate Governance/Board Secretary
Distribution:	Stella Parry, Interim Corporate Governance Manager
Committee:	Audit Risk & Assurance Committee



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

Acknowledgement

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

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Audit reports are prepared by the staff of the NHS Wales 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 Powys Teaching Health Board 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.

Executive Summary

Purpose

The main objective of the review was to review the systems in place to monitor progress with the implementation of actions in response to internal audit recommendations.

Overview

We have issued reasonable assurance on this area.

The matters requiring management attention include:

- Ensuring that total recommendations recorded for all audits equal the total recommendations in the final internal audit reports. Additionally undertaking checks to ensure all information reported is mathematically correct.
- Ensuring that all recommendations reported as complete in Appendix A have been included in the supporting Appendix E schedules throughout the year.

Other recommendations / advisory points are within the detail of the report.

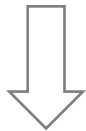
Report Opinion

Reasonable



Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.

Trend



2021/22

Assurance summary¹

Objectives	Assurance
1 Effective processes in place for monitoring and reporting.	Substantial
2 Status of recommendations is accurately recorded.	Reasonable
3 The Committee undertake appropriate review and scrutiny.	Substantial

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority	
1	Appendix A 21/22 Recommendations	2	Operation	Medium
2	21/22 Completed Recommendation	2	Operation	Medium

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1. Introduction

- 1.1 The audit of the Recommendation Tracking Process was undertaken and completed in line with the 2022/23 Internal Audit Plan for Powys Teaching Health Board ("The Health Board").
- 1.2 Internal Audit plays an important role in providing the Board with assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 1.3 Provision of this assurance is primarily achieved through delivery of the individual audit reviews included within the agreed internal audit plan.
- 1.4 In addition, internal audit's findings and recommendations identified through the audit reviews are beneficial to management in securing improvement in the audited areas. It is therefore key that the identified recommendations are effectively implemented by management within agreed timescales.
- 1.5 The Audit, Risk and Assurance Committee ("The Committee") monitor the progress in implementing recommendations (this is wider than just Internal Audit recommendations) through the recommendation tracker process.
- 1.6 The Lead Executive Director for this review is the Director of Corporate Governance/Board Secretary.
- 1.7 The potential risks considered in the review were as follows:
 - Recommendations are not implemented resulting in continued risk for the Health Board; and
 - Inaccurate reporting within the tracker leading to ineffective assurance.

2. Detailed Audit Findings

Objective 1: Effective processes are in place for monitoring and reporting the implementation of Internal Audit recommendations.

- 2.1 There is an effective process in place for managing the Recommendation Tracker which includes guidance that sets out the key steps in the process:
 - Adding recommendations to the tracker after final reports have been received and approved by the committee;
 - Obtaining updates on progress from Executive Directors;
 - Updating the tracker with details of progress;
 - Production of schedules to accompany the report; and
 - Submission of the tracker to the Committee.

- 2.2 We found that there is a robust process for reporting progress on the internal audit recommendation tracker to the Committee. The update report submitted to the Committee provides the following information:
- Covering report which provides a focus on overdue recommendations but also includes a supporting Appendix that provides a summary analysis of the status of all recommendations for each financial year; and
 - Additional appendices are also provided that detail all outstanding recommendations (Appendix D), analysis of recommendations that have been completed since the last meeting of the committee (Appendix E) and recommendations that are not yet due for completion (Appendix F).

Conclusion:

- 2.3 The Health Board has a robust process in place for recording Internal Audit recommendations and tracking their completion. The reports provided to the Committee provide a good level of detail and analysis. We have provided Substantial assurance for this objective.

Objective 2: The status of recommendations is accurately recorded within the Health Board's recommendation tracking report.

- 2.4 As part of our fieldwork, we reviewed the information recorded for the Internal Audit recommendations for 2021/22 detailed in Appendix A of the recommendation tracker report submitted to the March 2023 Committee for accuracy. The review identified the following issues regarding the information detailed.
- The total number of Internal Audit recommendations for 21/22 recorded did not match the total number of recommendations that had been raised in the individual final audit reports. (Matter Arising 1)
 - The 'sum total' for high priority recommendations within the 'Audit Recs Not Yet Due' section was incorrect. Furthermore, the total of the sections 'Audit Recs Implemented', 'Audit Recs Overdue' and 'Audit Recs Not Yet Due' did not match the totals in the total 'Audit Recs Made' section. (Matter Arising 1)
- 2.5 A further check was also undertaken to ensure that all the recommendations recorded as implemented for 2021/22 within the March 23 Appendix A, had also been included in the relevant Appendix E 'Recommendations completed since the previous report' schedules submitted to each Committee. A number of discrepancies were found. (Matter Arising 2)
- 2.6 An analysis was undertaken of all high and medium priority 2021/22 recommendations reported to each meeting of the Audit, Risk and Assurance Committee from November 2021 to March 2023.
- 2.7 This identified that a total of 43 high and medium priority recommendations were reported as having been completed as of March 2023.

- 2.8 A sample of 20 (47%) of the recommendations recorded as complete was selected for review. Evidence was then obtained from the relevant Executives and Managers via the Interim Corporate Governance Manager, to support the stated completion for the sampled recommendations.
- 2.9 Review and evaluation of the provided evidence confirmed that all the sampled recommendations had been appropriately recorded as complete within the tracker.

Conclusion:

- 2.10 Our review of the accuracy of the status of recommendations for 21/22 identified some inaccuracies with the information reported. We have provided Reasonable Assurance for this objective.

Objective 3: The Committee undertake appropriate review and scrutiny of the recommendation tracking reports.

- 2.11 The recommendation tracker report has been submitted to the 22/23 Committee meetings in accordance with the Committee's workplan.
- 2.12 A review of the minutes of the meetings noted that members welcome the report and will challenge/question information reported.
- 2.13 We did note however that during the year there has not been an in-depth review of the full tracker report. It is recommended that an in-depth review is undertaken periodically by the Committee. (Matter Arising 3)

Conclusion:

- 2.14 The committee receives and scrutinises the recommendation tracker report on a regular basis with overdue recommendations noted and challenged. However, it is noted that no in-depth review of the full report and accompanying appendices has taken place. We have provided Substantial assurance for this objective.

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Appendix A: Management Action Plan

Matter Arising 1: Appendix A – 21/22 Audit Recommendations (Operation)		Impact
<p>We undertook testing on the information detailed for Internal Audit recommendations for 21/22 within Appendix A of the Audit Recommendation Tracking report that was submitted to the March 2023 meeting of the Audit, Risk & Assurance Committee. The following issues were identified:</p> <ul style="list-style-type: none"> • A comparison of the total number of recommendations as per Appendix A to the number of recommendations for the individual Internal Audits Final reports identified the following discrepancies: <ul style="list-style-type: none"> ○ The incorrect number of recommendations were recorded for the Occupational Health Audit (212214) and Risk Management Audit (212216) ○ It was also noted that no recommendations were included for the Concerns audit (212215) • It was also noted that the sum total for high priority issues within the 'recommendations not yet due' was incorrect. • A further check to ensure that the figures within the sections 'Audit Recs Implemented', 'Audit Recs overdue' and 'Audit Recs Not Yet Due' added up to the total 'Audit Recs Made' section, identified a number of discrepancies. 		<p>Potential risk of: Inaccurate and incomplete updates on audit recommendations progress being reported.</p>
Recommendations		Priority
1.1	Management should ensure that all the Internal Audit recommendations within the final reports are accurately recorded within Appendix A of the Audit Recommendation Tracking Report.	Medium
1.2	Management should ensure that calculation checks are undertaken on the information detailed within the Audit Recommendation Tracking report before it is submitted for consideration by the Committee.	Medium

Agreed Management Action		Target Date	Responsible Officer
1.1	<p>Recommendation Accepted.</p> <p>A review of the data held within the tracker will be undertaken to ensure accuracy for all reporting years, particularly where reporting can be simplified to reduce duplication of data and likelihood of errors. A lessons learned exercise will be undertaken to identify where errors have occurred.</p> <p>A review of data quality is undertaken on an annual basis, this will continue to be undertaken.</p>	October 2023	Interim Corporate Governance Manager
1.2	<p>Recommendation Accepted.</p> <p>Reports are quality checked prior to presentation to Committee, however work will be undertaken to enhance this process. A step by step guide for checking the mathematical accuracy of reporting will be produced to support this process.</p>	October 2023	Interim Corporate Governance Manager

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Matter Arising 2: 21-22 Completed Recommendations (Operation)		Impact
<p>Testing was undertaken to ensure that the total number of recommendations reported as implemented for 21/22 within Appendix A as at March 2023, matched the number of 21/22 recommendations that had been recorded in Appendix E (recommendations closed since last meeting) and reported to the Committee. We identified the following discrepancies:</p> <ul style="list-style-type: none"> Appendix A had been updated for two medium priority recommendations that had been completed that had not been included in the relevant Appendix E; January 2022, Control of Contractors 212202 (1) and November 2022, Waste Management 212208 (1). The following audit recommendations had been reported as completed in Appendix E but had not been reflected in the Appendix A summary of completed recommendations: <ul style="list-style-type: none"> Occupational Health 212214 – 1 Medium Priority September 2022, 1 High Priority March 2023; Concerns 212215 – 1 Medium Priority September 2022; Dementia Service 212207 – 1 Medium Priority March 2023; and Theatres Utilisation 212206 – 1 Medium Priority April 2022. 		<p>Potential risk of: Inaccurate and incomplete updates on audit recommendations progress being reported.</p>
Recommendations		Priority
2	Management should make sure that robust checks are undertaken to ensure that all recommendations completed are accurately and consistently recorded in Appendices A and E of the Audit Recommendation tracking report.	Medium
Agreed Management Action		Target Date
2	Recommendation accepted.	October 2023
		Responsible Officer
		Interim Corporate Governance Manager

	<p>A lessons learned exercise will be undertaken to identify where errors have occurred. As per recommendation 1.2 further work will be undertaken to enhance the review process.</p>		
--	---	--	--

Matter Arising 3: Scrutiny of Recommendation Tracker Report (Operation)		Impact	
<p>Our review of the minutes of the meetings of the Audit, Risk & Assurance Committee found that the report was considered by the Committee in accordance with the Committee’s workplan and was well received.</p> <p>Whilst the minutes reflect the key issues that were highlighted within the reports regarding overdue recommendations and ‘older’ recommendations now complete, there has not been an in-depth review of the full report during the year.</p>		<p>Potential risk of: Recommendations are not implemented and identified issues are not addressed.</p>	
Recommendations		Priority	
<p>3</p>	<p>Management should consider allocating time for an in-depth review of the report by the Audit, Risk & Assurance Committee at least once each financial year.</p>	<p>Low</p>	
Agreed Management Action		Target Date	Responsible Officer
<p>3</p>	<p>Recommendation accepted.</p> <p>A review of the work programme has been undertaken to identify a suitable opportunity to allocate sufficient time at Committee to undertake an in-depth review – this has been added for January 2024.</p>	<p>Completed</p>	<p>Director of Corporate Governance/Board Secretary</p>

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Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

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

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



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Audit, Risk and Assurance Committee Update – Powys Teaching Health Board

Date issued: July 2023

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This document has been prepared for the internal use of Powys Teaching Health Board as part of work performed / to be performed in accordance with statutory functions.

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Audit, Risk and Assurance Committee Update

About this document

- 1 This document provides the Audit, Risk and Assurance Committee with an update on our current and planned accounts and performance audit work at Powys Teaching Health Board. We presented our most recent Audit Plan to the committee on May 2023.
- 2 We also provide additional information on:
 - other relevant examinations and studies published by the Audit General; and
 - relevant corporate documents published by Audit Wales (e.g., fee schemes, annual plans, annual reports), as well as details of any consultations underway.
- 3 Details of future and past Good Practice Exchange (GPX) events are available on our [website](#).

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Accounts audit update

4 **Exhibit 1** summarises the status of our current and planned accounts audit work.

Exhibit 1 – accounts audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Audit of the 2022-23 Accountability Report and Financial Statements	Director of Finance & ICT	Statutory audit of the financial statements to inform the audit opinion.	Audit of the accounts due to commence on 9 May following receipt of the draft accounts on 5 May.	July 2023

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Performance audit update

5 **Exhibit 2** summarises the status of our current and planned performance audit work.

Exhibit 2 – performance audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Orthopaedic services – follow up	Interim Director of Operations	This review examined the progress made in response to our 2015 recommendations. The findings from this work will inform the recovery planning discussions that are taking place locally and help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges. Our findings have been summarised into a single national report with supplementary outputs setting out the local position for each health board.	Complete. <u>National and local report</u> published on 2 March 2023	July 2023

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Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Review of Unscheduled Care	Medical Director	This work will examine different aspects of the unscheduled care system and will include analysis of national data sets to present a high-level picture of how the unscheduled care system is currently working. The work will include an examination of the actions being taken by NHS bodies, local government, and Regional Partnership Boards to secure timely and safe discharge of patients from hospital to help improve patient flow (Part 1). We also plan to review progress being made in managing unscheduled care demand by helping patients access services which are most appropriate for their unscheduled care needs (Part 2).	<p><u>Blog and data tool</u> published in April 2022</p> <p>Part 1 - Fieldwork complete and report drafting now underway.</p> <p>Part 2 – Due to start in July 2023.</p>	October 2023
Primary Care Services - Follow-up Review	Interim Director of Operations	In 2018, we conducted a review of primary care services, specifically considering whether the Health Board was well placed to deliver the national vision for primary care as set out in the national plan. Our <u>report published in 2019</u> made several recommendations to the Health Board. This	Set up meeting held on 2 May. Fieldwork underway.	October 2023

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Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
		work will follow-up progress against these recommendations.		
Workforce Planning	Director of Workforce & OD	This review will assess the workforce risks that NHS bodies are experiencing currently and are likely to experience in the future. It will examine how local and national workforce planning activities are being taken forward to manage those risks and address short-, medium- and longer-term workforce needs.	Fieldwork underway	October 2023
Structured Assessment – core	Board Secretary	This work will review the following core areas: <ul style="list-style-type: none"> • Board and committee cohesion and effectiveness; • Corporate systems of assurance; 	Fieldwork due to start in July 2023	December 2023

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Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
		<ul style="list-style-type: none"> • Corporate planning arrangements; and • Corporate financial planning and management arrangements. <p>This work will also include a review of the arrangements that are in place to track progress against previous audit recommendations. This allows the audit team to obtain assurance that the necessary progress is being made in addressing areas for improvement identified in previous audit work. It also enables us to more explicitly measure the impact our work is having.</p>		
Structured Assessment – deep dive into digital	Director of Finance	This work will examine digital arrangements, with a particular focus on how NHS bodies are investing in digital technologies, solutions, and capabilities to support the workforce, transform patient care, meet demand, and improve productivity and efficiency.	Early scoping. Fieldwork to commence during the autumn of 2023.	To be confirmed

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Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
All-Wales thematic review of planned care	Chief Operating Officer	This work will follow on from our 2022 review. The specific focus of this work is to be confirmed.	Planning	To be confirmed
Local work	To be confirmed	The precise focus of this work will be agreed with executive officers and communicated to the Audit and Risk Assurance Committee.	Risk assessment discussions nearing completion.	To be confirmed

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Other relevant publications

- 6 **Exhibit 3** provides information on other relevant examinations and studies published by the Auditor General in the last six months. The links to the reports on our website are provided. The reports highlighted in **bold** have been published since the last committee update.

Exhibit 3 – relevant examinations and studies published by the Auditor General

Title	Publication Date
<u>Digital Inclusion in Wales</u> <u>Key questions for public bodies</u>	March 2023
<u>Orthopaedic Services in Wales – Tackling the Waiting List Backlog</u> <u>Powys Teaching Health Board – Tackling the Orthopaedic Services' Waiting List Backlog</u>	March 2023

Additional information

- 7 **Exhibit 4** provides information on corporate documents published by Audit Wales since the last committee update.

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Exhibit 4 – Audit Wales corporate documents

Title	Publication Date
<u>Our Work Programme for 2023-2026</u>	May 2023
<u>Annual Report and Accounts 2022-2023</u>	June 2023

- 8 **Exhibit 5** provides details of any relevant Audit Wales consultations currently underway. There are no relevant Audit Wales consultations currently underway.

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Rydym yn croesawu gohebiaeth a
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Orthopaedic Services in Wales – Tackling the Waiting List Backlog

A comparative picture for Powys Teaching Health Board

Audit year: 2018

Date issued: February 2023

Document reference: 3294A2022

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

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Summary

Introduction

- 1 This report supplements our [national report on orthopaedics services](#) and provides additional analysis of the orthopaedic waiting list position at Powys Teaching Health Board (the Health Board). The report presents a range of data to inform discussion and oversight of the current challenges associated with the recovery of orthopaedic services at the Health Board. It includes several prompts and questions for board members to inform debate and obtain assurance that improvement actions are having the desired effect.
- 2 **A note on the data:** In some instances, the most up to date data available is prior to the pandemic. In others, the data available since the onset of the pandemic is not comparable because of service changes over this period. Therefore, we have:
 - selected data and indicators to help stimulate board member and senior manager discussion and scrutiny on specific aspects of orthopaedic service delivery.
 - used long-term trends and calculations to help present a perspective on orthopaedic services both in relation to the current position and taking a more strategic longer-term outlook.
- 3 In May 2022, the Getting It Right First-Time (GIRFT) team¹ issued its [national report on orthopaedic services in Wales](#) and provided additional local feedback to each health board. The local report for the Health Board was finalised in May 2022. The findings presented here seek to complement rather than duplicate the GIRFT reviews. We have recommended that relevant health board committees receive a progress update against the GIRFT recommendations alongside the Audit Wales national report and the locally tailored data briefing.
- 4 We have presented the findings in this report under the following headings:
 - The scale of the waiting list
 - Referrals and demand
 - Resources and capacity
 - Outpatient models

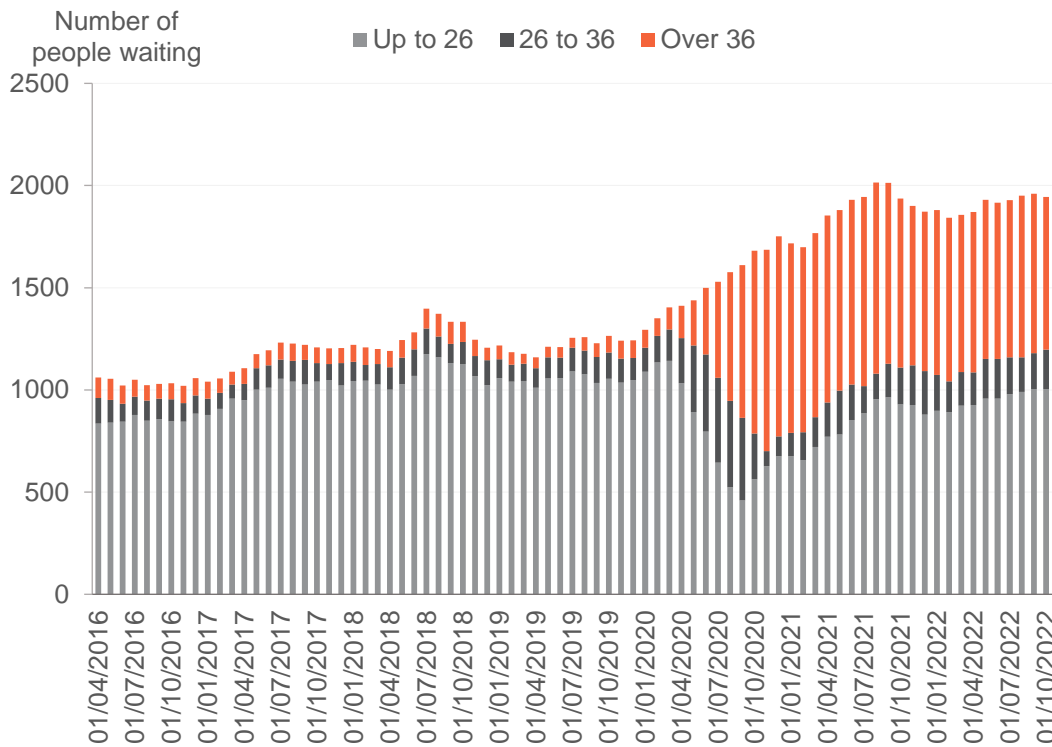
¹ [Getting It Right First-Time](#) is a national programme designed to improve the treatment and care of patients through review and benchmarking.

Detailed report

The scale of the waiting list

5 **Exhibit 1** shows the overall trend in orthopaedic waits at the Health Board since 2016. It shows a picture common to most health boards with a sharp increase in the numbers waiting since the start of the pandemic and within those figures, a significant increase in the numbers facing longer waits.

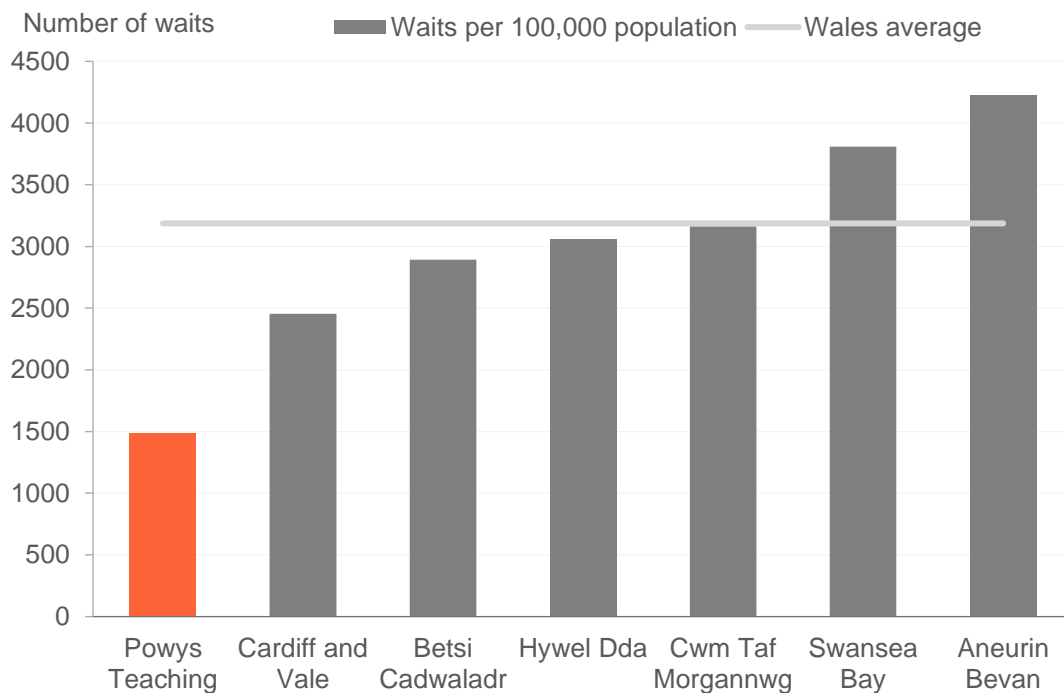
Exhibit 1: Total orthopaedic waits, by weeks waiting – Powys Teaching Health Board (April 2016 – November 2022)



Source: Audit Wales analysis of Stats Wales

6 Comparatively the number of patients on orthopaedic waiting lists relative to population varies across Wales. **Exhibit 2** shows the number of orthopaedic open pathways (waits) per 100,000 population as of November 2022, with the Health Board having the lowest figure in Wales. This variance may occur because of demographic differences, such as age and deprivation, different primary care referral approaches, different community-based approaches for prevention, treatment, and onward referral. But it is also likely to show that some health boards have been able to secure a better match between capacity and demand than others.

Exhibit 2: Total number of orthopaedic waits per 100,000 population, November 2022



Source: Audit Wales analysis of Stats Wales

Suggested board member questions



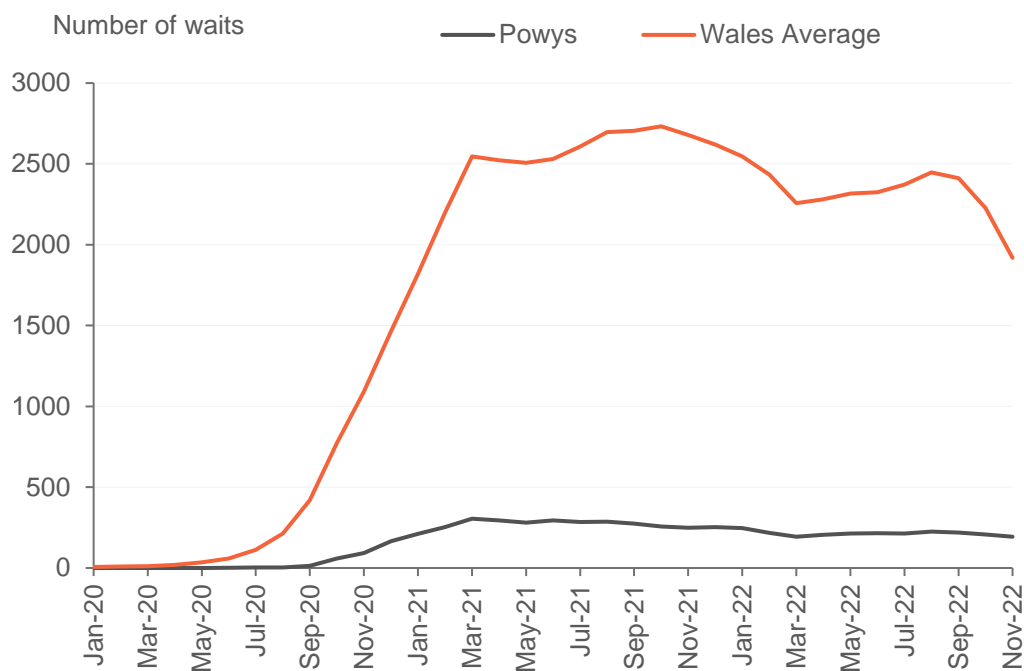
- What factors are contributing to the Health Board's comparative performance on overall orthopaedic waits relative to population?

7 In April 2022, Welsh Government published its programme for transforming and modernising planned care and reducing waiting lists in Wales. This sets out five ambitions to reduce waiting times in Wales. The first one being 'No one should be waiting longer than a year for their first outpatient appointment by the end of 2022'.

Exhibit 3 shows the number of orthopaedic waits for first outpatient appointment longer than a year. As of November 2022, there were 193 patient pathways in the Health Board which were waiting longer than a year. This is the lowest in Wales.

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Exhibit 3: Total number of orthopaedic waits over a year, waiting for a first outpatient appointment – Powys Teaching Health Board

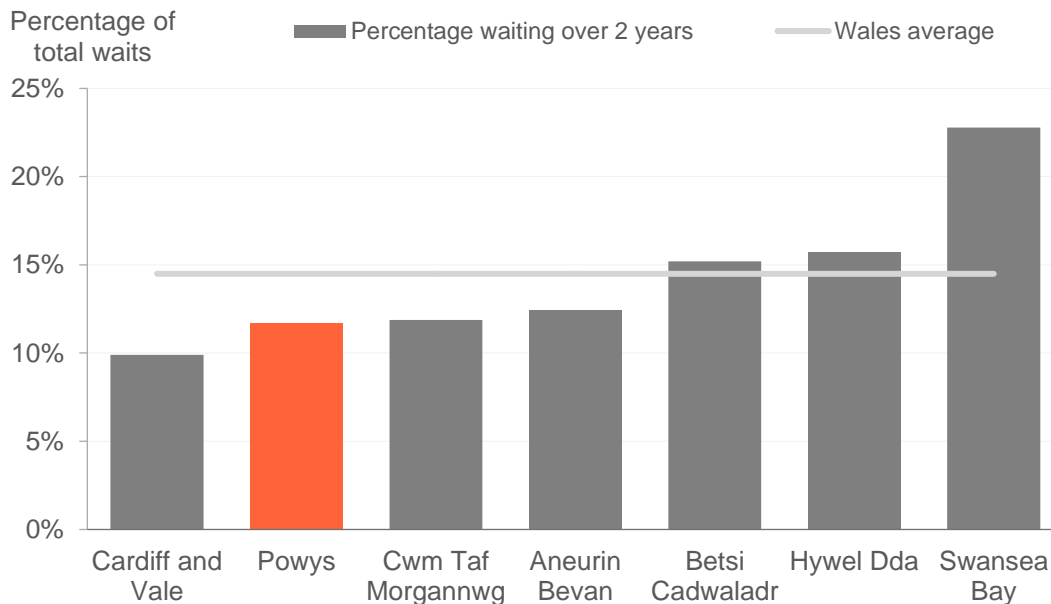


Source: Audit Wales analysis of Stats Wales

- 8 The second key ambition set out in the Welsh Government’s planned care programme is to eliminate the number of people waiting longer than two years in most specialities by March 2023. As at the end of November 2022, there were around 231 patient pathways waiting over two years for orthopaedic services in the Health Board. This number is the lowest in Wales. From our wider analysis, the trends across Wales indicate that health boards are now starting to focus on the growth in extremely long waits. But there is clearly more to do and a finite capacity. **Exhibit 4** shows a comparative picture of long waits. As a proportion of total waits, the proportion waiting over two years in the Health Board is the second lowest in Wales. Exhibit 4 indicates that there is inequality for long waits depending on where people live.

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Exhibit 4: Percentage of orthopaedic waits over 2 years, by residence, November 2022



Source: Audit Wales analysis of Stats Wales

Suggested board member questions



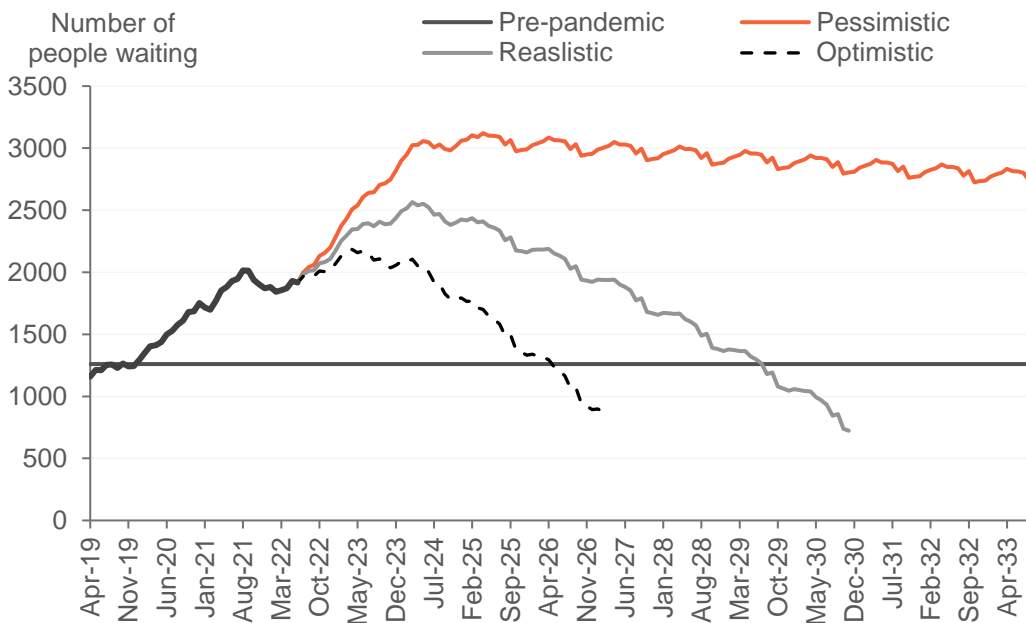
- Is the Health Board likely to meet the targets set out in the Welsh Government’s national recovery plan for planned care? If not, when does it anticipate achieving the key milestones set out in the plan?
- How is the Health Board communicating with patients to tell them how long their wait is likely to be and what to do if their condition deteriorates?
- What is the Health Board doing to prioritise those most at risk of coming to harm because of a delay?
- Does the Health Board have information to indicate whether orthopaedic patients are coming to harm because of delays in their diagnosis and treatment? If so, what does this show and what action is being done to minimise the harm?

9 **Exhibit 5** provides an illustrative scenario (optimistic, realistic, and pessimistic) for the possible length of time that it could take to return orthopaedic waits to pre-

pandemic levels². Our scenario model is based on pre-pandemic levels of capacity, new demand (additions) and activity (removals), future growth in referral demand, and future growth in capacity and/or activity levels.

- 10 The scenario model also assumes the levels of pent-up demand hitting the system. Pent-up demand being caused by lower-than-expected referrals since the onset of the pandemic. The model does not assume growth in referral demand due to population changes. The scenarios we have presented are based on assumptions which may alter over the coming years.
- 11 Even in the most optimistic model scenario, the Health Board’s orthopaedic waits would not return to pre-pandemic levels until May 2026. This is based on a move towards a 5% increase in orthopaedic surgical capacity and activity compared to pre-pandemic levels. Clearly the timeframe for recovery will reduce if the pent-up demand does not materialise, demand does not grow year-on-year, the Health Board increases internal capacity or productivity, or if there are opportunities for outsourcing. The realistic and more pessimistic modelling scenarios would not see waiting list number return to pre-pandemic for many years, if at all.

Exhibit 5: Illustrative scenarios of orthopaedic waiting list numbers – Powys Teaching Health Board



Source: Audit Wales analysis of Stats Wales data

² Appendix 1 sets out how we modelled the scenarios.

12 **Exhibit 6** shows the extent of the variation in waits for hip and knee replacement surgery across Wales prior to the pandemic when this data was last available in 2020. At that time, waits for knee and hip replacements in the Health Board were the shortest in Wales, largely because of shorter waits in key provider NHS bodies. Variation shows differences between service capacity and waiting list management. As health boards across Wales try to reduce waiting lists through outsourcing, there is potential for further widening of inequalities of access to care.

Exhibit 6: Mean waiting times (in days) for knee and hip replacement and revision surgery, 2019-20³

Health Board	County	Knee	Hip
Betsi Cadwaladr	Isle of Anglesey	609.5	363.9
	Gwynedd	604.4	568.9
	Conwy	409.3	344.3
	Denbighshire	266	212.7
	Flintshire	232.4	221
	Wrexham	236.1	226.6
Hywel Dda	Ceredigion	252.4	213.1
	Pembrokeshire	246.4	238
	Carmarthenshire	221.1	180.9
Swansea Bay	Swansea	362.7	373.2
	Neath Port Talbot	323.1	331.8
Cardiff and Vale	Vale of Glamorgan	229	216.3
	Cardiff	241.9	210.1
Powys	Powys	154.2	147.9
Aneurin Bevan	Caerphilly	185.8	165.2
	Blaenau Gwent	200.2	157.1
	Torfaen	182.1	164.7
	Monmouthshire	180.2	160.2
	Newport	196.6	164.1
Cwm Taf Morgannwg	Rhondda Cynon Taf	177.8	150.8
	Bridgend	317.6	294.9
	Merthyr Tydfil	175.3	161.1

Source: Audit Wales analysis of Health Maps Wales

³ Table Key: Under 26 weeks 26-36 weeks Over 36 weeks

Suggested board member questions

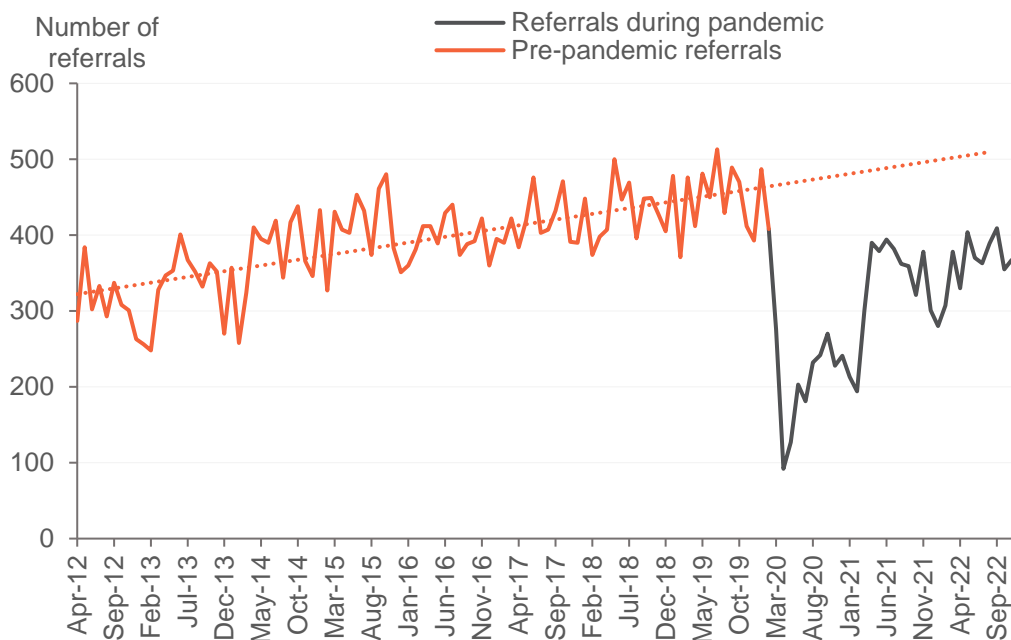


- Has the Health Board undertaken any recent analysis of variation in waiting times by type of surgery and hospital site? If so, what does the analysis show?
 - What action is the Health Board taking to reduce variations in lengths of wait for the same treatment across different hospital sites?
-

Referrals and demand

13 **Exhibit 7** shows the trend in the Health Board's orthopaedic referrals over time and the reduction in referrals during the pandemic. The volume of the Health Board's orthopaedic referrals continues to remain below pre-pandemic average referral levels⁴.

Exhibit 7: Trend in referrals to the orthopaedic waiting list, April 2012 to November 2022 – Powys Teaching Health Board



Source: Audit Wales analysis of Stats Wales data

⁴ Based on average referral rates for 2019-20

14 The extent of the lower levels of referrals during the last couple of years suggests that patients who would have normally been referred potentially still have a need for treatment. Our calculations suggest around 135,000 orthopaedics latent or 'lost' referrals across Wales. The numbers vary quite significantly by health board with the Health Board having the lowest proportion (**Exhibit 8**). The effect of this latent demand returning to the system and referral demand returning to pre-pandemic levels more generally, will be to make an already challenging waiting list recovery position even more daunting.

Exhibit 8: Number of potentially latent 'lost patients' between March 2020 and March 2022

Health Board	Latent 'lost' referrals	Percentage of all-Wales total
Aneurin Bevan	42,438	32%
Hywel Dda	22,860	17%
Cwm Taf Morgannwg	18,294	14%
Cardiff and Vale	17,576	13%
Betsi Cadwaladr	15,987	12%
Swansea Bay	13,046	10%
Powys	4,204	3%
Total	134,406	

Source: Audit Wales analysis of Stats Wales

Suggested board member questions

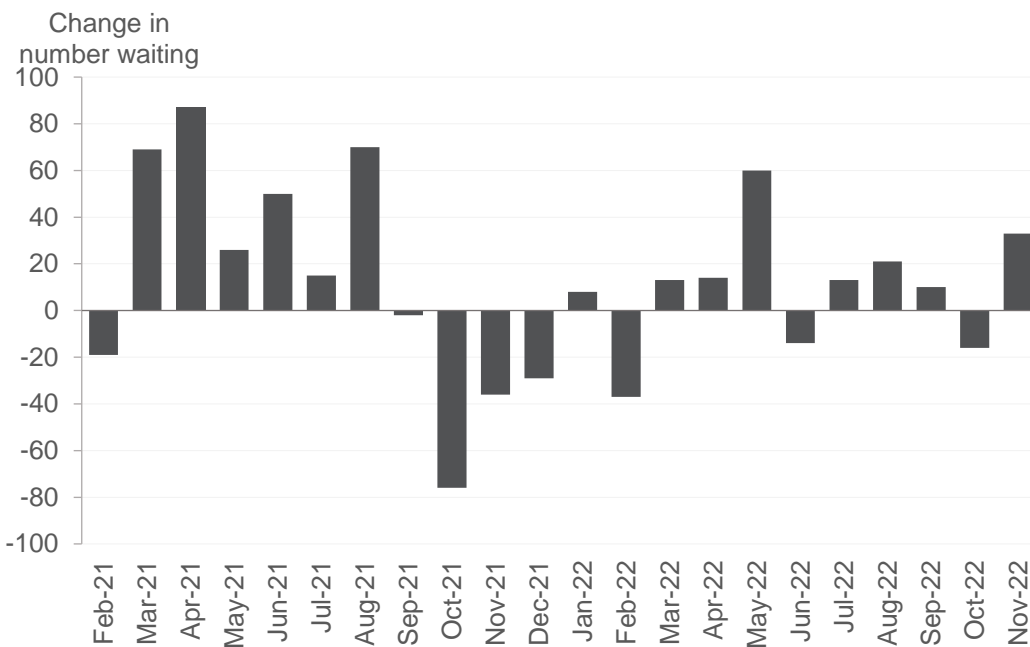


- To what extent is the Health Board seeing, or expecting to see, the latent demand return? If not expected to return, does the Health Board know where the demand has gone?
- Does the Health Board have a good understanding of the current and future demand for orthopaedic services?
- How is the Health Board ensuring that only appropriate referrals are made into secondary care services?
- Are community-based prevention and treatment approaches such as Clinical Musculoskeletal Assessment and Treatment Services operating effectively, and are there opportunities to exploit community-based services further?

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15 **Exhibit 9** shows a month-on-month trend of orthopaedic waits, i.e., whether and by how much each month the waiting list has increased or decreased. Across Wales, some health boards have recently managed to stem the growth in waits in some months, either using short-term additional capacity to meet demand or through validation exercises to cleanse waiting lists. But these reductions have not been sustained. With referrals starting to return to pre-pandemic levels, it illustrates the difficulty health boards are having balancing capacity to meet levels of demand.

Exhibit 9: Month-on-month change in numbers of orthopaedic waits – Powys Teaching Health Board



Source: Audit Wales analysis of Stats Wales

Suggested board member questions

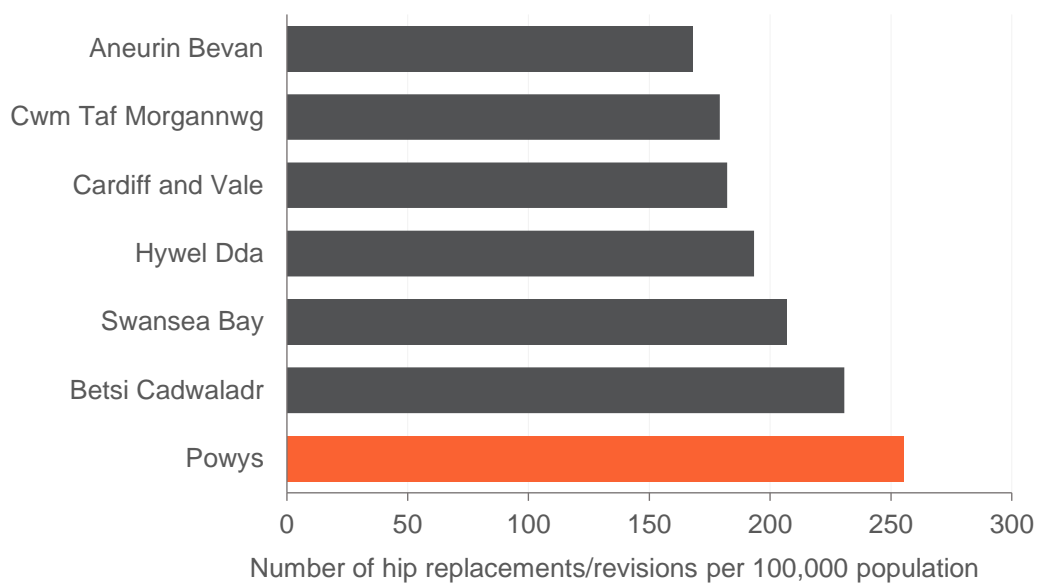


- What is the Health Board doing to stem the growth in the numbers of people waiting?
- To what extent has list validation been the main factor in reducing waiting lists? To what extent are removals because of validation due to administrative issues? If so, what lessons are being learnt?
- How is the Health Board ensuring the elective orthopaedic capacity is protected from unscheduled care and wider pressures?

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16 **Exhibit 10** provides a comparative historical average trend in the rate of hip revisions or replacements over three years from 2017 to 2020 per 100,000 population. While there are demographic differences in each health board, the exhibit shows quite wide variation which is unlikely due to demographics alone.

Exhibit 10: Admission rates for hip replacements/revisions per 100,000 population based on a three-year average, 2017-18 to 2019-20



Source: Audit Wales analysis of Health Maps Wales

Board member questions



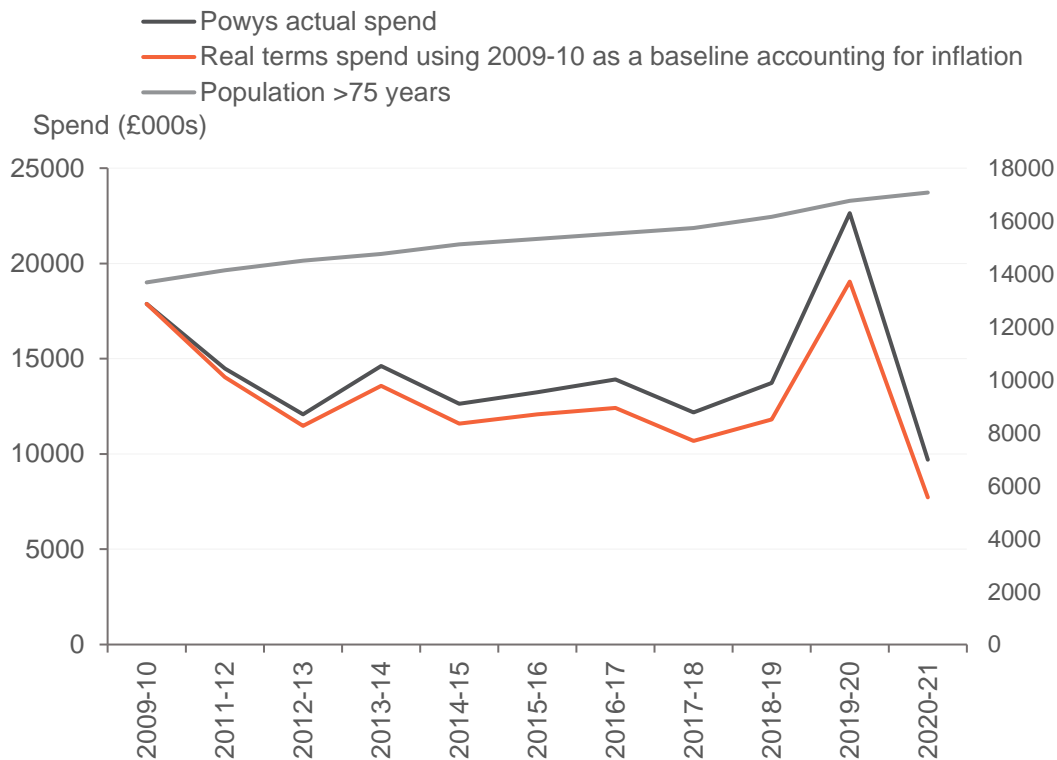
- Has the Health Board undertaken any analysis to understand whether there is a higher or lower rate of procedures, such as hip and knee replacements, than would be expected for the local population? If so, what does it show and are there opportunities for improving productivity and efficiency?
 - Does the Health Board understand whether the procedures are delivering positive outcomes for patients?
-

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Resources and capacity

- 17 **Exhibit 11** provides a long-term perspective on actual spend⁵ on orthopaedic services in the Health Board, and the spend adjusted for inflation (i.e., real terms). In general, and across Wales, the pre-pandemic 'real terms' spend on orthopaedics has remained largely static up until the impact of the pandemic.
- 18 Service demand is linked to an aging population, with the number of people aged 75 and over increasing by around 19% between 2009 and 2020. This trend is expected to continue. Between 2020 and 2032 across Wales the number of people aged 75 and over is forecast to grow by a further 27%, which could create additional strain on orthopaedic services already struggling to recover.

Exhibit 11: Actual spend and real terms spend on orthopaedics vs aging population profile – Powys Teaching Health Board



Source: Audit Wales analysis of Stats Wales - Health programme budget and population mid-year estimates

⁵ Based on NHS Programme Budget spend for musculoskeletal system problems (excluding trauma)

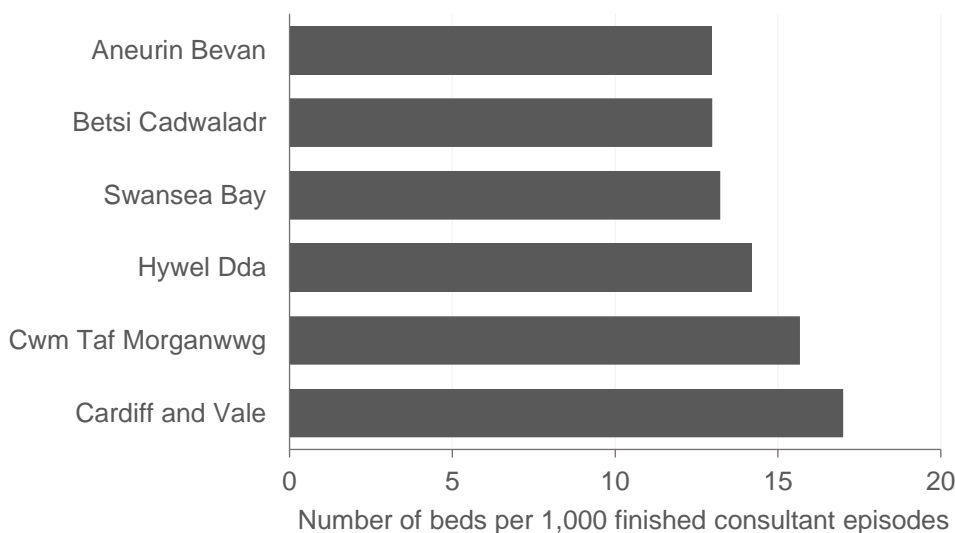
Suggested board member questions



- If the older population continues to grow, but real terms spend on orthopaedics does not keep pace, can the Health Board ensure that future service models will be sustainable?

19 **Exhibit 12** comparative data on the number of available orthopaedic beds. As the Health Board does not provide inpatient activity, it has no orthopaedic beds. Bed capacity within neighbouring health boards however will impact on the Health Board's ability to meet orthopaedic demand. Given the potential increase in orthopaedic demand due to a growing elderly population, health boards will need to assess whether they can meet demand within existing bed capacity. The extent that efficiencies in bed utilisation can be made and the extent that elective orthopaedic beds can be protected from wider unscheduled care pressures will determine whether current and future demand can be met with the current bed capacity.

Exhibit 12: Comparison of trauma and orthopaedic beds per 1,000 finished consultant episodes 2019-20

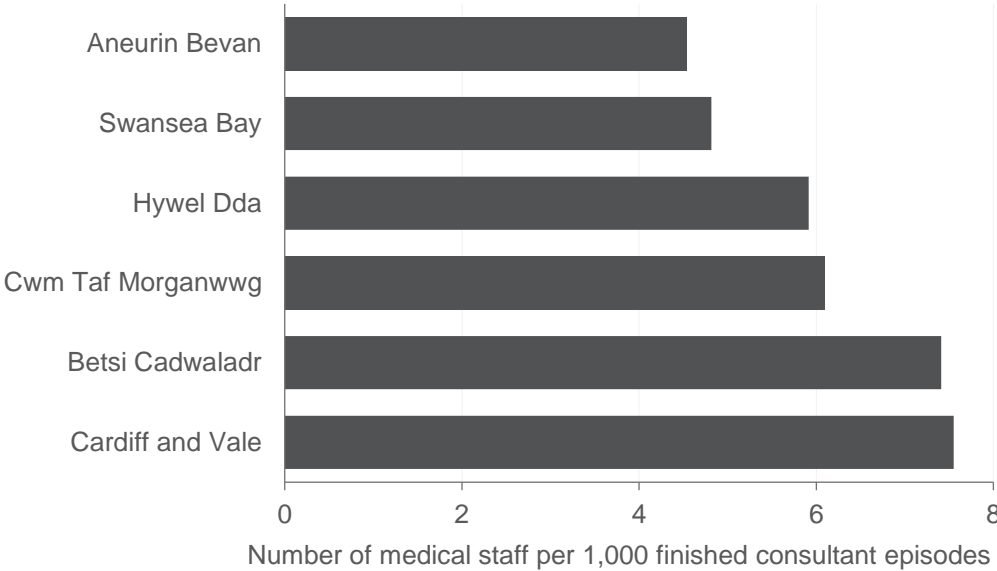


Source: Audit Wales analysis of Stats Wales and PEDW data

20 **Exhibit 13** provides a comparative perspective of the medical workforce. The Health Board does not employ any orthopaedic medical staff. Medical capacity

within neighbouring health boards however will impact on the Health Board’s ability to meet orthopaedic demand. The variation visible across Wales may be due to operational differences in ways of working. However, there is a need to consider optimal staffing levels, efficiencies, productivity, and different pathway models that maximise prudent healthcare principles. As part of this we would expect to see health boards planning on a regional footing to develop high-volume low complexity regional capacity to improve productivity and reviewing consultant job plans as part of pathway redesign.

Exhibit 13: Comparison of trauma and orthopaedic medical workforce (WTE) per 1,000 finished consultant episodes 2019-20



Source: Audit Wales analysis of Stats Wales and PEDW data

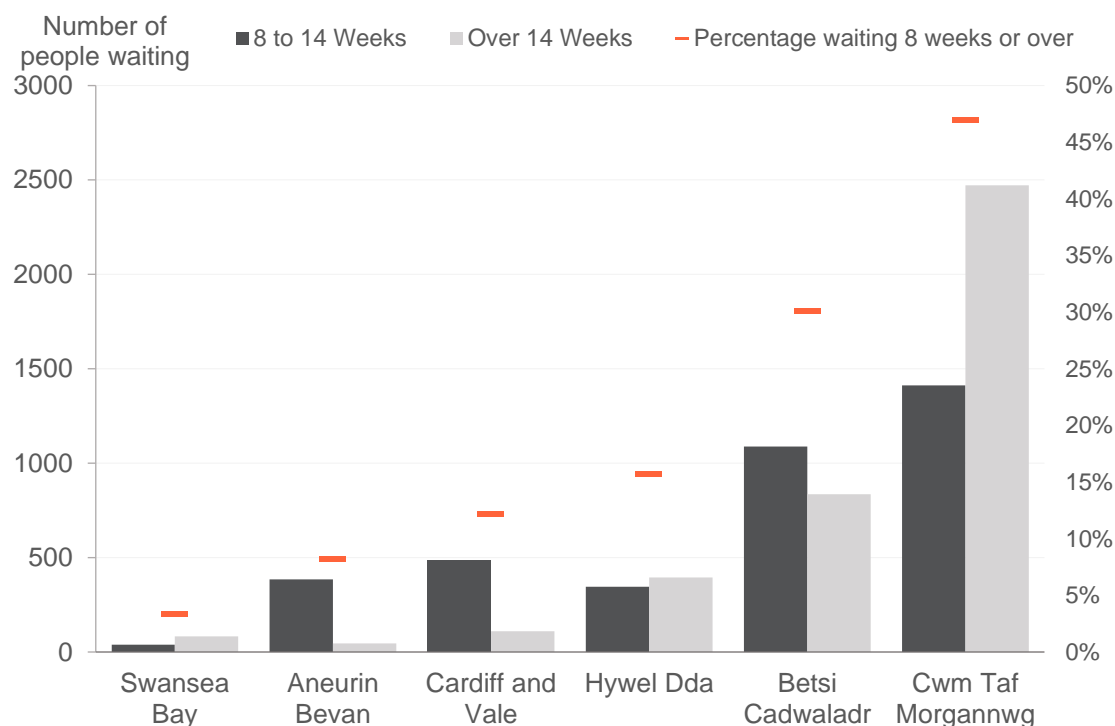
Board member questions



- To what extent does the Health Board currently have the capacity to meet orthopaedic service demand? Where are there capacity gaps?
 - What are the workforce risks and challenges?
 - How is the Health Board working regionally to create high volume low complexity capacity?
 - What is the Health Board doing to create greater levels of efficiency in orthopaedic pathways?
-

21 People with musculoskeletal conditions often need diagnostic tests to provide clarity on the cause and extent of their problems. The Welsh Government targets say that patients should wait no longer than eight weeks for diagnostic tests. The Health Board has very few consultant referred radiology waits. Waits for GP referred radiology waits are comparatively high. Delays in diagnostic tests are likely to impact on the overall timeliness of orthopaedic treatment. At present there is wide variation in the number and proportion of delays in access to radiology services across Wales (**Exhibits 14 and 15**).

Exhibit 14: Number and percentage of waits for consultant referred radiology waiting eight weeks or over, November 2022

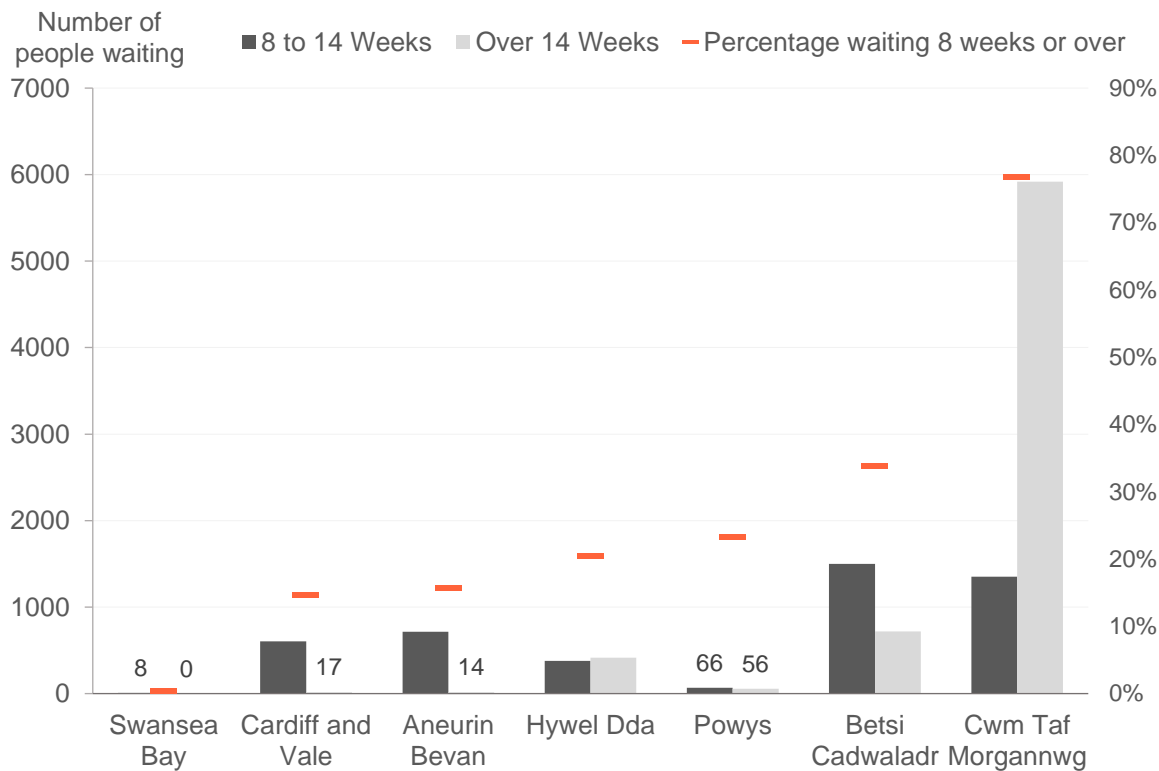


Source: Audit Wales analysis of Stats Wales

Note: Powys consultant referred radiology requests are too low to be visible in the chart.

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Exhibit 15: Number and percentage of waits for GP referred radiology waiting eight weeks or over, November 2022

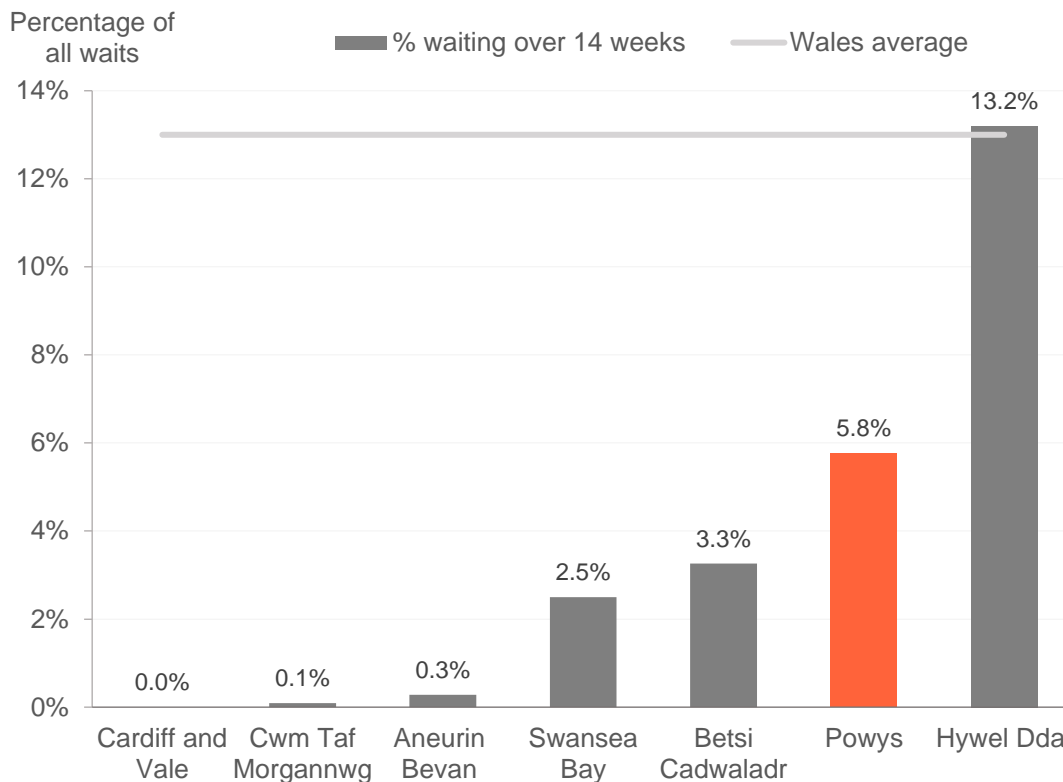


Source: Audit Wales analysis of Stats Wales

22 People with musculoskeletal conditions also often require physiotherapy. **Exhibit 16** shows the proportion of people waiting for physiotherapy who are waiting over the Welsh Government target of 14 weeks. The Health Board has the second highest proportion of patients waiting over 14 weeks.

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Exhibit 16: Percentage of waits over 14 weeks for physiotherapy, November 2022



Source: Audit Wales analysis of Stats Wales

Board member questions



- To what extent is radiology or physiotherapy capacity having an impact on the timeliness of the overall orthopaedic pathway?
- Are there costed plans to match demand and capacity in those areas if required?

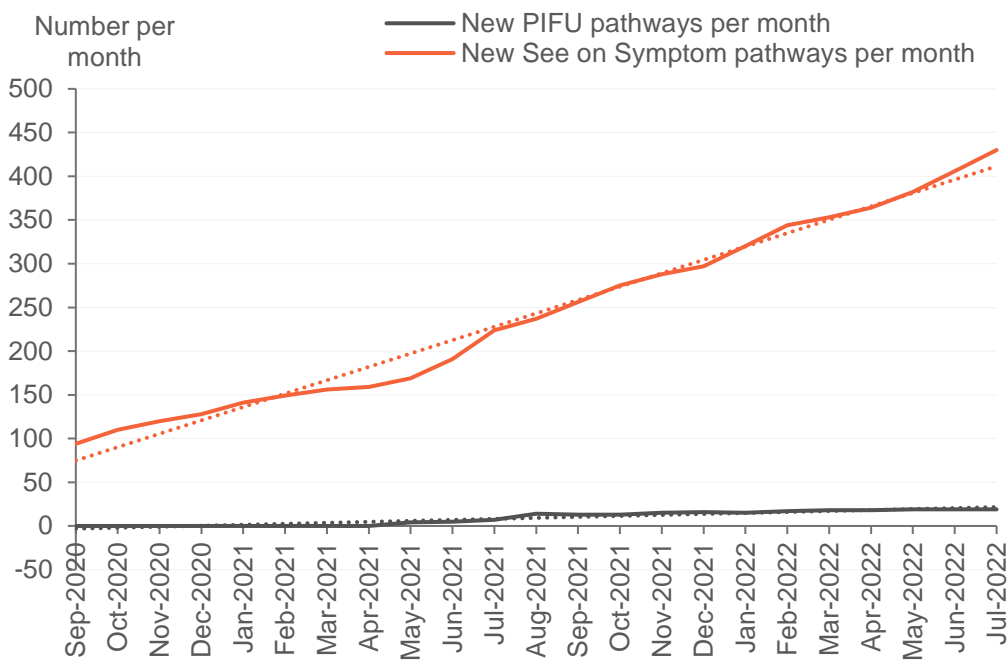
Outpatient models

23 Health boards are implementing new ways of working. The pandemic resulted in a greater extent of 'digitally enabled' working. This helped enable continuation of some services at times where face-to-face appointments were not available. Health boards are also on a journey of implementing new outpatient pathways known as 'see on symptom (SOS)' and 'patient initiated follow up (PIFU).' These approaches are designed to reduce unnecessary follow up outpatient appointments. The aim is

to improve efficiency, reduce unnecessary patient journeys, empower patients to manage their own condition and provide access when they need it.

- 24 **Exhibit 17 and 18** show the trend in the uptake of new ‘see on symptom’ and ‘patient initiated follow up’ pathways. In most health boards in Wales, we are seeing growth in the use of these new pathways but compared to overall numbers of follow up outpatient appointments, these new approaches remain in the minority. For the Health Board, much more progress has been made with implementing SOS pathways when compared with PIFU pathways.

Exhibit 17: Trend in adoption of new Patient Initiated Follow Up and See on Symptom pathways per month – Powys Teaching Health Board (September 2020 - July 2022)



Source: Audit Wales analysis of Welsh Government provided data

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Exhibit 18: Average number of Patient Initiated Follow Up and See on Symptom pathways per month compared to average number of follow up outpatient appointments (based on 2018-19 activity levels)⁶

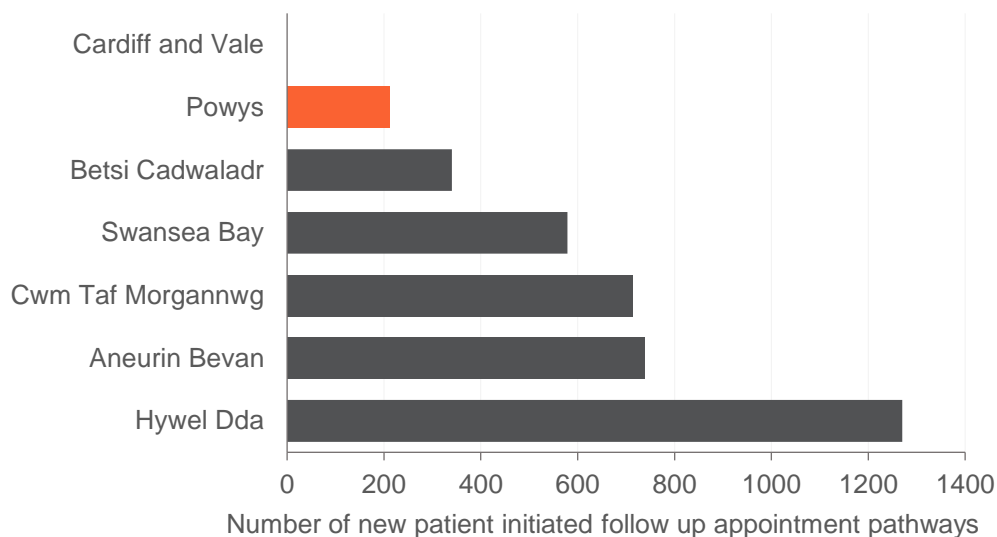
Health Board	Follow up outpatient appointments per month (18/19) average	'Patient Initiated Follow up' pathways per month (21/22)	'See on symptoms' pathways per month (21/22 average)
Abertawe Bro Morgannwg	5283	N/A	N/A
Aneurin Bevan	5840	31	607
Betsi Cadwaladr	4352	15	128
Cardiff and Vale	4317	0	1275
Cwm Taf	2529	N/A	N/A
Cwm Taf Morgannwg	N/A	3	15
Hywel Dda	3428	53	336
Powys	98	11	259
Swansea Bay	N/A	38	507

Source: Audit Wales analysis of Welsh Government provided data

25 **Exhibits 19 and 20** provide a comparison of the numbers of new 'see on symptom' and 'patient initiated follow up' pathways. These are actual numbers and have not been adjusted or weighted for organisational size.

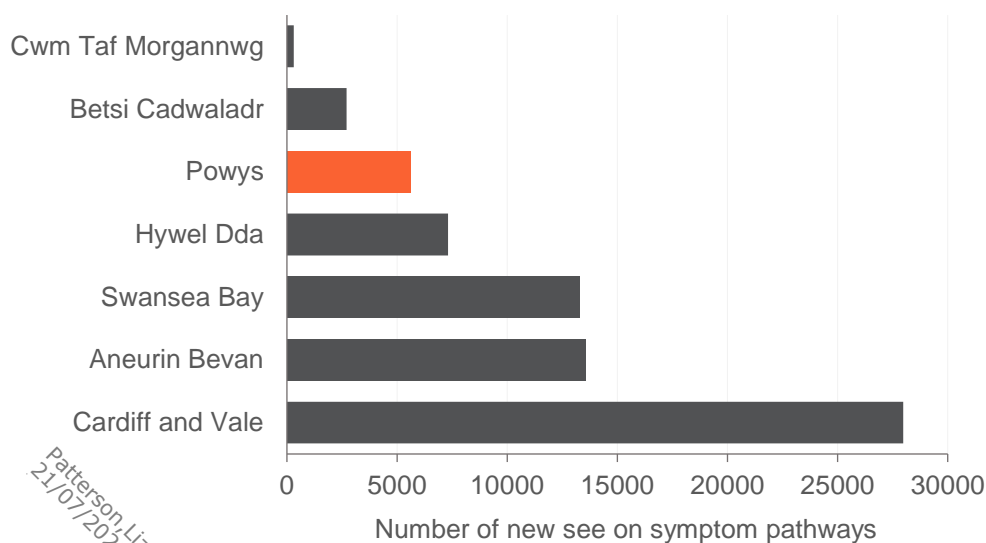
⁶ Total follow up outpatient activity levels have not been publicly reported on StatsWales since 2018-19

Exhibit 19: Comparison of total new Trauma and Orthopaedic patient initiated follow up appointment pathways by Health Board, most recent 12-month period (August 2021 to July 2022)



Source: Audit Wales analysis of Welsh Government provided data

Exhibit 20: Comparison of total new Trauma and Orthopaedic See on Symptom Pathways by Health Board, most recent 12-month period (August 2021 to July 2022)



Source: Audit Wales analysis of Welsh Government provided data

Board member questions



- Is the Health Board adopting Patient Initiated Follow Ups and See on Symptoms pathways at sufficient pace? If not, what are the barriers?
 - Are consultant job plans being reviewed to adapt to new outpatient models and maximise use of their time?
 - To what extent are digital/virtual outpatient appointments being used? Is this delivering a better and more efficient service?
-

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Appendix 1

Scenario modelling

Our scenario modelling in **Exhibit 5** draws on some initial modelling work conducted by the NHS Delivery Unit. The calculation we used, following the work of the Delivery Unit, was:

- Removals are calculated by taking the number of patients waiting over 4 weeks (i.e., they are not new patients that month) and subtracting that from the total waiting list in the previous month. This gives a proxy for the numbers of patients removed from one month to the next.
- Additions are the people reported in the monthly figures who have been waiting less than 4 weeks – indicating they have been added to the waiting list in the last month. Whilst monthly additions give a reasonable measure of additions, some of those included may have already been waiting but had their ‘clock’ reset for some reason, for example not turning up for multiple appointments. It is also possible that some people may not be counted if they were added and removed before the data was captured at the end of each month.

Our modelling provides scenarios for the length of time it could take NHS Wales to bring orthopaedic waiting lists back to March 2020 levels using three scenarios: reasonable, pessimistic, and optimistic (**Exhibit 5**). We accounted for the possible pent-up demand (**see Exhibit 8**) by evenly spreading differing proportions of the potential missing 135,000 referrals over 2022 to 2024. Those proportions varied depending on a reasonable, pessimistic, or optimistic scenario. **Exhibit 22** sets out our modelling assumptions.

Exhibit 22: Waiting list modelling assumptions

Assumptions	Reasonable	Pessimistic	Optimistic
Additions 2022-2025 compared to 2019-20	87.5%	90%	85%
Annual increase in additions 2025 onwards	99%	100%	98%
Latent ‘missing’ referral demand presenting	5%	10%	0%
Activity/removals compared to 2019-20 levels during:			
2022-23	80%	80%	80%
2023-24	90%	85%	95%
2024-25	100%	95%	105%
2025 onwards	102.5%	100%	105%

Source: Audit Wales

Our analysis highlights the scale of the possible challenge and the length of time it could take to clear the backlog of people waiting for treatment. The scenarios we have presented in the report are based on assumptions which may alter over the coming years.



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galwadau ffôn yn Gymraeg a Saesneg.

2023/05/23 13:34:41

Audit, Risk and Assurance Committee		Date of Meeting: 11 July 2023
Subject:	PTHB BOARD MEMBER DECLARATION OF INTERESTS – 2023/2024	
Approved and presented by:	Director of Corporate Governance / Board Secretary	
Prepared by:	Interim Corporate Governance Business Officer	
Other Committees and meetings considered at:	Due to be considered at: <ul style="list-style-type: none"> Executive Committee - 28th June 2023 	

PURPOSE:

The purpose of this paper is to provide the Audit, Risk and Assurance Committee with the latest position for Register of Interests for Independent Members and Executive Directors at 26 June 2023 and to update the Committee on developments being made to the processes.

RECOMMENDATION(S):

The Committee is asked to **RECEIVE** the contents of Register of Interests for PTHB Board Members at 26 June 2023 and take **ASSURANCE** that the organisation has appropriate processes to support the collection, management and reporting of declarations of interest, in line with the Standards of Behaviour Policy.

Approval/Ratification/Decision¹	Discussion	Information
x	x	✓

¹ Equality Impact Assessment (EiA) must be undertaken to support all organisational decision making at a strategic level

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):

Strategic Objectives:	1. Focus on Wellbeing	x
	2. Provide Early Help and Support	x
	3. Tackle the Big Four	x
	4. Enable Joined up Care	x
	5. Develop Workforce Futures	x
	6. Promote Innovative Environments	x
	7. Put Digital First	x
	8. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	x
	2. Safe Care	x
	3. Effective Care	x
	4. Dignified Care	x
	5. Timely Care	x
	6. Individual Care	x
	7. Staff and Resources	x
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

The Standards of Behaviour Policy enables the Board to ensure that its employees and Independent Members of the Board practice the highest standards of conduct and behaviour.

The Board is strongly committed to the health board being value-driven, rooted in 'Nolan' principles and high standards of public life and behaviour, including openness, customer service standards, diversity and engaged leadership. In support of these principles, employees and Independent Members must be impartial and honest in the way that they go about their day-to-day functions.

DETAILED BACKGROUND AND ASSESSMENT:

In accordance with the requirements of the health board's Standing Orders and Standards of Behaviour Policy, a report is required to be received by the Audit, Risk and Assurance Committee which details the Declarations of Interest received by Board Members.

The Register of Interests is maintained by the Corporate Governance Department with each Declaration reviewed and checked by the Board Secretary with any queries addressed prior to entry on the register. The

Department is responsible for issuing periodic invitations to employees and Independent Members to declare their interests. The register for 2023-2024 as at 26 June 2023 is attached at **Appendix A**.

All employees and Independent Members of the Board must ensure that they are not in a position where their private interests and NHS duties may conflict. Employees and Independent Members must declare all private interests that could potentially result in personal gain because of their position within the health board. Declarations must be made to the health board for recording in the Register of Interests any relevant interests at the commencement of employment, whenever a new interest arises or if asked to do so at periodic intervals by the health board. The onus regarding declaration will reside with the individual employee or Independent Member.

An escalation process has been put in place by the Corporate Governance Team to address instances in which declaration of interest forms have been requested from Executives and/or Independent Members but have not been submitted.

Progress has been made in this area and the Corporate Governance Team is now pursuing best practice and encouraging all staff to declare interests where applicable.

To actively promote the Standards of Behaviour Policy and Declarations of Interests across the organisation, the Corporate Governance Team are reviewing the current process of how Declarations are made and recorded. In addition, work is underway to develop a Communications plan, and to streamline the process of which Declarations are made and recorded.

The Standards of Behaviour Framework summary from the Standards of Behaviour Policy is set out in **Appendix B**. The Director of Corporate Governance has reviewed the declarations made by Board Members and can confirm that no interest declared requires escalation to the Committee. The Register is available on the health board's website to ensure openness and transparency.

NEXT STEPS:

The Register of Declaration of Interests (Board Members) for 2023/2024 will be published on the PTHB website and will be maintained up to date by the Corporate Governance team.

Patterson, Liz
21/07/2023 13:34:44

POWYS TEACHING HEALTH BOARD - REGISTER OF DECLARATION OF INTERESTS 2023/24								Updated: July 2023	
Position	Name	Nature of Interest	Nature of Declaration	Relevant Dates from	Relevant Dates to	Description of Declaration	Comment	Date Returned	Last day in Powys Teaching Health Board
INDEPENDENT MEMBERS									
PTHB Chair	Carl Cooper	Personal	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	2017	2025	Board Member, Social Care Wales	Remunerated Public Appointment	13/04/2023	
			Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	2008	16th October 2022	Recently retired as CEO of Powys Association of Voluntary Organisations (PAVO)	Salaried Employment		
		Spouse/Partner/Other	Ownership or part ownership, of private companies, businesses or consultancies likely or possibly seeking to do business with PTHB.	2018	Ongoing	Sole Trader, Mandy Williams, Consulting	NIL		
			Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	Apr-18	Ongoing	Employee, Swansea University. (Manager of Community, Equalities & Chaplaincy, Student Services)	Salaried Employment		
Vice Chair	Kirsty Williams	Personal	A position of authority in a Charity of Voluntary Body in the field of health and/or social care	Apr-23	Current	Deputy Director Samaritans Powys	None	12/04/2023	
			Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	Nov-22	Current	ILEP- A Subsidiary of Cardiff University	None		
		Spouse/Partner/Other	NIL	NIL	NIL	NIL			
Independent Member (General)	Rhobert Lewis	Personal	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	2017	Current	NED of Green Inc Training Company Swindon	NIL	17/04/2023	
			Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	2022	Current	Chair of governors Neath Port Talbot Group of Colleges	NIL		
			Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	2020	Current	NPTC Group: Cross Party (Senedd) Group on STEMM	NIL		
		Spouse/Partner/Other	NIL	NIL	NIL	NIL			
Independent Member (Trade)	Cathie Poynton	Personal	NIL	NIL	NIL	NIL	NIL	06/04/2023	
		Spouse/Partner/Other	NIL		NIL	NIL			
Independent Member (Information and)	Ian Phillips	Personal	Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	01-Aug-21	Current	Independent Chair Welsh Kidney Network	£2668,80 p.a.net	24/04/2023	
		Spouse/Partner/Other	NIL	NIL	NIL	NIL			
Independent Member (Capital & Estates)	Mark Taylor	Personal	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	Aug-12	Current	Auster Consulting Ltd	Non NHS	27/04/2023	
			Spouse/Partner/Other	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	Aug-12	Current	Wife Auster Consulting Ltd		
		Spouse/Partner/Other	A personal or departmental interest in any part of the Pharmaceutical / healthcare industry that could be perceived as having an influence on decision making or on the provision of advice to members of the team	Aug-20	Current	Son - Final year of Pharmacy advanced qualification with CTMHB	NIL		
			Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	Not Known	Current	Brother in Law (John Young) Cognomie CEO	Not aware if operating in NHS Wales		
Independent Member	Tony Thomas	Personal	NIL	NIL	NIL	NIL	NIL	28/04/2023	31-May-23
		Spouse/Partner/Other	NIL	NIL	NIL	NIL			
Independent Member (General)	Ronnie Alexander	Personal	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	2012	Current	Director of RA and CJ Consulting Limited	Dividend Payment only	03/05/2023	
			A position of authority in a Charity or Voluntary Body in the field of health and/or social care.	2017	Current	Member of Finance, Risk and Audit Committee Hafod/Hendre Housing Association	£2500.00 per annum		
		Spouse/Partner/Other	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	2017	Current	Director of RA and CJ Consulting Limited	Dividend Payment only		
Independent Member (University)	Simon Wright	Personal	Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	2015	Current	Personal: Academic Registrar, Cardiff University-Variou Healthcare Programmes	Salaried Employment	05/05/2023	
		Spouse/Partner/Other	A personal or departmental interest in any part of the Pharmaceutical / healthcare industry that could be perceived as having an influence on decision making or on the provision of advice to members of the team	2001	Current	Sister: Senior Operational Manager, Milestone Trust, Bristol	Salaried Employment		

			A position of authority in a Charity or Voluntary Body in the field of health and/or social care.	2021	Current	Sister: Deputy CEO, The Advocacy Project, London	Salaried Employment		
			Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	2021	Current	Spouse: District Nurse, Cardiff and Vale UHB	Salaried Employment		
Independent Member (Third Sector)	Jennifer Owen Adams	Personal	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	Jun-16	Ongoing	Member (not a NED) of Glas Cymru the holding company of Dwr Cymru/Welsh Water	None	04/05/2023	
			Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	Apr-14	Ongoing	NED IMPELO (dance organisation based in Powys)	None		
				Jun-21	Ongoing	Chair Cricket Wales	None		
				May-23	Ongoing	Cricket Director England and Wales Cricket Board	None		
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
Independent Member (Local Authority)	Christopher Walsh	Personal	A position of authority in a Charity or Voluntary Body in the field of health and/or social care.	Jul-22	Current	Chair of Brecon University Scholarship Fund	NIL	20/04/2023	
			Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	May-22	Current	Elected Member of Powys County Council	NIL		
				Jun-05	Current	Elected Member of Brecon Town Council • Chair of Finance Committee • Minor Authority school Governor (Priory Church of Wales)	NIL		
				2018	Current	Town Council GAP Member on the sustainable development Grant Committee with BBNPA	NIL		
				1984	Current	Member of the Labour Party • Brecon Branch Treasurer	NIL		
				1985	Current	Member of the Royal College of Nursing	NIL		
				1988	Current	A registered Nurse within the Nursing and Midwifery Council	NIL		
			Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	2003	Current	Owner of Celebratory Gifts/ Heraldic Names	NIL		
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
EXECUTIVE MEMBERS									
Interim Chief Executive	Hayley Thomas	Personal	NIL	NIL	NIL	NIL	NIL	05/04/2023	
		Spouse/Partner/Other	Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	2021	Current	Family member is the General Manager at Bronglais General Hospital, Hywel Dda University Health Board	Not Relevant		
Chief Executive (Secondment from 02.05.23)	Carol Shillabeer	Personal	Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests	1990	Current	Member of the Royal College of Nursing	NIL	13/04/2023	
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
Director of Performance & Commissioning	Stephen Powell	Personal	Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	NIL	Current	Brother is a Paramedic within Welsh Ambulance Service NHS Trust.	NIL	19/04/2023	
					Current	Sister is an ITU Nurse within Cardiff & Vale University Health Board.	NIL		
					Current	Wife is a Eating Disorders Nurse Specialist with Herefordshire & Worcestershire Health and Care NHS Trust.	NIL		
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
Director of Finance and ICT and Primary Care	Pete Hoppood	Personal	NIL	NIL	NIL	NIL	NIL	20/04/2023	
		Spouse/Partner/Other	A personal or departmental interest in any part of the Pharmaceutical / healthcare industry that could be perceived as having an influence on decision making or on the provision of advice to members of the team	Ongoing	Ongoing	Partner is Finance Manager working in SBUHB	Not Relevant		
Director of Therapies and Health Science	Claire Madsen	Personal	Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	07-Jan-19	Current	Occasional Lecturer for University of West of England.	Hourly rate	11/04/2023	
			Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	10-Jun-05	Current	Member of the The Chartered Society of Physiotherapy	NIL		
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
Director of Nursing and Midwifery	Claire Roche	Personal	A personal or departmental interest in any part of the Pharmaceutical / healthcare industry that could be	2018	Current	Member of the Royal College of Nursing	NIL	22/06/2023	
				1994	Current	Member of the Royal College of Midwifery			
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		

Medical Director	Kate Wright	Personal	Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	01-Aug-91	Current	Member of the British Medical Association		22/06/2023	
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
Director of Workforce and	Debra Wood Lawson	Personal	NIL	NIL	NIL	NIL		12/04/2023	
		Spouse/Partner/Other	NIL	NIL	NIL	NIL	NIL		
Director of Public Health	Mererid Bowley	Personal	Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	NIL	NIL	Volunteer with Llanishen Cubs Association Member of Favulty of Public Health	NIL	26/04/2023	
		Spouse/Partner/Other	Ownership or part ownership, of private companies, businesses or consultancies likely or possibly seeking to do business with PTHB.	NIL	NIL	Husband works for Mitie Engineering who hold contracts/work with some NHS bodies/organisations. Shares held by husband and myself and Mitie Company	NIL		
Interim Director of Operations	Joy Garfitt	Personal	NIL	NIL	NIL	NIL		06/04/2023	
		Spouse/Partner/Other	A personal or departmental interest in any part of the Pharmaceutical / healthcare industry that could be perceived as having an influence on decision making or on the provision of advice to members of the team	2012	Current	Spouse employed by PTHB within Mental Health Department	NIL		
Director of Corporate Governance	Helen Bushell	Personal	Employment by any other body where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice.	Nov-21	Current	School Governor – primary school (Bridgend Local Authority)	Not remunerated	07/04/2023	
		Spouse/Partner or other Relative	Directorships, including non-Executive Directorships held in private companies or PLCs, with the exception of dormant companies.	Sep-16	Current	Board Diretor - Newydd Housing Group Limited (Powys is a zonal partner)	Remunerated part time role, 2-4 days per month		
			A personal or departmental interest in any part of the Pharmaceutical / healthcare industry that could be perceived as having an influence on decision making or on the provision of advice to members of the team	Sep-22	Current	Partner - National CAMHs Programme Lead for the NHS Wales Collaborative	Employed Position/ Salary		
				Jan-18	Sep-22	Programme Lead - Together for Children and Young People (NHS Wales Collaborative)	Employed Position/Salary		
			Any other connection with a voluntary, statutory, charitable or private body that could create a potential opportunity for conflicting interests.	Oct-22	Current (to Sept 2024)	Public Appointment - Youth Work strategy and implementation Board - Oct 22 - Sept 24	Remunerated 2-4 days per month		

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Appendix B - Standards of Behaviour Framework Summary

<p>The Board has described its vision that underpin the way that services are provided and to support this, all employees must ensure that they carry out their roles with dedication and commitment to the Special Health Authority and its core values.</p> <p>All staff must have the highest standards of corporate and personal conduct and behave in an exemplary manner based on the following seven principles:</p> <ul style="list-style-type: none"> ▪ Selflessness – Individuals should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or friends; ▪ Integrity – Individuals should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties; ▪ Objectivity – In carrying out public business, including making public appointments, awarding contracts, recommending individuals for rewards and benefits, choices should be made on merit; ▪ Accountability – Individuals are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate for their position; ▪ Openness – Individuals should be as open as possible about all the decisions and actions they take. They should give reasons for 	<p>To uphold these principles, you must:</p> <ul style="list-style-type: none"> - Ensure that the interests of patients and the public remain paramount; - Be impartial and honest in the conduct of your official business; - Use NHS resources to the best advantage of the service and the patients, always seeking to ensure value for money; - Not abuse your official position for personal gain or to benefit your family or friends; - Not seek advantage or to further private business or other interests in the course of your official duties, and; - Not seek or knowingly accept, preferential rates or benefits in kind for private transactions carried out with companies, with which they have had, or may have, official dealings on behalf of the SHA. <p>The Standards of Behaviour Framework Policy outlines the arrangements within the Special Health Authority to ensure that staff comply with these requirements, including recording and declaring potential conflicts of interest and handling of gifts, hospitality and sponsorship (even if these are declined). Further guidance is available via the Standards of Behaviour Policy on the intranet site.</p> <p>It is your responsibility to ensure that you are familiar with the requirements of the Policy and supporting guidance. The relevance</p>
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Appendix B - Standards of Behaviour Framework Summary

<p>their decisions and restrict information only when the wider public interest clearly demands it;</p> <ul style="list-style-type: none"> • Honesty – Individuals have a duty to declare any private interests relating to their duties and to take steps to resolve any conflicts arising in a way that protects the public interest, and; • Leadership – Individuals should promote and support these principles by leadership and example. 	<p>of this information will vary depending on your role within the Special Health Authority and your interests outside of your employment.</p> <p>Remember that the need to declare an interest also includes those of your close family and possibly friends.</p> <p>Seek your manager’s permission before taking any outside work, in accordance with employment terms and conditions.</p> <p>Obtain your Directors permission before accepting any commercial sponsorship or hospitality;</p>
<p>In summary:- DO:</p>	<p>In summary:- DO NOT:</p>
<ul style="list-style-type: none"> • Make sure that you are not in a position where your private interests and NHS duties may conflict. <p>Declare any relevant interests. These include:-</p> <ul style="list-style-type: none"> • Directorships, including Non-Executive Directorships held in private companies or PLCs.; • Ownership or part-ownership, of private companies, businesses, or consultancies likely or possibly seeking to do business with the Special Health Authority. • A position of authority in a charity or voluntary body in the field of health and social care; • A personal or departmental interest in any part of the pharmaceutical or healthcare associated industries that could be perceived as an influence on decision making or on the provision of advice to members of the team; • Sponsorship or funding from a known NHS supplier or associated company/subsidiary; 	<ul style="list-style-type: none"> • Accept any gifts from suppliers or commercial organisations unless they are of low value e.g. pens, diaries; • Accept any gifts over the value of £25 from patients or their relatives, these should be politely declined; • Accept any inappropriate hospitality or sponsorship from suppliers or commercial organisations; • Abuse your position to obtain preferential rates for private deals; • Unfairly advantage one competitor over another or show favouritism in your dealings with commercial organisations; • Use NHS resources for your own private use. <p>If you need any further guidance, please contact the Corporate Governance Team via email or Microsoft teams. powysdirectorateofCorporatGovernance@wales.nhs.uk</p>

Appendix B - Standards of Behaviour Framework Summary

<ul style="list-style-type: none">• Employment where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice;• Anything else that could cause a potential for conflict.	
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AUDIT, RISK AND ASSURANCE COMMITTEE		Date of Meeting: 21st July 2023
Subject:	Confirmation of Clinical Audit Programme	
Approved and Presented by:	Director of Corporate Governance/Board Secretary	
Prepared by:	Director of Corporate Governance/Board Secretary Interim Corporate Governance Manager	
Other Committees and meetings considered at:	Executive Committee Patient, Experience Quality and Safety Committee	

PURPOSE:

To present the Committee with confirmation of the PTHB Clinical Audit Programme 2023/24 (Appendix A).

RECOMMENDATION(S):

It is suggested that the Committee takes ASSURANCE that the Health Board has in place a Clinical Audit Plan, which is overseen by the Patient Experience, Quality and Safety Committee.

Approval/Ratification/Decision	Assurance	Information
x	✓	x

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):

Strategic Objectives:	1. Focus on Wellbeing	✓
	2. Provide Early Help and Support	✓
	3. Tackle the Big Four	✓
	4. Enable Joined up Care	✓
	5. Develop Workforce Futures	✓
	6. Promote Innovative Environments	✓

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	7. Put Digital First	✓
	8. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	✓
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	✓
	5. Timely Care	✓
	6. Individual Care	✓
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

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Appendix A - Clinical Audit Plan 2023/24

Community Services Group					
Unscheduled Care					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for Service Improvement	Missed Fractures Audit	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due
Local Audits for Service Improvement	Mattress audit	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due
Local Audits for Service Improvement	Hand Hygiene Audit	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due
Local Audits for Service Improvement	Primary Care Attenders	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due
Local Audits for Service Improvement	Paramedic/downgrade ambulance audit	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due
Local Audits for Service Improvement	PGD Audit	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due
Local Audits for Service Improvement	Paeds under five audit – scrutiny of every attender under five	Quarter 4	Unscheduled Care	Senior Manager	Not Yet Due

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Nursing (Ward and Community)

Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for Service Improvement	Health & Care Monitoring Tool (Includes Hand hygiene audits & Patient surveys, ward cleaning)	Quarter 4	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	NEWS Audit	Quarter 4	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	Wristband Audit	Quarter 4	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	Dols Audit	Quarter 4	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	Welsh Language Audit	Quarter 4	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	DNACPR Audit	Quarter 4	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	Multi-factorial Falls Risk Assessment Audit (Inpatients)	Quarter 2	Nursing (Wards)	Ward Managers	Not Yet Due
Local Audits for Service Improvement	Hydration and Nutrition Audit	Quarter 4	Nursing (Wards)	Senior Nurses	Not Yet Due

Specialist Nursing					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Other National Audit & Service Evaluation	Parkinson's UK National Audit	Quarter 4 2024	Specialist Nursing – Parkinson's Disease	Parkinson's Disease ANP	Not Yet Due

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Local Audits for Service Improvement	Pressure Damage Audit	Quarter 4 2024	Specialist Nursing – Tissue Viability Nurse	Senior Nurses	Not Yet Due
Service Evaluation	Clinic PREM Data	Quarter 4 2024	Specialist Nursing - Continence	Continence Service Manager	Not Yet Due
Service Evaluation	UTI Safety Data	Quarter 4 2024	Specialist Nursing - Continence	Continence Service Manager	Not Yet Due
Service Evaluation	Prescribing Data	Quarter 4 2024	Specialist Nursing - Continence	Continence Service Manager	Not Yet Due
Service Evaluation	Transition Clinic PREM Data	Quarter 4 2024	Specialist Nursing - Continence	Continence Service Manager	Not Yet Due
Service Evaluation	Pad PREM	2025	Specialist Nursing - Continence	Continence Service Manager	Not Yet Due
Service Evaluation	COBWEB PREM	2025	Specialist Nursing - Continence	Continence Service Manager	Not Yet Due

Surgery and Endoscopy					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Service Evaluation	Surgical Performance/DNA/Cancellation data	Quarter 4	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Monthly Surgical Utilisation data	Quarter 4	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Surgical Site Infection data	Quarter 4	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Surgical incidents	Quarter 4	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Hand hygiene Audits	Quarter 4	Theatre	Theatre staff	Not Yet Due
Service Evaluation	Bi weekly C4C audit	Quarter 4	Theatre	Facilities	Not Yet Due

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Service Evaluation	Legal and ethical audit	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Data protection and GDPR	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Management/Human Resources	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Education	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Five Steps to Safer Surgery	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Managing Perioperative Normothermia	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Risk Management (Organisational and Environmental)	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Decontamination	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Specimen Management	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Tourniquets	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Use and Handling of Surgical Instruments	Quarter 2	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Preoperative care for Patients with Dementia	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Anaesthesia	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Surgical record keeping audit & consent	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Post anaesthetic Care	Quarter 3	Theatre	Theatre Lead	Not Yet Due

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Service Evaluation	Surgical Patient Satisfaction audit	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Electrosurgery	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Fluid Management	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Foreign body aspiration during intubation, advanced airway management or ventilation	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Surgical patient story	Quarter 3	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Pre assessment and Specific Day Case Requirements	Quarter 4	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Audit of prosthesis verification data	Quarter 4	Theatre	Theatre Lead	Not Yet Due
Service Evaluation	Intraoperative Care	Quarter 1	Theatre	Theatre Lead	Completed
Local Audits for Service Improvement	Staff Satisfaction	Quarter 1	Theatre	Theatre Lead	Completed
Service Evaluation	Accountable Items, Swab, Instrument and Sharps Count	Quarter 1	Theatre	Theatre Lead	Completed
Service Evaluation	Individual Endoscopist KPI's	Quarter 4	Endoscopy	Clinical Lead Endoscopy	Not Yet Due
Service Evaluation	Gastric ulcers rescoped within 12 weeks	Quarter 4	Endoscopy	J Harrison Endoscopy coordinator & S Williams Data/Audit Support	Not Yet Due

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Service Evaluation	Post colonoscopy colorectal cancer rate Links established with Cwm Taf Morgannwg University Health Board MDT. If we are made aware – root cause analysis carried out	Quarter 4	Endoscopy	Clinical Lead Endoscopy	Not Yet Due
Service Evaluation	Patient Satisfaction survey	Quarter 4	Endoscopy	Jane Harrison Endoscopy coordinator & S Williams Data/Audit Support	Completed but not yet presented to management team.
Service Evaluation	Staff survey	Quarter 1	Endoscopy	Jane Harrison Endoscopy coordinator & S Williams Data/Audit Support	Completed but not yet presented to management team.
Service Evaluation	Endoscopist satisfaction survey	Quarter 1	Endoscopy	Clinical Lead Endoscopy	Delayed
Service Evaluation	Endoscopy Performance e.g. DNA cancellations no of procedures late start early finishes	Quarter 4	Endoscopy	S Williams Data/Audit Support	Not Yet Due
Other National Audits	Bowel Screening Wales User Experience Survey results	Quarter 1	Endoscopy	Clinical Lead Endoscopy	Completed
Local Audits for Service Improvement	Record Keeping	Quarter 4	Endoscopy	Clinical Lead Endoscopy	Not Yet Due
Service Evaluation	Annual planning & productivity report	Quarter 1	Endoscopy	Clinical Lead Endoscopy	Delayed

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Service Evaluation	Scope traceability	Quarter 4	Endoscopy	Jane Harrison & Tracie Watling	Not Yet Due
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Therapies and Health Science					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Audits performed for accreditation schemes	Compliance with Standard operating procedures	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Pregnancy Status	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Correct use of radiographic markers	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Non Medical Referrals (NMR) Audit of NMR compliance	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Reject analysis	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Radiographer commenting audit	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	QA plain film and NOUS / Midwife Sonography	Quarter 3	Radiography	Head of Radiography	Not Yet Due

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Local Audits for Service Improvement	QA reporting Audit	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Monthly Clinispet/Clinel Wipes Audit	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Audits performed for accreditation schemes	Sonography Service Audit	Quarter 4	Radiography	Clinical Governance Lead for Sonography	Not Yet Due
Audits performed for accreditation schemes	Reporting Radiography Service Audit	Quarter 3	Radiography	Head of Radiography	Not Yet Due
Welsh Government National Audit Programme	National Diabetes Foot Care Audit	TBC National	Podiatry	Head of Podiatry	Not Yet Due
Local Audits for Service Improvement	Taxonomy compliance audit	Quarter 4	Podiatry	Head of Podiatry	Not Yet Due
Local Audits for Service Improvement	Patient Notes	Quarter 4	Podiatry	Head of Podiatry	Not Yet Due
Local Audits for Service Improvement	Nail Surgery	Quarter 4	Podiatry	Head of Podiatry	Not Yet Due
Welsh Government National Audit Programme	Quality Standards Tinnitus Service	Quarter 4	Audiology	Head of Audiology	Not Yet Due
Local Audits for Service Improvement	Audiology Inappropriate referrals	Quarter 3	Audiology	Head of Audiology	Not Yet Due

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Service Evaluation	waiting times/compliance with target	Quarter 3	Audiology	Head of Audiology	Not Yet Due
Local Audits for Service Improvement	Carpal Tunnel	Quarter 4	Physiotherapy	Consultant MSK Physio	Not Yet Due
Local Audits for Service Improvement	Case Notes	Quarter 4	Physiotherapy	Head of Physiotherapy	Not Yet Due
Local Audits for Service Improvement	Caseload Management	Quarter 3	All AHP and HS	AI HOS	Not Yet Due
Local Audits for Service Improvement	DNA Rate	Quarter 4	Physiotherapy	Head of Physiotherapy	Not Yet Due
Local Audits for Service Improvement	Dietetic record card audit	Quarter 3	Dietetics	Clinical lead Dietitian	Not Yet Due
Local Audits for Service Improvement	Case note audit	Quarter 3	Speech and Language Therapy	Head of SLT and Clinical Leads	Not Yet Due
Local Audits for Service Improvement	Caseload Management	Quarter 3	Speech and Language Therapy	Head of Speech and Language Therapy	Not Yet Due
Local Audits for Service Improvement	DNA Rates, CBH and CBP rates	Quarter 3	Speech and Language Therapy	Head of Speech and Language Therapy	Not Yet Due
Local Audits for Service Improvement	Was Not Brought Audit	Quarter 3	Speech and Language Therapy	Head of Speech and Language Therapy	Not Yet Due
Local Audits for Service Improvement	Use of Virtual/Attend anywhere in Adult service	Quarter 2	Speech and Language Therapy	Locum SLT	Not Yet Due

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Local Audits for Service Improvement	Clinical Records audit focusing on consent, goal planning and discharge	Quarter 3	Occupational Therapy	Head of OT	Not Yet Due
Welsh Government National Audit Programme	The Sentinel Stroke National Audit Programme	Quarter 4	All AHPs	Consultant Therapist for Stroke	Not Yet Due
Service Evaluation	Quarterly Wax Management	Quarter 4	Audiology	Head of Audiology	Not Yet Due
Local Audits for Service Improvement	Tlmely Discharges	Quarter 4	All AHP and HS	HOS	Not Yet Due
Service Evaluation	First Contact Practitioner	Quarter 3	Physiotherapy	Consultant MSK Physio	Not Yet Due

Primary Care Group					
GP Services					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for Service Improvement	Several audit topics will be identified based on the Local Enhanced Service agreements held with the Powys GP surgeries	Quarter 4	GP Surgeries	Powys GP's and Practice Managers	Not Yet Due

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Service Evaluation	Audit of the GP with a Specialist Interest in Cardiology Service	Quarter 4	Cardiology	Dr French WVT Consultant Cardiologist	Not Yet Due
Community Dentistry					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for Service Improvement	Radiography grading - Annual subjective image quality ratings of dental radiographs in the Community Dental Service	Quarter 4 2023	All Community Dental Sites	Dental Director	Not Yet Due
Local Audits for Service Improvement	FGDP record keeping guideline audit	Quarter 4	All Community Dental Sites	Senior Dentist	Not Yet Due
Local Audits for Service Improvement	Consent to Treatment Audit	Quarter 4	All Community Dental Sites	Senior Dentist	Not Yet Due
Local Audits for Service Improvement	WHTM01-05 instrument decontamination audit	Quarter 4	All Community Dental Sites	Senior Dentist	Not Yet Due
Local Audits for Service Improvement	E-referral form completeness for Oral Surgery services audit	Quarter 4	North Powys Locations	Senior Oral Surgeon	Not Yet Due
Local Audits for Service Improvement	Staff acceptance of pre- and post-clinic briefings introduced in the Community Dental Service (Reaudit)	Quarter 4	All Community Dental Sites	Senior Oral Surgeon	Not Yet Due

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Medicines Management Group					
Medicines Management					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for Service Improvement	Antimicrobial Stewardship: Start Smart Then Focus	Quarter 4 2023/24	Medicines Management	Medicines Management Staff	Not Yet Due
Local Audits for Service Improvement	Patient Safety Notice 055 (PSN055) Safe Storage of Medicines	Quarter 3 2023/24	Medicines Management	Medicines Management Staff	Not Yet Due
Local Audits for Service Improvement	Patient Group Directions <ul style="list-style-type: none"> Audit of authorisation process for staff to use PGDs Record keeping regarding the use of PGDs Use of PGDs across the health Board	Quarter 4 2023/24	Medicines Management	Medicines Management Staff	Not Yet Due
Local Audits for Service Improvement	Medical Gases: Storage, Supply and Usage	Quarter 4 2023/24	Medicines Management	Medicines Management Staff	Not Yet Due
Local Audits for Service Improvement	Controlled Drugs: Safe Use and Management baseline audit Tools and resources Controlled drugs: safe use and management Guidance NICE	Quarter 2 2023/24	Medicines Management	Medicines Management Staff	Not Yet Due

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Mental Health and Learning Disabilities					
Mental Health					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Identified risk	Audit of assessments conducted using the Wales Applied Risk Research Network (WARRN) tool	Quarter 2 2023	Mental Health	Mental Health Staff	Not Yet Due
Local Audits for Service Improvement	Audit of Admission Documentation	Quarter 4 2023	Mental Health	Mental Health Staff	Not Yet Due
Local Audits for Service Improvement	Audit of Care and Treatment Plan Documentation	Quarter 4 2023	Mental Health	Mental Health Staff	Not Yet Due
Local Audits for Service Improvement	Mattress audit	Quarter 4 2022	Mental Health	Mental Health Staff	Not Yet Due
Local Audits for Service Improvement	Hand Hygiene Audit	Quarter 3 2023	Mental Health	Mental Health Staff	Not Yet Due
Local Audits for Service Improvement	Hydration and Nutrition Audit	Quarter 3 2023	Mental Health	Mental Health Staff	Not Yet Due
Local Audits for Service Improvement	Audit of referrals to the Complex Trauma Service	Quarter 4 2023	Mental Health	Trainee Clinical Psychologist	Not Yet Due

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Women and Children's Service					
Midwifery					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for service improvement	Audit of Access to DAU Service And Care Against DAU Guideline	Quarter 2 2023	Midwifery	Assistant Head of Midwifery & Sexual Health Services	Not Yet Due
Local Audits for service improvement	Audit against NICE Guidance – Neurodevelopment Service	Quarter 4 2023	Neurodevelopment Service	ND service lead	Not Yet Due
UNICEF BFI	BFI Infant feeding audits	Quarter 4 2023	Midwifery	Infant Feeding Coordinator	Not Yet Due
Local Audits for service improvement	Infection Control Audits (Environmental, Hand Hygiene)	Quarter 4 2022	Midwifery	W&C Risk and Governance Lead	Not Yet Due
Local Audits for service improvement	Audit of Compliance with Pool Evacuation Guideline – a re-audit	Quarter 4 2022	Midwifery	Clinical Supervisor for Midwives	Not Yet Due
Local Audits following change to policy or procedure	Audit of clinical information sharing process in maternity	Quarter 3 2023	Midwifery	Consultant midwife / clinical supervisor for midwives	Not Yet Due

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Local Audits for service improvement	Annual Record Keeping Audit	March 2024	Midwifery	Clinical Supervisor for Midwives	Not Yet Due
School Nursing and Health Visiting					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits for service improvement	Annual Record Keeping Audit	Quarter 4	Health Visiting	Health Visiting Team Leaders	Not Yet Due
Local Audits for service improvement	Annual Record Keeping Audit	Quarter 4	School Nursing	School Nursing Team Leaders	Not Yet Due
Local Audits for service improvement	Chat Health	Quarter 2	School Nursing	School Nursing Team Leaders	Not Yet Due
Local Audits for service improvement	Flu Vaccine Uptake	Quarter 3	School Nursing	School Nursing Team Leaders	Not Yet Due
Local Audits for service improvement	Use of Gastronomy Enplugs Audit	Quarter 3	Children's Community Nurse Team	Children's Community Nurse Team Lead	Not Yet Due
Service wide and specialist audits					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits in response to a Serious	Was Not Brought – Annual Learning	Quarter 4	Whole Service	All W&C Team Leaders	Not Yet Due

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Incident/Identified Risk					
Local Audits for service improvement	Baseline assessment tool for Challenging behaviour and learning disabilities (NICE clinical guideline NG11)	Quarter 3	Paediatric Learning Disabilities	Clinical Behaviour Specialist for Children with Learning Disabilities	Not Yet Due
Paediatric Therapy audits					
Driver	Audit Title	Planned Reporting Date	Service	Lead	Audit Status
Local Audits following change to policy or procedure	Liberty Protection Safeguards	TBC	Children's Therapies Teams	HOS Paediatric, Transition & LD OT & Physio	Not Yet Due
Local Audits following change to policy or procedure	ALN health referrals	TBC	Additional Learning Needs (ALN) team	Senior administrator ALN	Not Yet Due
Local Audits in response to a Serious Incident/Identified Risk	Bone health – identification of risk.	Quarter 3	Children's Therapies Teams	HOS Paediatric, Transition & LD OT & Physio	Not Yet Due

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Local Audits for service improvement	Case Note Audit	Quarter 3	Speech and Language Team	Head of SLT and Clinical Leads	Not Yet Due
Local Audits for service improvement	Caseload Management	Quarter 3	Speech and Language Team	Head of Speech and Language Therapy	Not Yet Due
Local Audits for service improvement	DNA Rates	Quarter 3	Speech and Language Team	Head of Speech and Language Therapy	Not Yet Due
Local Audits in response to a Serious Incident/Identified Risk	Was Not Brought	Quarter 3	Speech and Language Team	Head of Speech and Language Therapy	Not Yet Due

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Audit Driver Key:

	Driver
	Welsh Government National Audit Programme
	Other National Audits
	Audits performed for accreditation schemes
	Local Audits for service improvement
	Local Audits following change to policy or procedure
	Local Audits in response to a Serious Incident/Identified Risk
	Service Evaluation
	Other

Progress Key:

	Progress
	Complete
	On Track
	Indicates audit Rolled Forward from 2021/22 Programme
	Not undertaken due to lack of capacity
	Cancelled as being no longer required

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Audit, Risk and Assurance Committees 2023-24												
Theme	Item Title	Item Required	Duration (mins)	Role of Committee	Reason / Rationale	Onward Journey to Board (Y/N)	Exec Lead	Route to Committee	Oct 10/10/2023	Jan 16/01/2024	March 12/03/2024	Comments
Governance	Minutes of previous meeting	Y		Approval		N	DCG	Chair	✓	✓	✓	
Governance	Declaration of Interests			Compliance			DCG	DCG				
Governance	Action Log			Approval			DCG	DCG	✓	✓	✓	
Governance	Annual Work Programme		15	Recommendation to Board		Y	DCG	Chair / Exec Leads				
Governance	Work Programme (updated through year)		5	Review		N	DCG	DCG	✓	✓	✓	
Governance	Annual Assessment of Committee Effectiveness		25	Review		Y	DCG	DCG/Chair				
Governance	Committee Annual Report		10	Recommendation to Board		Y	DCG	DCG				
Governance	Annual Governance Programme		15	Assurance		N	DCG	Executive Committee	✓		✓	
Governance	Audit Recommendation Tracker		20	Assurance		N	DCG	Executive Committee	✓		✓	
Governance	Audit Recommendation Tracker (Deep Dive)		30	Assurance		N	DCG	Executive Committee		✓		
Governance	WHC Tracker		10	Assurance		N	DCG	Executive Committee	✓		✓	
Governance	Register of Interests		10	Assurance		Y	DCG	Executive Committee		✓		
Governance	Register of Gifts and Hospitality		10	Assurance		N	DCG	Executive Committee	✓	✓		
Governance	Whistleblowing Report		10	Assurance		Y	DWOD	Executive Committee	✓			
Governance	Review of Terms of Reference		10	Recommendation to Board		Y	DCG	DCG		✓		
Governance	Review of Standing Orders		10	Recommendation to Board		Y	DCG	DCG		✓		
Governance	Confirmation Clinical Audit Programme in place			Assurance			MD	DCG				
Annual Accounts	Approach to the Annual Accounts		5	Assurance		Y	DFIT/DCG	DFIT/DCG				✓
Annual Accounts	PTHB Draft Accountability Report and Financial Accounts (Invite D&P Members)		30	Recommendation to Board		Y	DFIT	AO				
Annual Accounts	PTHB Final Accountability Report and Financial Accounts and Letter of Representation		5	Recommendation to Board		Y	DFIT	DFIT/CEO				
Annual Accounts	Charitable Funds - annual accounts and report		10	Recommendation to Board		Y	DFIT/DCG	DFIT/DCG		✓		
Internal Audit	Head of Internal Audit Opinion Draft		10	Assurance		N	DCG	DCG/CEO				
Internal Audit	Head of Internal Audit Opinion Final		5	Recommendation to Board		Y	DCG	DCG				
Internal Audit	Internal Audit Annual Plan		15	Approval		N	DCG	Executive Committee				✓
Internal Audit	Internal Audit Progress Report		10	Assurance		N	DCG	DCG	✓	✓		
Internal Audit	Internal Audit Reports (as required)		10	Assurance		N	DCG	DCG / exec Committee (if limited)	✓	✓	✓	
Internal Audit	Internal Audit Trend Report			Assurance		N	DCG	DCG				
External Audit	Enquiries of Management and Those Charged with Governance			Assurance		N	DFIT/DCG	CEO				
External Audit	External Audit Annual Plan			Approval		N	DFIT/DCG	DFIT/DCG				✓
External Audit	External Audit Progress Report			Assurance		N	DCG	DCG	✓	✓		
External Audit	External Audit Reports (as required)			Assurance		N	Lead	DCG / exec Committee (if escalated)	✓	✓	✓	
External Audit	Structured Assessment			Recommendation to Board		Y	DCG	Executive Committee		✓		
Counter Fraud	Counter Fraud Annual Plan			Approval		N	DFIT	Executive Committee				✓
Counter Fraud	Counter Fraud Update			Assurance		N	DFIT	DFIT	✓	✓		
Counter Fraud	Counter Fraud Reports (as required)			Assurance		N	DFIT	CEO	✓	✓	✓	
Finance and Procurement	Single Tender Waivers Annual Report			Assurance		N	DFIT	Executive Committee				
Finance and Procurement	Single Tender Waivers			Assurance		N	DFIT	DFIT	✓	✓	✓	
Finance and Procurement	Losses and Special Payments Annual Report			Assurance		N	DFIT	CEO				
Finance and Procurement	Losses and Special Payments			Assurance		N	DFIT	DFIT	✓			✓
Finance and Procurement	Post payment Verification Workplan			Assurance		N	DFIT	DFIT				✓
Finance and Procurement	Post payment Verification update			Assurance		N	DFIT	DFIT	✓			
Risk	Review of Risk Management Framework			Assurance		Y	DCG	Executive Committee	✓			
Risk	Review of Risk Management arrangements			Assurance		N	DCG	DCG	✓			
Hosted Bodies	Hosted Body annual report (HCRW)			Assurance		N	DWOD	DWOD				

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