Audit, Risk and Assurance Committee

Tue 14 May 2024, 10:00 - 12:00

Agenda

10:00 - 10:00
0 min

1. PRELIMINARY MATTERS

ARAC_Agenda_14MAY24.pdf (3 pages)

1.1. Welcome and Apologies

1.2. Declarations of Interest

1.3. Minutes from the previous meeting held on 11 March 2024 for approval

Attached *Chair*

ARAC_1.3_Unconfirmed_Minutes_11 March 2024.pdf (15 pages)

1.4. Committee Action Log

Attached *Chair*

ARAC_1.4_ARAC Action Log May 2024.pdf (1 pages)

10:00 - 10:00
0 min

2. ITEMS FOR APPROVAL/RATIFICATIONS/DECISION

2.1. Review of Standing Orders

Attached *Director of Corporate Governance*

ARAC_2.1_Review PTHB Standing Orders.pdf (5 pages)

2.2. Committee Annual Report 2023/24

Attached *Director of Corporate Governance*

ARAC_2.2_Committee Annual Report_2023-24.pdf (13 pages)

2.3. External Audit Plan 2024

Attached *External Audit*

ARAC_2.3_2024-25 NHS Audit Plan Powys THB (2).pdf (20 pages)

10:00 - 10:00
0 min

3. ITEMS FOR ASSURANCE

3.1. PTHB Draft Accountability Report and Financial Accounts

Attached *Deputy Chief Executive/Director of Finance, Information and IT*

ARAC_3.1_06 Pow Health Board 2023-24 Final template v2.pdf (75 pages)
ARAC_3.1b_Draft Accountability Report 2023-24_Cover Paper.pdf (4 pages)
ARAC_3.1c_PTHB Accountability Report 2023-24 draft.pdf (114 pages)

3.2. Head of Internal Audit Opinion Draft

Attached *Head of Internal Audit*

ARAC_3.2_Powys THB Draft HIA Opinion & Annual Report 23-24 Cover.pdf (3 pages)
ARAC_3.2a_Powys THB Draft HIA Opinion and Annual Report 23-24.pdf (32 pages)

3.3. Internal Audit Progress Report 2023/24

Attached *Head of Internal Audit*

ARAC_3.3_Powys ARAC Internal Audit Progress Report May 24 Cover.pdf (3 pages)
ARAC_3.3a_Powys ARAC Internal Audit Progress Report May 24.pdf (13 pages)

3.4. Internal Audit Reports:

Attached *Head of Internal Audit*

3.4.1. Vaccination Programme Final Report (reasonable)

ARAC_3.4a_ IA Vaccination Programme Final Report.pdf (20 pages)

3.4.2. Infection Prevention and Control (reasonable)

ARAC_3.4b_ IA IPC Final Report.pdf (16 pages)

3.4.3. Agency Spend Reduction Group (reasonable)

ARAC_3.4c_ IA Agency Spend Reduction Group Final Report.pdf (13 pages)

3.4.4. Welsh Language Standards (reasonable)

ARAC_3.4d_PTHB2324-16 WLS Follow Up Audit Final Report_.pdf (22 pages)

3.4.5. Decarbonisation (reasonable)

ARAC_3.4e_IA Decarbonisation Final Report.pdf (28 pages)

3.5. External Audit Progress Report

Attached *External Audit*

ARAC_3.5_PTHB Audit Wales ARAC Update May 2024.pdf (12 pages)

3.6. External Audit Reports

Attached *External Audit*

3.6.1. Primary Care

Attached *Deputy Chief Executive/Director of Finance, Information and IT*

ARAC_3.6_Powys THB Primary Care Follow-Up Report - Final.pdf (29 pages)

3.7. Counter Fraud update and Annual Report 2023/24

Attached *Head of Local Counter Fraud*

ARAC_3.7_ Counter Fraud Update cover.pdf (3 pages)
ARAC_3.7a_Counter Fraud Update Report.pdf (3 pages)
ARAC_3.7b_Appendix 1 - PTHB Counter Fraud Annual Report 2023-24.pdf (20 pages)
ARAC_3.7c_Appendix 2 - Counter Fraud Investigations Update.pdf (6 pages)

3.8. Single Tender Waiver Annual Report

Attached *Deputy Chief Executive/Director of Finance, Information and IT*

ARAC_3.8_Application for Single Tender Waiver Annual Report 2019 to 2024.pdf (5 pages)

3.9. Single Tender Waiver (including extension to contracts)

Attached *Deputy Chief Executive/Director of Finance, Information and IT*

ARAC_3.9_Application for Single Tender Waiver May 24.pdf (2 pages)

3.10. Losses and Special Payments Report

Attached *Deputy Chief Executive/Director of Finance, Information and IT*

ARAC_3.10_Losses and Special Payments Annual Report 2023-24.pdf (10 pages)

3.11. Post Payment Verification

Attached *Post Payment Verification Manager*

ARAC_3.11_PPV End of Year Report 2023-2024.pdf (4 pages)
ARAC_3.11a_Powys End of Year 2023-2024.pdf (1 pages)

3.12. Audit Recommendation Tracker

Attached *Director of Corporate Governance/Board Secretary*

ARAC_3.12_Audit Recomendations Cover Paper.pdf (5 pages)
ARAC_3.12a_IA Recs COMPLETED since the previous report.pdf (1 pages)
ARAC_3.12b_IA Recs NOT YET DUE.pdf (2 pages)
ARAC_3.12c_Recs that remain OUTSTANDING.pdf (3 pages)
ARAC_3.12d_EA Recs COMPLETED since previous report.pdf (1 pages)
ARAC_3.12e_EA Recs NOT YET DUE.pdf (1 pages)

3.13. Risk Management update

Attached *Director of Corporate Governance/Board Secretary*

ARAC_3.13_Risk Management.pdf (10 pages)

10:00 - 10:00
0 min

4. ITEMS FOR DISCUSSION

There are no items for discussion

10:00 - 10:00
0 min

5. OTHER MATTERS

5.1. Committee Annual Work programme

Attached *Director of Corporate Governance*

ARAC_5.1_DRAFT ARAC Work Plan 2024-25.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:

9 July 2024

POWYS TEACHING HEALTH BOARD
AUDIT, RISK & ASSURANCE COMMITTEE
TUESDAY 14 MAY 2024
10:00 – 12:00
VIA MICROSOFT TEAMS

GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

AGENDA

Time	Item	Title	Attached /Oral	Presenter
	1	**PRELIMINARY MATTERS**		
10:00	1.1	Welcome and Apologies	Oral	Chair
	1.2	Declarations of Interest	Oral	All
	1.3	Minutes from the Previous Meeting held 11 March 2024	Attached	Chair
	1.4	Audit, Risk & Assurance Committee Action Log	Attached	Chair
	2	**ITEMS FOR APPROVAL/RATIFICATION/DECISION**		
	2.1	Review of Standing Orders	Attached	Director of Corporate Governance
	2.2	Committee Annual Report 2023/24	Attached	Director of Corporate Governance
	2.3	External Audit Plan 2024	Attached	Audit Wales
	3	**ITEMS FOR ASSURANCE**		
	3.1	PTHB Draft Accountability Report and Financial Accounts	Attached	Deputy Chief Executive/Director of Finance, Information and IT
	3.2	Head of Internal Audit Opinion Draft	Attached	Head of Internal Audit
	3.3	Internal Audit Progress Report 2023-24	Attached	Head of Internal Audit
	3.4	Internal Audit Reports a) Vaccination Programme Final Report *(Reasonable)*	Attached	Head of Internal Audit

		b) Infection Prevention and Control *(Reasonable)* c) Agency Spend Reduction Group *(Reasonable)* d) Welsh Language Standards – Follow Up *(Reasonable)* e) Decarbonisation *(Reasonable)*		
	3.5	External Audit Progress Report	Attached	Audit Wales
	3.6	External Audit Reports • Primary Care	Attached	Audit Wales
	3.7	Counter Fraud Update and Annual Report 2023/24	Attached	Head of Local Counter Fraud
	3.8	Single Tender Waivers Annual Report	Attached	Deputy Chief Executive/Director of Finance, Information and IT
	3.9	Single Tender Waiver (including extensions to contracts)	Attached	Deputy Chief Executive/Director of Finance, Information and IT
	3.10	Losses and Special payments	Attached	Deputy Chief Executive/Director of Finance, Information and IT
	3.11	Post payment verification	Attached	Post Payment Verification Manager
	3.12	Audit Recommendation Tracker	Attached	Director of Corporate Governance
	3.13	Risk Management update	Attached	Director of Corporate Governance
	4	**ITEMS FOR DISCUSSION**		
		There are no items for inclusion in this section		
	5	**OTHER MATTERS**		
	5.1	Annual Work Programme	Attached	Director of Corporate Governance
	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: 9 July 2024		

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).

AUDIT, RISK & ASSURANCE COMMITTEE

UNCONFIRMED

MINUTES OF THE MEETING HELD ON TUESDAY 11 MARCH 2024 VIA MICROSOFT TEAMS

Present:

Rhobert Lewis	Independent Member (Chair)
Kirsty Williams	Independent Member
Chris Walsh	Independent Member (Local Authority)

In Attendance:

Steve Elliot	Independent Financial Advisor
Hayley Thomas	Chief Executive Officer
Sarah Pritchard	Head of Financial Services
Helen Bushell	Director of Corporate Governance/Board Secretary
Hywel Pullen	Deputy Director of Finance
Wayne Tannahill	Associate Director of Capital, Estates and Property (for item 3.2)
Anne Beegan	Audit Wales
Mike Jones	Audit Wales
Ian Virgil	Head of Internal Audit
Eifion Jones	Internal Audit
Paul Stocker	Internal Audit
Kirsten Jones	Llais
Matthew Evans	Head of Local Counter Fraud

Committee Support

Elizabeth Patterson	Interim Head of Corporate Governance

Apologies

Carl Cooper	PTHB Chair
Ronnie Alexander	Independent Member
Pete Hopgood	Director of Finance and IT and Interim Deputy Chief Executive
Bethan Hopkins	Audit Wales
Jayne Gibbon	Internal Audit

ARA/23/069	**WELCOME AND APOLOGIES** The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted as recorded above.
ARA/23/070	**DECLARATIONS OF INTEREST** No interests were declared in addition to those already declared in the published register.
ARA/23/071	**MINUTES OF THE MEETINGS HELD 16 JANUARY 2024** The minutes of the meetings held on 16 January 2024 were AGREED as a true and accurate record.
ARA/23/072	**COMMITTEE ACTION LOG** The Committee RECEIVED and NOTED the Action Log.
ARA/23/073	**APPLICATION OF SINGLE TENDER WAIVER** The Head of Financial Services presented the report noting there has been no Single Tender Waiver requests made between 1 January 2024 and 29 February 2024.
ARA/23/074	**INTERNAL AUDIT ANNUAL PLAN 2024-25** The Head of Internal Audit presented the draft plan, detailing the proposed audits to be undertaken in 2024-25, an analysis of the corresponding resources required for delivery of the plan and the Internal Audit Charter which defines the purpose, highlighting: • the plan has been developed in accordance with the requirements of the public sector internal audit standards, using a risk-based approach, taking into account the corporate risks of the organisation. • the plan sets out the sources of information used to gain an understanding of Health Board's objectives and key risks utilised to develop the proposed initial list of audits to be included. • engagement was undertaken with the Health Board's Chief Executive, Director of Corporate Governance and Executive Directors to discuss and refine the list of initial internal audits and undertaken, after which; • further discussions took place with the Chair of this Committee, the Chair and Vice-Chair of the Health Board to ascertain their views and comments on that initial long list of the plan; • the draft plan was then taken to the Executive Committee for review and further comment. This input gave some prioritisation and reduced the number of audits within the plan to a deliverable amount within the available resources for the year;

- Appendix A of the report identifies the names of each of the audit assignments along with the proposed outline scope, the lead Executive and proposed timing for those audits;
    - The plan includes 28 audits, compared to a total of 24 audits at the start of 2023-24.
    - The plan will be kept under constant review as the year progresses; audits will be adjusted if there are changes to risks faced by the Health Board;
    - Section 5 of the report summarises the resource needs for the plan and highlights the additional charge. The Health Board will need to pay an additional £106k above the 'top slice' recharge, an increase of ~£28k from 2023-24 due to the increase in audits;
    - Appendix B of the report confirms the KPIs which will be utilised to measure performance against the plan, which will be reported to each Committee meeting throughout the year.

Committee Members and the Financial Advisor asked the following questions for assurance:

Could you briefly outline how the Executives arrive at these suggestions, the processes, and the influences which decide the individual projects entered in this plan, how you get to that stage?
The Chief Executive Officer advised that consideration has been given to the strategic risks the organisation carries, triangulating this with other data from day-to-day operations and existing escalations. Due to the current financial position, the Health Board is seeking to make substantial savings, making the investment in additional audit activity challenging.

Most audits have been allocated, and it appears that a number fall in quarter 4 which will result in pressure on organisation at an already busy time.

The Director of Corporate advised that whilst the Executive Committee recommend the Internal Audit Plan to the Committee, the Committee may, should they be minded, ask the Executive Committee to work within the existing financial envelope which would result in a reduced Internal Audit Programme.

Given the additional spend, will any of the activities look at efficiency savings?
The Head of Internal Audit noted that the potential for efficiency is considered when developing all scopes of internal audit work. If an insight to how processes could be further developed or improved to provide further efficiency is needed, this will be included in the scope of the audit.

How will the Internal Audit link with external colleagues?

	Internal Audit works closely with Audit Wales and Healthcare Inspectorate Wales (HIW) and the work they undertake within the Health Board. There is the potential for wider links with partners. The Chief Executive Officer confirmed that some audits will be done in partnership, sharing recommendations and findings. There is a new mechanism via the Joint Leadership Team (JLT) which these reports will go through once completed. The Health Board will share findings with key partners as the work is undertaken. The Chief Executive Officer noted the importance of a robust internal audit plan entering the new financial year. If there are any additional requirements such as financial control totals to manage, the plan may need reviewing. The Committee noted the additional investment is challenging for next year in light of current financial restraints. While the committee would be guided and advised by the executive on the number and the subjects covered by audits, there would be an expectation that the cost of audits would be part of the decision-making. It would also be highly desirable to schedule these audits appropriately across the year. **ACTION: Director of Corporate Governance/Head of Internal Audit** The Committee: • APPROVED the Internal Audit plan for 2024/25. • APPROVED the Internal Audit Charter as of March 2024. • NOTED the associated Internal Audit resource requirements and Key Performance Indicators. •
ARA/23/075	**EXTERNAL AUDIT ANNUAL PLAN 2024-25** This item was deferred to the May meeting, this was an administrative error as the annual plan is not due until the next meeting.
ARA/23/076	**COUNTER FRAUD ANNUAL PLAN 2024-25** The Head of Local Counter Fraud presented the Counter Fraud Work Plan 2024/25 to the Committee to seek approval. The formulation of this plan has been impacted by the loss of resource for this financial year; the main area affected is *prevent and deter*, particularly the risk assessments. The new standards have been introduced requiring comprehensive risk assessments to be undertaken aligning with the risk management process in the Health Board.

The work plan for 2024-25 has been devised focusing on risk areas that will leave the Health Board with a 'component 3' amber rating driving towards green ratings by the end of 2024/25.

The work plan from 2023/24 has been largely delivered except for the comprehensive risk assessments element, other areas have been maintained.

Committee Members and the Financial Advisor asked the following questions for assurance:

Given the challenging financial position how likely is it that the Business Case for additional administrative support will be successful?
The Deputy Director of Finance confirmed the Director of Finance, Information and IT is considering the business case, but was unable to comment on whether it is likely to gain his support.
Action: Director of Finance, Information and IT to confirm the outcome of the Business Case for additional administrative support for the Counter Fraud team.

Regarding the resource allocated between the four domains of inform and involve, prevent and deter, hold to account and strategic governance, how does the Health Board compare with other organisations, in resourcing across those areas, and when might the Health Board expect to move from an amber to green assessment?

The Head of Local Counter Fraud advised that the Health Board have a normal split of resource across the four domains. The work plan is dependent on the unknown; referrals may lead to unknown or emerging risks. Although, there is an element of flexibility built into the plan, long term there is a need to move towards proactive working which is the key strategy of counter fraud activity within the NHS.

Whilst there has been a period of resource constraint, people are being held to account, sanctions are being sought and criminal investigations undertaken where criminal activity is apparent. However, the aim is to move to a position where fraud can be prevented.

With the focus on risk there is the potential to be in a position by the end of the year to undertake an assessment to look at what is wanted and what is being done. It is anticipated that by the end of next there will more context around where to allocate resources because of the risk-based approach.

The report mentions a Memorandum of Understanding (MOU) with Dyfed Powys police. If that was progressed, would that come for approval to Board?

	The Director of Corporate Governance noted that this would depend on the context, and how operational or strategic the MoU is as to whether it was brought to Executive Committee or Board. *Is the arrangement of using payslip messaging appropriate now these are shared online? How many people open those electronic documents? Is there any additional cost for using this as a method of delivery?* The Head of Local Counter Fraud advised there is no additional cost for this service, which is provided by Shared Services. It is used because it is free and was traditionally a good way of connecting with employees. Other methods of communicating with employees are being developed including a blog. The Committee: • NOTED the new standards • APPROVED the Counter Fraud Annual Plan 2024-25
ARA/23/077	**APPROACH TO THE ANNUAL ACCOUNTS** The Deputy Director of Finance introduced the letter from the Auditor General for Wales, setting out the Audit for accounts approach for 2023/24. It was disappointing the timetable had not reverted to that followed in previous years as had been expected after the delays experienced last year, however, the gradual return to the original timetable was welcomed. The most important issue was the assurance of a quality audit. Attention was drawn to the increase in fees which it was understood related to elements of inflation. The External Auditor confirmed audit fees are increasing, with the implementation of the new auditing standards, and gave assurance that everything was being done not to pass increases on. Committee Members and Financial Advisor asked the following questions for assurance: *The letter refers to delivering improvements and the potential risks associated from that. What is the likelihood that these risks will materialise pushing the audit date back again?* The External Auditor advised that the timetable was based on a staffing structure which maintained staffing numbers. Some members of staff have left for better paid roles in England and mitigating actions are being taken to slow the number of staff leaving. This has been successful, so there is confidence that the July deadline will be met. *The letter states it is envisaged moving back to an interim audit this year. Can this be confirmed, and if so, what will that mean in terms of the timetable?*

	The External Auditor noted that in terms of timetable, a date cannot be given at this stage. The planning will begin at the end of this month, when the team will look at what needs to be done; they will consider: a) Will an interim audit help the Health Board by taking the pressure off the teams at year end? b) Is it the most efficient way of working in terms of the audit fees? Agreeing the timetable will be a priority and should be confirmed within three to four weeks of commencement of the planning. The Director of Corporate Governance noted the Health Board has received a technical note from Welsh Government advising the Annual General Meeting (AGM) is to be held by the 30 September 2024. Arrangements will be made to meet this requirement. The Head of Financial Services outlined the approach to the accounts highlighting the key dates for the adoption of the Annual Accounts. The date of submission of the draft accounts to the Welsh Government is 3 May 2024, the Accountability Report and Performance overview and Remuneration Report, are to be submitted as a draft to Welsh Government and Audit colleagues on the 10 May 2024. The submission of the audited accounts has been agreed as the 15 July 2024 and there is a requirement the AGM takes place before the 30 September 2024. The Annual Accounts will need to go through the necessary governance processes, and it is proposed that the draft accounts and all of the subsequent returns such as the Accountability report and Performance overview, will be considered by the Audit, Risk and Assurance Committee on the 14 May 2024. An Audit, Risk and Assurance Committee and a Board meeting will need to be scheduled for the adoption of the accounts to meet the 15 July 2024 submission deadline. Attention was drawn to the key areas where significant estimation or judgements are required, in terms of capital and it is the second year for adoption of IFRS 16 which will impact on the figures in terms of new leases taken out. These will be adopted through the accounts in the upcoming statements. Due to the delay in claims and subsequent payments to contractors there is an estimate of judgement in terms of primary care accruals. Also, there are significant estimates for continuing health care, plus clinical negligence. The employer's pension contribution for NHS Staff is 20.68% of staff salary of which the health board pays 14.38% directly to the pensions agency. The remaining 6.3% contribution is paid direct to the pensions agency by Welsh Government and for annual accounts purposes a notional adjustment is entered into the accounts to account for 6.3% to ensure the

full pension contributions made relating to staff are shown within the THB accounts on an annual basis.

The NHS ministerial announcement around pensions for clinical colleagues, will feature within the accounts.

Clinical negligence, redress and GP indemnity figures are small in terms of numbers of cases and value, along with ex-Health Authority residual cases. This matters are funded by the Welsh Risk Pool.

No provisions are expected to be made in respect of annual leave, as the Health Board has made the decision to go back to the pre-COVID policy of carry forward of annual leave being by exception.

It is envisaged that the audit will be carried out remotely as previously with no disadvantages anticipated with that approach.

The former Community Health Council hosted body has been transferred to Llais on 1 April 2023. Disclosure notes will be included within the accounts to reflect the transfer.

Committee Members and the Financial Advisor asked the following questions for assurance:

Audit Wales identified some issues in the audit of the accounts for 2022/23, for assurance have those been addressed or are being addressed for the 2023/24 Audit?
The Head of Financial Services advised a workshop was held October 2023 between the finance team and Audit Wales colleagues looking at those issues raised, how the arose and discussed some examples to aid learning for the wider Finance team.

Are there any risks to delivery of the accounts in the way it is set out?
The Head of Financial Services advised that whilst the team was small, and deadlines were tight, no issues in meeting the audit timetable were foreseen.

Dates need to be agreed to sign off the Annual Accounts.
ACTION: Director of Corporate Governance

The Committee:

- NOTED the content of this report
- NOTED and took ASSURANCE from the planned approach to accounting areas including use of estimates where needed as outlined within the paper including:

	○ The key dates and milestones for the submission of the Annual Accounts for 2023/24; ○ the arrangements in place for the review and adoption of the Annual Accounts; • NOTED the approach for accounting for capital issues • NOTED the approach for accounting for primary care accruals • NOTED the approach for accounting for retrospective continuing health care claims • NOTED the anticipated movements in other key provisions • NOTED the impact of other matters.
ARA/23/078	**INTERNAL AUDIT REPORTS** The Head of Internal Audit presented the progress report and drew attention to the following areas: • 11 of the 21 audits planned for 2023/24 have been finalised; • 10 audits remain outstanding, these will feed into the Annual Head of Internal Audit Opinion. Four of these are at draft report stage and will be issued imminently; and • One audit (on Additional Learning Needs legislation) is recommended for deferring from the 2023/24 plan to the 2024/25 plan. This has been agreed with the Director of Therapies and Health Sciences. The following five audits that have been finalised since the last meeting: a) Primary Care Dental Services – Management and Monitoring of GDS Contracts – final report (*Substantial Assurance)* The Head of Internal Audit presented the report which reviewed the controls and processes in place for the management and monitoring of the GDS contract. The report confirmed substantial assurance with one medium and one low priority matters arising. The Vice Chair noted it is good there is a system in place to monitor the contract, but access to general dental services remain a challenge. b) Board and Committee Structure/Effectiveness – final report (*Substantial Assurance*) The Head of Internal Audit presented the report which evaluated the Health Board's Board and Committee structure and assessed their operation to ensure effective and efficient reporting, scrutiny and decision making on areas of accountability.

The report confirmed substantial assurance with one low priority recommendation made.

c) IT Infrastructure and Asset Management – follow up (*Reasonable Assurance*)

The Head of Internal Audit presented the report and advised the original IT Infrastructure and Asset Management Audit was completed in September 2022 with a limited assurance rating and requiring a follow up audit to establish the level of progress being made towards implementing the agreed management actions. Good progress was made implementing the seven recommendations from the original audit, with two being fully completed and closed off; additional/updated recommendations have been agreed on the other five areas and actions have been implemented to ensure completion and close off. This has given a reasonable assurance in the follow-up Audit.

Will this be monitored in the Delivery and Performance Committee?
The Director of Corporate Governance confirmed monitoring of implementation of the recommendations would be taken to the Delivery and Performance Committee.
The Chief Executive noted that some of the recommendations would be costly to address and the Executive Committee would specifically consider this at the appropriate time.
ACTION: Chief Executive

d) Cyber Security Follow Up (*Reasonable Assurance)*

The Head of Internal Audit presented the report advising that the previous Cyber Security Audit, which was finalised in March 2023, gave limited assurance, highlighting three key matters to be taken forward. Two have been completed and one is ongoing - the requirement to record assets across the Health Board. This has demonstrated a level of progress and moved the assurance rating from limited to reasonable.

e) Estates Condition – final report (*Limited Assurance*)

The Internal Auditor presented the report advising a review has been undertaken across a number of NHS Wales organisations, to determine the scale of the challenge and risk facing Health Boards and trusts. There are several common themes across the NHS organisations which were audited including risk management, advocacy and information, data quality and funding pressures.

The next steps are to produce an all-Wales summary report highlighting key findings, common themes and best practice. A joint approach with Welsh Government and Shared Services may be part of the recommendations within the report. Welsh Government has issued a letter, around targeting capital funding and how to prepare bids for backlog maintenance issues.

In 2021-22 the Health Board had a confirmed backlog of maintenance totalling £52m. The Audit evaluated the arrangements in place to identify and manage the key risks associated with the existing estate and the implementation of strategies to manage and mitigate the risk.

The Health Board's current estates baseline data was developed from 6 facet surveys undertaken in 2017-2018. Further surveys were undertaken in 2023-24, which will be supplemented by statutory compliance surveys and will inform future submissions. The Health Board has successfully utilised the All-Wales discretionary funding to address short and medium term reactive and planned maintenance requirements. Arrangements are also in place to progress the high priority areas of the estate, although there are limited resources to address the wider backlog issues. A limited assurance rating has been determined as the identified estate risks cannot be managed within the existing funding. Six key matters arising have been outlined of which one is medium priority and five are high priority.

The Associate Director of Capital, Estates and Property confirmed the formulation and final drafting of the Estate strategy will coalesce several of the issues identified and will determine a way forward. The existing Estate is managed on a risk-based approach. Welsh Government have introduced a prioritisation process for capital investment bids which this will be beneficial for the North Powys Wellbeing Campus and Llandrindod Phase Two projects which will be assessed by a new Welsh Government panel. Potentially this will address the concerns around the continuation of major capital investment in the Powys estate.

The Chief Executive stated that this is an organisational risk, which relates to a lack of discretionary capital resource where the Health Board is reliant on Welsh Government to access additional capital funding. Information is being provided to Welsh Government for the All-Wales Capital prioritisation programme and good progress has been made, but the scale of the investment for a sustainable model of care for Powys is very substantial.

The Committee commended the Estate's team for their pro-active approach to accessing funds and extended thanks to them and the Auditors for the work they had done in preparing this comprehensive report.

The Committee:

- NOTED the Internal Audit Progress Report, including the findings and conclusions from the finalised audit reports
- APPROVED the proposed adjustment to the 2023/24 plan.

ARA/23/079	**EXTERNAL AUDIT REPORTS** The External Auditor provided an update on the Audit Committee report and drew attention to the following areas • Unscheduled Care – there are two parts to this piece of work: *Regional* • patient flow and discharge – this report will be available by end of March 2024. The recommendation is for all Health Boards and Local Authorities to take this report through their Leadership Teams; and • Managing demand into the system – a project brief will be issued imminently *Local* • The primary care report is with the Health Board for clearance; • The planned work in digital was replaced with work on financial efficiencies, with the report planned for issue in April 2024; and • A refund is to be given for the local work (digital) not undertaken in the 2023 plan. • Structured Assessment – significant progress has been made since the previous year's report. The financial challenges have been reflected in this report, and key themes from this assessment will be shared with the All-Wales Directors of Corporate Governance network. • Workforce Planning – there are a number of recommendations, although the work already undertaken within the Health Board is positive. There are challenges in terms of agency staff and recruitment, and one recommendation to is monitor the impact and differences being made. An All-Wales summary of the workforce view is being developed. The Deputy Director of Workforce and OD welcomed the external perspective and noted that the Health Board understood the impact areas and are trying to align the narrative update provided to Workforce and Culture Committee with the Workforce Performance Reports. The Chief Executive noted the importance of measuring retention and the difficulties of finding similar organisations to benchmark with, given the Health Board is without a District General Hospital. • External Audit Annual Report 2023/24 – summarises the work delivered over the past 12 months. The contents have previously been considered across the Committees.

	Committee Members and Financial Advisor asked the following questions for assurance: *The Structured Assessment refers to the risk associated with the use of spreadsheets being used to record incidents, and these should be recorded on Datix. Spreadsheets can be of use, and has that been taken into account when making this recommendation?* The Director of Corporate Governance acknowledged Datix was not the most user-friendly system and noted the Health Board in common with other NHS Wales organisations is moving from spreadsheets to Datix for recording risks. It is known that user error is more common when using spreadsheets and Datix has the advantage of being able to produce reports. There is ongoing national work looking at standardising and developing Datix to give more sophisticated reporting tool. *Will the Workforce Planning audit go to the Workforce and Culture Committee for detailed action and consideration?* The Director of Corporate Governance confirmed this would be shared with the Workforce and Culture Committee. The Committee: • NOTED the Structured Assessment; • NOTED the Workforce Planning Report; and • NOTED the External Audit Annual Report, including the findings and conclusions from the finalised reports.
ARA/23/080	**AUDIT RECOMMENDATION TRACKING** The Director of Corporate Governance presented the report 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 as of 31 January 2024. Attention was drawn to: • 54 internal audits recommendations outstanding – 29% in high category area; • 60 internal audit recommendations completed since the previous meeting; • Continuing to ensure responses are appropriate, timely and realistic • Four external audits outstanding; and • No outstanding counter fraud actions. The Committee: • CONSIDERED the current position of outstanding Audit Recommendations and;

	• took ASSURANCE that the organisation has an appropriate system for tracking and responding to audit recommendations.
ARA/23/081	**WELSH HEALTH CIRCULAR TRACKER** The Director of Corporate Governance presented the item which provided the Committee with an overview of the current position relating to the implementation of Welsh Health Circulars (WHCs) and Ministerial Directions (MD). As there are no outstanding WHC's pre 2022-23, it was proposed that these are no longer reported on. This report was produced in late February and the position has since changed. Some of the overdue actions have since been completed. The Committee: • RECEIVED the report; • Took ASSURANCE the organisation has a system in place to receive, monitor and implement Welsh Health Circulars and Ministerial Directions; and • APPROVED to discontinue reporting on completed older actions.
ARA/23/082	**BOARD ASSURANCE FRAMEWORK** The Director of Corporate Governance gave a presentation on Board Assurance Framework (BAF), outlining the • purpose of the BAF; • components of the BAF; • update on the progress made against the structured assessment; • development/review of the Corporate Risk Register; • what does the BAF look like; • areas to consider; and • next steps The Committee: • NOTED the contents of the presentation.
ARA/23/083	**ANNUAL ASSESSMENTOF COMMITTEE EFFECTIVENESS** The Director of Corporate Governance gave a presentation providing an overview of Committee Effectiveness survey results. The survey was divided in five components and the feedback was positive. An action plan will be developed, some areas will be specific to this Committee other areas will be across the various Committees. This will be reported to Board and the Chair's Forum for consideration.

	It was agreed that, given the culture of being a learning organisation, the reflections on the learning and the results of the staff survey to use a Board Development session to triangulate this information and move forward on some aspects.
ARA/23/084	**REVIEW OF TERMS OF REFERENCE** The Director of Corporate Governance presented the report which provided the Committee an opportunity to consider the Terms of Reference of the Audit, Risk and Assurance Committee in order to ensure that they remain fit for purpose. The current Terms of Reference have been in place since 2021 and require minor updates. The Director of Corporate Governance welcomed reflections on the existing Terms of Reference to take forward to Board, so there is collective view of each Committee's Terms of Reference and responsibilities. The Committee: • AGREED that the Chair of the Committee and Director of Corporate Governance finalise any recommendations to the Board.
ARA/23/085	**COMMITTEE WORK PROGRAMME** The Committee RECEIVED and NOTED the Committee Work Programme.
ARA/23/086	**ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES** There were no matters to be brought to the attention of the Board or other committees.
ARA/23/087	**ANY OTHER URGENT BUSINESS** No other urgent business was declared.
ARA/23/088	**DATE OF NEXT MEETING** 14 May 2024 at 10:00, Microsoft Teams

Audit and Risk Assurance Committee

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

Meeting Date	Item Reference	Lead	Meeting Item Title	Details of Action	Update on Progress	Original target date	Revised Target Date	RAG status
Audit and Risk Assurance Committee								
OPEN ACTIONS FOR REVIEW - NONE								
10-Oct-23	ARA/23/041a	Director of Finance, Information and IT	Internal Audit Reports	Response requested to 'Why does it take 2-3 months to ensure payment is only made for sessions provided (Internal Audit on SLAs). Response to be brought to January 2024 meeting	**16.01.24 update in the meeting:** DFIT to obtain a response from the Commissioning Team **11.03.24 update** - verbal update will be provided during the meeting **16.05.24 update** - update will be provided during the meeting	Jan-24	11.03.24	At risk
11-Mar-24	ARA/23/076	Director of Finance, Information and IT	Counter Fraud Annual Plan 2024-25	Will the Business Case to provide additional administrative support for Counter Fraud be supported?	**16.05.2024 update:** Update will be provided once business case considered.			On track
OPEN ACTIONS - IN PROGRESS BUT NOT YET DUE								
ACTIONS RECOMMENDED FOR CLOSURE (MEETING 16 May 2024)								
11-Mar-24	ARA/23/077	Director of Corporate Governance	Approach to the Annual Accounts	Dates to be agreed to sign off the Annual Accounts	**16.05.2024 update:** the Final Accounts will be routed through ARAC on 9 July 2024 and Board on 11 July 2024			Completed
11-Mar-24	ARA/23/074	Director of Corporate Governance	Internal Audit Annual Plan	Director of Corporate Governance and Head of Internal Audit meet to discuss schedule on Internal Audits through the year	**16.05.2024 update:** Monthly meetings remain in place, focus on schedule will be held in June once 2023/24 programme complete. Action recommended t be closed on that basis.	Jun-24		Completed
11-Mar-24	ARA/23/077	Director of Corporate Governance	Approach to the Annual Accounts	Dates to be agreed to sign off the Annual Accounts	**16.05.2024 update:** the Final Accounts will be routed through ARAC on 9 July 2024 and Board on 11 July 2024			Completed
11-Mar-24	ARA/23/078	Chief Executive	Internal Audit Reports	Some actions to address recommendations in Interal Audit on IT Infrastructure and Asset Management would be costly to implement. Executive Committee to consider at appropriate time	**16.05.2024 update:** discussion scheduled into Executive Committee in June 2024. Action recommended t be closed on that basis.			Completed

GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 2.1

AUDIT & RISK ASSURANCE COMMITTEE	**14 May 2024**
Subject:	**Review of the PTHB Standing Orders**
Approved and presented by:	Helen Bushell, Director of Corporate Governance
Prepared by:	Helen Bushell, Director of Corporate Governance
Other Committees and meetings considered at:	N/A

PURPOSE:

The paper provides a series of recommendations to the Committee to consider following a review of the Standing Orders. The role to review the Standing orders forms part of the Committee's responsibilities as per its terms of reference.

RECOMMENDATION(S):

The Audit & Risk Assurance Committee is asked to:

- **DISCUSS** the paper and if content, **RECOMMEND** the changes to the Standing Orders to the PTHB Board for its meeting on the 22 May 2024.

Approve/Take Assurance	Discuss	Note
Y	Y	N

ALIGNMENT WITH THE HEALTH BOARD'S WELLBEING OBJECTIVES:		
1. Focus on Wellbeing	N	The standing orders are a fundamental part of the organisations governance strucutre and are issued, under direction by Welsh Ministers. The Model Standing Orders are planned to be reviewed by Welsh Government ion 2024.
2. Provide Early Help and Support	N	
3. Tackle the Big Four	N	
4. Enable Joined up Care	N	
5. Develop Workforce Futures	N	
6. Promote Innovative Environments	N	
7. Put Digital First	N	
8. Transforming in Partnership	Y	

EXECUTIVE SUMMARY:

The Model Standing Orders are issued by Welsh Ministers to Local Health Boards using powers of direction provided in section 12 (3) of the National Health Service (Wales) Act 2006. Local Health Boards (LHBs) in Wales must agree Standing Orders (SOs) for the regulation of their proceedings and business.

When agreeing SOs, LHBs must ensure they are made in accordance with directions as may be issued by Welsh Ministers. These SOs are designed to translate the statutory requirements set out in the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779 (W.67)) into day to day operating practice, and, together with the adoption of a Scheme of decisions reserved to the Board; a Scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the LHB.

The Standing Orders of the organisation were last amended in May 2023 when a revised scheme of delegation was agreed by the Board, specifically in relation to the roles of Executive Directors. The current Standing Orders are available using the link here - Microsoft Word - B. Board Approved July21 amended May23 LHB Model SOs Reservation and Delegation of Powers (nhs.wales)

Section 3.2 of the Committees terms of reference required the Committee to undertake 'an annual review of the Board's Standing Orders and Standing Financial Instructions, monitoring compliance and reporting any proposed changes to the Board for consideration and approval'.

A light touch review has been undertaken of the PTHB Standing Orders to ensure relevance and compliance, in the knowledge Welsh Government are undertaking a deeper review of the Model Standing orders during 2024. This report therefore sets out a series of recommendations for changes to the Standing Orders for consideration art the May Board 2024 meeting.

The report does not make any recommendations about the Standing Financial Instructions – a review of these will be carried out during 2024/25, again in the context of a review by Welsh Government, and a paper is expected to be presented to this Committee later in 2024/25.

REVIEW AND CHANGES

Following internal review and taking into account relevant Ministerial Directions and Welsh Health Circulars, the following changes are recommended to the Standing Orders:

Section	Description	Overview of change / recommendation
3.2	Joint Committees	To be updated to reflect the newly created Joint Commissioning Committee and the disbanding of the former WHSSC and EASC. The Board has already approved a Chair's Action to accept the changes to the Standing Orders under Ministerial Direction (March 2024)
5 / 5.6 And Schedule 5	Advisory Groups / Stakeholder Reference Group (SRG)	The Board has confirmed a decision not to operate an SRG in its response to the Structured Assessment in 2023. Schedule 5 will also be updated to reflect this change.
6.1	Community Health Councils	CHCs have transferred into the new Citizens Voice Body (Llais) from 1 April 2023 – this will be reflected in the revised document as per the Ministerial Direction.
7.4	Preparing for Meetings (7.4.3 - Board and Committee paper release)	Working practice in PTHB is to release Board / Committee papers 7 calendar days in advance, not 10 calendar days as the Standing Orders state. 7 days is line with most NHS organisations and in reality reflects the modern electronic nature of working along with the provision of timely information. 7 days are recommended to be reflected in the PTHB Standing Orders.
Schedule 1	Scheme of delegation	Following recent executive portfolio changes agreed at the Remuneration and Terms of Service Committee, the Board Scheme of Delegation requires updating. This will be presented in full to the Board on the 22 May 2024. Schedule 1 will need to be updated to reflect the updated scheme of delegation.

The Standing orders will also be cross checked for relevant administrative changes, for example some sections out side section 6.1 refer to the Community Health Councils (CHCs).

NEXT STEPS:
Following Committee consideration, the recommendations will be taken forward to the Board meeting on the 22 May 2024 requesting approval of any changes to the Standing Orders. Any changes will be implemented following Board decision and made available on the website.

IMPACT ASSESSMENT

This section must be completed for all strategic organisational decisions including approval of health board policies.

QUALITY:

	No impact	Negative	Positive	Both	
Safe					A Quality Impact Assessment must be undertaken for all reports requesting approval, ratification or decision in line with health board Duty of Quality processes (under development). In this space you should provide supporting narrative to explain the potential adverse and positive impacts that may arise from a decision being taken, and the steps being taken to mitigate adverse impacts. Where required, the full Quality Impact Assessment should be available as a supporting document to inform the decision making process.
Timely					
Effective					
Efficient					
Equitable					
Person Centred					
Workforce					
Leadership					
Culture					
Information					
Learn, Improve, Research					
Whole Systems Approach					

EQUALITY:

	No impact	Negative	Positive	Both	
Age					An Equality Impact Assessment must be undertaken for all reports requesting approval, ratification or decision in line with health board Equality Impact Assessment policies and procedures (CGP009). In this space you should provide supporting narrative to explain the potential adverse and positive impacts that may arise from a decision being taken, and the steps being taken to mitigate adverse impacts. Where required, the full Equality Impact Assessment should be available as a supporting document to inform the decision making process.
Disability					
Gender reassignment					
Marriage / civil partnership					
Pregnancy / maternity					
Race					
Religion or Belief					
Gender					
Sexual Orientation					
Welsh Language					
Socio-economic status					
Social exclusion					
Carers					

RISK ASSESSMENT:

	Level of risk identified				
	Very Low (0-3)	Low (4-8)	Moderate (9-12)	High (15-25)	
Clinical					A Risk Assessment should be undertaken for all reports requesting approval, ratification or decision in line with health board Risk Management Framework CGP005. In this space you should briefly describe the key risks and the steps being taken to manage them, and also how these risks relate to the Board's stated Risk Appetite.
Financial					
Corporate					
Operational					
Reputational					

Agenda item 2.2

AUDIT, RISK AND ASSURANCE COMMITTEE	Date of Meeting: 14 May 2024
Subject:	**AUDIT, RISK AND ASSURANCE COMMITTEE ANNUAL REPORT TO THE BOARD**
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:	N/A

PURPOSE:

The purpose of this report is to provide the Audit, Risk and Assurance Committee Annual Report for 2023/24.

RECOMMENDATION(S):

It is recommended that the Audit, Risk and Assurance Committee:

- **CONSIDER** the Audit and Risk Assurance Committee Annual Report for 2023/24 summarising the key areas of business activity undertaken;
- Take **ASSURANCE** that the Audit and Risk Assurance Committee is fit for purpose and operating effectively in fulfilling its terms of reference;
- **RECOMMEND** the report to the Board for the 22 May 2024 meeting.

Approval/Ratification/Decision	Discussion	Information
x		

Contents

1. Introduction

The Audit, Risk and Assurance Committee has been established by the Board in order to enable the scrutiny and review of matters related to audit, financial accounting, assurance and risk management, to a level of depth and detail not possible in Board meetings.

This report summarises the key areas of business activity undertaken by the Audit and Risk Assurance Committee ('the Committee') over the past year and highlights some of the key issues which the Committee intend to give further consideration to over the next 12 months.

2. Roles and Responsibilities

The Terms of Reference for the Audit and Risk Assurance Committee were reviewed and agreed by the Board in September 2021. The purpose of the Audit and Risk Assurance Committee ("the Committee") is to:

- independently monitor, review and report to the Board on the processes of governance, risk management and internal control in accordance with the standards of good governance determined for the NHS in Wales;

- advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further;

- Maintain an appropriate financial focus demonstrated through robust financial reporting and maintenance of sound systems of internal control; and

- Work with the other committees of the Board to provide assurance that governance and risk managements arrangements are adequate and part of an embedded Board Assurance Framework that is 'fit for purpose'.

The Committee is responsible for providing advice to the Board and Accountable Officer on:

- the design, operation and effectiveness of strategic processes for risk management, internal control and corporate governance across the whole of the organisations activities;

- the Annual Accountability Report, which includes the Annual Governance Statement;

- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;

- the planned activity and results of internal and external audit;

- adequacy of management response to issues identified by audit activity, including external audit's management letter;

- assurances relating to the management of risk and corporate governance requirements for the organisation;

- systems for financial reporting to the Board (including those of budgetary control);

- proposals for tendering for the purchase of audit and non-audit services from contractors who provide audit services; and

- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

It is expected that the Committee will also periodically review its own effectiveness and report the results of that review to the Board.

2.1 Membership of the Committee

The membership of the Committee during 2023/24 was:

Name	Role	Attendance
Mark Taylor	Independent Members (Finance) and Committee Chair (April 2023 – 23 October 2023)	1/3 *(due to ill health)*
Rhobert Lewis	Independent Member (General) and Committee Chair (from 24 October 2023 although covered from July)	4/5
Tony Thomas	Independent Member (Finance) to 30.05.2023	0/1

Ronnie Alexander	Independent Member (General)	1/5
Chris Walsh	Independent Member (Local Authority) from July 2023	3/4
Kirsty Williams*	Independent Member and Vice Chair of the Board	4/4
Simon Wright*	Independent Member (University)	1/1

*Kirsty Williams attended ARAC 21 July 2023, 10 October 2023, 16 January 2024 and 11 March 2024 to enable a quorum.

*Simon Wright attended ARAC on 10 October 2024 to enable a quorum.

2.2 Others in Attendance

During 2023/24, the following staff attended the Committee:

Name	Role	Attendance
Pete Hopgood	Director of Finance, Information and IT (Joint Executive Lead)	4/5
Helen Bushell	Director of Corporate Governance / Board Secretary (Joint Executive Lead)	5/5
Steve Elliot	Independent Financial Advisor (from 22 September 2023)	3/3

Other Directors and officers attended during the year to present reports which related to their areas of responsibility as required.

The Chief Executive, Hayley Thomas, was also invited to attend every meeting, and attends at least annually, to discuss with the Committee the process for assurance that supports the Annual Governance Statement. The Chief Executive attended four meetings during the year.

The Chair of the Board, Carl Cooper, attended one meeting. The Chair has a standing invitation to attend Board Committees.

Representatives of the Audit Wales, and the Internal Audit Service and Counter Fraud also attended each meeting.

Representatives of the Counter Fraud Service attended Committee meetings in May 2023, October 2023, January 2024 and March 2024 to present their reports.

The Director of Corporate Governance or their representatives attended every meeting.

2.3 Meeting frequency

During 2023/24 the Committee met five times and was quorate on all occasions inviting the Vice Chair to ensure quoracy on three occasions, and the Independent Member (University) on one occasion.

The terms of reference for the Committee require meetings to be held no less than quarterly and otherwise, as the Chair of the Committee deems necessary, consistent with the annual plan of Board and Committee Business.

One of the five total meetings is held on an annual basis to receive and Recommend, for Board approval, the Accountability Report and Annual Financial Statements and Accounts.

3. Activity in 2022/23

3.1 Main Areas of Committee Activity 2023/24

Internal Audit	
Internal Audit Reports	Presentation of all Internal Audit Reports, see item 3.2 for more details.
Progress Reports	Internal Audit provided the Committee with regular progress reports against the Internal Audit Plan and monitored progress against recommendations.
Head of Internal Audit Opinion 2022/23	For assurance of the overall assessment and Opinion from the Head of Internal Audit for the 2022/23 year.
Internal Audit Plan 2024-25	Internal Audit presented the Draft Internal Audit Plan for 2024/25 for review and approval.
Internal Audit Themes and Reflections	Internal Audit presented the Audit Themes and Reflections for consideration.
External Audit	
Progress Reports	Audit Wales provided the Committee with regular progress reports on any external audits and monitored progress against recommendations.
External Audit Reports	Presentation of External Audit Reports, both local and national.
Structured Assessment 2022-23 and 2023-24	Regular updates reports were provided which reported progress against the development of the Structured Assessment 2022-23 and 2023-24
ISA260 Audit Report	
Counter Fraud	
Counter Fraud Annual Report 2022-23	Annual Report outlining counter fraud activity in 2022/23 for assurance.

Counter Fraud Work Plan 2023-24	Head of Local Counter Fraud presented the Counter Fraud Plan 2023/24 for approval.
Counter Fraud Updates	Regular updates reporting progress against the key areas of work undertaken by the Local Counter Fraud Specialists during 2023/24 were provided for assurance.
Counter Fraud Annual Plan 2024-25	Head of Local Counter Fraud presented the Counter Fraud Plan 2024-25 for approval
Corporate Governance	
Audit Recommendation Tracking	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 was provided to each meeting of the Committee for discussion, except for 21 July 2023 and 10 October 2023 and to provide assurance that the organisation has an appropriate system for tracking and responding to audit recommendations.
Welsh Health Circular Tracking	An overview of the position relating to the implementation of Welsh Health Circulars (WHCs) and Ministerial Directions was provided on a quarterly basis for discussion and to provide assurance that the organisation has an appropriate system for tracking and responding to WHCs and Ministerial Directions.
Board Assurance Framework	For observations or comments to aid the development.
Annual Assessments of Committee Effectiveness	For discussion within the Committee to support the identification of what works well, learning and actions for improvement.
Committee Annual Report 2022/23	Committee Annual Report 2022/23 for submission to Board.
Review of Terms of Reference	To consider the Terms of Reference and to ensure that they remain fit for purpose.
Register of Interests	Register of Interests for Board and Executive Members for discussion and to provide assurance that organisational policy is being implemented.

Register of Gifts and Hospitality	An overview of the latest position Register of Gifts and Hospitality for Board members and employees and to provide assurance that the organisation has an appropriate process to support the collection, management and reporting of declarations of gifts, in line with the Standards of Behaviour Policy.
Committee Work Programme 2023-24	For comment noting it will evolve throughout the year in response to changing needs.
Confirmation of Clinical Audit Programme 2023/24	Presented to the Committee with confirmation that the Health Board has in place a Clinical Audit Programme 2023/24 which had been examined at the Patient Experience, Quality and Safety Committee.
Finance and procurement	
Application of Single Tender Waivers	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 for ratification.
Losses and Special Payments Interim Report 2023-24	The interim report of Losses and Special Payments for the period 01 April 2023 to 31 August 2023 for assurance.
Post Payment Verification Update and Workplan 2023-24	Update on progress and forward work plan to provide assurance Post Payment Verification cycle is being managed appropriately.
Annual Reporting	
Annual Report and Accounts 2022-23, including Letter of Representation	Draft Financial Statements and Accountability Report 2022/23 Final Draft of the Annual Report and Accounts 2022-23 for consideration prior to being submitted for formal approval at PTHB Board.
Approach to the Annual Accounts 2023-24	Outline of the approach and principles to be adopted for completion of the 2023/24 Annual Accounts together with the planned approach to key financial areas.

Risk Management	
Risk Management Arrangements	To provide the Committee with the foundation and organisational arrangements for supporting risk management processes in Powys Teaching Health Board

3.2 Internal Audit

Summary audits completed 2023/24:

Substantial Assurance	Reasonable Assurance
• Performance Management and Reporting (2022/23) • Business Continuity Planning • Board & Committee Structure / Effectiveness • Primary Care Dental Services – Management and Monitoring of GDS Contract	• Temporary Staffing Department Unit • Risk Management and Board Assurance Framework (2022/23) • Occupational Health Service Follow Up (2022/23) • Savings and Efficiency Framework (2022/23) • Internal Audit Recommendation Tracking Process (2022/23) • SLA's for In-reach Medical Staff • Clinical Audit • Clinical Education - HCSW Induction Programme • Health & Safety Arrangements • Incident Management • IT Infrastructure and Asset Management Follow-up • Follow up: Cyber Security
Limited Assurance	**Advisory & non-opinion**
• Information Governance • Estates Condition	N/A
No Assurance	**Assurance yet to be determined**
N/A	• Continuing Health Care • Agency Spend Reduction Project • Welsh Language Standards Follow-up • Vaccination Programme • End of Life Care Services • Integrated Performance Framework • Risk Management and Assurance • Patient Experience • Decarbonisation

3.3 Work programme and action log

The Committee Work Plan ensures that the Committee discharges its responsibilities in a planned manner. It assists with agenda planning and is updated during the year to ensure that the Committee considers any additional items which may arise during the year.

In order to monitor progress and any necessary follow up action, the Committee has an Action Log that captures all agreed actions. This provides an essential element of assurance to the Committee and from the Committee to the Board.

The Committee reported to the Board through a Committee Chair's report, providing an overview of items considered by the Committee and highlighting any cross-committee issues / themes or items needing to be brought to the Board's attention. The Committee Chair's report and confirmed minutes are published on the website.

4. Assurance to the Board

The Committee wishes to assure the Board that on the basis of the work completed by the Committee during 2023/24, there are effective measures in place and there are no outstanding issues that the Committee wishes to bring to the attention of the Board over and above the risks and issues already raised in the Committee Chairs report or that are already visible in the corporate risk register. The Chair of the Committee reports into the Board via a report from Committee Chairs, where any significant issues are brought to the attention of the Board.

5. Committee Effectiveness

During the year the Committee has continued to review and revise its ways of working to optimise the need for a robust governance approach and balance the need reduce pressure on staff during this time.

The Committee continued to review its effectiveness thorough the year, to ensure effective use of time and ensure it fulfilled its role to provide assurance to the Board.

The key adaptations made this year included:

- The construct of the Committee meeting agendas remained flexible, and the application of a risk based approach to the selection of agenda items.

- The use of verbal updates and presentations where appropriate to ensure the timeliness of information to the Committee given the fast moving pace of some agenda areas.
- The circulation of relevant material outside meetings where appropriate.
- Review of how internal audit reports are summarised to the Committee, celebrating success but focussing more time on Limited and No Assurance reports.
- A clear, focussed work programme.

The Committee is in the process of undertaking its annual effectiveness review process. The outcome and recommendations following this review will be reported to the Board in Quarter 1 of 2024/25.

6. Planned Activity in 2024/25

The Committee has developed its annual work programme and is committed to continuing to develop its function and effectiveness as per its terms of reference. The Committee welcomes any feedback from the Board in relation to its annual work programme.

Archwilio Cymru
Audit Wales

Powys Teaching Health Board – Audit Plan 2024

Audit year: 2023-24

Date issued: May 2024

Document reference: 4203A2024

This document is a draft version pending further discussions with the audited and inspected body. Information may not yet have been fully verified and should not be widely distributed.

This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our Statement of Responsibilities.

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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.

About Audit Wales

Our aims and ambitions

Assure

the people of Wales that public money is well managed

Explain

how public money is being used to meet people's needs

Inspire

and empower the Welsh public sector to improve

Fully exploit our unique perspective, expertise and depth of insight

Strengthen our position as an authoritative, trusted and independent voice

Increase our visibility, influence and relevance

Be a model organisation for the public sector in Wales and beyond

Contents

Introduction

I have now largely completed my planning work.

This Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.

Adrian Crompton
Auditor General for Wales

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and the regularity of income and expenditure. and the proper preparation of key elements of your Remuneration and Staff Report. I lay them before the Senedd together with any report that I make on them. I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

I am also required to certify a return to the Welsh Government which provides information about the Health Board to support preparation of the Whole of Government Accounts.

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I must satisfy myself that the Health Board has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. I do this by undertaking an appropriate programme of performance audit work each year.

My work programme is informed by specific issues and risks facing the Health Board and the wider NHS in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

My performance audit work is designed to comply with auditing standards set out by the International Organisation of Supreme Audit Institutions (INTOSAI). This is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations

Your audit at a glance

My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk

- Risk of management override
- Risk of material misstatement due to fraud in expenditure
- Risk of failing to meet the financial duties

Other areas of audit focus

- Risk of material misstatement in payables;
- Risk of completeness and accuracy of related party transactions;
- Risk of completeness and accuracy of disclosures in the Remuneration Report;
- Estimation uncertainty around the provision for clinical negligence and personal injury claims

My performance audit will include:

- Structured Assessment – core
- Structured Assessment – deep dive review of investment in digital systems to support service resilience and transformation
- All-Wales Thematic Review – managing demand for urgent and emergency care
- Local work – to be confirmed

Materiality

Materiality	£4.118 million
Reporting threshold	£206,000

Financial statements' materiality

Materiality £4.118 million

My aim is to identify and correct material misstatements, that is, those that might other cause the user of the accounts into being misled.

Materiality is calculated using:

- 2022-23 actual gross expenditure of £411.8 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).

Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Remuneration report £1,000
- Related party disclosures £5,000

Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: • test the appropriateness of journal entries and other adjustments made in preparing the financial statements. • review accounting estimates for bias; and evaluate the rationale for any significant transactions outside the normal course of business;
There is a risk of material misstatement due to fraud in expenditure and as such is treated as a significant risk [PN 10].	The audit team will: • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • perform detailed testing on a sample of key transactions before and after the year end to ensure they are accounted for in the correct accounting period; and • perform detailed testing on a sample of key year end balances to ensure they are appropriate and complete.
There is a significant risk that you will fail to meet your first financial duty to break even over a three-year period. The position at month 11 shows a year-to-date deficit of £11.7 million and a forecast year-end deficit of £12.0 million which is in excess of the Minister's published control total.	We will focus our testing on areas of the financial statements which could contain reporting bias.

Significant risk	Our planned response
This, combined with the outturns for 2021-22 and 2022-23, predicts a three-year deficit of £18.8 million. Where you fail this financial duty, we will place a substantive report on the financial statements highlighting the failure and qualify your regularity opinion]. Your current financial pressures increase the risk that management judgements and estimates could be biased in an effort to achieve the financial duty.	

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
There have been historic errors in the Health Board's payables balances.	We will review the classification and accuracy of the balances and undertake post year end payments testing to ensure that transactions have been accounted for in the correct year.
A key source of estimation uncertainty relates to the provision for clinical negligence and personal injury claims. The subjective nature of these provisions and associated judgments give rise to increased risk.	My audit team will: • perform detailed testing on a sample of claims. • Evaluate the reasonableness of key assumptions and judgments. • Consider the work of Legal and Risk Services and the NHS Business Services Authority as a management expert.
There is a risk that the Health Board fails to disclose certain related party transactions and disclosures or discloses these transactions at the incorrect value.	We will review the completeness and accuracy of the disclosures.
There have been historic errors in the Health Board's draft financial statements, when disclosing Senior Officers and Non-Executives Pay within the Remuneration Report.	We will review the completeness and accuracy of the disclosures

Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	March - April 2024	May 2024
Audit of financial statements work: • Audit of Financial Statements Report • Opinion on the Financial Statements	May – July 2024	July 2024

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

Area of work	Scope of the work	Planned timescales
Structured Assessment - core	Structured assessment will continue to form the basis of the work my audit teams do at each NHS body to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. My core 2024 structured assessment work will review the following areas: • Board and committee cohesion and effectiveness. • Corporate systems of assurance. • Corporate planning arrangements; and • Corporate financial planning and management arrangements. My structured assessment 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.	Fieldwork to commence between June and August 2024 with reporting by the end of October 2024.
Structured Assessment - deep dive review of investment in digital systems to support service	In addition to the core structured assessment work described above, my audit teams will also review certain arrangements at NHS bodies in more depth. This year, my audit teams will examine digital	Fieldwork to commence during the autumn of 2024 and reporting by the end of March 2025.

Area of work	Scope of the work	Planned timescales
resilience and transformation	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. This work was deferred from 2023, following my decision to replace the work with a review of the Health Board's approach to financial efficiencies.	
All Wales thematic review of urgent and emergency care – managing demand for urgent and emergency care	In my 2020 audit plan for the Health Board set out my intention to undertake work to examine arrangements to manage demand for urgent and emergency care services, as part of my wider work focused on these services. Due to the COVID-19 pandemic, I deferred this work to allow NHS bodies to respond to the pandemic, with a plan to bring the work back online once the impact of the pandemic had subsided and my work on patient flow out of hospital was completed. I am now able to take forward my work on managing demand for urgent and emergency care. The work will be undertaken during 2024 and will be funded from this year's audit fee. Consequently, I have decided to refund the Health Board the fee paid for this work as part of my 2020 audit plan. My 2024 urgent and emergency care work will focus on: • The robustness of plans to manage the demand on urgent and emergency care services; • The effectiveness of arrangements to encourage and enable people to access the	Fieldwork commenced in March 2024 and reporting by the end of September 2024.

Area of work	Scope of the work	Planned timescales
	right care, in the right place, at the first time; and • The effectiveness of arrangements to monitor the performance of urgent and emergency care services and apply lessons learnt to improve the services further.	
Local project work – to be confirmed	Where appropriate, my audit team will also undertake performance audit work that reflects issues specific to the Health Board. The precise focus of this work will be discussed with Executives and communicated to the Audit, Risk and Assurance Committee through my routine updates.	Fieldwork and reporting to be confirmed.

Fee and audit team

In January 2024 we published our Fee Scheme for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4% because of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be **£321,168**.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Deputy Chief Executive and Director of Finance, IT and Information and/or Director of Corporate Governance/Board Secretary.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and includes timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2024 (£)[1]	Fee for 2023 (£)
Audit of Financial Statements	**198,477**	**186,539**
Performance audit work:		
• Structured Assessment, including deep dive	69,421	65,913
• All-Wales thematic review	32,816	31,895
• Local project	20,454	17,503
Performance audit work total	**122,691**	**115,311**
Total fee	321,168	301,850

[1] The fees shown in this document are exclusive of VAT, which is not charged to you.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	Contact details
Dave Thomas	Engagement Director/Audit Director (Performance Audit)	dave.thomas@audit.wales
Derwyn Owen	Audit Director (Financial Audit)	derwyn.owen@audit.wales
Anne Beegan	Audit Manager (Performance Audit)	anne.beegan@audit.wales
Mike Jones	Audit Manager (Financial Audit)	mike.jones@audit.wales
Bethan Hopkins	Audit Lead (Performance Audit)	bethan.hopkins@audit.wales
Erin Terfel	Audit Lead (Financial Audit)	erin.terfel@audit.wales

I can confirm that my team members are all independent of the Health Board and your officers.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our Audit Quality Report 2023.

Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies and to support those bodies in continuing to improve the services they provide to the people of Wales.

Visit our website to find:

	our **Good Practice** work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our **newsletter** which provides you with regular updates on our public service audit work, good practice, and events.
	our **publications** which cover our audit work completed at public bodies.
	information on our **forward performance audit work programme 2023-2026** which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various **data tools** and **infographics** to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our Annual Plan 2024-25

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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.

POWYS TEACHING HEALTH BOARD

FOREWORD

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.

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 hosted the Community Health Councils in Wales which transferred to a new statutory body Llais on 1st April 2023. 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 LHB 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.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Expenditure on Primary Healthcare Services	3.1	**78,993**	74,960
Expenditure on healthcare from other providers	3.2	**219,145**	201,541
Expenditure on Hospital and Community Health Services	3.3	**147,888**	135,289
		446,026	411,790
Less: Miscellaneous Income	4	**(16,222)**	(16,094)
LHB net operating costs before interest and other gains and losses		**429,804**	395,696
Investment Revenue	5	**0**	0
Other (Gains) / Losses	6	**(2)**	0
Finance costs	7	**21**	1
Net operating costs for the financial year		**429,823**	**395,697**

See note 2 on page 27 for details of performance against Revenue and Capital allocations.

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

Other Comprehensive Net Expenditure

	2023-24 £000	2022-23 £000
Net (gain) / loss on revaluation of property, plant and equipment	**(2,996)**	(2,260)
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	**(2,996)**	(2,260)
Total comprehensive net expenditure for the year	**426,827**	393,437

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

Statement of Financial Position as at 31 March 2024

	Notes	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Property, plant and equipment	11	**100,138**	103,185
Right of Use Assets	11.3	**1,063**	1,670
Intangible assets	12	**0**	0
Trade and other receivables	15	**32**	20
Other financial assets	16	**0**	0
Total non-current assets		**101,233**	104,875
Current assets			
Inventories	14	**211**	147
Trade and other receivables	15	**10,317**	18,134
Other financial assets	16	**0**	0
Cash and cash equivalents	17	**215**	1,268
		10,743	19,549
Non-current assets classified as "Held for Sale"	11	**0**	0
Total current assets		**10,743**	19,549
Total assets		**111,976**	124,424
Current liabilities			
Trade and other payables	18	**(47,108)**	(49,845)
Other financial liabilities	19	**0**	0
Provisions	20	**(3,921)**	(14,980)
Total current liabilities		**(51,029)**	(64,825)
Net current assets/ (liabilities)		**(40,286)**	(45,276)
Non-current liabilities			
Trade and other payables	18	**(272)**	(508)
Other financial liabilities	19	**0**	0
Provisions	20	**(576)**	(862)
Total non-current liabilities		**(848)**	(1,370)
Total assets employed		**60,099**	58,229
Financed by :			
Taxpayers' equity			
General Fund		**10,514**	11,604
Revaluation reserve		**49,585**	46,625
Total taxpayers' equity		**60,099**	58,229

The financial statements on pages 2 to 7 were approved by the Board 11th July 2024 and signed on its behalf by:

Chief Executive and Accountable Officer …….. Date: 11th July 2024

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

Patterson,Liz 13/05/2024 11:50:14

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	11,604	46,625	**58,229**
NHS Wales Transfer	0	0	**0**
RoU Asset Transitioning Adjustment	0	0	**0**
Impact of IFRS 16 on PPP/PFI Liability	0	0	**0**
Balance at 1 April 2023	11,604	46,625	**58,229**
Net operating cost for the year	(429,823)		**(429,823)**
Net gain/(loss) on revaluation of property, plant and equipment	0	2,996	**2,996**
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	36	(36)	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2023-24	(429,787)	2,960	**(426,827)**
Net Welsh Government funding	424,092		**424,092**
Notional Welsh Government Funding	4,605		**4,605**
Balance at 31 March 2024	10,514	49,585	**60,099**

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;
Notional 6.3% staff employer pension £4.600M
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £0.005M

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

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 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	2,767	44,381	**47,148**
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	(395,713)	2,244	**(393,469)**
Net Welsh Government funding	400,275		**400,275**
Notional Welsh Government Funding	4,275		**4,275**
Balance at 31 March 2023	11,604	46,625	**58,229**

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;
Notional 6.3% staff employer pension £4.254M
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £0.021M

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

Statement of Cash Flows for year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
Cash Flows from operating activities			
Net operating cost for the financial year		**(429,823)**	(395,697)
Movements in Working Capital	27	**5,745**	167
Other cash flow adjustments	28	**14,701**	9,701
Provisions utilised	20	**(8,609)**	(1,761)
Net cash outflow from operating activities		**(417,986)**	(387,590)
Cash Flows from investing activities			
Purchase of property, plant and equipment		**(6,847)**	(14,013)
Proceeds from disposal of property, plant and equipment		**0**	0
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		**(6,847)**	(14,013)
Net cash inflow/(outflow) before financing		**(424,833)**	(401,603)
Cash Flows from financing activities			
Welsh Government funding (including capital)		**424,092**	400,275
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		**(312)**	(62)
Cash transferred (to)/ from other NHS bodies		**0**	0
Net financing		**423,780**	400,213
Net increase/(decrease) in cash and cash equivalents		**(1,053)**	(1,390)
Cash and cash equivalents (and bank overdrafts) at 1 April 2023		**1,268**	2,658
Cash and cash equivalents (and bank overdrafts) at 31 March 2024		**215**	1,268

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

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 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 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.

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.

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.

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 there from 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,

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 entity] 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.

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 Swansea Bay University 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 intangible assets applying the treatment described in

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 LHB 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 entity] has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The LHB 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 LHB 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

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] net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the [the entity] 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 2023-24 and 2022-23. The WRP is hosted by Velindre NHS University Trust.

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.

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.

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/has not 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

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

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.

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.

1.26.3. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised.

Prior year treatment

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.

1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes As from 1st April 2023.

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023/24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that 'a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement -the future PPP liability will need to be remeasured at 1 April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

1.26.5. 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.

1.26.6. 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.

1.26.7. 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 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 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 Funds and other related charities', it is considered for accounting standards compliance to have control of the the 'Powys Teaching Local Health Board Charitable Funds and other related charities' as a subsidiary and therefore is required to consolidate the results of the the 'Powys Teaching Local Health Board Charitable Funds 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 Funds 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.

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			
	2021-22	2022-23	2023-24	**Total**
	£000	£000	£000	**£000**
Net operating costs for the year	383,021	395,697	429,823	**1,208,541**
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,355	1,609	1,859	**4,823**
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	**0**
Less any non funded revenue consequences of IFRS 16	0	0	0	**0**
Total operating expenses	384,376	397,306	431,682	**1,213,364**
Revenue Resource Allocation	384,456	390,304	419,699	**1,194,459**
Under /(over) spend against Allocation	80	(7,002)	(11,983)	**(18,905)**

Powys Teaching Health Board has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24.

The Teaching Health Board did receive strategic cash support in 2023-24.

2.2 Capital Resource Performance

	2021-22	2022-23	2023-24	**Total**
	£000	£000	£000	**£000**
Gross capital expenditure	15,926	13,211	6,650	**35,787**
Add: Losses on disposal of donated assets	0	0	0	**0**
Less NBV of property, plant and equipment, right of use and intangible assets	0	0	0	**0**
Less capital grants received	0	0	0	**0**
Less donations received	0	(527)	(195)	**(722)**
Less IFRS16 Peppercorn income	0	0	0	**0**
Less **initial recognition** of RoU Asset Dilapidations	0	0	0	**0**
Charge against Capital Resource Allocation	15,926	12,684	6,455	**35,065**
Capital Resource Allocation	15,993	12,752	6,481	**35,226**
(Over) / Underspend against Capital Resource Allocation	67	68	26	**161**

Powys Teaching Health Board has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

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 an Annual Plan Integrated Plan for 2023/24.

However, The Health Board was unable to deliver a balanced plan. Therefore the plan was not approved, so the THB has failed to meet this statutory duty

The Minister for Health and Social Services extant approval

Status	**Not Approved**
Date	

The LHB has not met its statutory duty to have an approved financial plan.

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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:

	2023-24	2022-23
Total number of non-NHS bills paid	**54,338**	50,476
Total number of non-NHS bills paid within target	**50,281**	44,751
Percentage of non-NHS bills paid within target	92.5%	88.7%

The Teaching Health Board has not met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2023-24 Total £000	2022-23 Total £000
General Medical Services	42,120		42,120	40,791
Pharmaceutical Services	5,256	(3,116)	2,140	2,499
General Dental Services	8,999		8,999	8,806
General Ophthalmic Services	529	1,257	1,786	920
Other Primary Health Care expenditure	1,302		1,302	941
Prescribed drugs and appliances	22,646		22,646	21,003
Total	**80,852**	**(1,859)**	**78,993**	74,960

1. General Medical Services includes £0.169M (£0.527M 2022/23) of staff related costs in respect of a Health Board managed GP Practice, the practice transferred to another provider on 1st July 2023. 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

	2023-24 £000	2022-23 £000
Goods and services from other NHS Wales Health Boards	**46,385**	44,679
Goods and services from other NHS Wales Trusts	**4,652**	1,905
Goods and services from Welsh Special Health Authorities	**415**	1,051
Goods and services from other non Welsh NHS bodies	**76,901**	69,733
Goods and services from WHSSC / EASC	**51,263**	50,202
Local Authorities	**2,605**	4,045
Voluntary organisations	**1,897**	2,111
NHS Funded Nursing Care	**2,279**	2,131
Continuing Care	**28,806**	23,667
Private providers	**1,217**	745
Specific projects funded by the Welsh Government	**0**	0
Other	**2,725**	1,272
Total	**219,145**	201,541

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 and the Emergency Ambulance Service Committee (EASC) which commissions ambulance service. 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 2024 is £51.263M (2022/23: £50.203M).
From 1st April 2024 these committees were replaced by the joint commissioning committee.

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 Shrewsbury and Telford NHS Foundation NHS Trust £ 3.926M and Wye Valley NHS Trust £1.722M in comparison to 2022/23 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 £0.427M (22/23 £1.924M) funded by Welsh Government.

The increase in Continuing Health Care expenditure during 2023/24 has resulted from an increase in the number of cases and cost per case compared to 2022/23.

Other Expenditure includes Regional Integration Fund expenditure of £5.976M (2022/23: £5.084M) 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 2023/24 value of write backs is more than 2022/23 mainly relating to an agreed outcome on historic Continuing Health Care cases being settled at a lesser amount than

3.3 Expenditure on Hospital and Community Health Services

	2023-24	2022-23
	£000	£000
Directors' costs	1,896	1,665
Operational Staff costs	115,477	108,361
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	5,767	6,089
Supplies and services - general	1,504	1,407
Consultancy Services	922	557
Establishment	1,949	2,247
Transport	886	1,031
Premises	6,803	8,308
External Contractors	0	0
Depreciation	4,651	4,216
Depreciation Right of Use assets (RoU)	528	654
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	7,717	1,339
Fixed asset impairments and reversals (RoU Assets)	0	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	323	300
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	76	206
Research and Development	0	0
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	0
Other operating expenses	(611)	(1,091)
Total	**147,888**	135,289

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2023-24	2022-23
Increase/(decrease) in provision for future payments:	**£000**	£000
Clinical negligence;		
Secondary care	**4,161**	(3,363)
Primary care	**2,247**	19
Redress Secondary Care	**(78)**	102
Redress Primary Care	**0**	0
Personal injury	**409**	136
All other losses and special payments	**24**	1
Defence legal fees and other administrative costs	**309**	75
Gross increase/(decrease) in provision for future payments	**7,072**	**(3,030)**
Contribution to Welsh Risk Pool	**0**	0
Premium for other insurance arrangements	**0**	0
Irrecoverable debts	**(36)**	266
Less: income received/due from Welsh Risk Pool	**(6,960)**	2,970
Total	**76**	206

	2023-24	2022-23
	£	£
Permanent injury included within personal injury £:	**(49,262)**	(146,835)

4. Miscellaneous Income

	2023-24 £000	2022-23 £000
Local Health Boards	2,325	2,371
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	51	51
NHS Wales trusts	520	89
Welsh Special Health Authorities	1,221	485
Foundation Trusts	0	0
Other NHS England bodies	672	426
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	5,404	3,739
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	1,007	1,065
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	31	33
Other income from activities	1,906	1,841
Patient transport services	0	18
Education, training and research	603	710
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	195	527
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	483	1,997
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	70	64
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	136	111
Mortuary fees	5	19
Staff payments for use of cars	0	0
Business Unit	0	0
Scheme Pays Reimbursement Notional	(98)	110
Other	1,691	2,438
Total	**16,222**	16,094

Other income Includes;

	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
Total	**0**	0

Welsh Government miscellaneous income includes funding received on behalf of the hosted function of Health and Care Research Wales within the LHB. This has increased to £4.568M from an amount of £2.657M received in 22/23.

The Receipt of Donated Assets of £0.195M (2022/23: £0.527M) relates to contributions from Charitable Organisations to capital schemes and equipment. This is further detailed in Note 11.

The decrease in Other Income mainly relates to reduced income levels seen in 2023/24 in comparison to 2022/23 relating to funding received in respect of the THB renewals programme which aims to implement service provision and improvements to patient treatments post pandemic.

5. Investment Revenue

	2023-24	2022-23
	£000	£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

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal other than by sale of right of use assets assets	2	0
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	2	0

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	9	14
Interest on obligations under PFI contracts;		
main finance cost	0	0
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	9	14
Provisions unwinding of discount	12	(13)
Other finance costs	0	0
Total	21	1

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

As at 31st March 2024 the Teaching Health Board had 32 operating leases agreements.

	2023-24 Low Value & Short Term	2023-24 Other	2023-24 Total	2022-23 Total
Payments recognised as an expense				
	£000	**£000**	**£000**	£000
Minimum lease payments	**0**	**70**	**70**	305
Contingent rents	**0**	**0**	**0**	0
Sub-lease payments	**0**	**0**	**0**	0
Total	**0**	**70**	**70**	305

Total future minimum lease payments				
Payable	**£000**	**£000**	**£000**	£000
Not later than one year	**0**	**34**	**34**	62
Between one and five years	**0**	**28**	**28**	18
After 5 years	**0**	**0**	**0**	0
Total	**0**	**62**	**62**	80

LHB as lessor

	2023-24	2022-23
Rental revenue	**£000**	£000
Rent	**52**	48
Contingent rents	**0**	0
Total revenue rental	**52**	48

Total future minimum lease payments		
Receivable	**£000**	£000
Not later than one year	**49**	48
Between one and five years	**39**	39
After 5 years	**28**	39
Total	**116**	126

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	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	81,595	391	12,606	0	0	0	94,592	90,428
Social security costs	7,680	0	0	0	0	0	7,680	7,295
Employer contributions to NHS Pension Scheme	15,101	0	0	0	0	0	15,101	13,964
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	104,376	391	12,606	0	0	0	117,373	111,687

Charged to capital	438	497
Charged to revenue	116,935	111,190
	117,373	111,687
Net movement in accrued employee benefits (untaken staff leave)	0	0

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	623	3	1	0	0	0	627	683
Medical and dental	34	0	9	0	0	0	43	41
Nursing, midwifery registered	559	2	58	0	0	0	619	590
Professional, Scientific, and technical staff	82	0	8	0	0	0	90	88
Additional Clinical Services	408	0	42	0	0	0	450	422
Allied Health Professions	145	0	8	0	0	0	153	143
Healthcare Scientists	8	0	0	0	0	0	8	6
Estates and Ancilliary	165	0	0	0	0	0	165	174
Students	0	0	0	0	0	0	0	0
Total	2,024	5	126	0	0	0	2,155	2,147

9.3. Retirements due to ill-health

	2023-24	2022-24
Number	5	5
Estimated additional pension costs £	138,760	477,190

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 Teaching Health Board does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2023-24 Number of compulsory redundancies	2023-24 Number of other departures	2023-24 Total number of exit packages	2023-24 Number of departures where special payments have been made	2022-23 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	1	1	0	0
£10,000 to £25,000	1	0	1	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	1	1	2	0	0

Exit packages cost band (including any special payment element)	2023-24 Cost of compulsory redundancies	2023-24 Cost of other departures	2023-24 Total cost of exit packages	2023-24 Cost of special element included in exit packages	2022-23 Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	5,872	5,872	5,872	0
£10,000 to £25,000	13,043	0	13,043	13,043	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	13,043	5,872	18,915	18,915	0

Exit costs paid in year of departure	Total paid in year 2023-24	Total paid in year 2022-23
	£	£
Exit costs paid in year	18,915	0
Total	18,915	0

Redundancy and other departure costs have been paid in accordance with the provisions of the All Wales Organisational Change Policy.

Where the Teaching Health Board has agreed early retirements, the additional costs are met by the Teaching Health Board 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.

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.

	2023-24	**2023-24**	**2023-24**	2022-23	2022-23	2022-23
	£000	**£000**	**£000**	£000	£000	£000
Total pay and benefits	**Chief Executive**	**Employee**	**Ratio**	Chief Executive	Employee	Ratio
25th percentile pay ratio	**177**	**28**	**6.3:1**	177	25	7.1:1
Median pay	**177**	**36**	**4.9:1**	177	33	5.4:1
75th percentile pay ratio	**177**	**48**	**3.7:1**	177	43	4.1:1
Salary component of total pay and benefits						
25th percentile pay ratio	**177**	**28**		177	25	
Median pay	**177**	**36**		177	33	
75th percentile pay ratio	**177**	**48**		177	43	

	Highest Paid			Highest		
Total pay and benefits	**Director**	**Employee**	**Ratio**	Paid Director	Employee	Ratio
25th percentile pay ratio	**177**	**28**	**6.3:1**	177	25	7.1:1
Median pay	**177**	**36**	**4.9:1**	177	33	5.4:1
75th percentile pay ratio	**177**	**48**	**3.7:1**	177	43	4.1:1
Salary component of total pay and benefits						
25th percentile pay ratio	**177**	**28**		177	25	
Median pay	**177**	**36**		177	33	
75th percentile pay ratio	**177**	**48**		177	43	

In 2023-24, 2 (2022-23, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £22,720 to £216,219 (2022-23, £20,758 to £219,294).

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	**2022-23 to 2023-24**	2021-22 to 2022-23
% Change from previous financial year in respect of Chief Executive	**%**	**%**
Salary and allowances	**-2**	2
Performance pay and bonuses	**0**	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	**-2**	2
Performance pay and bonuses	**0**	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	**9**	5
Performance pay and bonuses	**0**	0

9.7 Pension costs

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit

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 2023-24 tax year (2022-23 £6,240 and £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

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.

	2023-24	**2023-24**	2022-23	2022-23
NHS	**Number**	**£000**	Number	£000
Total bills paid	1,852	181,449	1,524	24,182
Total bills paid within target	1,298	169,971	1,015	16,398
Percentage of bills paid within target	**70.1%**	**93.7%**	66.6%	67.8%
Non-NHS				
Total bills paid	54,338	118,008	50,476	123,821
Total bills paid within target	50,281	112,735	44,751	118,997
Percentage of bills paid within target	**92.5%**	**95.5%**	88.7%	96.1%
Total				
Total bills paid	**56,190**	**299,457**	52,000	148,003
Total bills paid within target	**51,579**	**282,706**	45,766	135,395
Percentage of bills paid within target	**91.8%**	**94.4%**	88.0%	91.5%

The Teaching Health Board performance at 92.5% has not met the administrative target of payment 95% of the number of non-nhs creditors paid within 30 days nor did it in 2022/23

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2023-24	2022-23
	£	£
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**

11.1 Property, plant and equipment

2023-24

	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	13,043	67,872	1,478	18,245	8,525	424	6,194	0	115,781
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 2023	**13,043**	**67,872**	**1,478**	**18,245**	**8,525**	**424**	**6,194**	**0**	**115,781**
Indexation	(403)	3,477	88	0	0	0	0	0	3,162
Additions									
- purchased	0	1,429	(1)	3,175	362	0	1,178	0	6,143
- donated	0	40	0	0	155	0	0	0	195
- 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	16,845	0	(16,845)	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	583	0	0	0	0	0	0	583
Impairments	(9)	(8,291)	0	0	0	0	0	0	(8,300)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(322)	0	0	(1,130)	(14)	(2,057)	0	(3,523)
At 31 March 2024	**12,631**	**81,633**	**1,565**	**4,575**	**7,912**	**410**	**5,315**	**0**	**114,041**
Depreciation at 31 March bf	0	2,725	52	0	6,186	345	3,288	0	**12,596**
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 2023	**0**	**2,725**	**52**	**0**	**6,186**	**345**	**3,288**	**0**	**12,596**
Indexation	0	163	3	0	0	0	0	0	**166**
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**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	(322)	0	0	(1,118)	(14)	(2,056)	0	(3,510)
Provided during the year	0	2,912	67	0	765	26	881	0	4,651
At 31 March 2024	**0**	**5,478**	**122**	**0**	**5,833**	**357**	**2,113**	**0**	**13,903**
Net book value at 1 April 2023	**13,043**	**65,147**	**1,426**	**18,245**	**2,339**	**79**	**2,906**	**0**	**103,185**
Net book value at 31 March 2024	**12,631**	**76,155**	**1,443**	**4,575**	**2,079**	**53**	**3,202**	**0**	**100,138**
Net book value at 31 March 2024 comprises :									
Purchased	12,631	72,863	1,443	4,575	1,923	53	3,202	0	**96,690**
Donated	0	3,292	0	0	156	0	0	0	**3,448**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2024	**12,631**	**76,155**	**1,443**	**4,575**	**2,079**	**53**	**3,202**	**0**	**100,138**
Asset financing :									
Owned	12,631	76,155	1,443	4,575	2,079	53	3,202	0	**100,138**
On-SoFP MIMS Funded PPP contracts	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 2024	**12,631**	**76,155**	**1,443**	**4,575**	**2,079**	**53**	**3,202**	**0**	**100,138**

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	90,229
Long Leasehold	0
Short Leasehold	0
	90,229

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 was 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.

The reclassification in year relates to the bringing into use of buildings that were previously Assets under construction. The main part of this reclassification relates to the Machynlleth Hospital Reconfiguration Project at £15.948M

11.1 Property, plant and equipment

2022-23	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
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
	79,616

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.

11. Property, plant and equipment (continued)

Disclosures:

i) Donated Assets

Powys LHB has received the following donated assets during the year. £0.089M from the Moondance Foundation and £0.106M of various contributions from the LHB charity and Hospital League of Friends in respect of small garden schemes or provision of medical equipment.

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 Bro Ddyfi Health and Wellbeing project upon it being brought into use during the year. Details of this are included in note 13.

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 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.

v1)Market Value

vi) The Teaching Health Board 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.

IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13.

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 2023	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 2024	0	0	0	0	0	**0**
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**

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

2023-24	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	1,796	0	0	528	0	0	0	**2,324**
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	0	0	0	0	0	0	0	**0**
Cost or valuation at 1 April	**0**	**1,796**	**0**	**0**	**528**	**0**	**0**	**0**	**2,324**
Additions	0	110	0	0	202	0	0	0	**312**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Disposals other than by sale	0	-332	0	0	-59	0	0	0	**-391**
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**	**1,574**	**0**	**0**	**671**	**0**	**0**	**0**	**2,245**
Depreciation at 31 March	0	418	0	0	236	0	0	0	**654**
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**	**418**	**0**	**0**	**236**	**0**	**0**	**0**	**654**
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**
Disposals other than by sale	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	317	0	0	211	0	0	0	**528**
At 31 March	**0**	**735**	**0**	**0**	**447**	**0**	**0**	**0**	**1,182**
Net book value at 1 April	**0**	**1,378**	**0**	**0**	**292**	**0**	**0**	**0**	**1,670**
Net book value at 31 March	**0**	**839**	**0**	**0**	**224**	**0**	**0**	**0**	**1,063**

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	456	0	0	0	0	0	0	**456**
Other Public Sector Market Value Leases	0	136	0	0	0	0	0	0	**136**
Private Sector Peppercorn Leases	0	57	0	0	0	0	0	0	**57**
Private Sector Market Value Leases	0	191	0	0	224	0	0	0	**415**
Total	**0**	**839**	**0**	**0**	**224**	**0**	**0**	**0**	**1,063**

11.3 Right of Use Assets

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**
Disposals other than by sale	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**
Disposals other than by sale	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

11.3 Right of Use Assets continued

Quantitative disclosures

	2023-24	2023-24	2023-24	2023-24	2022-23
Maturity analysis	**LAND**	**BUILDINGS**	**OTHER**	**TOTAL**	
Contractual undiscounted cash flows relating to lease liabilities	**£000**	**£000**	**£000**	**£000**	**£000**
Less than 1 year	0	179	104	283	603
2-5 years	0	181	91	272	508
> 5 years	0	0	0	0	0
Total	**0**	**360**	**195**	**555**	**1,111**

Lease Liabilities (net of irrecoverable VAT)	**2023-24**	2022-23
Current	273	603
Non-Current	272	508
Total	**545**	**1,111**

Amounts Recognised in Statement of Comprehensive Net Expenditure	**2023-24**	2022-23
Depreciation	528	654
Impairment	0	0
Variable lease payments not included in lease liabilities - Interest expense	9	14
Sub-leasing income	0	0
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	0
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)		
Interest expense	-9	-14
Repayments of principal on leases	-312	0
Total	**-321**	**-14**

The Teaching Health Board leases land, buildings and equipment where required to deliver core services.

Where an extension option exists within a lease, the Teaching Health Board 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.

12. Intangible non-current assets
2023-24

	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 2023	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 2024	0	0	0	0	0	0	0
Amortisation at 1 April 2023	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 2024	0	0	0	0	0	0	0
Net book value at 1 April 2023	0	0	0	0	0	0	0
Net book value at 31 March 2024	0	0	0	0	0	0	0
NBV at 31 March 2024							
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 2024	0	0	0	0	0	0	0

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 31 March bf	**0**	**0**	**0**	**0**	**0**	**0**	**0**
NHS Wales Transfers	0	0	0	0	0	0	**0**
Transfer of Finance Leases to ROU Asset Note	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**

Additional Disclosures re Intangible Assets

The Teaching Health Board does not hold any Intangible Assets

13 . Impairments

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	8,300	0	0	2,552	0	0
Reversal of Impairments	(583)	0	0	(1,213)	0	0
Total of all impairments	**7,717**	**0**	**0**	1,339	0	0
Analysis of impairments charged to reserves in year :						
Charged to the Statement of Comprehensive Net Expenditure	7,717	0	0	1,339	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Total	**7,717**	**0**	**0**	1,339	0	0

There is a reversal of impairment of £0.583M which has occurred as a result of an increase arising on revaluations due to in dexation 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 Teaching Health Board, there are two downward impairments in year totalling £8.300M charged to the statement of Comprehensive Net Expenditure. This includes the downward valuation of £8.291M as a result of the initial valuation for the bringing into use the reconfiguration project at Machynlleth Hospital . There has also been an impairment of £0.009M Land assets for which there was insufficient revaluation reserve accumulated at the indexation date.
Impairment funding to cover adjustments required is provided to the Teaching Health Board by Welsh Government on an annual ba sis.

14.1 Inventories

	31 March 2024	31 March 2023
	£000	£000
Drugs	152	105
Consumables	54	30
Energy	0	4
Work in progress	0	0
Other	5	8
Total	211	147
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2024	31 March 2023
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	3	0
Reversal of write-downs that reduced the expense	0	0
Total	3	0

15. Trade and other Receivables

Current	**31 March 2024 £000**	31 March 2023 £000
Welsh Government	**642**	148
WHSSC / EASC	**147**	58
Welsh Health Boards	**212**	605
Welsh NHS Trusts	**784**	742
Welsh Special Health Authorities	**334**	178
Non - Welsh Trusts	**1,080**	430
Other NHS	**0**	0
2019-20 Scheme Pays - Welsh Government Reimbursement	**0**	136
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	**1,413**	12,752
NHS Wales Primary Sector FLS Reimbursement	**2,293**	51
NHS Wales Redress	**74**	185
Other	**0**	0
Local Authorities	**1,206**	838
Capital receivables - Tangible	**58**	34
Capital receivables - Intangible	**0**	0
Other receivables	**1,791**	1,944
Provision for irrecoverable debts	**(613)**	(650)
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**896**	683
Other accrued income	**0**	0
Sub total	**10,317**	18,134
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	**32**	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	**0**	0
NHS Wales Primary Sector FLS Reimbursement	**0**	20
NHS Wales Redress	**0**	0
Other	**0**	0
Local Authorities	**0**	0
Capital receivables - Tangible	**0**	0
Capital receivables - Intangible	**0**	0
Other receivables	**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	**32**	20
Total	**10,349**	18,154

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	385	269
By three to six months	28	129
By more than six months	87	209
	500	607

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(650)	(383)
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	60	58
(Increase) / decrease in receivables impaired	(23)	(325)
Bad debts recovered during year	0	0
Balance at 31 March	(613)	(650)

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	0	0

16. Other Financial Assets

	Current		Non-current	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£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	**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**

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure	**2023-24**	**2022-23**
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April	**1,268**	2,658
Net change in cash and cash equivalent balances	**(1,053)**	(1,390)
Balance at 31 March	**215**	1,268
Made up of:		
Cash held at GBS	**143**	1,168
Commercial banks	**70**	98
Cash in hand	**2**	2
Cash and cash equivalents as in Statement of Financial Position	**215**	1,268
Bank overdraft - GBS	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**215**	1,268

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities (ROUA) £0.485M
Lease Liabilities (short-term and low value leases) £0.080M
PFI liabilities: £0.000M

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

18. Trade and other payables

Current	**31 March 2024**	31 March 2023
	£000	£000
Welsh Government	**25**	1
WHSSC / EASC	**615**	192
Welsh Health Boards	**4,501**	5,089
Welsh NHS Trusts	**1,311**	469
Welsh Special Health Authorities	**545**	532
Other NHS	**5,953**	4,184
Taxation and social security payable / refunds	**855**	1,044
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	**1,053**	1,225
Non-NHS payables - Revenue	**7,178**	6,787
Local Authorities	**2,086**	2,716
Capital payables- Tangible	**3,344**	3,829
Capital payables- Intangible	**0**	0
Overdraft	**0**	0
Rentals due under operating leases	**0**	0
RoU Lease Liability	**273**	603
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	**0**	0
Impact of IFRS 16 on SoFP PFI contracts	**0**	0
Pensions: staff	**1,562**	1,395
Non NHS Accruals	**17,696**	21,296
Deferred Income:		
Deferred Income brought forward	**483**	1,997
Deferred Income Additions	**111**	483
Transfer to / from current/non current deferred income	**0**	0
Released to SoCNE	**(483)**	(1,997)
Other creditors	**0**	0
PFI assets –deferred credits	**0**	0
Payments on account	**0**	0
Sub Total	**47,108**	49,845

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	**272**	508
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	**0**	0
Impact of IFRS 16 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	**272**	508
Total	**47,380**	50,353

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	**31 March 2024 £000**	31 March 2023 £000
Between one and two years	**0**	0
Between two and five years	**0**	0
In five years or more	**0**	0
Sub-total	**0**	0

19. Other financial liabilities

	Current		**Non-current**	
Financial liabilities	**31 March 2024 £000**	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £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	**0**	0	**0**	0

20. Provisions

	At 1 April 2023	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 2024
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-									
Secondary care	11,875	(8,370)	0	0	4,187	(7,369)	(26)	0	297
Primary care	8	0	0	0	2,252	(3)	(5)	0	2,252
Redress Secondary care	153	0	0	0	30	(5)	(108)	0	70
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	227	0	0	(9)	593	(205)	(135)	11	482
All other losses and special payments	0	0	0	0	24	(24)	0	0	0
Defence legal fees and other administration	110	0	0	18	316	(135)	(32)		277
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	2,607		0	0	505	(713)	(1,856)		543
Total	14,980	(8,370)	0	9	7,907	(8,454)	(2,162)	11	3,921
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	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	691	0	0	9	0	(150)	(49)	0	501
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	36	0	0	(18)	25	0	0		43
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	135			0	0	(5)	(98)	0	32
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	862	0	0	(9)	25	(155)	(147)	0	576
TOTAL									
Clinical negligence:-									
Secondary care	11,875	(8,370)	0	0	4,187	(7,369)	(26)	0	297
Primary care	8	0	0	0	2,252	(3)	(5)	0	2,252
Redress Secondary care	153	0	0	0	30	(5)	(108)	0	70
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	918	0	0	0	593	(355)	(184)	11	983
All other losses and special payments	0	0	0	0	24	(24)	0	0	0
Defence legal fees and other administration	146	0	0	0	341	(135)	(32)		320
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	135			0	0	(5)	(98)	0	32
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	2,607		0	0	505	(713)	(1,856)		543
Total	15,842	(8,370)	0	0	7,932	(8,609)	(2,309)	11	4,497

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 31 March 2029	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	297	0	0	297
Primary care	2,252	0	0	2,252
Redress Secondary care	70	0	0	70
Redress Primary care	0	0	0	0
Personal injury	482	219	282	983
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	277	43	0	320
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	32	0	32
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	543	0	0	543
Total	3,921	294	282	4,497

The Teaching Health Board estimates that in 2024/25 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.

£0.667M (2022/23: £11.942M) 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 2024 is £0.429M relating to a liability for an historic continuing care case with the Local Authority. Also included within 'other' at 31st March 2024 is £0.113M relating to retrospective continuing health care claims (2022/23 £0.134M).

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 2024 is £0.072M including defence costs (2022/23: £0.155M) and all payments are expected to be fully reimbursed from the Welsh Risk Pool.

There is an amount of £0.832M (2022/23:£0.156M) in respect of 2019-20 Scheme Pays - Reimbursement. The discharge of this provision in future years will be funded by Welsh Government.

20. Provisions (continued)

	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
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
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**

Included within 'other' at 31st March 2024 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 202 is £0.155M including defence costs (2021/22: £0.078M) and all payments are expected to be fully reimbursed from the Welsh Risk Pool.

There is an amount of £0.156M (2021/22:£0.047M) in respect of 2019-20 Scheme Pays - Reimbursement. The discharge of this provision in future years will be funded by Welsh Government.

21. Contingencies

21.1 Contingent liabilities

Provisions have not been made in these accounts for the following amounts :	2023-24 £'000	2022-23 £'000
Legal claims for alleged medical or employer negligence:-		
Secondary care	14,534	11,457
Primary care	240	1,628
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	**14,774**	13,085
Amounts (recovered) in the event of claims being successful	**(14,524)**	(12,791)
Net contingent liability	**250**	294

Legal Claims for alleged medical or employer negligence: £0.924M of the £14.534M 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). £13.610M of the £14,534M relates to Powys Teaching Health Board 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 Teaching Health Board by the Welsh Risk Pool for Powys Teaching Health Board cases and reimbursed in full for former Health Authority and Primary Care cases.

There is an historic Continuing Health Care case where the liability of costs for the THB is being calculated. Until the detailed work is concluded it is not possible to estimate the value of the liability. Hence, the liability is disclosed here but it is not possible to make a provision

21.2 Remote Contingent liabilities

	2023-24 £000	2022-23 £000
Guarantees	0	0
Indemnities	361	0
Letters of Comfort	0	0
Total	**361**	**0**

21.3 Contingent assets

	2023-24 £000	2022-23 £000
please give details	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.

	2023-24 £000	2022-23 £000
Property, plant and equipment	521	536
Right of Use Assets	0	0
Intangible assets	0	0
Total	**521**	536

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, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2024	
	Number	£
Clinical negligence	58	16,247,391
Personal injury	50	272,060
All other losses and special payments	7	21,377
Total	115	16,540,828

23.2 Analysis of number of cases and associated amounts paid out during the financial year

	Case Type	In year claims in excess of £300,000		Cumulative amount
		Case Number	£	£
Cases in excess of £300,000:				
	CN	MN/030/0623/GAK	15,703,610	16,420,253
	PI	PI/030/1252/JAM		373,555
	PI	PI/030/1377/JAM		579,242
	CN	MN/030/1441/EC		551,603

	No of cases	£	£
Sub-total	**1**	**15,703,610**	**17,924,653**
All other cases paid in year	114	837,218	717,062
Total cases paid in year	**115**	**16,540,828**	**18,641,715**

24. Right of Use leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset leases:

2023-24

	LAND	BUILDINGS	OTHER	TOTAL
	31 March 2024	31 March 2024	31 March 2024	31 March 2024
Minimum lease payments	£000	£000	£000	£000
Within one year	0	179	104	**283**
Between one and five years	0	181	91	**272**
After five years	0	0	0	**0**
Less finance charges allocated to future periods	0	-5	-5	**-10**
Minimum lease payments	**0**	**355**	**190**	**545**
Included in:				
Current borrowings	0	0	0	**0**
Non-current borrowings	0	0	0	**0**
	0	0	0	**0**
Present value of minimum lease payments				
Within one year	0	177	101	**278**
Between one and five years	0	178	89	**267**
After five years	0	0	0	**0**
Present value of minimum lease payments	**0**	**355**	**190**	**545**
Included in:				
Current borrowings	0	0	0	**0**
Non-current borrowings	0	0	0	**0**
	0	0	0	**0**

2022-23	LAND	BUILDINGS	OTHER	TOTAL
	31 March 2023	31 March 2023	31 March 2023	31 March 2023
Minimum lease payments	£000	£000	£000	£000
Within one year	0	389	221	610
Between one and five years	0	481	35	516
After five years	0	0	0	0
Less finance charges allocated to future periods	0	-14	-1	-15
Minimum lease payments	0	856	255	1,111
Included in:				
Current borrowings	0	382	221	**603**
Non-current borrowings	0	474	34	**508**
	0	856	255	**1111**
Present value of minimum lease payments				
Within one year	0	382	221	603
Between one and five years	0	474	34	508
After five years	0	0	0	0
Present value of minimum lease payments	0	856	255	1,111
Included in:				
Current borrowings	0	0	0	**0**
Non-current borrowings	0	0	0	**0**
	0	0	0	**0**

24.3 Right of Use Assets lease receivables (as lessor)

The Teaching Health Board has no RoU leases receivable as a lessor.

Amounts receivable under right of use assets leases:	**2023-24**	2022-23
	31 March	31 March
	2024	2023
Gross Investment in leases	**£000**	£000
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Teaching Health Board has no PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts 31 March 2024 £000**	Off-SoFP PFI contracts 31 March 2023 £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	**0**	0
Total estimated capital value of off-SoFP PFI contracts	**0**	0

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 Teaching Health Board has no PFI Schemes off-statement of financial position.

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2024 £000	**On SoFP PFI Imputed interest 31 March 2024 £000**	**On SoFP PFI Service charges 31 March 2024 £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	**0**	**0**	**0**

	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	0	0	0

	31/03/2024 £000
Total present value of obligations for on-SoFP PFI contracts	**0**

25.3 Charges to expenditure	2023-24	2022-23
	£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

25.5 The Teaching Health Board has no Public Private Partnerships

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.

27. Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in inventories	(64)	(4)
(Increase)/decrease in trade and other receivables - non-current	(12)	16,065
(Increase)/decrease in trade and other receivables - current	7,817	(6,175)
Increase/(decrease) in trade and other payables - non-current	(236)	508
Increase/(decrease) in trade and other payables - current	(2,737)	(9,411)
Total	**4,768**	983
Adjustment for accrual movements in fixed assets - creditors	485	891
Adjustment for accrual movements in fixed assets - debtors	24	(27)
Adjustment for accrual movements in right of use assets - creditors	566	0
Adjustment for accrual movements in right of use assets - debtors	0	0
Other adjustments	(98)	(1,680)
	5,745	167

28. Other cash flow adjustments

	2023-24 £000	2022-23 £000
Depreciation	**5,179**	4,870
Amortisation	**0**	0
(Gains)/Loss on Disposal	0	0
Impairments and reversals	**7,717**	1,339
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	(66)	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 right of use assets	2	
Non-cash movements in provisions	(2,736)	(783)
Other movements	4,605	4,275
Total	**14,701**	9,701

Other movements are Notional funding received for the

- LHB notional 6.3% Staff Employer Pension Contributions (4.600M) and funded directly to the NHSBA Pensions Division by Welsh Government.

- 2019/20 Pensions Annual Allowance Charge Compensation Scheme (0.005M)

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 11th July 2024; post the date the financial statements were certified by the Auditor General for Wales.

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		26	429,266	25	642
Aneurin Bevan University Health Board		14,658	373	1,316	62
Betsi Cadwaladr University Health Board		4,327	895	545	62
Cardiff & Vale University Health Board		2,267	54	511	27
Cwm Taf Morgannwg University Health Board		6,337	11	1,014	9
Hywel Dda University Local Health Board		10,258	195	528	(13)
Public Health Wales NHS Trust		148	1,259	27	290
Swansea Bay University Health Board		10,991	1,510	589	64
Velindre University NHS Trust (inc. WRP)		3,387	1,067	709	494
Welsh Ambulance Services Trust		674	48	575	0
Welsh Health Specialised Services Committee (WHSSC)	Ian Phillips Independent Chair of Welsh Kidney Network (Sub-Committee of WHSSC)	52,787	111	615	147
Health Education and Improvement Wales (HEIW)		0	1,808	0	289
Digital Health & Care Wales (DHCW)		1,950	482	545	45
Powys County Council	Councillor Chris Walsh, Councillor, Powys County Council	15,723	2,824	2,086	1,206
Neath Port Talbot College Group	Rhobert Lewis Chair of Governers, Corporation Board of Neath Port Talbot College Group	0	8	0	8
Powys Association of Voluntary Organisations	Recently retired as CEO of Powys Association of Voluntary Organisations	1,092	0	270	0
Freedom Leisure	Jennifer Owen Adams Close relative is senior manager for Freedom Leisure with strategic responsibility for Powys.	2	0	0	0
Social Care Wales	Michael Giannasi Chair of the Board of Social Care Wales	0	18	0	4
		124,627	**439,929**	**9,355**	**3,336**

- 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.

31. Third Party assets

The Teaching Health Board held £3,490 cash at bank and in hand at 31 March 2024 (31st March 2023, £160) which relates to monies held by 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 2023-24 or 2022-23.

32. Pooled budgets

A Provision of Care Home Accommodation Functions (Funded Nursing Care)

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 31 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***		
Total Funding	***2,108,424***		***2,108,424***
Expenditure			
Monies spent in accordance with Pooled budget arrangement		***2,278,818***	***2,278,818***
Total Expenditure		***2,278,818***	***2,278,818***
Net under/(over) spend			***(170,394)***

The above memorandum account is subject to the financial 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		***1,327,579***	***1,327,579***
Total Expenditure			***1,327,579***
Net under/(over) spend			***22,421***

The above memorandum account is subject to the financial 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	***1,234,010***		***1,234,010***
Pows Teaching Health Board	***828,850***		***828,850***
Total Funding	***2,062,860***		***2,062,860***
Net Expenditure			
Monies spent in accordance with			
Pooled budget arrangement			
Expenditure		***2,232,023***	***2,232,023***
Income		***(292,990)***	***(292,990)***
Net Expenditure		***1,939,033***	***1,939,033***
Net under/(over) spend			***123,827***

The above memorandum account is subject to independent audit.

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*
Expenditure			
Monies spent in accordance with Pooled budget arrangement		*1,240,885*	*1,240,885*
Total Expenditure			
Net under/(over) spend			*495*

The above memorandum account is subject to the financial statements audit 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 financial statements audit 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 (PTHB) and Powys County Council (PCC) 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 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	*305,025*		*305,025*
Powys Teaching Health Board	*305,025*		*305,025*
Total Funding	*610,049*		*610,049*
Expenditure			
Monies spent in accordance with Pooled budget arrangement		610,049	610,049
Total Expenditure		*610,049*	*610,049*
Net under/(over) spend			*0*

The above memorandum account is subject to the financial statements audit of Powys County Council (the Host).

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 Llais. There has been a transfer on 1st April 2023 for any assets and liabilities held in respect of this function at the balance sheet date of 31st March 2023

2023/24

		Total Total Powys "Health" £'000	Total Residual Clinical Negligence £'000	Total Health and Care Research Wales (HCRW) £'000	Consolidation Adjustments £'000	Total £'000
	Note					
Expenditure on Primary Healthcare Services	3.1	78,993	0	0	0	78,993
Expenditure on healthcare from other providers	3.2	218,101	0	1,044	0	219,145
Expenditure on Hospital and Community Health Services	3.3	143,253	25	4,675	(65)	147,888
		440,347	**25**	**5,719**	**(65)**	**446,026**
Less: Miscellaneous Income	4	11,174	0	5,113	(65)	16,222
THB net operating costs before interest and other gains and losses		**429,173**	**25**	**606**	**0**	**429,804**
Investment Income	5	0	0	0	0	0
Other (Gains) / Losses	6	(2)	0	0	0	(2)
Finance costs	7	21	0	0	0	21
THB Net Operating Costs		**429,192**	**25**	**606**	**0**	**429,823**
Add Non Discretionary Expenditure	3.1	1,859	0	0	0	1,859
Revenue Resource Limit	2.1	419,068	25	606	0	419,699
Under / (over) spend against Revenue Resource Limit		**(11,983)**	**0**	**0**	**0**	**(11,983)**

2022/23

		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
	Note						
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)**

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 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board data for March 2024.

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:

	2023-24	2022-23
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024	**£000**	**£000**
Expenditure on Primary Healthcare Services	**67**	76
Expenditure on Hospital and Community Health Services	**4,533**	4,178
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024		
Net operating cost for the year	**4,600**	4,254
Notional Welsh Government Funding	**4,600**	4,254
Statement of Cash Flows for year ended 31 March 2024		
Net operating cost for the financial year	**4,600**	4,254
Other cash flow adjustments	**4,600**	4,254
2.1 Revenue Resource Performance		
Revenue Resource Allocation	**4,600**	4,254
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	**2**	0
General Dental Services	**51**	46
Other Primary Healthcare Expenditure	**14**	30
Prescribed Drugs and Appliance	**0**	0
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	**76**	66
Staff costs	**4,457**	4112
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	**4,600**	4,254
Charged to capital	**18**	19
Charged to revenue	**4,582**	4,235
18. Trade and other payables		
Current		
Pensions: staff	**0**	0
28. Other cash flow adjustments		
Other movements	**4,600**	4,254

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.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.1b

Audit, Risk and Assurance Committee	**Date of Meeting: 14 May 2024**
Subject :	**Draft Accountability Report Section of the Annual Report 2023/24**
Approved and Presented by:	Director of Corporate Governance / Board Secretary
Prepared by:	Interim Head of Corporate Governance
Other Committees and meetings considered at:	None

PURPOSE:

The purpose of this paper is to present the Draft Annual Accountability Report for 2023/24 to the Audit, Risk and Assurance Committee for assurance and to provide an opportunity for feedback.

This report constitutes one component of the larger document that makes up the statutory Annual Report, comprising the Performance Report, Accountability Report and Financial Statements. (The Draft Performance Report is being considered via a separate process, outlined in more detail below).

RECOMMENDATION(S):

The Audit, Risk and Assurance Committee is asked to consider the draft Annual Accountability Report 2023/24 and provide any significant feedback to inform the development of the final draft (noting a final proof read will be undertaken for accuracy and consistency).

Approval/Ratification/Decision[1]	**Discussion**	**Information**
	✓	✓

[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	
	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 Welsh Government has issued, as in previous years, guidance for the preparation of annual reports and accounts. NHS bodies are required to publish, as a single document, a three part annual report and accounts document, which must include: Part 1 The Performance Report, **Part 2 The Accountability Report** (A Corporate Governance Report, A Remuneration and Staff Report, A Parliamentary Accountability and Audit Report), and, Part 3 The Financial Statements.

This report forms the Accountability Report element (Part 2) of the Annual Report and Accounts. The purpose of this element of the Annual Report and Accounts is to meet key accountability requirements set by Parliament. The Draft iteration was submitted to Welsh Government and Audit Wales by Friday 10 May 2024.

Any feedback provided will be incorporated into the development of the final draft, which is due to be considered by the Audit, Risk and Assurance Committee on 09 July 2024 and presented to the PTHB Board for formal approval on 11 July 2024; in readiness for the Final Annual Report and Accounts to be submitted to Audit Wales and HSSG Finance by 15 July 2024.

The Audit, Risk and Assurance Committee is asked to:

- NOTE that the Certificate of the Auditor General for Wales is yet to be issued therefore a holding statement had been provided within the report.
- NOTE that the 2023/24 Chapter 3 Guidance specifically requests that duplication between the Performance Report and Accountability Report is avoided and states that the Performance Report is the primary document (other than for governance, where the Governance Statement is primary). Therefore, there are several sections within the Annual Accountability Report were signposting to the Performance Report has been necessary.

DETAILED BACKGROUND AND ASSESSMENT:

Welsh Government has issued, as in previous years, guidance for the preparation of annual reports and accounts. This guidance is based on HM Treasury's Government Financial Reporting Manual (FReM)1 and is intended to simplify and streamline the presentation of the annual reports and accounts so that they better meet the needs of those who read and use them. NHS bodies are required to publish, as a single document, a three part annual report and accounts document, which must include:

Part 1 The Performance Report, which must include:
- An Overview

Part 2 The Accountability Report, which must include:
- A Corporate Governance Report
- A Remuneration and Staff Report
- A Parliamentary Accountability and Audit Report

Part 3 The Financial Statements, which must include:
- The Audited Annual Accounts 2023/24

The 2023/24 Chapter 3 Guidance provides the following reporting timescales:

- Draft Accounts to be submitted to HSSG Finance and Audit Wales Friday 3 May 2024;
- Draft Performance Report Overview, Accountability Report (including the Governance Statement), and Draft Remuneration Report to be submitted to HSSG Finance and Audit Wales by Friday 10 May 2024;
- Final Annual Report and Accounts to be submitted to Audit Wales and HSSG Finance by Monday 15 July 2024, as a single unified PDF document.

The following internal mechanisms have been implemented for the development, approval, and publication of 2023/24 Annual Report and Accounts:

- The Draft Performance Report has been reviewed by the Executive Committee and then the Delivery and Performance Committee on 07 May 2024 for assurance and any significant feedback to inform the development of the final report;
- The Draft Financial Accounts are being presented to the Audit, Risk and Assurance Committee on 14 May 2024 for comments and feedback;
- All three sections will then be combined into a single document, the 'Annual Report and Accounts 2023/24' which will be reviewed by the Chief Executive, Lead Directors and then the Audit, Risk and Assurance Committee on 09 July 2024 and presented to the PTHB Board for formal approval on 11 July 2024;
- Subject to approval by the Board the 'Annual Report and Accounts 2023/24' will then be published and presented at the Health Board's Annual General Meeting, due to be held on Wednesday 25 September 2024.

NEXT STEPS:

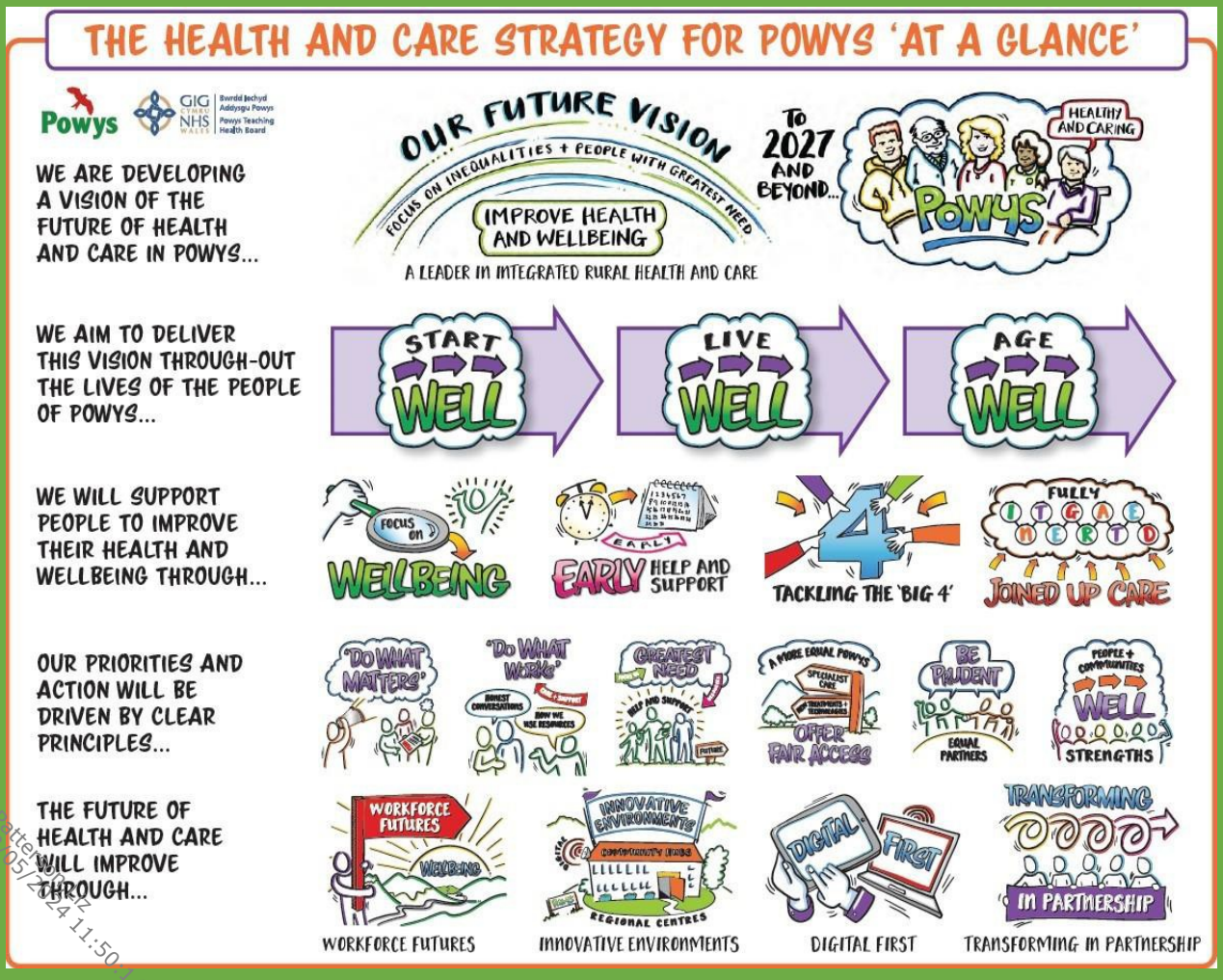
Any feedback on the Draft Accountability Report is welcomed as this will inform the final version of the Accountability Report section of the Annual Report.

The Annual Report and Accounts 2023/24 will continue to be developed to enable submission in line with reporting timescales provided within the 2023/24 Chapter 3 Guidance.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Annual Report

2023/2024



Foreword – Statement of Chief Executive and Chair

We are delighted to bring you our Annual Report for 2023/2024.

Thank you.

Hayley Thomas
Chief Executive
Powys Teaching Health Board

Dr Carl Cooper
Chair
Powys Teaching Health Board

Contents

PLACEHOLDER – ITEM 1 – Introduction

SECTION TWO: THE ACCOUNTABILITY REPORT

THE ACCOUNTABILITY REPORT 2023/2024

SIGNED BY: **DATE: XXX**

HAYLEY THOMAS
[CHIEF EXECUTIVE]

INTRODUCTION TO THE ACCOUNTABILITY REPORT

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 (FReM) and set out in the 2023/2024 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 2023/2024. 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.

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.

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 2023/2024 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

1. THE DIRECTOR'S REPORT 2023/2024

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 Corporate Governance position is a non-voting Board level post.

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 2023-24

During 2023-24, the following individuals were voting members of the Board of Powys Teaching Health Board:

Independent Members (IM)		
Carl Cooper	Chair	Full Year
Kirsty Williams	Vice-Chair	Full Year
Anthony Thomas	IM (Finance)	To 31.05.2023
Chris Walsh	IM (Local Authority)	Full Year
Jennifer Owen Adams	IM (Third Sector)	Full Year
Simon Wright	IM (University)	Full Year

Ian Phillips	IM (ICT)	Full Year
Cathie Poynton	IM (Trade Union)	Full Year
Mark Taylor	IM (Capital & Estates)	To 23.10.2023
Rhobert Lewis	IM (General)	Full Year
Ronnie Alexander	IM (General)	Full Year
Direct Appointment		
Mick Giannasi	IM (to support vacant Capital & Estates role)	From 26.02.2024
Executive Directors		
Carol Shillabeer	Chief Executive	To 02.05.2023
Carol Shillabeer	Substantive Chief Executive on secondment to BCUHB	From 03.05.2023 to 31.01.2024
Hayley Thomas	Executive Director of Strategy Primary Care and Partnerships and Deputy Chief Executive	To 02.05.2023
Hayley Thomas	Interim Chief Executive including Capital Estates and Partnerships	From 03.05.2023 To 25.02.2024
Hayley Thomas	Chief Executive	From 26.02.2024
Pete Hopgood	Executive Director of Finance, Information and IT Services	To 02.05.2023
Pete Hopgood	Interim Deputy Chief Executive, Executive Director of Finance, Information and IT Services, and Interim Executive Director of Primary Care	From 03.05.2023
Debra Wood-Lawson	Interim Executive Director of Workforce and OD	To 30.04.2023
Debra Wood-Lawson	Executive Director of Workforce and OD	From 01.05.23
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	To 02.05.23
Claire Madsen	Executive Director of Therapies and Health Sciences including Planning, Health and Safety and Support Services	From 03.05.2023 to 16.07.2023
Claire Madsen	Executive Director of Therapies and Health Sciences including Health and Safety and Support Services	From 17.07.23
Mererid Bowley	Executive Director of Public Health	Full Year
Stephen Powell*	Interim Executive Director of Planning, Performance and Commissioning	From 17.07.23
Joy Garfitt	Interim Executive Director of Operations, Community Care and Mental Health	From 01.04.23 (in post but absent from work from 26.01.24 resulting in interim arrangements as outlined below)
David Farnsworth	Interim Executive Director of Operations, Community Care and Mental Health	From 16.01.24

*SP 01/04/23 to 16/05/23 was Interim (Non-Executive) Director of Performance and Commissioning appointed to Substantive Director of Performance and Commissioning on 09/10/2024 to take effect from 01/04/2024

During 2023/24, vacancies in the Board consisted of:

Independent Member	Executive Director
• Independent Member (Finance) from 01/06/2023 to 31.03.2024 • Independent Member (Capital and Estates) from 24.10.2023 to 26.02.2024	Executive Director for Strategy, Primary Care and Partnerships from 03.05.2023 (covered by interim arrangements as outlined above – Pete Hopgood, Claire Madsen and Stephen Powell)

Additional support for the Finance IM role prior to the formal appointment of the IM Finance was provided by Steve Elliot – a non-Executive Special Advisor (Finance) to Delivery and Performance Committee and Audit, Risk and Assurance Committee 22/09/23 to 31/03/24.

Additional support in the absence of the Capital and Estates IM was provided by the Direct Appointment of Mick Giannasi from 26/02/2024.

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.

NON-VOTING MEMBERS OF THE BOARD DURING 2023/2024

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

Stephen Powell held the role of Director of Performance and Commissioning from 01 April 2023 to 16 July 2023 when he took up the role of Interim Director of Planning, Performance and Commissioning.

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).

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.

AUDIT, RISK AND ASSURANCE COMMITTEE

During 2023/2024, the following individuals were members of the Audit, Risk and Assurance Committee:

Independent Members (IM)		
Mark Taylor	Committee Chair – IM (Capital & Estates)	To 23/10/2023
Rhobert Lewis	IM (General) Committee Chair – IM (General)	To 23/10/2023 From 24/10/2023
Anthony Thomas	IM (Finance)	To 31/05/2023
Ronnie Alexander	IM (General)	Full Year
Chris Walsh	IM (Local Authority)	From 01/07/2023
Executive Team Officers by Attendance Only		
Carol Shillabeer	Chief Executive	To 02/05/2023
Hayley Thomas	Interim Chief Executive	From 03/05/2023 To 25/02/2024
Hayley Thomas	Chief Executive	From 26/02/2024
Pete Hopgood	Executive Director of Finance and IT	Full Year
Helen Bushell	Director of Corporate Governance / Board Secretary	Full Year

To provide additional support whilst an Independent Member (Finance) was being appointed, Steve Elliot, a non-Executive Special Advisor Finance was appointed from 22/09/2023 to 31/03/2024.

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 49.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Environmental considerations, community benefits and social value are embedded into all capital schemes from inception. Through procurement processes, projects ensure that goods and services are sourced locally wherever possible, minimising environmental impacts and supporting the local economy, employment opportunities and training. All schemes also implement elements which reduce carbon footprint and improve energy usage e.g. LED lighting. Major projects such as those undertaken at Bro Ddyfi Community Hospital and Brecon carpark have included a number of improvements including; EV charging points, solar roof panels and lighting. Biodiversity was also central to the schemes with the inclusion of bat/bird boxes, hedgehog hotels, amphibian ladders and indigenous planting to support wildlife.

The Health Board are also undertaking a significant programme of roof repairs/replacements across the estate. These projects are essential to reduce backlog maintenance and significantly reduce energy usage by improving weather tightness and upgrading insulation to building fabric. Many of these schemes including those at Ystradgynlais, Bronllys and Machynlleth also incorporate solar roof panels generating electricity for the sites.

As well as discretionary schemes and those funded by Welsh Government and the Estates Funding Advisory Board (EFAB), the estates team also manage charitably funded schemes which improve the wellbeing of staff, patients and the local community. These include garden projects at Knighton, Welshpool and Llanidloes. In 2023, the Health Board appointed its first Community Liaison Officer, supporting healthcare in respect of the external spaces around the hospitals and providing a link with others to community engagement

facilities/space within the hospitals and clinics. In 2024/25 projects are also being progressed to create a community space at Bronllys supporting voluntary groups.

A statement regarding the Health Board's actions in relation to environmental issues is provided on page XX of the Accountability Report. Reference to social and community issues can be found on page X 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.

SIGNED BY: **DATE: XX XXXX 2024**

[CHIEF EXECUTIVE]

2. STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2023/2024

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 to the 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: .....**

Hayley Thomas

HAYLEY THOMAS
[CHIEF EXECUTIVE]

3. STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2023/2024

STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2023/2024

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 2023/2024 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:**

CARL COOPER [CHAIR]

SIGNED BY: **DATE:**

HAYLEY THOMAS [CHIEF EXECUTIVE]

SIGNED BY **DATE:**

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

4. ANNUAL GOVERNANCE STATEMENT

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 of NHS Wales / Director General of Welsh Government, acting as the Accountable 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 2023/2024, the Health Board and the NHS in Wales continued to face substantial pressure in planning, recovering from the impacts of the Covid-19 pandemic and responding to industrial action amongst other political and economic challenges. 2023/24 saw a return to business as usual arrangements and no internal escalated governance arrangements were required. Outside formal meetings Board Members remained fully informed receiving briefings at Board Development or Board briefing sessions. Further detail on maintaining good governance during 2023/2024 is provided within this Annual Governance Statement.

ESCALATION STATUS

In common with all Health Board across Wales the Health Board has faced extreme financial challenges. It has not been possible to comply with

requirements to balance the budget and the Health Board has worked closely with Welsh Government to identify an appropriate way forward matching fiscal prudence against meeting Ministerial Priorities. Welsh Government placed the Health Board into a level of escalation called Enhanced Monitoring for finance and planning on the XXX. The level of escalation was categorised as enhanced monitoring, however, during the year the categories were amended, and this is now described as Level 2. The NHS Wales escalation and Intervention Arrangements can be seen in more detail here - NHS Wales escalation and intervention arrangements | GOV.WALES

FUNCTIONS HOSTED BY POWYS TEACHING HEALTH BOARD

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

- **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 HCRW, 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.

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 function, as appropriate.

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

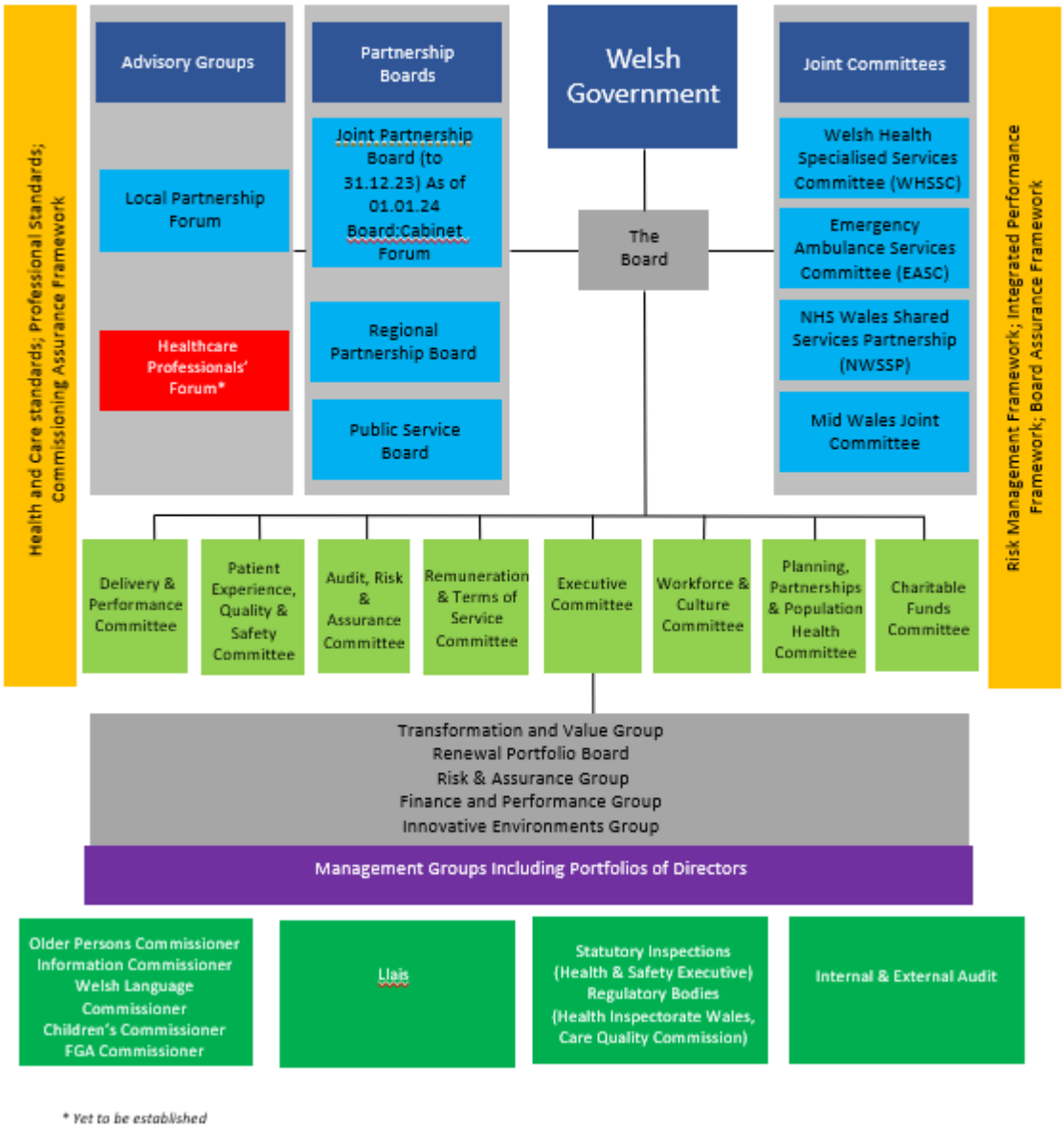
effective delivery of its Integrated Plan and Annual Delivery Plan. The Integrated Plan was approved by Board on 29 March 2023. A copy of our Integrated Plan for 2023/24 - 2025/26 can be found on the Health Board website.

The Board keeps its governance and assurance frameworks under review. Current arrangements have been in place since July 2021 with the exception of the following changes:

- The Board have agreed that the Stakeholder Reference Group will not be put in place, on the basis the Health Board has several other mechanisms for stakeholder engagement.
- The Joint Partnership Board (JPB) was jointly agreed by both the Health Board and Powys County Council to be disbanded from the 31 December 2023. In its place a new forum has been created called the Board and Cabinet Forum.

Figure 1 on the page that follows provides an overview of the governance frameworks that were in operation during 2023/2024:

Powys Teaching Health Board
Governance and Assurance Framework



** Yet to be established*

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 tone and culture of the organisation;
- 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.

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 2023/2024 were adopted by the Board on 27 November 2019, with minor amendments adopted at Board on 28 July 2021, 25 May 2022, 24 May 2023 and 27 September 2023 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.

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 remains 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.

Board and Committee Effectiveness reviews were undertaken in individual committee meetings. The reviews were undertaken by way of a survey of Members and Lead Officers of each committee which were reported to the last

meeting of each Committee in 2023/24. An overall session on Committee and Board Effectiveness will be undertaken in a Board Development session in 2024/25.

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.

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@wales.nhs.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 2023/24.

Details of attendance at Board and Committee meetings can be found at Appendix 1 (page XX)

FIGURE 2: ROLES AND RESPONSIBILITIES OF COMMITTEES OF THE BOARD FROM APRIL 2023 – MARCH 2024

Board

Audit, Risk and Assurance Committee

- Corporate Governance
- Risk Management
- Audit Recommendations
- Counter Fraud
- Post Payment
- Verification
- Anti-Fraud Policies
- Internal Audit
- External Audit
- Probity
- Annual Accountability
- Report
- Accounting Policies
- Board Assurance Framework
- Regulatory Compliance

Workforce and Culture Committee

- Organisational Development Framework
- Workforce Futures
- Strategic Equality Plan
- Staff engagement and voice
- Compassionate leadership
- Learning
- Equality and Diversity
- Welsh Language
- Staff Wellbeing
- Staff raising concerns/whistleblowing.
- Dignity at work
- Respect and resolution
- Recruitment and retention
- Talent management
- Succession planning
- Powys Health and care Academy

Patient Experience, Quality and Safety Committee

- Clinical Leadership
- Putting Things Right
- Serious Incidents and Concerns
- Patient Safety Notices and Alerts
- Infection Prevention and Control
- Patient Experience Strategy
- Patient Feedback
- Clinical Audit
- Improvement Programme
- Quality Performance
- Measures Reporting
- Mental Health
- Safeguarding
- Medical Devices
- Point of Care testing
- Inspection and Regulation

Charitable Funds Committee

- Charitable Funds Income and Expenditure
- Charitable Funds
- Applications
- Probity Regulatory Compliance

Planning, Partnerships and Public Health Committee

- Health and Care Strategy
- Strategic Commissioning Framework
- Enabling Strategic Frameworks
- Monitor and scrutinise major plans including capital schemes.
- Business Continuity Plans
- Powys Public Service Board
- Powys Regional Partnership Board
- Collaborative Working
- Population/wellbeing Assessments
- Plans for promoting.
- Health and Wellbeing

Remuneration and Terms of Service Committee

- Pay, Terms and Conditions of Services for Chief Executive, Executive Directors and very senior members of staff not covered by Agenda for change.
- Objectives and performance monitoring and Executive Directors Performance management system for those mentioned above and its application.
- Approvals of applications under Voluntary Release Scheme and redundancies
- Additional Payments to consultants
- Corporate policies related to remuneration and terms of service.

Delivery and Performance Committee

- Performance
- Management Framework Commissioning
- Assurance Framework
- Digital First
- Innovative Environments
- Financial management
- And finance performance
- Strategic priorities
- Directly provided and commissioned services
- Capital Programme
- Estate's compliance
- Health and Safety
- Fire Safety
- Information Governance
- Services delivered by NWSSP

FIGURE 3: BOARD AND COMMITTEE MEETINGS HELD DURING 2023/2024

Board/ Committee	Dates											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board		24		25		27		29		31		20
Board In-Committee		18	26		11				12	11		
Audit Risk and Assurance		16		21			10			16		11
Charitable Funds			05			18			07			04
Charitable Funds In - Committee										17		
Delivery and Performance		02	27		31		17		19		29	
Patient Experience Quality and Safety	25			04			24			23		
Planning, Partnerships and Population Health		11						16			20	
Remuneration and Terms of service	27		26		24			13	14	11	26	18
Workforce and Culture		16		11					14			05
Joint workforce and Culture Committee							24					

*It should be noted that it was necessary to cancel the August meeting of the Planning, Partnership and Population Health Committee in 2023/24 due to system pressures responding to the financial position. The Planning, Partnerships and Population Health Committee have therefore not complied with the requirement to meet quarterly during this period.

ITEMS CONSIDERED BY THE BOARD IN 2023/24

During 2023/2024 the Board formally held:

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

All meetings of the Board held in 2023/2024 were appropriately constituted with the required quorum.

The Board also holds a number of training and informal briefing sessions to support members in fulfilling their roles.

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 Plan
    - the one-year Delivery Plan; and
    - Financial Performance
- Corporate Risk Register

- Assurance Reports from:
    - Board Committees
    - Joint Committees
    - Partnerships
    - Advisory Group
- Report of the Regional Director of Llais

The Board Approved the following items:

- Belmont Branch Surgery Gilwern closure
- Integrated Plan 2023/24 Supplementary Submission
- Annual Delivery Plan 2023/24
- Anti-Racist Wales Action Plan
- Director of Corporate Governance Reports
    - Temporary change to the Model Standing Order Section 3.1
    - Revised Scheme of Delegation
    - Committee Work Programme 2023/24
    - Changes to the Welsh Health Specialised Services Committee (WHSSC) Standing Orders, changes of the Memorandum of Agreement, and changes to the Financial Scheme of delegation
    - Application of the Common Seal
    - Committee Terms of Reference
    - Declarations of Interest
    - Change to Scheme of Delegation
    - Model Standing Financial Instructions
    - Recommendation for Committee Membership 2023/24
    -
- Annual Report and Accounts 2022-23 and Letter of Representation
- WHSSC Cochlear Implants Engagement Report
- Welsh Language Annual Report 2022/23
- Equality Annual report 2022/23
- Major Incident and Emergency Response Plan
- Digital Strategic Framework 2023-2027
- Revised 2023/24 Financial Plan and Forecast
- Annual Delivery plan Q2 Report and Partial Plan Reset 2023/24
- Planning Approach 2024 onwards
- South Powys Programme – Consultant led Maternity and Neonatal Care
- All-Wales Individual Patient Funding Request (IPFR) Policy
- Putting Things Right (PTR) Policy
- Integrated Plan 2024-2029
- Strategic Equality Plan 2024-2028

- Welsh Language Strategy in Healthcare 2024-2029
- Emergency Medical Retrieval and Transfer Service
- Corporate Parenting Charter
- Welsh Join Commissioning Committee
- Integrated Quality and Performance Framework

The Board received the following items for assurance:

- Nurse Staffing Levels (Wales) Act
- Civil Contingencies Annual report
- Gilwern Branch Surgery Assurance Reports
- Winter Respiratory Vaccinations Programme
- Escalation and Intervention Status Report
- Winter Resilience Plan
- Planning approach 2024 onwards
- Therapies and Health Sciences Annual Update
- Speaking Up Safely and Raising Concerns Report
- Health and Safety Annual Report
- Socio-Economic Duty assurance report

The Board considered the following items:

- Planning Approach 2024 Onward
- Integrated Plan Development (March 2024 Onwards)
- Feedback from the WHSCC Individual Patient Funding Request (IPFR)

The Board within In-Committee meetings Approved the following items:

- Financial settlement in respect of Dispute Resolution
- The Radiology Informatics System Programme (RISP) Full Business Case
- Novation of PTHB's Non-Emergency Patient Transport to WAST
- To not apply for Core Participant Status Covid-19 Public Inquiry Module 4 and Module 6
- Variation to the current Laboratory Information Network Cymru (LINC) agreement
- To cease the Joint Partnership Board with Powys County Council and put in place alternative arrangements
- Exit the ICT and WCCIS support element from the Section 33 agreement

The Board within In-Committee meetings considered the following items:

- Financial Savings scenarios
- Tawe Ward, Ystradgynlais
- Updates on disputes
- Corporate Risks: Cyber Security and National Power Outage
- Annual Report and updates from the Remuneration and Terms of Service Committee
- Chair's Report from the Patient Experience, Quality and Safety Committee regarding Infection Prevention and Control

Chair's Actions were taken on the following items:

- Approval of the Public Service Board Wellbeing Plan
- To not apply for Core Participant Status Covid-19 Public Inquiry Module 5
- Approval to apply for Strategic Cash from Welsh Government
- Approval of Joint Commissioning Committee Standing Orders and Standing Financial Instructions

All Chair's Actions were taken in the interest of timely decision making. All Chair's actions are reported into Board meetings held in public.

ITEMS CONSIDERED BY COMMITTEES OF THE BOARD

During 2023/24, 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.

Figure 4: Key Areas of Focus of Committees of the Board (in summary) 2023-24

Audit, Risk and Assurance Committee	▪ 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; and ▪ reviewed and sought assurance on losses and special payments.
Executive Committee	▪ 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; ▪ 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; and ▪ acted as the forum in which Executive Directors and senior managers can formally raise concerns and issues for discussion, making decisions on these issues.
Charitable Funds Committee	▪ scrutinised applications for charitable funds; ▪ kept an overview of charitable funds income and expenditure; ▪ updated Charity Policies and documents, ▪ rebranded the Powys Charity, ▪ received project evaluations, and ▪ reviewed and recommended to the Board the Charity's Annual report and Annual accounts.
Delivery and Performance Committee	▪ sought assurance on performance on the Integrated Plan and Annual 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; ▪ reviewed Strategic Renewal Portfolio priorities including Value Based Healthcare, Children and

	Young People, Urgent and Emergency Care and Community Model; and ▪ sought assurance on the Committee based Corporate Risk Register.
Patient Experience, Quality and Safety Committee	▪ scrutinised the Integrated Quality Report including: o implementation of the Quality and Engagement Act o scrutinise Commissioning Escalation Report o monitor Incidents and Concerns o monitor the Inspections and External Bodies Report and Action Tracking o sought assurance on patient experience o sought assurance on Infection, Prevention and Control including nosocomial updates, o received Public Services Ombudsman Wales Annual Report and o implementation of the Duties of Quality and Candour. ▪ monitored Maternity Services Assurance reports including de-escalation of Maternity Services; ▪ received the Annual Reports of the Accountable Officer Controlled Drugs; ▪ monitored the Infection Prevention and Control Plan ▪ monitored compliance with Mental Health legislation; ▪ scrutinised the Board's Clinical Quality Framework; ▪ sought assurance on the Clinical Audit Progress Report; ▪ received and sought assurance on the Annual Safeguarding Report 2022/23; ▪ received and sought assurance on the Medicines Management report; ▪ sought assurance on the implementation of Welsh Government Guidance on transition and handover of Children to Adult Health Services; ▪ reviewed and sought assurance on the Medical Devices and Point of Care Testing Annual report; ▪ monitored and sought assurance on the development of an improvement plan regarding the Mental Health Deep Dive; ▪ approved the proposed Board Level Statement on Infection Prevention and Control;

	▪ received and sought assurance on Annual Report of Accountable Officer for Controlled Drugs, and ▪ sought assurance on the Committee based Corporate Risk Register.
Planning, Partnerships and Population Health Committee	▪ sought assurance on the Strategic Change Programmes; ▪ sought assurance on the Healthy Child Wales Programme; ▪ sought assurance on Childhood Immunisations; ▪ reviewed the ALN and sought assurance regarding activity and plans; ▪ sought assurance on compliance with the Socio-economic Duty; ▪ sought assurance on the Population Screening Programme Uptake; ▪ sought assurance on endoscopy services; ▪ considered the scoping exercises on Deep Dive - Diabetes
Workforce and Culture Committee	▪ scrutinised the Workforce Performance Reports; ▪ scrutinised the Equality, Diversity, and Inclusion monitoring report; ▪ sought assurance on staff well-being, Joint Workforce Futures Programme and Flexible Working Policy; ▪ reviewed and sought assurance on the Workforce Futures: o Transformation and Sustainability o Partnership and citizenship o Staff Health and Wellbeing ▪ 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; ▪ approval and publication on the Health Board's website the Welsh Language Annual Report 2022/23 ▪ reviewed and recommended the Strategic Equality Plan 2023-2027; ▪ 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; and ▪ sought assurance on the Committee based Corporate Risk Register

BOARD DEVELOPMENT

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

- Audit Wales – when things go wrong;
- Strategy and Planning:
  - Integrated Plan 2023-26 supplementary submission
  - Annual Delivery Plan 2023/24
  - Performance oversight and reporting 2022-24
  - Annual Plan 2023/24 reset
  - Planning approach 2024/25
  - Developing the Five Year Plan
  - Integrated Plan 2024/25
- Branch Practice Closure / Review Panel process;
- Board and Committee Effectiveness;
- Digital Strategic Framework;
- Quality and Engagement Act;
- Corporate Risk;
- Financial Scenario Planning;
- Risk appetite training;
- Listening and Learning
  - Learning Disability Team
  - Health and Care Academy Team
  - Living Well Service
  - Stop Smoking Team
  - Clinical Education Team
- Financial Development;
- Developing the organisation
  - The Board as a Team
  - Board resilience
  - Equality, Diversity and Inclusion
  - Welsh Language
  - Emergency Ambulance Response and Performance
  - Staff Survey results
  - Integrated Quality and Performance Framework

The Board has scheduled its annual self-assessment and reflection for 2023/2024 to take place in quarter 1 of 2024 (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 2023/2024 to strengthen the Forum's operating arrangements and maximise its role in providing advice to the Board. The Forum has considered the Integrated Plan, reviewed the Terms of Reference, received regular updates on the financial position, workforce analysis and a regular summary report from the Director of Workforce and OD. Other areas considered include proposals for Spa Road, Llandrindod Wells, the Digital Strategic Framework, the Accelerated Sustainable Model, updates on Industrial Action, food hygiene at Bronllys, car park management proposals, staff survey results and staff excellence awards. 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 2023/24. 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.

The Health Board has determined that it considers it has more effective mechanisms to engage 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, Board to Cabinet Forum (previously Powys Joint Partnership Board) 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 Llais the successor organisation to the Powys Community Health Council.

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 south Powys in relation to a proposal to reduce opening times of Minor Injury Unit services at Nevil Hall Hospital.

It was intended to make arrangements to convene the Healthcare Professional's Forum in 2023/24, due to organisational pressures this did not happen but is the intention within 2024/2025.

JOINT COMMITTEES

Regular reports on the work of the Joint Committees are provided by the Chief Executive to the Board at each meeting and further information regarding the Joint Committees 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.

WHSSC and EASC ceased to exist as of 31 March 2024 being superseded by the NHS Joint Commissioning Committee as of 1 April 2024. More details about the new NHS Joint Commissioning Committee can be found here - Home - NHS Wales Joint Commissioning Committee

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) was established in 2010 and is hosted by Velindre NHS Trust. NWSSP 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.

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 were overseen by a Joint Partnership Board until 31 December 2023. Oversight arrangements are now provided in the Joint Leadership Team between the Health Board and County Council.

JOINT PARTNERSHIP BOARD

Powys was 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.

The working arrangements and Terms of Reference were reviewed in 2023 and in December 2023 a joint agreement was made to cease operation of the Joint Partnership Board and implement successor arrangements including a Board to Cabinet Forum and Joint Leadership Team.

BOARD TO CABINET FORUM AND JOINT LEADERSHIP TEAM

These new fora, replacing and extending the functions of the Joint Partnership Board as of 1 January 2024 agreed their terms of reference at their first meetings in March 2024.

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 and agendas and papers can be accessed here.

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.

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.

Further information regarding the RPB can be accessed at: Health And Wellbeing | Powys Regional Partnership Board | Wales (powysrpb.org)

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 2024 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 52).

CAPACITY TO HANDLE RISK AND KEY ASPECTS OF THE CONTROL FRAMEWORK

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 2023/2024, 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 including our enhanced status of monitoring and escalation. 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 continue to 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 2023/2024

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. The Corporate Risk Register was further reviewed in 2023/24. Key themes of the Corporate Risk Register are as follows:

- 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;
- the risk of a national power outage; 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 March 2023, further Internal Audit was undertaken and reported a reasonable assurance rating, a significantly

improved position.

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. Development work has been undertaken in 2023/2024, refreshing 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. The BAF will be fully implemented during 2024/25. Work has also been 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 three times in 2023/2024, this group will continue to operate in 2024/25 to enable coordination of the achievement of the Risk Management Framework's objectives through the organisation'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 vary 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 Boards 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 2023/2023 Risk Appetite Statement were maintained in 2023/2024.

The whole Board 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 2023/2024 was maintained from 2022/23 and 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.

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

Risk Appetite	Description
	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	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. 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 perform roles or tasks safely nor any incident or circumstances which may compromise the safety of any staff

Risk Category	Description
	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 my 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	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. Our reputation for integrity and competence should not be compromised with the people of Powys, Partners, Stakeholders and Welsh Government. 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

Risk Category	Description
	regulatory environment.
Performance and Service Sustainability	We have a low-moderate risk appetite for risks which may 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

Risk Category	Description
	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 Change	We wish to maximise opportunities for developing and growing our services by encouraging entrepreneurial activity 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. 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. 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.

THE HEALTH BOARD'S RISK PROFILE

As can be seen from the Heat Map at Figure 7, at the end of March 2024 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.

PLACEHOLDER – ITEM 59 Figure 7 Strategic Heat Map

PLACEHOLDER – ITEM 60 Figure 8 Key Risks and Controls

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 business continuity events that have impacted on the Health Board's services. The Health Board has also participated in a number of exercises which have taken place to test the arrangements detailed within the Health Board's emergency response plans.

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, Welsh Government 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. The Health Board also produces an Annual Report on Civil Contingencies Planning for the Board.

An internal audit of the Health Boards corporate business continuity arrangements has been undertaken during the last twelve-month period, providing 'substantial' assurance in this area of work.

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 2023/2024. The Health and Social Care (Quality and Engagement) (Wales) Act 2020 has placed increased

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 Body. Thus, enriching engagement with our citizens and wider communities. Developing our organisational culture and embedding the Duty of Candour have been critical in being open and honest with our citizens and service users where our services have not met expectations or caused harm. Candour will be utilised to drive improvement whilst embracing innovation opportunities.

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
    - Access
    - Cost/Finance
    - Governance & strategic change
- Putting Things Right (Concerns, Incident, Redress and Clinical Negligence)
- 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 2023). The Review was positive overall with helpful areas for improvement identified.
- A focus on improving quality metric reporting which has been supported by the implementation of the Integrated Quality Performance Framework (IQPF)
- Implementation of the Medical Examiner Service

- Completion of the National Nosocomial COVID-19 Programme (NNCP)
- Safeguarding & public protection annual report presentation to the Patient Experience, Quality and Safety in December 2023; and

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.

Learning from concerns has continued to mature, ensuring lessons are learned and both patient and staff experiences are heard, along with influencing change if required.

Health and Care Standards

The Health and Care Quality Standards replace the 2015 Health and Care Standards as set out in Welsh Health Circular 2023/013 - WHC/2023/013. The inclusion of quality directly aligns the standards with the Duty of Quality introduced in April 2023 through the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The standards set out the expectations for services in both a provider and commissioned basis for local citizens. They are aligned to the health board Quality Management System and cross referenced as part of Committee reporting, with associated risks and escalation raised.

Decisions should be based on the 12 Health and Care Quality Standards 2023: Safe, Timely, Effective, Efficient, Equitable and Person-centred (STEEP) care delivered through: Leadership, Workforce, Culture and Valuing People, Information, Learning, improvement and research, Whole systems approach.

The diagram below illustrates the standards:

Clinical Audit

For 2023/24 a comprehensive Clinical Audit Plan was developed by the Powys service groups and approved by the Patient Experience, Quality and Safety Committee in February 2023.

142 audits covering service improvement, service evaluation, National Audit Programme work and responses to incidents were included in the Clinical Audit Plan.

An update and progress report on the delivery of the Clinical Audit plan was presented to the Patient Experience, Quality and Safety Committee in June of 2023.

The Internal Audit team undertook an audit of the processes around Clinical Audit examining four measures. Their report, published in September 2023, gave a rating of Substantial Assurance for the development of the Annual Clinical Audit plan, and for the provision of guidance and advice to staff on conducting a Clinical Audit.

They gave a rating of Reasonable Assurance on the provision of adequate resources to undertake Clinical Audit and on the monitoring and reporting of audit outcomes. As part of the recommended actions from the Internal Audit report, audit leads across the organisation will be asked in 2024 to consider whether their service has sufficient resources to undertake clinical audit and

respond accordingly. The Patient Experience, Quality and Safety Committee approved the Clinical Audit Plan for 2024/25 in April 2024.

Complaints and Concerns Framework

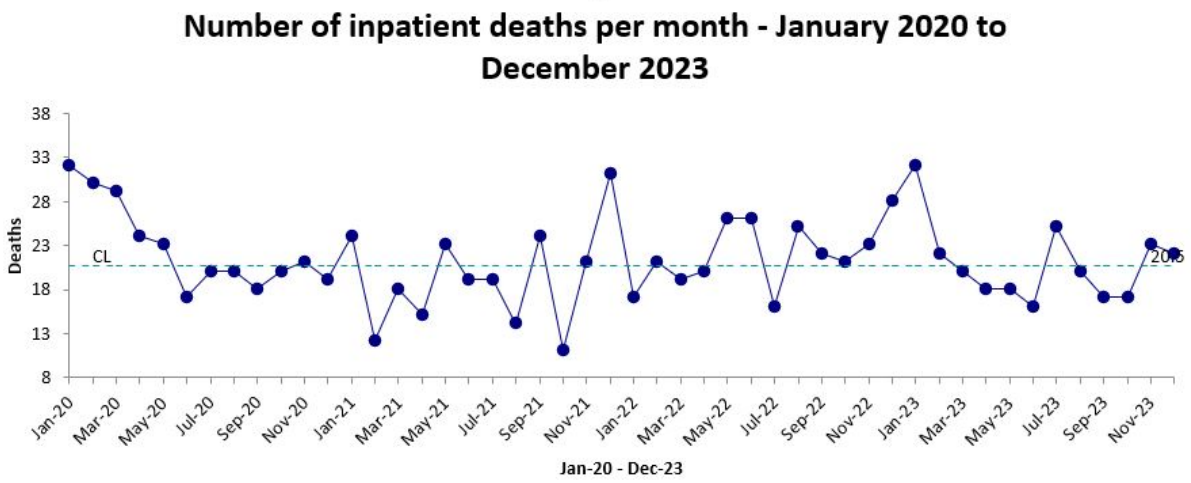
Compliance with the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulation 2011 timeframes have continued to improve throughout 2023/2024. The implementation of the Duty of Candour has strengthened the Health Board processes which has influenced the way in which incidents are managed, through to investigation, learning and sharing of lessons. Continued investment in training during 2023/2024 has built on existing knowledge and experience across the Health Board.

The Patient Experience, Quality and Safety Committee receives regular reports against the complaints and concerns framework, forming part of the Integrated Quality Report for the organisation.

These and further information on Putting Things Right can be found on the Health Board website.

Mortality Reviews

The number of in-patient deaths at Powys Community Hospitals remains constant. An average of 21 patients died during each calendar month between January and December 2023, the same average figure as for January to December 2022.



In addition to the 240 in-patient deaths at Powys Community Hospitals a further 585 Powys residents died whilst receiving in-patient care at out-of-county hospitals. Details are given in the table below.

Deaths in Powys community hospitals	240
Deaths in Shrewsbury and Telford NHS Trust	186
Deaths in Wye Valley NHS Trust	127
Deaths in Hywel Dda UHB	59
Deaths in Swansea Bay UHB	55
Deaths in Cwm Taf Morgannwg UHB	49
Deaths in Aneurin Bevin UHB	33
Deaths in Betsi Cadwaladr UHB	7
Deaths in Cardiff and the Vale UHB	6
Deaths in various other English providers	63

During 2023 the Medical Examiner Service took over the review of all in-patient deaths. The Medical Examiner Service began as a pilot at Brecon and Bronllys hospitals in April 2022 being followed by Ystradgynlais hospital who joined the programme in July of 2022.

The remaining sites, Llandrindod, Machynlleth, Llanidloes, Newtown and Welshpool went live in February of 2023.

Between the beginning of the Medical Examiner Pilot and the end of February 2024 a total of 318 Community Hospital in-patient deaths have been reported to, and reviewed by, the Medical Examiner Service.

Of these 318 cases a total of 77 cases have been referred back to the Health Board by the Medical Examiner Service. A referral by the Medical Examiner Service does not necessarily mean that there has been an identified problem with the care provided.

The Medical Examiner will comment on anything they consider might be interesting or beneficial for the Health Board to be informed of, or to review. The Medical Examiner Service also talks to the next of kin of the deceased and gives them the opportunity to raise any issues in the care of the deceased. This can include care received at out of county District General Hospitals, Social Services interactions, GP care or experience with the Ambulance Service.

All 77 cases have been reviewed by the Health Board and no causes for concern over the care provided by the Health Board have been identified.

Learning from Experience Group

The Learning from Experience Group continues to triangulate learning from events within the Health Board and the wider system. This year there has been a strengthening of triangulation and feedback to inform clinical audit plans. The group is chaired by the Medical Director.

The team have supported learning events to discuss incidents that have occurred with common themes and crossover of learning. The learning events have been well attended by key individuals within the services to further strengthen the actions for improvement that are required. It is envisaged that these events will ensure that teams develop a safe culture to learn, improve and celebrate their successes.

In 2024/25 we will be strengthening the link between the Learning from Experience Group and our Board Committees.

EXECUTIVE 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. With the secondment of the substantive Chief Executive to Betsi Cadwaladr University Health Board in May 2023 it was necessary to put in place interim arrangements which were amended slightly in July 2023.

An overview of Executive Director portfolios is set out in ***Figures 9a, 9b*** and ***9c.***

Placeholder Item 71 Figures 9a, 9b and 9c

Staff and Staff Engagement

The Local Partnership Forum is a formal advisory group providing opportunity for two-way discussion and collaboration between staff and the Health Board management, 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 includes:

- Director of Workforce and OD reports and workforce performance reports
- Organisational Development Framework
- The relaunch of the Staff Excellence Awards, which recognises and acknowledges the hard work and dedication of all categories of staff.
- Powys Engagement and Wellbeing Survey and NHS Survey
- All staff received an invitation for free Winter Respiratory Vaccinations at their place of work or local 'drop in' centre.
- The introduction of Wagestream, allowing Bank workers via the Health Roster to choose when to get paid for hours accrued; shaping their pay around their life.
- The Occupational Health system has gone 'live' supporting staff to stay well at work – physically and mentally.
- Dying to Work Forum – offering support to individuals who are terminally ill, and guidance to Managers and colleagues dealing with terminally ill individuals in a sensitive and appropriate manner.

Communication and Engagement

During 2023/24 the Health Board's engagement and communication team has supported the wider Health Board activities as we continue with recovery and renewal following the COVID-19 pandemic whilst also addressing the significant financial challenges facing the public sector.

Engagement and consultation activity has included:

- Planning and delivery of series of engagement events to support our "Better Together" approach for the future of safe and sustainable health and care services in Powys
- Initial work as part of the national stroke review for Wales
- Decision making and mitigation planning & delivery following engagement during 2022/23 following an application from Crickhowell Group Practice to close their branch surgery in Gilwern
- Support for the planning and delivery of three phases of national 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
- Partnership work with Public Services Board (PSB) and Regional Partnership Board (RPB) partners on a shared approach to coproduction in 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.

Key areas of communication focus have been the continued work to support Powys residents to access the right care in the right place at the right time. This has included a focus on Help Us Help You, promotion of NHS 111 Wales services, launch of NHS 111 Press 2 for access to mental health advice, and SilverCloud Wales which is hosted by PTHB on behalf of NHS Wales.

A major programme of activity was also undertaken to connect with communities in the celebration of the 75th anniversary of the NHS in July 2023.

With industrial action taking place during the year in both Wales and England, the team was also central to the Health Board response, providing public messaging to help people access the right service at the right time.

Internally, we have continued to develop our SharePoint intranet site which was launched in 2022/23. We also relaunched our Staff Excellence Awards.

Given rising levels of acute respiratory infections during the autumn, alongside growing financial pressures, the decision was taken to change from a face-to-face event for all our finalists and instead hold a series of virtual events supported by in-person visits by Board members to our winners.

Key priorities for 2024/25 include continued engagement and communication for our Better Together programme as well as right-sizing the team to best reflect the organisation's future needs.

INFORMATION GOVERNANCE

Information Governance (IG) is the way in which the Health Board manages all information 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 in line with legislation.

Information Governance is robustly managed within the Health Board by:

- The information governance team whose role it is to support and drive the board agenda and provide the health board with the assurance that effective information governance best practice mechanisms are in place.
- a Caldicott Guardian whose role it is to safeguard patient information.
- a Senior Information Risk Owner (SIRO) whose role it is to manage information risk.
- a Data Protection Officer whose role it is to ensure the health board is compliant with data protection legislation.
- a Chief Clinical Information Officer whose role it is to ensure.
- Information Governance leads within each service delivery group and corporate department whose role it is to champion data protection within their service areas.
- Digital Governance Board - a group of digital experts who 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) thus avoiding PTHB 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.

We have responsibilities in relation to freedom of information, data protection, subject access requests and the appropriate processing and sharing of personal identifiable information. Assurances that the health board has compliant IG practices are evidenced by:

• Quarterly reports to Delivery and Performance Committee, including key performance indicators.

- A detailed operational IG work plan.
- A suite of IG and information security policies, procedures, and guidance documents.
- IG Intranet pages for the health board's employees with guidance and awareness.
- A comprehensive Training Needs Analysis for all staff, including proactive targeting of any staff non-compliant with their IG training.
- A robust management of all reported Personal Data breaches, including proactive reporting to the ICO.
- Regular monitoring of the health board's systems for inappropriate accesses to patients' personal data through the National Intelligent Integrated Audit Solution (NIIAS) platform.
- An Information Asset Register (IAR) used to manage information across the health board.

As of 31 March 2024, the Health Board achieved a rate of 88.74% for the mandatory Information Governance training which is a slight decrease compared with the previous year.

We continue to reinforce awareness of key principles of Data Protection legislation through the following:

- assuring new and existing systems via Digital Governance Board
- 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.

The Health Board continues to be proactive in using the NHS Wales Information Governance management support framework to ensure consistency of policy, standards and interpretation of the law and regulation across NHS Wales's organisations.

A personal data incident is a breach of security leading to the accidental or unlawful destruction, loss, alteration, un-authorised 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, no personal data incidents were formally reported to the ICO. Figures on the number of IG related breaches are reported to our Delivery and Performance Committee.

Two IG related complaints were received into how their subject access requests were handled. Following a response, no further action was requested.

Brech reporting - During 2023/24, there were 144 information governance related incidents recorded by staff on the Health Board's DATIX Incident Reporting System: an increase of 19 from the previous year. These incidents are of varying level of concern such as mis-directed emails, records management, physical security related incidents but none were reported as major incidents and reported to the ICO.

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 2023 to 31 March 2024 the health board received a total of 486 requests for information, with 423 of these answered within the 20-day timeframe. Five 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:

REQUESTS FOR PERSONAL INFORMATION

UK GDPR and AHRA give individuals, family members and third parties 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 2023 to 31 March 2024, the health board responded to 445 SARs, with 413 of those responded to within the statutory timeframe.

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. The Toolkit submission deadline for this reporting period was achieved. An information governance workplan is in place which the team will continue to work to during 2024/25.

INFORMATION (DATA) SECURITY

The Health Board's Digital Governance Board (DGB) is a group of digital and clinical experts that approve the procurement of any local new or existing digital solution to ensure complies with relevant legislation and standards (UK GDPR and NIS Regulations) thus reducing the threat of PTHB being put at un-necessary risk, such as from a Cyber-attack, loss of data, incident/breach of patient's data, financial penalty from the ICO or NCSU. The Board meet fortnightly and report into the Digital Transformation Board.

Over the last 12 months, 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 to ensure we meet our legislated obligations.

DATA PROTECTION OFFICER

This role 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. Since 2018, 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 with the Health Board's Medical Director/Caldicott Guardian and Senior Information Risk Owner (SIRO).

The Executive Committee and the Delivery and Performance Committee monitors and seeks assurance against our information governance performance.

PLANNING ARRANGEMENTS

The organisation's planning arrangements in 2023/2024 form a key part of the Performance Report section of the Annual Report. Further detail can be found throughout the Performance Report.

DISCLOSURE STATEMENTS

Equality, Diversity, and Inclusion

The organisation's approach to Equality, Diversity, and Inclusion in 2023/2024 forms a key part of the organisations work. The Equalities, Diversity and Inclusion Annual Report 2023/2024 will be considered for approval at Board in July 2024 and then published to the Health Boards website where the 2022/2023 Report can be found - Equality - Powys Teaching Health Board (nhs.wales).

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.

Carbon Reduction Delivery Plans

As referenced on page XX the Health Board has a Decarbonisation Action Plan which sets out how the Health Board will deliver against national commitments and our locally let priorities.

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 XXX 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 XX.

MINISTERIAL DIRECTIONS AND WELSH HEALTH CIRCULARS

Welsh Government has issued a number of Ministerial Directions in 2023/24. 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 given 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 2023/24. 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 XXX) provide an overview of Ministerial Directions and Welsh Health Circulars received during 2023/2024 and their implementation status as of March 2024.

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 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.

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- 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 2023/2024 is provided below.

Head of Internal Audit Opinion for 2023/2024

TABLE BELOW TO BE UPDATED ONCE OPINION RECEIVED

The Head of Internal Audit Opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control for 2023/2024 is set out below:

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

The 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 2023/2024 year was 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:

TABLE BELOW TO BE UPDATED ONCE OPINION RECEIVED

Substantial Assurance	Reasonable Assurance
Limited Assurance	Advisory and Non-opinion
No Assurance	

Limited Assurance Rated Reviews

Two Limited assurance rated reviews had been received during 2023/2024. The reports were in respect of:

- Information Governance
- Estates Condition

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

NOTE – DOUBLE CHECK THIS AGAINST END OF YEAR INTERNAL AUDIT OPINION

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 2023/24 at the beginning of the financial year. This was approved by the Audit, Risk and Assurance Committee in May 2023.

Following introduction of new Government Functional Standards on Counter Fraud, which replaced NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)' from 2021/22, the Health Board's Counter Fraud Work Plans have been aimed at ensuring compliance for the first enforcement year of the new standards in 2023/24.

There were two Standards Components that were Amber rated at the start of 2023/24:

Component 1B - Accountable individual - rated Amber

This Standard was 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. This component is now rated as Green.

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

This Component was 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.

Work Plan actions were included in the 2023/24 workplan to address this and aimed to uplift to Green rating. Due to loss of significant resource in year due to long term sickness within the Counter Fraud Team slippage in delivery of this objective has occurred with the net effect of arriving at commencement of 2024/25 with Component 3 still rated as Amber. This Work Plan focusses resource into this area to recover and to drive towards Green rating by end of 2024/25.

The Health Board contracts Swansea Bay UHB via Service Level Agreement for the provision of Counter Fraud Resource. This results in 1.2 FTE of accredited counter fraud specialist resource supplemented by 0.2 FTE admin support which translate to 308 days deliverable for counter fraud activity. This SLA arrangement remains in place for 2024/25.

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 2022-23 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. All of these actions have either been completed or are well progressed. In 2023-24, seven recommendations were made to and accepted by the Health Board.

The Structured Assessment and Management Response was reported to the Audit, Risk and Assurance Committee on 11 March 2024 and then to the Board on the 20 March 2024 and can be found on the Health Board's website: pthb.nhs.wales/about-us/the-board/board-meetings/2024/20-march-2024/12/ on pages 45-75.

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.

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 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. Further detail on this area of work is available at:

Ethical Employment & TISC Reports (Transparency in Supply Chains) - NHS Wales Shared Services Partnership

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.

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. As a result of a number of complex pressures including demand for our services, system pressures, cost of living and inflation as well as national and international economic and other pressures, Powys Teaching Health Board has been moved to 'Enghanced Monitoring' as part of NHS Wales Escalation and Intervention arrangements during 2023/2024 for planning and finance.

During 2023/2024, 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 2024/25 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will continue in 2024/2025 to continue 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 2024/2025.

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:**

HAYLEY THOMAS
[INTERIM CHIEF EXECUTIVE]

Appendix 1: Board and Board Committee Membership - and Attendance at Board (2023-24)

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2023-24	Board Champion Role
Carl Cooper	Chair	▪ Chair of the Board	11/11	
		▪ Chair of the Charitable Funds Committee	5/5	
		▪ Chair of the Remuneration and Terms of Service Committee	8/8	
Kirsty Williams	Vice Chair	▪ Vice Chair of the Board	11/11	• Infection Prevention and Control • Armed Forces and Veterans • Mental Health • Children and Young People
		▪ Chair of the Patient Experience, Quality and Safety Committee	4/4	
		▪ Vice Chair of the Remuneration and Terms of Service Committee	7/8	
		▪ Member of the Delivery and Performance Committee	5/6	
		▪ Member of the Planning, Partnerships and Population Health Committee	3/3	
		▪ Audit, Risk and Assurance Committee (attended to ensure a quorum)	3/3	
Ian Phillips	Independent Member [Information Technology]	▪ Member of the Board	10/11	• Digital & Data
		▪ Member of the Patient Experience, Quality and Safety	3/4	
		▪ Chair of the Workforce and Culture Committee	3/4	
		▪ Vice Chair of the Planning, Partnerships and Population Health Committee	2/3	
		▪ Remuneration and Terms of Service Committee	7/8	
		▪ Member of the Board	7/11	

Jennifer Owen-Adams	Independent Member [Third Sector] (From 30 August 2022)	▪ Vice Chair of the Patient Experience, Quality and Safety Committee	4/4	
		▪ Member of the Workforce and Culture Committee	4/4	
		▪ Member of the Planning, Partnerships and Population Health Committee	3/3	
Chris Walsh	Independent Member [Local Authority]	▪ Member of the Board	6/11	
		▪ Member of Workforce and Culture Committee	4/4	
		▪ Member of Audit, Risk and Assurance Committee	3/4	
Rhobert Lewis	Independent Member [General]	▪ Member of the Board	9/11	
		▪ Vice Chair of the Charitable Funds Committee	5/5	
		▪ Member of the Remuneration and Terms of Service (from 10 November 2023)	5/5	
		▪ Chair of the Audit, Risk and Assurance Committee (from 24 October 2024 although covered from August 2023)	4/5	
		▪ Chair of the Planning, Partnerships and Population Health Committee	2/3	
		▪ Vice Chair of the Delivery and Performance Committee	6/6	
Tony Thomas	Independent Member [Finance] (To 31 May 2023)	▪ Member of the Board	0/1	
		▪ Vice Chair of the Audit, Risk and Assurance Committee	0/1	
		▪ Vice Chair of the Delivery and Performance Committee	1/1	
Mark Taylor	Independent Member [Capital and Estates] (To 23 October 2023)	▪ Member of the Board	2/3	
		▪ Chair of the Audit, Risk and Assurance Committee	1/3	
		▪ Member of the Remuneration and Terms of Service Committee	2/3	

		▪ Member of the Patient Experience, Quality and Safety Committee	2/2	
		▪ Chair of the Delivery and Performance Committee	2/4	
Simon Wright	Independent Member [University]	▪ Member of the Board	7/11	
		▪ Member of the Patient Experience, Quality and Safety Committee	4/4	
		▪ Audit, Risk and Assurance Committee (attended to ensure a quorum)	1/1steve el	
Ronnie Alexander	Independent Member [General]	▪ Member of the Board	8/11	
		▪ Member of the Audit, Risk and Assurance Committee	1/5	
		▪ Chair of the Delivery and Performance Committee	5/6	
		▪ Member of Planning, Partnerships and Population Health Committee	2/3	
Cathie Poynton	Independent Member [Trade Union]	▪ Member of the Board	9/11	
		▪ Member of the Workforce and Culture Committee	4/4	
		▪ Member of the Charitable Funds Committee	5/5	
		▪ Member of the Delivery and Performance Committee	6/6	
Mick Giannasi	Independent Member	▪ Member of the Board	1/1	
		▪ Member of the Delivery and Performance Committee	1/1	
Hayley Thomas	Director of Strategy, Primary Care and Partnerships to 02.05.2023 Interim Chief Executive 03.05.2023 -to 25.02.3034 Chief Executive from 26.02.2024	▪ Board	11/11	
Pete Hopgood	Director of Finance, IT, and Information Services	▪ Board	11/11	

Kate Wright	Medical Director	▪ Board	9/11	• Caldicott
Claire Roche	Director of Nursing and Midwifery	▪ Board	9/11	• Children and Young People • Putting Things Right
Claire Madsen	Director of Therapies and Health Sciences	▪ Board	11/11	
Stephen Powell (from 17.07.2023)	Interim Director of Planning and Performance	▪ Board	7/8	
Mererid Bowley	Interim Director of Public Health	▪ Board	11/11	• Emergency Planning
Debra Wood-Lawson	Interim Director of Workforce and Organisational Development	▪ Board	10/11	• Raising Concerns • Equality
Helen Bushell	Director of Corporate Governance / Board Secretary	▪ Board	10/11	• Counter Fraud

Appendix 2: Table of Quoracy

Board/Committee	Dates:									Quorate
Board	24 May 2023	25 July 2023	27 September 2023	29 November 2023	31 January 2024	20 March 2024				Yes
Board In-Committee	18 May 2023	26 June 2023	11 August 2023	12 December 2023	11 January 2024					Yes
Audit, Risk and Assurance Committee	16 May 2023	21 July 2023	10 October 2023	16 January 2024	11 March 2024					Yes*
Charitable Funds	05 June 2023	18 September 2023	07 December 2023	04 March 2024						Yes
Charitable Funds In-Committee	17 January 2024									Yes
Delivery and Performance Committee	02 May 2023	27 June 2023	31 August 2023	17 October 2023	19 December 2023	29 February 2024				Yes
Patient Experience, Quality and Safety Committee	25 April 2023	04 July 2023	24 October 2024	23 January 2024						Yes
Planning, Partnerships and Population Health Committee	11 May 2023	16 November 2023	20 February 2024							Yes

Remuneration and Terms of Service	27 April 2023	26 June 2023	24 August 2023	13 November 2023	14 December 2023	11 January 2024	26 February 2024	18 March 2024		Yes
Workforce and Culture Committee	16 May 2023	11 July 2023	14 December 2023	05 March 2024						Yes
Joint Workforce and Culture Committee	24 October 2023									Yes

- Cathie Poynton attended Audit, Risk and Assurance Committee on 16 May 2023 and 21 July 2023 to ensure a quorum.
- Kirsty Williams attended Audit, Risk and Assurance Committee on 21 July 2023, 10 October 2023, 16 January 2024 and 11 March 2024 to ensure a quorum.
- Simon Wright attended Audit, Risk and Assurance Committee on 10 October 2023 to ensure a quorum.

Appendix 3a: Welsh Health Circulars 2023/2024 (April 23 – March 24)

Welsh Health Circular	Date/Year of Adoption	Action to Demonstrate Implementation/Response	Status
2023/012 2023/24 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance 2023/24	April 2023	WHC actioned and implemented	Complete
2023/013 Health and Care Quality Standards 2023 (replacing Health and Care Standards 2015 - WHC 2015/015)	May 2023	WHC actioned and implemented	Complete
2023/017 NHS Wales Executive National Policy on Patient Safety Incident Reporting and Management	May 2023	WHC actioned and implemented	Complete
2023/028 Value Based Health Care Programme - Data Requirements	August 2023	WHC actioned and implemented	Complete
2023/011 NICE Guidance on Self-Harm: assessment, management and preventing recurrence	April 2023	WHC actioned and implemented	Complete
2023/015 COVID-19 Vaccination Observation Periods/Vaccination following recovery from COVID-19	May 2023	WHC actioned and implemented	Complete
2023/019 GMC and NICE Guidance on information	June 2023	WHC actioned and implemented	Complete

disclosure for the protection of patients and others.			
2023/025 Guideline for managing patients on the suspected cancer pathway	July 2023	WHC actioned and implemented	Complete
2023/028 Value Based Health Care Programme - Data Requirements	August 2023	WHC actioned and implemented	Complete
2023/032 Amendments to Model Standing Orders and Model Standing Financial Instructions –NHS Wales	N/A	WHC actioned and implemented	Complete
2023/003 Guideline for the Investigation of Moderate or Severe early developmental impairment or intellectual disability (EDI/ID)	April 2023	Implementation not yet due as guideline due to be reviewed 1 May 2025.	Not Yet due
2023/018 Introduction of HL7 FHIR as a foundational standard in all NHS Wales Bodies	June 2023	WHC actioned and implemented	Complete
2023/023 The National Influenza Vaccination Programme 2023-24	June 2023	WHC actioned and implemented	Complete
2023/022 Armed Forces Covenant – Healthcare Priority / Special	June 2023	WHC actioned and implemented	Complete

Consideration for Veterans / ExArmed Forces Personnel			
2023/024 Change of Vaccine and cohort expansion for Shingles Vaccination Programme	June 2023	WHC actioned and implemented	Complete
2023/010 Certification of Vision Impairment in Primary and Community Care	N/A	WHC actioned and implemented	Complete
2023/026 NHS Research and Development Framework	July 2023	WHC actioned and implemented	Complete
2023/021 Consent to Examination or Treatment - update	August 2023	January 2024 The Workforce Department within the Health Board is currently identifying all the staff who will be required in future to undertake the All-Wales e-learning materials on Consent. Once this work is complete there will be regular reports to the Executive Team on staff compliance in undertaking the consent training. The Powys Community Dental Service is keen to move to an all-electronic notes system and is investigating ways that the taking of consent can be recorded electronically. January 2024 Training needs analysis undertaken by OD team to identify eligible staff and advice received from WRP incorporated into this assessment.	In progress
2023/030 New 2023 National Safety Standards for Invasive Procedures (NatSSIPS2) by the Centre for	August 2023	January 2024 NatSSIPs are in place in OPD – completed NatSSIPs in Theatres are currently being reviewed by the clinical leadership team this will completed in early Q1 2024/5.	In progress

Perioperative Care (CPOC) and Patient Safety Notice PSN 034			
2023/029 Winter Respiratory Vaccination Programme: Autumn and Winter 2023 to 2024	August 2023	WHC actioned and implemented	Complete
2023/031 AMR & HCAI IMPROVEMENT GOALS FOR 2023-24	August 2023	Implementation not due until March 2024	Not Yet Due
2023/033 Vaccine Products to be used in the Autumn 2023 COVID-19 Vaccination programme	September 2023	WHC actioned and implemented	Complete
2023/036 Speaking up Safely Framework - NHS Wales	September 2023	WHC not actioned and implemented **HB TO UPDATE**	No progress
2023/034 NHS Welsh Sustainability Awards	September 2023	WHC actioned and implemented	Complete
2023/037 Patient Testing Framework for Autumn / Winter 23	September 2023	WHC actioned and implemented	Complete
2023/035 UPDATE OF GUIDANCE ON CLEARANCE AND MANAGEMENT OF HEALTHCARE WORKERS LIVING WITH A	October 2023	WHC actioned and implemented	Complete

BLOODBORNE VIRUS (BBV) AND A REMINDER OF HEALTH CLEARANCE FOR TUBERCULOSIS.			
2023/040 The NHS Wales: Newborn and Infant Physical Examination Cymru (NIPEC)	November 2023	10/11/23 shared with GP practices. Currently waiting for further guidance on go live date of the NIPEC new examination process. To support the changes, training being offered to practices in Spring 2024	In progress
2023/039 Independent Authorisation of Blood Component Transfusion (IABT)	November 2023	January 2024 needs MDT discussion with Clinical Execs CR/CM/KW **HB TO UPDATE**	No progress
2023/038 Healthy Start eLearning course	November 2023	WHC actioned and implemented	Complete
2023/044 Influenza (flu) Vaccination Programme deployment 'mop up' 2023- 2024	December 2023	WHC actioned and implemented	Complete
2023/046 All-Wales Control Framework for Flexible Workforce Capacity	December 2023	WHC not actioned and implemented **HB TO UPDATE**	No progress
2023/043 Vaccination of Healthcare Staff to Protect Against Measles	December 2023	WHC actioned and implemented	Complete
2023/047 Influenza Vaccines and Eligible Cohorts for the 2024/25 season.	December 2023	WHC actioned and implemented	Complete
2024/001 Changes to the way individuals who are at highest risk from	January 2024	WHC actioned and implemented	Complete

Covid-19 access lateral flow tests and Covid-19 treatments.			

The table above reflects the reported position as at 31 March 2024.

Appendix 3b: Ministerial Directions 2023-24

Ministerial Directions (MDs)	Date/Year of Adoption	Action to demonstrate implementation/response	Status
WG23-40MD3 Ministerial Direction 3 Financial Entitlements Amendments	August 2023	Completed as per the date of issue	Complete
WG23-14 MD2 Ministerial Direction 2 Financial Entitlements Amendments	March 2023	Completed as per the date of issue	Complete
23-26 MD2 Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Directed Enhanced Service) Wales) (No. 2) (Amendment) Directions 2023.	July 2023	Completed as per the date of issue	Complete
23-27 MD1 The Nursery Milk Scheme (Wales) (Amendment) Directions 2023	July 2023	Completed as per the date of issue	Complete
23-42 MD1 The Primary Care (Contracted Services: Immunisations) (Amendment) Directions 2023	August 2023	Completed as per the date of issue	Complete
WG23-47 The National Health Service (Wales Eye Care Services) (Wales) Directions 2023.	October 2023	Completed as per the date of issue	Complete
WG24-01 Wales Eye Care Services	January 2024	February 2024 - PTHB is working with NWSSP who will produce the	In progress

(Administrative List) (Wales) Directions 2024		administrative list. This is progressing nationally and will be established for all health boards simultaneously.	
WG24-02 The National Health Service (Wales Eye Care Services) (Wales) Directions 2024	January 2024	February 2024 - enhanced optometry services (WGOS3 and WGOS5 IPOS Urgent) have been established, arranging and accredited practitioner lists are held by NWSSP. WGOS4 is yet to be established nationally and will require the same process once launched.	In progress
WG24-04 THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2024	February 2024	**HB TO UPDATE**	No Progress
WG24-06 NATIONAL HEALTH SERVICE, WALES The National Health Service Joint Commissioning Committee (Wales) Directions 2024	February 2024	**HB TO UPDATE**	No Progress

Need to reference Ministerial Direction of Dec 2019 re tax implications of pension scheme for clinicians – here if not referenced elsewhere

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

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 seeks assurance in relation the annual performance of the Chief Executive and individual Executive Directors (the latter with the advice of the Chief Executive).

In 2023/2024, the Remuneration and Terms of Services Committee was chaired by the Health Board's Chair Carl Cooper and the membership included the following Independent Members:

- Kirsty Williams, Vice Chair of the Board
- Tony Thomas, Independent Member (Finance) to 31/05/2023
- Mark Taylor, Independent Member (Capital and Estates) to 23/10/2023
- Ian Phillips, Independent Member (ICT)
- Rhobert Lewis, Independent Member (General) from 10/11/2023

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.

Executive Directors' and Independent Members' Remuneration

Details of Directors' and Independent Members' remuneration for the 2023-24 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 2023-24, Executive Directors received a pay inflation uplift, in-line with Welsh Government's Framework.

The Committee also reviews objectives set for Executive Directors and assesses performance against those objectives 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. However, for part of the year there were interim Directors in post; an Interim Chief Executive, Interim Deputy Chief Executive (including Primary Care), Interim Director of Workforce and OD, Interim Director of Planning Performance and Commissioning and an Interim Director of Operations, Community Care and Mental Health.

Table 1: Salary and Pension Disclosure Table: Salaries and Allowances, Single Total Figure of Remuneration

	2023- 24					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
Name and title	(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 (until 2nd May 2023) **	10 - 15	0	0	7	20 - 25	0
Hayley Thomas - Director of Primary Care, Community and Mental Health (from 1st April 2022), Director of Strategy, Primary Care and Partnerships and Deputy Chief Executive (until 2nd May 2023), Interim Chief Executive including Capital Estates and Partnerships (From 3rd May 2023 to 25th February 2024), Chief Executive (From 26th February 2024) ****	175 - 180	0	0	151	325 - 330	0
Stephen Powell - Interim Director of Planning and Performance (from 1st April 2022 - 31st March 2023), Director of Performance and Commissioning (1st April 2023 - 16th July 2023) and Interim Director of Planning, Performance and Commissioning (from 17th July 2023) ****	120 - 125	0	0	7	130 - 135	0
Pete Hopgood - Director of Finance, Information and IT Services, Interim Director of Primary Care and Interim Deputy Chief Executive (from 3rd May 2023) * and ****	135 - 140	0	8	0	135 - 140	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services until 1st December 2021)	0	0	0	0	0	0
Debra Wood Lawson - Interim Director of Workforce and OD (from 3rd October 2022 to 30th April 2023) and Director of Workforce and OD (from 1st May 2023) *	120 - 125	0	2	7	130 - 135	0
Kate Wright - Medical Director ****	150 - 155	0	0	0	150 - 155	0
Claire Madsen - Director of Therapies and Health Science (to 2nd May 2023), Director of Therapies and Health Sciences including Planning, Health and Safety and Support Services (from 3rd May 2023 to 16th July 2023) and Director of Therapies and Health Sciences including Health and Safety and Support Services (from 17th July 2023) ****	120 - 125	0	0	16	135 - 140	0
Mererid Bowley - Director of Public Health (from 27th June 2022)	125 - 130	0	0	0	125 - 130	0
Claire Roche - Director of Nursing and Midwifery * and ****	125 - 130	0	2	0	125 - 130	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021) - Director of Environment (From 1st December 2021 to 31st March 2023) *	0	0	0	0	0	0
James Quance - Board Secretary (From 4th January 2022 to 31st December 2022) *	0	0	0	0	0	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	110 - 115	0	0	27	135 - 140	0
Joy Garfitt - Interim Director of Operations, Community Care and Mental Health (from 1st April 2023) * and ***	125 - 130	0	1	29	155 - 160	0
David Farnsworth - Interim Director of Operations, Community Care and Mental Health (from 26th February 2024) ** and ***	20 - 25	0	0	0	20 - 25	0
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

	2022 - 23					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
Name and title	(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 (until 2nd May 2023) **	175 - 180	0	0	29	205 - 210	0
Hayley Thomas - Director of Primary Care, Community and Mental Health (from 1st April 2022), Director of Strategy, Primary Care and Partnerships and Deputy Chief Executive (until 2nd May 2023), Interim Chief Executive including Capital Estates and Partnerships (From 3rd May 2023 to 25th February 2024), Chief Executive (From 26th February 2024) ****	125 - 130	0	0	26	155 - 160	0
Stephen Powell - Interim Director of Planning and Performance (from 1st April 2022 - 31st March 2023), Director of Performance and Commissioning (1st April 2023 - 16th July 2023) and Interim Director of Planning, Performance and Commissioning (from 17th July 2023) ****	115 - 120	0	0	206	325 - 330	0
Pete Hopgood - Director of Finance, Information and IT Services, Interim Director of Primary Care and Interim Deputy Chief Executive (from 3rd May 2023) * 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 to 30th April 2023) and Director of Workforce and OD (from 1st May 2023) *	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 (to 2nd May 2023), Director of Therapies and Health Sciences including Planning, Health and Safety and Support Services (from 3rd May 2023 to 16th July 2023) and Director of Therapies and Health Sciences including Health and Safety and Support Services (from 17th July 2023) ****	105 - 110	0	0	33	140 - 145	0
Mererid Bowley - Director of Public Health (from 27th June 2022)	90 - 95	0	0	46	135 - 140	0
Claire Roche - Director of Nursing and Midwifery * 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 to 31st March 2023) *	110 - 115	0	1	0	110 - 115	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
Joy Garfitt - Interim Director of Operations, Community Care and Mental Health (from 1st April 2023) * and ***	0	0	0	0	0	0
David Farnsworth - Interim Director of Operations, Community Care and Mental Health (from 26th February 2024) ** and ***	0	0	0	0	0	0
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

	2023- 24					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
Name and title	(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
Non-Officer Members						
Professor Vivienne Harpwood - Chair (to 16th October 2022)	0	0	0	0	0	0
Carl Cooper - Chair (from 17th October 2022)	40 - 45	0	0	0	20 - 25	0
Kirsty Williams - Vice Chair (from 10th January 2022)	30 - 35	0	0	0	35 - 40	0
Anthony Thomas - Independent Member (Finance - to 31st May 2023)	0 - 5	0	0	0	5 - 10	0
Matthew Dorrance - Independent Member (Local Authority to 30th June 2022)	0	0	0	0	0	0
Frances Gerrard - Independent Member (University held post relating to health to 30th June 2022)	0	0	0	0	0	0
Ian Phillips - Independent Member (ICT)	5 - 10	0	0	0	5 - 10	0
Cathie Poynton - Independent Member (Trade Union)	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates - to 23rd October 2023)	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)	5 - 10	0	0	0	5 - 10	0
Chris Walsh - Independent Member (Local Authority - from 1st November 2022)	5 - 10	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
Michael Giannasi - Independent Member (Capital and Estates - from 26th February 2024)	0	0	0	0	0	0

	2022 - 23					
	Salary	Bonus Payments	Benefits in Kind	Pension Benefits	Single Total Remuneration	Other Remuneration
Name and title	(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
Non-Officer Members						
Professor Vivienne Harpwood - 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
Kirsty Williams - Vice Chair (from 10th January 2022)	35 - 40	0	0	0	35 - 40	0
Anthony Thomas - Independent Member (Finance - to 31st May 2023)	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
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
Cathie Poynton - Independent Member (Trade Union)	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates - to 23rd October 2023)	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)	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
Michael Giannasi - Independent Member (Capital and Estates - from 26th February 2024)	0	0	0	0	0	0

* Please note that the salary for Jamie Marchant in 2022-23 includes £9,000 sacrificed in relation to a leased car, the salary for James Quance in 2022-23 includes £4,000 in relation to a leased car, the salary for Pete Hopgood includes £10,000 in relation to a leased car (in 2022/23 the figure was £7,000), the salary for Claire Roche includes £8,000 in relation to a leased car (in 2022/23 the figure was £1,000), the salary for Debra Wood Lawson includes £7,000 in relation to a leased car, the salary for Joy Garfitt includes £8,000 sacrificed in relation to a leased car

** Please note that the full year equivalent salary banding, in bands of £5,000, for starters and leavers during 2023/24 was as follows; Carol Shillabeer £175,000 - £180,000 and David Farnsworth £125,000 - £130,000

*** David Farnsworth was appointed on an interim basis to cover for Joy Garfitt during a period of absence from work

**** The salary figure includes arrears pay of £2,000 for 2022/23 for a pay award that was granted in 2023-24.

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 persons 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 2023-24 financial year is the third year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required.

		2023-24	2023-24	2023-24		2022-23	2022-23	2022-23
		£000	£000	£000		£000	£000	£000
Total pay and benefits		Chief Executive	Employee	Ratio		Chief Executive	Employee	Ratio
	25th percentile pay	177	28	6.3:1		177	25	7.1:1
	Median pay	177	36	4.9:1		177	33	5.4:1
	75th percentile pay ratio	177	48	3.7:1		177	43	4.1:1
Salary component of total pay and benefits								
	25th percentile pay	177	28			177	25	
	Median pay	177	36			177	33	
	75th percentile pay ratio	177	48			177	43	
Total pay and benefits		Highest Paid Director	Employee	Ratio		Highest Paid Director	Employee	Ratio
	25th percentile pay	177	28	6.3:1		177	25	7.1:1
	Median pay	177	36	4.9:1		177	33	5.4:1
	75th percentile pay ratio	177	48	3.7:1		177	43	4.1:1
Salary component of total pay and benefits								
	25th percentile pay	177	28			177	25	
	Median pay	177	36			177	33	
	75th percentile pay ratio	177	48			177	43	

In 2023-24 2, (2022-23, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £22,720 to £216,219 (2022-23, £20,758 to £217,294).

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

Percentage Changes

						2022-23		2021-22
						to		to
						2023-24		2022-23
% Change from previous financial year in respect of Chief Executive						%		%
	Salary and allowances					(2)		2
	Performance pay and bonuses					0		0
% Change from previous financial year in respect of highest paid director								
	Salary and allowances					(2)		2
	Performance pay and bonuses					0		0
Average % Change from previous financial year in respect of employees takes as a whole								
	Salary and allowances					9		5
	Performance pay and bonuses					0		0

Table 2: Salary and Pension Disclosure table: Pension Benefits

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 Mar 2024 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31st Mar 2024 (bands of £5,000) £000	Cash Equivalent transfer value at 31 Mar 2024 £000	Cash Equivalent transfer value at 31 Mar 2023 £000	Real increase in Cash Equivalent transfer value £000	Employer's contribution to stakeholder pension £000
Carol Shillabeer **	0.0 - 2.5	2.5 - 5.0	80 - 85	215 - 220	1,888	1,353	32	0
Hayley Thomas **	5.0 - 7.5	60.0 - 62.5	50 - 55	140 - 145	1,169	718	355	0
Stephen Powell **	0.0	27.5 - 30	55 - 60	155 - 160	1,323	1,005	200	0
Pete Hopgood **	0.0	25.0 - 27.5	45 - 50	125 - 130	1,088	838	149	0
Debra Wood-Lawson	2.0 - 2.5	0.0	15 - 20	0	296	208	52	0
Kate Wright **	0.0	32.5 - 35.0	35 - 40	90 - 95	841	665	88	0
Claire Madsen	0.0 - 2.5	0.0	40 - 45	115 - 120	1,079	871	104	0
Mererid Bowley **	0.0	22.5 - 25.0	35 - 40	105 - 110	920	763	63	0
Claire Roche **	0.0	0.0	45 - 50	125 - 130	1,111	974	23	0
Helen Bushell	0.0 - 2.5	0.0	5 - 10	0	121	70	28	0
Joy Garfitt	2.0 - 2.5	0.0	10 - 15	0	206	155	35	0
David Farnsworth *	0.0	0.0	0	0	0	0	0	0

* David Farnsworth has opted out of the NHS Pension scheme.

** These officers are affected by the Public Service Pensions Remedy and their membership between 1st April 2015 and 31st March 2022 was moved back into the 1995/2008 Scheme on 1st October 2023. Negative values are not disclosed in this table but are substituted with a zero.

The above calculations are provided by the NHS Pensions Agency and are based on the standard pensionable age for the relevant pension scheme. The calculations are based upon the annual salary before the pay award for 2023/24 was granted in February 2024.

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 (CETV)

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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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 2024, the total number staff employed by the Health Board stood at 2,202.80 Whole Time Equivalents (WTE), which includes 20.00 WTE Health Care Support Workers (HCSW) – Aspiring Nurses. The table below provides the average WTE of staff employed by the Health Board in 2022/2023 and 2023/2024 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	2022/23	2023/24
Add Prof Scientific and Technic	77.71	81.69
Additional Clinical Services	391.72	405.16
Administrative and Clerical	526.46	552.55
Allied Health Professionals	134.86	144.17
Estates and Ancillary	173.18	165.17
Healthcare Scientists	5.86	8.05
Medical and Dental	29.61	33.71
Nursing and Midwifery Registered	551.72	556.36
Grand Total	**1891.12**	**1946.85**

Overall, on average, the Health Board has seen an increase of **55.73 WTE** in the number of staff employed in 2023/2024 when compared to 2022/2023. Despite this success, recruiting to a number of clinical roles, in particular Nursing and Medical roles, continues to be challenging. There is an increase overall of 4.64 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 **33%** at March 2023, increasing to 38**%** as at March 2024. 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 2024, the Health Board employed 2,439 substantive employees (excluding bank workers) which equated to 2,202.80 WTE. The number (headcount) of female and male employees of the Health Board are as follows:

	Female	Male
Headcount	**2072**	**367**
Percentage	**85%**	**15%**

Of this staffing composition, at 31 March 2024, the Executive Team consisted of 10 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**	**4**
Percentage	**67%**	**33%**

Sickness Absence Data

Information on sickness absence for 2022/2023 and 2023/2024 is provided within the table below:

Staff Group	2022/23	2023/24
WTE Days Lost Long Term	28,241.41	27,787.01
WTE Days Lost Short Term	12,462.73	9,800.33
Total WTE Days Lost	**40,704.14**	**37,587.34**
Total Staff Years (Avg WTE Staff Absent)	111.52	102.98
Average Working Days Lost	18.31	15.41
Total Staff Employed in Period (Headcount)	2,223	2,439
Total Staff Employed in Period with no Absence Headount	1,030	1,090
Percentage of Staff with No Sick Leave	**46%**	**45%**

The Health Board's overall rolling sickness absence rate for 2023/2024 is 5.27%, compared to 5.82% in 2022/2023.

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 GROUP SECTION FOR THE THB ANNUAL REPORT

The Health and Safety Group is responsible for supporting the management of health and safety across the organisation. In 2023/24 the work plan focused on five themes which were used to develop the first annual report for the organisation.

The Key Themes

1. Assurance and Reporting Arrangements
2. Achieving Health and Safety excellence in reporting incidents and learning
3. Developing a Health and Safety Culture by Training and Development
4. Achieving Excellence in Training Compliance
5. Strengthen Inspection.

Two policies have been reviewed, updated, and approved by the Health and Safety Group in the past year. These have been communicated through Powys Announcements and are "live" on the intranet. These policies are:

- Personal Protective Equipment
- Hand Arm Vibration

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 2023/2024 the format has developed to make use of outputs from the 'Once For Wales' 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 which further strengthens the Health and Safety culture of the organisation.

Internal Audit completed a review of the work of the Health and Safety Group and associated subgroups and policy framework resulting in a rating of 'Reasonable Assurance.'

Whilst there has been no enforcement activity from the Health and Safety Executive in 2023/24, work has been ongoing to ensure continuous improvement for areas of previous enforcement such as Hand Arm Vibration and Water Safety.

There has been an improvement in reporting rates for areas associated with violence and aggression and an overall improvement in the confidence in using the incident reporting system. However, there has been an increase in physical assaults to staff which remains a concern to the Health and Safety team and the Service Directorates. A dedicated improvement and support plan is in place and progress is reported via HSG.

Training and education are essential to allow staff to be aware and manage health and safety issues.

A new partnership arrangement with Aneurin Bevan Health Board has been established to increase the training opportunities for prevention management of violence and aggression.

Welsh Ambulance Service Trust delivered a number of IOSH Leading Safely to Board (both Independent Members and Executive Directors) and Senior Managers to strengthen the leadership and oversight for Health and Safety.

IOSH Working Safely was delivered as part of the managers development programme and a partnership has been established with Neath Port Talbot Colleges to deliver training for the IOSH Managing Safety courses to Team and Service Managers.

Looking ahead, the Health and Safety Group Workplan for 2024/25 will continue with the five themes and will build on a continuous improvement cycle reporting back to the Health and Safety Group and the Executive Committee.

Expenditure on Consultancy

As disclosed in note 3.3 (page 30) of its financial statements, the Health Board spent £0.902M on consultancy services during 2023/24 compared to £0.557M in 2022-23.

Off Payroll Engagement

For all off-payroll engagements as of 31 March 2024, for more than **£245** per day:

No. of existing engagements as of 31 March 2024	16
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.	0
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.	8

	Number

Number. of new engagements, between 1 April 2023 and 31 March 2024	<5
Of which...	
No. assessed as caught by IR 35	0
No. assessed as not caught by IR 35	<5
No. engaged directly (via PSC contracted to department) and are on the departmental payroll.	0
No. of engagements reassessed for consistency / assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	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

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 2023 and 31 March 2024.

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.

Exit packages cost band (including any special payment element)

Exit package cost band	Number of compulsory redundancies (Whole numbers only)	Number of other departures (Whole numbers only)	Total number of exit packages (Whole numbers only)	Number of departures where special payments have been made (Whole numbers only)
less than £10,000		1	1	
£10,000 to £25,000	1		1	
£25,000 to £50,000				
£50,000 to £100,000				
£100,000 to £150,000	0	0	0	0
£150,000 to £200,000	0	0	0	0
more than £200,000	0	0	0	0
Total	1	1	2	0

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.

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.

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.

Compliance with cost Allocation and Charging Requirements

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 (page 31). 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 2023/2024 is £0.361m (2022-23 £0.00m) and is disclosed in note 21.2 of the Health Board's Annual Accounts.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda Item: 3.2

Audit, Risk and Assurance Committee	**Date of Meeting: 14th May 2024**
Subject:	**Draft Head of Internal Audit Opinion & Annual Report 2023/2024**
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 draft Head of Internal Audit Opinion for 2023/24 and the draft Annual Report.

RECCOMENDATION(S):

The Audit, Risk & Assurance Committee are requested to:

- **Consider and note** the Draft Head of Internal Audit Opinion and Annual Report for 2023/24**.**

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 draft HIA Opinion for 23/24 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 draft Annual Report, the following final / draft ratings have been provided:

- 3 Substantial Assurance
- 13 Reasonable Assurance
- 2 Limited Assurance.

The Report also includes details of the 4 audits that have been removed from the plan during 2023/24, as reported to previous meetings of the Committee. These audits and the reason for their removal / deferment have been considered when compiling the draft HIA Opinion.

The draft Annual Report includes a number of highlighted areas where reference is made to reports that were in draft and audits that were work in progress (WiP) at the time of writing. These will be updated to reflect the position when the final HIA Opinion and Annual Report are produced.

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 2 Limited Assurance opinions issued so far 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 the annual audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities. The 2023/24 plan was formally approved by the Audit Committee at its March 23 meeting.

The draft Annual Report sets out the draft 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:

The final Head of Internal Audit Opinion and Annual Report will be submitted to the Committee and Board in July 2024.

Draft Head of Internal Audit Opinion & Annual Report 2023/2024

May 2024

Powys Teaching Health Board

Contents

Report status:	Draft
Draft report issued:	3rd May 2024
Final report issued:	TBC
Author:	Ian Virgill, Head of Internal Audit
Executive Clearance:	Director of Corporate Governance
Audit Committee:	May 2024

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 2023-24

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 2023/24 is that: (To be confirmed pending completion of remaining audits)

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.

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 2023/24 year was initially presented to the Committee in March 2023. 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 2023/24. 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.

A summary of the audits undertaken in the year and the results are summarised in table 1 below.

Table 1 – Summary of Audits 2023/24

Substantial Assurance	Reasonable Assurance
• Business Continuity Planning • Board & Committee Structure / Effectiveness • Primary Care Dental Services – Management and Monitoring of GDS Contract	• SLAs for In Reach Medical Staff (From 2022/23 Plan) • Clinical Audit • Clinical Education - HCSW Induction Programme • Health & Safety Arrangements • Incident Management • Follow-up: IT Infrastructure and Asset Management • Follow up: Cyber Security • Infection Prevention and Control • Winter Respiratory Vaccination Programme • Agency Spend Reduction Group • Welsh Language Standards Follow-up • Continuing Healthcare (Draft) • Decarbonisation (Draft)
Limited Assurance	**Advisory & Non-Opinion**
• Information Governance • Estates Assurance – Estates Condition	N/A
No Assurance	**Assurance yet to be determined**
N/A	• Patient Experience (WiP) • End of Life Care Services (WiP) • Risk Management & Assurance (WiP) • Integrated Performance Framework (WiP)

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 Quality 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 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 Quality 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 2023/24 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).

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 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	 Yellow	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.

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 two audits in 2023/24).

2.4.2 Basis for Forming the Opinion

The audit work undertaken during 2023/24 and reported to the 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 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 Quality Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the leadership standard.
- 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, three were allocated Substantial Assurance, thirteen were allocated Reasonable Assurance and two were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion.

At the time of producing the draft Annual Report, four audits were still work in progress but had not been sufficiently progressed to reliably determine the assurance rating. It is anticipated that the majority of the work will be sufficiently progressed so that the ratings can be established before production of the final Annual Report.

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 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.

Corporate Governance, Risk Management and Regulatory Compliance

We have undertaken four reviews / outputs in this area.

Board & Committee Structure / Effectiveness – The Board and its committees are supported by formally defined governance and assurance arrangements. The committee structures in place enable the delivery of efficient and effective scrutiny and decision making. The Board and

Committee Annual Work Programmes align to and facilitate delivery of the organisation's strategic objectives and monitoring of its key risks. We issued a **Substantial** assurance opinion.

Follow-up: Welsh Language Standards - Management have made significant progress in implementing the recommendations from the 22/23 limited assurance report, with 7 of the 9 recommendations closed. Progress has been made with the remaining 2 recommendations, but further action is still required relating to submission of outstanding action plans for a number of areas and improvement to the documents that the Welsh Language Team have in place for monitoring the individual actions plans. We issued a draft **reasonable** assurance opinion.

Risk Management and Board Assurance Framework *[WiP]*

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. *– Still to be confirmed by review of the draft AGS submitted to the May ARAC.*

The planned audit of the Partnership Governance Framework was removed from the plan as the development of the Framework had not progressed as planned during 2023/24.

Strategic Planning, Performance Management & Reporting

We have undertaken two reviews in this area.

Business Continuity Planning (BCP) –The Health Board's corporate BCP system, policy, plan and supporting documents are complete, consistent and comprehensive. Although some documents were past their review date, the training and communication of the BCP requirements are well promoted. The command-and-control structures are well defined, documented, tested and are subject to continuous review. We issued a **Substantial** assurance opinion.

Integrated Performance Framework *[Planning]*

Financial Governance and Management

We have undertaken one review in this area.

Agency Spend Reduction Group – The Group have made a productive start to their task and are looking at longer term recruitment initiatives, whilst overseeing development of a reporting method which will enable detailed analysis of ward staffing and occupancy to assist with identification of the root cause of the need for temporary / agency staff. We identified that improvements were required to the Group's Terms of Reference and minutes, alongside strengthening of the Group's plan. 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 GMS primary care contractor payment systems were given Reasonable Assurance, with the audits of Payroll and Accounts Payable receiving Substantial and Reasonable Assurance respectively.

The planned audit of Efficiency Framework / Value Board was removed from the plan to avoid duplication of coverage due to Audit Wales including a focus on financial savings as part of their Structured Assessment.

Quality & Safety

We have undertaken four reviews in this area.

Clinical Audit – The Health Board has an approved Annual Clinical Audit Plan in place, there is appropriate guidance available to staff and there are experienced staff in place to plan, coordinate and undertake the clinical audits. Work was required to ensure full delivery of the Annual Plan, and we also recommended enhancements to the reports submitted to the Patient Experience, Quality and Safety (PEQS) Committee to reflect outcomes or feedback on the audits that have been completed. We issued a **Reasonable** assurance opinion.

Incident Management – The Health Board has a comprehensive Incident Management Framework in place supported by procedures, templates and guidance. However, key stages within the incident reporting and management process were falling behind the expected and established timelines, particularly within Mental Health who were also dealing with a significant backlog of open and overdue incidents. Incidents are effectively reported from Service areas up to the PEQS Committee and the Board, but work was required to ensure that data from Datix is routinely visible to operational management. Processes are in place for documenting and sharing lessons learnt but we found that there was a lack of documentation to support the monitoring of action plans arising from incident investigations. We issued a **reasonable** assurance opinion.

Infection Prevention and Control (IPC) – There are robust monitoring and reporting arrangements in place within the Health Board for the IPC Improvement Plan, with 60% of the actions complete at January 2024. Policies and procedures are in place for the C. Difficile infection pathway, along with robust reporting and monitoring of infections. Further work was required to ensure that all staff have completed required IPC training. We issued a **reasonable** assurance opinion.

***Patient Experience** [WIP]*

Information Governance & Security

We have undertaken three reviews in this area.

Information Governance (IG) - Whilst the Health Board has strengthened the resourcing of the IG function, a significant challenge remained to adequately manage all requirements across areas such as Freedom of Information requests and Subject Access Requests, as evidenced by below-threshold compliance rates. We also noted an absence of IG Leads / Champions within the organisation which places further demand on the IG function. Furthermore, the Health Board did not have a comprehensive and up to date Information Asset Register in place. We issued a **Limited** assurance opinion.

Follow-up: IT Infrastructure and Asset Management – There has been progress in a number of areas which has reduced the overall risk highlighted through the previous limited assurance report, with work having been undertaken to remove older equipment and enable better monitoring of the infrastructure. However, there are still a number of actions that need attention in order to fully implement all the recommendations. We issued a **Reasonable** assurance opinion.

Follow up: Cyber Security – Management have made good progress in implementing the recommendations from the 22/23 limited assurance report, with 2 of the 3 recommendations closed. For the third recommendation, recording of assets has improved with the introduction of asset management software, although the work was not complete. We issued a **Reasonable** assurance opinion.

Operational Service and Functional Management

We have undertaken five reviews in this area.

Health & Safety Arrangements – The Health Board has a Health & Safety policy in place, supported by a number of additional policies and procedures. Whilst Health & Safety training requirements are identified within the Policy, we highlighted a number of issues concerning the identification of the training needs of staff as well as the delivery of this training. A number of groups are in place to oversee the governance of health and safety but reporting arrangements between groups required enhancement and there was a lack of monitoring of training compliance. We issued a **Reasonable** assurance opinion.

Primary Care Dental Services – Management and Monitoring of GDS Contract - Performance reviews are undertaken with all Dental contractors and there is a forum in place that meets regularly to provide monitoring of patient demand, capacity and access. Updates on contract delivery are reported on a regular basis as part of the organisational Integrated Performance Report at appropriate Board and Committee meetings. We issued a **substantial** assurance opinion. It is important to note that our

assurance rating relates to the specific objectives of the audit. We acknowledge that the Health Board is dealing with a significant risk around access to dental services for Powys residents and this is clearly documented within its Corporate Risk Register. Whilst the underlying risk remains, we are able to provide assurance that the processes operating within the Health Board are providing effective review, monitoring, reporting and escalation.

Winter Respiratory Vaccination Programme – The Health Board developed and implemented an appropriate 2023/2024 plan with effective arrangements for publicising to staff and public. Delivery arrangements allowed the Health Board to perform well against other Welsh Health Boards, although WG delivery targets were not achieved. Improvements were required to the governance framework and the arrangements for delivering vaccines through third party sites. We issued a **Reasonable** assurance opinion.

Continuing Healthcare (CHC) [Draft] – The Health Board has procedures in place for CHC that align to the revised National Framework. Eligibility assessments, approvals and ongoing monitoring of provision are appropriately undertaken. We did however identify the need to make improvements around retrospective approval of packages and the timely completion of patient reviews. We issued a draft **Reasonable** assurance opinion.

End of Life Care Services *[WiP]*

The planned audit of the Additional Learning Needs Legislation was removed from the plan due to service pressures and ongoing planned actions around ALN.

Workforce Management

We have undertaken two reviews in this area.

SLAs for In Reach Medical Staff – The Health Board has guidance and a template in place covering the SLA arrangements for in-reach medical staff and SLAs were in place for most in-reach services. However, improvements were required to the processes for monitoring delivery against the SLAs and obtaining evidence relating to DBS, registration and other employee related checks. We issued a **Reasonable** assurance opinion.

Clinical Education - HCSW Induction Programme – The Health Board's arrangements for overseeing the Induction Programme required enhancing. A tracker was in place, but the information needed improvement to inform future reporting and scheduling of training sessions. A more robust internal reporting and monitoring process also needed to be implemented. We issued a **Reasonable** assurance opinion.

The planned audit of Staff Recruitment & Retention was removed from the plan due to the focus on reducing staff costs as part of the savings plans for 2023/24.

Capital & Estates Management

We have undertaken two reviews in this area.

Estates Assurance – Estates Condition – In the short to medium term, the Health Board uses a combination of all Wales capital funding, targeted EFAB funding, planned/ reactive maintenance, and discretionary funding to address identified high-priority estates condition areas. In the longer-term, the Health Board's 10-year programme highlights an indicative funding requirement of circa £233 million for the estate to address the backlog risks and meet the future healthcare needs of the population. A long-term strategy is required for maintenance, as continued investment at historic levels is likely to result in the THB's estates being in a further deteriorating position requiring increased levels of capital investment in the future. We issued a **Limited** assurance opinion overall due to the concerns that identified estate risks cannot be managed within existing funding.

Decarbonisation - The Health Board is reporting good progress towards delivery of its Decarbonisation Action Plan along with a forecast achievement of the Welsh Government's carbon reduction targets. Robust controls evidenced included a clearly defined governance framework, a well-developed DAP monitoring tool and utilisation of an appropriate range of funding sources to deliver decarbonisation projects. Further work is required to ensure that the DAP is fully costed and the Health Board has a better level of understanding of the specific areas of activity in which carbon emission reductions have been achieved to date. We issued a **Reasonable** assurance opinion.

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 2023/24, 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:

- Follow-up: IT Infrastructure and Asset Management – Reasonable Assurance;
- Follow-up: Cyber Security – Reasonable Assurance; and
- Follow-up: Welsh Language Standards – Reasonable Assurance.

Through 2023/24, the Corporate Governance team has continued to review all outstanding recommendations with management and the outcomes have been reported to each meeting of the Committee.

We undertook work towards the end of the year 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 Committee with additional assurance around the accuracy of the tracker. *This work is on-going so will need to confirm this wording as it is completed.*

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 2023/24 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 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 2023/24.

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. 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 Committee that it has conducted its audit at the Health Board in conformance with the Public Sector Internal Audit Standards for 2023/24.

Our conformance statement for 2023/24 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2023/24 which will be reported formally in the Summer of 2024; and
- the results of The External Quality Assessment.

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 2023/24 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 2023/24.

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 Quality 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 about 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.

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 Accounts Payable service.
Payroll	Substantial	To evaluate the design and operation of the systems and controls in place within payroll services.
Primary Care (GMS)	Reasonable	To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments to General Medical Services primary care contractors.
Procurement	TBC	To review the adequacy of the systems and controls in place for procurement of contracts above OJEU thresholds.

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
Benefits Realisation	Reasonable	To determine if the principles of an appropriate benefits realisation framework have been implemented to support decision making.
Programme Management	Reasonable	To provide an opinion of the project management being operated over the Digital Services for Patients and Public (DSPP) programme.
Business Continuity (Ransomware)	Reasonable	To assess the adequacy and effectiveness of business continuity arrangements, including in the event of a cyber-attack (including ransomware).
Legacy Software Modernisation	Reasonable	To review the management of risks associated with older technology.

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 *(to be determined)* Assurance.

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
WHSCC – Welsh kidney network	Substantial	To consider the governance arrangements in place for the Welsh Kidney Network following the independent governance review undertaken in 2022. We also aimed to provide assurance that there are robust and effective risk management arrangements in place that strengthen and contribute to the overall governance framework.
WHSSC – Integrated commissioning plan development process	Substantial	The overall purpose of the review was to provide assurance on the processes that WHSSC has in place to develop its Integrated Commissioning Plan, with a focus on the financial planning element.
EASC – Adult critical care transfer service	WiP	Our review focused on the governance arrangements, financial monitoring, meeting outcomes and performance monitoring, and the process to meeting longer term needs.

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.

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 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 2024/25 operational audit plan.

The audit plan approved by the Committee in March 2023 contained 24 planned reviews. Changes have been made to the plan through the year with 4 audits cancelled and 1 audit added. All these changes have been reported to and approved by the Committee. In addition, 1 review from the 2022/23 plan was delivered during 2023/24. As a result, we planned to deliver a total of 22 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 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 2023/24	G	March 2023	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2023/24	A	82% (18/22)	100%	v>20%	10%<v<20 %	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	94% (17/18)	80%	v>20%	10%<v<20 %	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	G	75% (12/16)	80%	v>20%	10%<v<20 %	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100% (16/16)	80%	v>20%	10%<v<20 %	v<10%

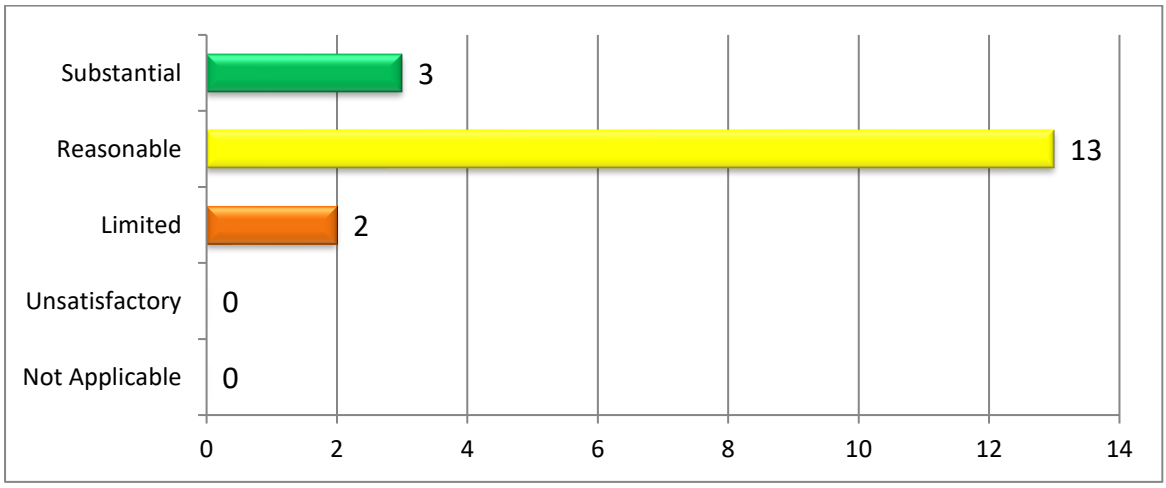
5. RISK BASED AUDIT ASSIGNMENTS

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 22 *(table currently showing 18 and will need to be updated following completion of work in progress)* 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



* Need to add in outcomes for the 4 audits that are still to be completed.

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 four 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
Business Continuity Planning	To establish if the Health Board has appropriate arrangements in place to ensure effective business continuity planning at a corporate level and that effective communication, training and testing of plans is undertaken.
Board & Committee Structure / Effectiveness	To evaluate the Health Board's Board and Committee structure and assess their operation to ensure effective and efficient reporting, scrutiny and decision making on areas of accountability.
Primary Care Dental Services – Management and Monitoring of GDS Contract	to review the controls and processes in place for the management and monitoring of the General Dental Services Contract.

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.

Review Title	Objective
SLAs for In Reach Medical Staff (From 22/23 Plan)	Review of actions taken to review and update SLA arrangements for in-reach medical staff across all Health Board services.

Review Title	Objective
Clinical Audit	To review the adequacy of the systems and controls in place for the planning, delivery and reporting of Clinical Audit work.
Clinical Education - HCSW Induction Programme	To review the arrangements for the deployment of the Framework, including the induction programme to establish if effective processes are in place to ensure compliance.
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.
Incident Management	Focused review of processes for management of incidents and ensuring effective learning from events within Maternity and Mental Health Services.
Follow-up: IT Infrastructure and Asset Management	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 22/23 IT Infrastructure and Asset Management review that reported 'Limited' assurance.
Follow up: Cyber Security	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 22/23 Cyber Security review that reported 'Limited' assurance.
Infection Prevention and Control	To review the controls and processes in place for Infection Prevention and Control, with specific focus on the IPC Improvement Plan and the Clostridioides Difficile infection pathway..
Winter Respiratory Vaccination Programme	Review the development of structures and plans for the on-going delivery of vaccination programmes.
Agency Spend Reduction Group	To review the set-up, operation and delivery of the Agency Spend Reduction Group.
Follow-up: Welsh Language Standards	To provide the Health Board with assurance regarding the implementation of the agreed management actions from the 22/23 Welsh

Review Title	Objective
	Language Standards review that reported 'Limited' assurance.
Continuing Healthcare [Draft]	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.
Decarbonisation [Draft]	To consider progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Health Board's Decarbonisation Action Plan (demonstrating how they will implement the Strategic Delivery Plan initiatives).

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
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.
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.

5.5 No Assurance (Red)

No reviews were assigned a 'no assurance' opinion.

5.6 Assurance Not Applicable (Grey)

No reviews were undertaken where assurance was not applicable.

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
Staff Recruitment & Retention	Due to the focus on reducing staff costs as part of the savings plans for 2023/24.
Efficiency Framework / Value Board	To avoid duplication of coverage due to Audit Wales including a focus on financial savings as part of their Structured Assessment.
Partnership Governance Framework	The development of the Framework had not progressed as planned during 2023/24.
Additional Learning Needs Legislation	Due to service pressures and ongoing planned actions around ALN.

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
End of Life Care Services [WiP]	To review the structures and processes in place for the provision of all End of Life Care services to the residents of Powys.

Review Title	Objective
Risk Management & Assurance [WiP]	Review the on-going development, implementation and application of the Health Boards Risk Management and Board Assurance processes.
Patient Experience [WiP]	To review the arrangements and processes in place within the Health Board for capturing and utilising patient experience.
Integrated Performance Framework [WiP]	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.

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 2023/24 plan.

Ian Virgill
Head of Internal Audit
Audit and Assurance Services
NHS Wales Shared Services Partnership
May 2024

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. An EQA was undertaken in 2023.
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 specific assignments and sets out

	overall resource requirement. The audit strategy and annual plan is approved by Audit Committee. 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.
2100 Nature of work	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.
2200 Engagement planning	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.
2300 Performing the engagement	The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.
2400 Communicating results	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. 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.
2500 Monitoring progress	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.

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.

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:

	**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.

NHS Wales Shared Services Partnership
4-5 Charnwood Court
Heol Billingsley
Parc Nantgarw
Cardiff
CF15 7QZ
Website: Audit & Assurance Services - NHS Wales Shared Services Partnership

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda Item: 3.3

Audit, Risk and Assurance Committee	**Date of Meeting: 14th May 2024**
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.

Patterson,Liz 13/05/2024 11:50:14

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 have been finalised since the January 24 meeting of the Committee:

- Infection, Prevention & Control (Reasonable Assurance)
- Winter Respiratory Vaccination Programme (Reasonable Assurance)
- Agency Spend Reduction Group (Reasonable Assurance)
- Follow-up: Welsh Language Standards (Reasonable Assurance)

The full copies of the final reports are included as separate items within the agenda.

Progress with the delivery of the 2023/24 plan is also detailed within Appendix A of the progress report.

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.

Powys Teaching Health Board

Internal Audit Progress Report

Audit, Risk & Assurance Committee
May 2024

NWSSP Audit and Assurance Services

Contents

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 March 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

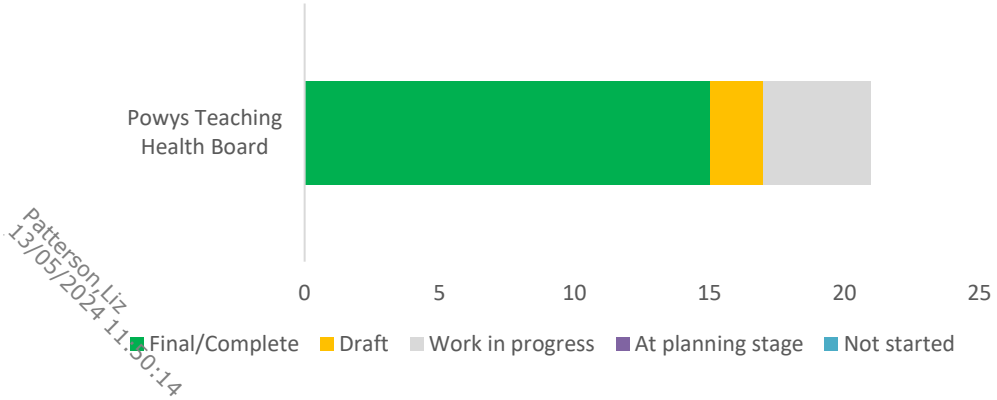
Five assignments from the 2023/24 plan have been finalised since the previous meeting of the committee and are highlighted in the table below along with the allocated assurance rating.

The full versions of the reports are included on the committee's agenda as separate items.

FINALISED AUDIT REPORTS	ASSURANCE RATING	
Infection, Prevention & Control	Reasonable	
Winter Respiratory Vaccination Programme		
Agency Spend Reduction Group		
Follow-up: Welsh Language Standards		

3. Delivery of the 2023/24 Internal Audit Plan

There are a total of 21 reviews included within the 2023/24 Internal Audit Plan, and overall progress is summarised below.



The graph above illustrates that fifteen audits have been finalised so far this year.

In addition, there are two audits that have been issued in draft with the remaining four currently work in progress.

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 that audit will feed into the 2023/24 Opinion.

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.		Medical / Performance and Commissioning			Final	Reasonable	October
2023/24 Plan								
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		Final	Reasonable	October
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		Final	Limited	January
Clinical Education - HCSW Induction Programme	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		Final	Reasonable	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		Final	Reasonable	January
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	3/4		Final	Substantial	January

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Incident Management	Focused review of processes for management of incidents and ensuring effective learning from events. To be undertaken within Maternity and Mental Health Services.	05	Nursing & Midwifery	3		Final	Reasonable	January
Follow-up: IT Infrastructure and Asset Management	Follow-up of 22/23 Limited Assurance report.	11	Deputy CEO/Finance Information & IT Services	3		Final	Reasonable	March
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*	*2*		*Final*	*Limited*	*March*
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		Final	Substantial	March
Primary Care Dental Services – Management and Monitoring of GDS Contract	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		Final	Substantial	March
Follow up: Cyber Security	Follow-up of 22/23 Limited Assurance report.	12	Deputy CEO/Finance Information & IT Services	4		Final	Reasonable	March
Agency Spend Reduction Group	To review the set-up, operation and delivery of the Agency Spend Reduction Project.	08	Operations / Community & Mental Health	3/4		Final	Reasonable	May
Infection Prevention and Control	To review the controls and processes in place for Infection Prevention and Control, with specific focus on the IPC Improvement Plan and the Clostridioides Difficile infection pathway.	06	Nursing & Midwifery	4		Final	Reasonable	May

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Follow-up: Welsh Language Standards	Follow-up of 22/23 Limited Assurance report.	16	Workforce & OD	4		Final	Reasonable	May
Winter Respiratory Vaccination Programme	Review the development of structures and plans for the on-going delivery of vaccination programmes.	21	Public Health	4		Final	Reasonable	May
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		Draft	Reasonable	July
Decarbonisation	To consider progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Health Board's Decarbonisation Action Plan (demonstrating how they will implement the Strategic Delivery Plan initiatives). Following on from the advisory review delivered in 2022/23.	24	Capital, Estates & Property	4		Draft	Reasonable	July
End of Life Care Services	To review the structures and processes in place for the provision of all End of Life Care services to the residents of Powys.	13	Medical	3/4		Work in Progress		July
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.	19	Performance & Commissioning	3/4		Work in Progress		July
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		Work in Progress		July
Patient Experience	To review the arrangements and processes in place within the Health Board for capturing and utilising patient experience.	14	Nursing & Midwifery	4		Work in Progress		July

Planned output.	Outline Scope	Ref No	Exec Director Lead	Plnd Qtr	Adj Qtr	Current Status	Assurance Rating	Planned / Actual Committee
Reviews removed from the plan								
Staff Recruitment & Retention – New scope for audit to be agreed	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	Proposed that this audit be removed from the plan due to focus on reducing staff costs as part of current savings plans. To be replaced by audit of Decarbonisation. Agreed with Director of Workforce & OD. Approved by January 24 ARAC.				
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	Proposed that this audit be removed from the plan due to Audit Wales focus on financial savings as part of their Structured Assessment. Agreed with Director of Finance, Information & IT. Approved by January 24 ARAC.				
Partnership Governance Framework.	Review of the development and implementation of the Framework.	20	Performance & Commissioning / Corporate Governance	Proposed that this audit is deferred from the 23/24 plan and considered as part of the planning for 24/25. The development of the Framework has not progressed as planned. Agreed with Director of Corporate Governance / Director of Performance & Commissioning. Approved by January 24 ARAC.				
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	Therapies and Health Science	Proposed that this audit is deferred from the 23/24 plan and considered as part of the planning for 24/25. Due to service pressures and ongoing planned actions around ALN. Agreed with Director of Therapies & Health Sciences. Approved by March 24 ARAC.				

REPORT RESPONSE TIMES

Audit	Rating	Status	Draft issued	Responses & exec sign off required	Responses & Exec sign off received	Final issued	R/A/G
SLAs for In-Reach Medical Staff	Reasonable	Final	02/08/23	24/08/23	24/08/23	24/08/23	G
Clinical Audit	Reasonable	Final	11/09/23	02/10/23	26/09/23	26/09/23	G
Information Governance	Limited	Final	14/09/23	05/10/23	07/11/23	07/11/23	R
Clinical Education - HCSW Induction Programme	Reasonable	Final	30/10/23	20/11/23	31/10/23	02/11/23	G
Health & Safety Arrangements	Reasonable	Final	30/11/23	21/12/23	13/12/23	14/12/23	G
Business Continuity Planning	Substantial	Final	08/12/23	03/01/24	21/12/23	22/12/23	G
Incident Management	Reasonable	Final	15/12/23	10/01/24	29/12/23	03/01/24	G
Follow-up: IT Infrastructure and Asset Management	Reasonable	Final	21/12/23	16/01/24	08/02/24	12/02/24	R
Primary Care Dental Services – Management and Monitoring of GDS Contract	Substantial	Final	23/01/24	13/02/24	13/02/24	21/02/24	G
Follow-up: Cyber Security	Reasonable	Final	19/02/24	11/03/24	19/02/24	26/02/24	G
Board & Committee Structure / Effectiveness	Substantial	Final	20/02/24	06/03/24	01/03/24	01/03/24	G
Estates Condition	*Limited*	*Final*	*25/01/24*	*14/02/24*	*04/03/24*	*04/03/24*	*R*
Infection Prevention and Control	Reasonable	Final	06/03/24	27/03/24	21/03/24	21/03/24	G
Winter Respiratory Vaccination Programme	Reasonable	Final	08/03/24	02/04/24	26/03/24	04/04/24	G
Agency Spend Reduction Group	Reasonable	Final	12/03/24	04/04/24	18/04/24	18/04/24	R

Audit	Rating	Status	Draft issued	Responses & exec sign off required	Responses & Exec sign off received	Final issued	R/A/G
Follow-up: Welsh Language Standards	Reasonable	Final	08/04/24	29/04/24	29/04/24	30/04/24	G

KEY PERFORMANCE INDICATORS

Indicator Reported to Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2023/24	G	March 2023	By 30 June	Not agreed	Draft plan	Final plan
Audits reported versus total planned audits, and in line with Audit Committee expectations.	A	82% 18 from 22	100%	v>20%	10%<v< 20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	94% 17 from 18	80%	v>20%	10%<v< 20%	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	G	75% 12 from 16	80%	v>20%	10%<v< 20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100% 16 from 16	80%	v>20%	10%<v< 20%	v<10%

Assurance Ratings

	**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.

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Contact details

Ian Virgill (Head of Internal Audit) - ian.virgil@wales.nhs.uk

Winter Respiratory Vaccination Programme

Final Internal Audit Report

April 2024

Powys Teaching Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Contents

Review reference:	PTHB-2324-21
Report status:	Final
Fieldwork commencement:	15 January 2024
Fieldwork completion:	01 March 2024
Debrief meeting:	13 March 2024
Draft report issued:	08 March 2024
Management response received:	26 March 2024
Final report issued:	04 April 2024
Auditors:	Ian Virgill, Head of Internal Audit Carl Mason, Principal Auditor
Executive sign-off:	Mererid Bowley, Executive Director of Public Health
Distribution:	Sarah Barnes, Head of Service: Public Health Programmes & Projects Wendy Day, Assistant Head of Public Health Nursing
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 Chartered Institute of Public Finance & Accountancy in April 2023.

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.

Executive Summary

Purpose

The overall objective of the audit was to review the development of structures and plans within the Health Board for the on-going delivery of vaccination programmes.

Overview

We have issued reasonable assurance on this area. Our review noted that the Health Board's vaccination team performance, benchmarked against all of Wales, was lead (COVID) and second (Influenza) for the 2023/2024 cycle (January 2024).

The matters requiring management attention include:

- Improvements to the Governance Framework; and
- Improving engagement with other areas of expertise to mitigate risks.

Other recommendations / advisory points are within the detail of the report.

It is important to note that our assurance rating relates to the specific objectives of this audit, as detailed within the adjacent Assurance Summary table.

Report Opinion

Reasonable

Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary[1]

	Objectives	Assurance
1	An annual plan had been developed and appropriately approved.	Reasonable
2	There was effective ongoing publicity with the public and Health Board staff.	Reasonable
3	Appropriate structures are in place to ensure effective delivery of the WRVP.	Reasonable
4	There are robust processes in place for monitoring delivery against plan.	Substantial
5	Regular reporting of progress against plan to the Board (or other appropriate subcommittee) and actions taken to address any issues.	Reasonable

[1]The 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	Lack of forecast spreadsheet governance controls	1	Operation	Medium
2	Delivery of a consistent message across all media platforms	2	Operation	Medium
3	Non-compliance with existing controls and the absence of a Vaccine Operational Delivery Group (VODG) overarching governance framework.	3	Operation	Medium
4	Failure to engage with appropriate expertise when undertaking a risk assessment.	3	Operation	Medium
5	Lack of oversight for a Welsh Government key aim for dual vaccinations.	5	Operation	Medium

1. Introduction

1.1 The review of the Winter Respiratory Vaccination Programme (WRVP) was completed in line with the Powys Teaching Health Board's (the 'Health Board') 2023/24 Internal Audit Plan.

1.2 Respiratory illnesses thrive in winter putting the health and care system under significant stress every year. This impact is seen both in terms of staffing absence and in the volume of people who need to access NHS services during the season. Vaccination is a vital tool which helps to mitigate the effects of respiratory viruses circulating in the community, protect the vulnerable and supports the resilience of the NHS and care system at a time of great pressure.

1.3 In the autumn of 2022, the first WRVP for Wales was delivered by bringing together the COVID-19 and influenza (flu) vaccination programmes. This enabled health boards to coordinate the planning of both programmes and, where possible, to streamline delivery. To build on that success, Welsh Government issued guidance in August 2023 stating that in the Autumn and Winter 2023/24, the flu and COVID-19 Vaccination Programmes will again be brought together to form a single WRVP.

1.4 To implement the WRVP 2023/24 effectively, health boards should develop and share their plans for a single, coordinated, and coherent programme for both vaccines. Wherever possible, delivery models should be aligned to allow for coadministration, to help maximise efficiencies and reduce vaccination inequity.

The priority of the WRVP is to maximise uptake of both flu and COVID-19 vaccines for all those who are eligible. The Welsh Government's ambitions and expectations include:

- A COVID-19 vaccine should be offered to all those who are eligible by 30 November 2023;
- The flu vaccine should be offered to all those who are eligible, at the earliest possible opportunity; and
- The expectation for Health Boards and Trusts are set out in the following table:

	Flu	Covid-19
Frontline health and care workers	75% uptake	All frontline staff to be offered a vaccine at earliest opportunity
Other eligible adults and clinically vulnerable children	75% uptake	75% uptake

1.5 The Director of Public Health will be the Executive lead for this review.

1.6 Risks

The potential risks considered in this review are as follows:

- The WRVP is not effectively delivered;
- Increased levels of flu and Covid-19 in the Powys population;
- Pressure on the delivery of Health Board services due to increased levels of flu and Covid-19 in staff; and
- Reputational damage due to non-delivery of the Welsh Government ambitions and expectations.

2. Detailed Audit Findings

Objective 1: The Health Board has developed a plan for delivery of the WRVP 2023/24 in line with Welsh Government requirements, and it has been subject to appropriate review and approval.

2.1 The Health Board had developed a plan to deliver the WRVP in compliance with the Welsh Governments requirement. This was based upon the previous years' experience, flexed to meet changes in the target population cohorts. The plan was presented and approved by the Executive Committee on 23 August 2023 and the Health Board on 28 September 2023.

2.2 The planning process included adapting to the late reduction of Covid vaccine payments to GP surgeries, reducing their participation, and late delivery of the latest Covid vaccines, changing the cohort delivery sequence priorities.

2.3 Our review also established that several spreadsheets lacked Standard Operating Procedures to ensure mitigation of the inherent risks e.g. lack of clear audit trails and spreadsheet errors. (Matter Arising 1)

Conclusion:

2.4 Our review established that the Health Board had developed and implemented an appropriately authorised 2023/2024 plan which had the potential to meet the WRVP objectives. There is a need to address the absence of adequate spreadsheet governance. We have provided reasonable assurance for this objective.

Objective 2: There is effective ongoing publicity and communication with Health Board staff and the population of the Health Board area, to provide information regarding the delivery of the WRVP.

2.5 There is effective ongoing publicity and communication with Health Board Staff and the population of the Health Board area. Providing information regarding the delivery of the WRVP.

2.6 The Welsh Government and Vaccine Programme Wales (VPW) provides the overarching vaccination awareness campaigns. They utilise multiple media platforms, including TV and social media. This is augmented by the Health Board via its intranet site and local publicity e.g. GP surgeries, Health Centres and Pharmacies. Staff are targeted through the Health Board's intranet, team meetings and posters.

2.7 All those individuals eligible for the Covid vaccine receive appointment letters and reminders from GP surgeries/the Health Board.

2.8 Staff vaccinations are monitored by location and feedback is noted. Additional targeting is then undertaken to improve uptake and correct any misconceptions e.g. Their vaccine status could affect sick pay eligibility.

2.9 We did note that the Health Board's Internet site providing advice on Influenza vaccines had not been updated since the 9 September 2023. It does not reflect the

National Influenza Immunisation Programme 2023 to 24 (WHC/2023/023) GOV.WALES cohort list issued 28 September 2023. (Matter Arising 2)

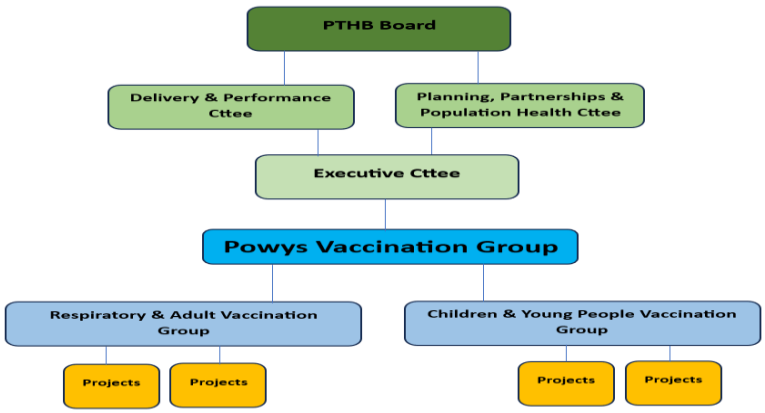
Conclusion:

2.10 Our review established that the Health Board had effectively augmented the Welsh Government WRVP vaccination campaign. Providing Effective ongoing publicity and communication with Health Board staff and the population of the Health Board area. We have provided reasonable assurance for this objective.

Objective 3: Appropriate structures, resources, and processes are in place to ensure effective delivery of the WRVP and achievement of the stated Welsh Government ambitions and expectations.

2.11 Our review was undertaken during a period of change for the Vaccination Operational Delivery Group (VODG). Proposals put forward by the Head of Service were still under discussion, with key documents including the Terms of Reference and Risk Log still in draft format. The restructuring of the groups below the PTHB Board and Executive Committee are included in the change process.

2.12 New reporting structure:



2.13 Review of both historical and proposed key documents e.g. Terms of Reference, Risk register, meeting minutes and action logs found that they did not comply with best practice. There is also an absence of Standard Operating procedures covering the VODG, Adult Nursing and Service Development. (Matter Arising 3)

2.14 The Welsh Governments overall vaccination target is 75% of the eligible population. As of 28 February 2024, the Health Board had achieved 62.9%. The highest rate achieved in Wales, which averaged 55.2%.

2.15 We noted that premises were hired by the Health Board to deliver vaccines without an agreed licence header agreement being in place to cover the inherent risks, for example Public Liability and damages. (Matter Arising 4)

Conclusion:

2.16 Our review established that there is a VODG governance framework in place, but it requires action to comply with best practice. We have provided reasonable assurance for this objective.

Objective 4: There are robust processes in place for monitoring delivery against the plan.

2.17 Our review noted that vaccine stock management is undertaken by a specialist team, overseen by a Senior Pharmacist. Vaccine usage is logged online at the vaccination sites, and daily stock records updated. Forecasts are based on footfall trends from the live data.

2.18 Vaccine has a limited shelf life, and this is taken into consideration when ordering. Surplus stock is highlighted and moved between locations to maximise usage. The methodology applied is efficient and effective.

2.19 Individual patient vaccination data input in real time into WIS and the National Influenza databases, are time and location stamped. This information forms the basis on which VODG plan and report their key benchmark progress. This compares the performance of all Welsh Health Boards, for example total population and individual cohort coverage.

Conclusion:

2.20 Our review established that there are adequate processes in place for the monitoring of vaccines deliveries against plan. We have provided substantial assurance for this objective.

Objective 5: There is regular reporting of progress against the plan to the Board (or appropriate sub-committee) and actions were taken to address any areas of underperformance.

2.21 The Executive Committee received and agreed a copy of the final plan on 28 August 2023, prior to the start of the rollout cycle in September 2023, and a final completed plan update 21 March 2024. During the cycle formal updates were provided to several sub committees including Planning, Partnerships and Population Health committee, the Local Partnership Forum, and Regional Partnership Board. Informal discussions were also undertaken throughout the cycle.

2.22 Lessons learnt are shared monthly with other Health Boards and half yearly for planning rollouts, chaired by the VPW Respiratory Planning and Delivery group. The next meeting is scheduled for 28 September 2024. The VPW have circulated lessons learnt questionnaires due for return in March 2024. When they will be collated for future discussion.

2.23 Informal ongoing communications are undertaken by Operational Heads and shared team chat room groups.

2.24 An exception was noted in relation to the oversight of dual Covid and Influenza vaccinations. These are not currently tracked and reported against the Welsh Governments aim of improving on the dual vaccination numbers from 2022-2023. (Welsh Health Circular WHC (2023)029). (Matter Arising 5)

Conclusion:

2.25 Our review established that there are adequate processes in place for the monitoring of vaccines deliveries against plan. However, the reporting of dual vaccinations has yet to be implemented. We have provided reasonable assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Lack of forecast spreadsheet governance controls (Operation)	**Impact**
The Autumn Booster 2023-2024 spreadsheet produced by Service Development contains several errors, which include: - • Columns do not add and hard coded totals preventing a full reconciliation. • The Capacity Planning for Autumn 2023-2024 header dates are 2022-2023. • The Capacity Planning (71k) and the Autumn Booster (65k) spreadsheets have different populations. No reconciliation and/or written explanation is available. • The Autumn Booster 2023-2024 forecast does not include any auditable instructions to enable oversight/repetition. • Neither document has a Standard Operating Procedure. Without an agreed population starting position and accurate recording of cohort population changes. It is difficult to validate the accuracy of the numbers used in the planning process. A lack of written procedures and appropriate document controls increases the risk. We do note that the live daily monitoring and stock forecasting as the programme progresses acts as a mitigating control for any errors in the initial forecast. (See Objective 4 Above)	Potential risk of: • Reporting errors resulting in bad decisions; • Data loss or corruption; • Institutional knowledge loss; • Lessons are not learnt; and • Lack of oversight.

Recommendations		**Priority**
1.1a	Planning should start with the most up to date primary data.	**Medium**
1.1b	The population totals should be agreed at a fixed point in time.	
1.1c	Population changes should be recorded, and clear auditable trails established.	
1.1d	Check balances should be embedded to ensure accuracy.	
1.1e	Spreadsheets should have Standard Operating Procedures to ensure consistency, protection, owner oversight, review periods, and retention.	

Agreed Management Action		Target Date	Responsible Officer
1.1	**Note**: • Planning always starts with the most up to date primary data provided by our information team which is based on the planning assumptions provided by VPW. • Population totals will be fixed at the time that the final JCVI advice is given to Health Boards, however before the advice is announced (usually a few weeks before the campaign) the planning assumptions change multiple times requiring multiple planning scenarios. • VPW Planning Assumptions and JCVI advice inform the population changes, however we can record these going forward on the front page of the spreadsheets along with a SOP to ensure consistency, protection, owner oversight, review periods and retention. • Because of the nature of the vaccination programme, population and planning changes with each campaign which means a new plan needs to be produced for each campaign. **Action:** Develop a SOP and front sheet for the spreadsheet as per recommendations 1.1a-e to ensure consistency	August 2024	Kate Prothero, Service Development Manager

Matter Arising 2: Delivery of a consistent message across all media platforms (Operation)	**Impact**
Childrens services highlighted the following issues as barriers to the delivery of children's vaccines: • Poor engagement by Headteachers e.g. sending out consent forms. • GDPR provided as a reason for refusing data requests e.g. parents phone numbers. Possible remedies for overcoming these issues had not been explored. Our review also established that the PTHB Internet site providing advice on Influenza vaccines had not been updated since the 9 September 2023. It does not reflect the National Influenza Immunisation Programme 2023 to 24 (WHC/2023/023) GOV.WALES cohort list issued 28 September 2023. For example: the list does not include home schooled children, individuals experiencing homelessness and residents of Welsh Prisons. Flu Immunisation - Powys Teaching Health Board (nhs.wales) The National Influenza Immunisation Programme 2023 to 24 (WHC/2023/023) | GOV.WALES	Potential risk of: • Reporting errors resulting in bad decisions; • Data loss or corruption; • Institutional knowledge loss; • Lessons are not learnt; and • Lack of oversight.

Recommendations		**Priority**
2.1a	Communications with Schools should also extend to Governors, increasing the level of school oversight.	**Medium**
2.1b	PTHB expert data protection advice should be sought to help overcome objections.	
2.1c	Controls procedures are agreed that ensure all communications reflect the most up to date information.	
2.1d	The procedure has an owner, reviewer, appropriate review periods and is communicated to all participating parties.	

Agreed Management Action		Target Date	Responsible Officer
2.1a & c	**Action:** Develop overarching communication strategy and action plan to cover all vaccinations	Sept 2024	Sarah Barnes, Head of Service: Public Health Programmes & Projects
2.1b	Escalation has already commenced to address the issues currently experienced with accessing class lists and parent/carer contact details. Should there be a delay in the sign off of the ISP by the Local Authority, consideration will be given to communicating with school governors. **Action:** This is being actioned through the development of an ISP and is awaiting final sign off by the local authority	Ongoing	Wendy Day, Assistant Head of Public Health Nursing
2.1d	**Action:** Recent review of the Standard Operating Procedure has been completed and will next be due for review in January 2027. The procedure has an owner, reviewer, appropriate review periods and is communicated to all participating parties.	Jan 2027	Wendy Day, Assistant Head of Public Health Nursing

Matter Arising 3: Non-compliance with existing controls and the absence of a Vaccine Operational Delivery Group (VODG) overarching governance framework. (Operation)	**Impact**
Our review was undertaken during a period of change for the Vaccination Operational Delivery Group (VODG). Proposals put forward by the Head of Service were still under discussion, with key documents including the Terms of Reference and Risk Log still in draft format. The restructuring of the groups below the PTHB Board and Executive Committee are included in the change process. Review of the historical and proposed governance framework highlighted several areas for improvement which include: Key operational areas that do not currently have a SOP: • VODG overarching procedure. • PTHB Adult Nursing • Service Development (see Matter Rising 1 above) Best practice not applied to Key documents: • Risk Register. • Meeting Terms of Reference. • Actions Logs. • Meeting Minutes. • Document controls. The PTHB School Nursing Team SOP at the start of the audit was out of review date (October 2022). This has now been completed and appropriately authorised. (February 2024).	Potential risk of: • Reporting errors resulting in bad decisions; • Data loss or corruption; • Institutional knowledge loss; • Lessons are not learnt; and • Lack of oversight.

Recommendations		**Priority**
3.1a	The VODG should have an overarching SOP bringing together all reporting functions.	**Medium**

3.1b	SOP should be written for each reporting function and linked into 3.1a above.	
3.2a 3.2b 3.2c	Committee Terms of Reference should be clearly defined, authorised, and include a defined quorum for key participants. Actions should be clearly flagged, have an owner, delivery timeline, and a clear audit trail to the Action log. Closed actions should be linked to the appropriate minutes. Final minutes should be retained in PDF format in a secure folder.	**Medium**

Agreed Management Action		Target Date	Responsible Officer
3.1	**Action:** SOP for the Vaccination ODG and the Powys Vaccination Group to be developed	May 2024	Sarah Barnes, Head of Service: Public Health Programmes & Projects
3.2	**Note**: The governance structure for the VODG (monthly) and PVG (Quarterly) has been developed. ToR have been written and agreed for each group. There are escalating processes in place to manage risks and issues. Project groups for each vaccination programme will be established prior to the start of the Winter Respiratory Programme and will report to the VODG initially and PVG and plans submitted to Executive Committee and Board for final approval/information.		
	Action: Review all SOPs and processes for the groups e.g. Risk Management, ensuring remain fit for purpose.	June 2024	Sarah Barnes, Head of Service: Public Health Programmes & Projects
	Action: Review all processes for information management as per 3.2a-c	June 2024	Sarah Barnes, Head of Service: Public Health Programmes & Projects

Matter Arising 4: Failure to engage with appropriate expertise when undertaking a risk assessment (Operation)	**Impact**
The Vaccination Service team plans to vaccinate as many of the targeted population as possible include the hire of third-party premises in low distribution locations. Prior to occupation, the PTHB Special Estates Section (SES) should have in place a License Header Agreement and Health and Safety(H&S) checks should been undertaken. The audit review highlighted the lack of a complete risk assessment when hiring the Ystradgynlais FRC. The SES had not been consulted and a Header Agreement was not in place. A Clinical and H&S risk assessment had been undertaken.	Potential risk of: • Reporting errors resulting in bad decisions; • Data loss or corruption; • Institutional knowledge loss; • Lessons are not learnt; and • Lack of oversight.

Recommendations		**Priority**
4.1a	Risk management should follow a PTHB standard framework and include seeking expert advice when necessary. For example, consulting with the SES before hiring premises.	**Medium**
4.1b	The register should have an owner and periodic review date.	
4.1c	The register should be included in the reporting cycle at the appropriate level.	

Agreed Management Action		**Target Date**	**Responsible Officer**
4.1	**Note:** • In response to the recommendations in 4.1a the Vaccination Service will check with the Health & Safety team whether a Licence Agreement needs to be in place for short term venues e.g. for 5 days.		

Patterson, Liz 13/05/2024 11:50:14

	• The Vaccination service needs to be agile and respond quickly to offer vaccination to protect the public from infectious diseases. Requesting other busy departments such as the Estates Team to source non-Healthcare venues could slow down processes particularity when short window for vaccinations.		
	Action: Raise with the Health & Safety team and determine the correct processes to follow for Risk Assessment and document checking for external venues.	June 2024	Sarah Barnes, Head of Service: Public Health Programmes & Projects
	Action: Escalate the points raised above to the Health & Safety Committee if findings have a n impact on the service or wider organisation activity.	17 June 2024	Sarah Barnes, Head of Service: Public Health Programmes & Projects

Matter Arising 5: Lack of oversight for a Welsh Government key aim for dual vaccinations. (Operation)	**Impact**
Our review confirmed that scheduled meetings discussing progress against the plans are undertaken by VODG and reported to the Executive Committee. Data is provided by two separate online systems. WIS based on Health Board data and GP Surgeries. These form the basis for the reports. The Welsh Health Circular WHC (2023)029 highlighted the Welsh Governments aim of improving on the dual vaccination numbers, following its first rollout in 2022-2023. This was deemed to have streamlined the service and improved the patient experience. Patient Vaccine information is available online in WIS. Interviews established that tracking patient dual vaccinations from WIS is possible for only staff vaccinated by PTHB at this point in time. To date this has not been requested. As a result, it is not possible to provide oversight analysis.	Potential risk of: • Reporting errors resulting in bad decisions; • Data loss or corruption; • Institutional knowledge loss; • Lessons are not learnt; and • Lack of oversight.

Recommendations		**Priority**
5.1a	Data should be accessed to track and plan progress against the stated aim for increased dual vaccination.	**Medium**
5.1b	Regular updates should be included in the reporting hierarchy.	

Agreed Management Action		**Target Date**	**Responsible Officer**
5.1	**Note**: • The vaccination programme in PTHB can only offer co-administration of COVID and flu vaccination to PTHB staff. All other flu vaccinations are administered in primary care and are recorded on primary care systems which the Health Board is not able to access.		

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	• Anecdotal qualitative feedback from primary care providers has been that patients do not want both vaccines together- this is mirrored in the feedback we have received from staff attending the vaccination centres for their winter respiratory vaccines. • We can ask the information team to provide this data for us on any co-administration which takes place in our vaccination centres, however, we have not been asked by VPW to report on this. **Action:** To review this, ask for 24/25 and to aim to develop plans that support co-administration* **without adequate systems and GP buy in this will not happen.*	Sept 2024	Kate Prothero, Service Development 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:

	**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.
	**Unsatisfactory 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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Infection, Prevention & Control
Final Internal Audit Report

March 2024

Powys Teaching Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Contents

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Auditors:	Wendy Wright-Davies, Deputy Head of Internal Audit Ian Virgill, Head of Internal Audit
Executive sign-off:	Claire Roche, Executive Director of Nursing & Midwifery
Distribution:	Gareth Thomas, Consultant Nurse Infection Prevention and Control Zoe Ashman, Assistant Director Quality & Safety Claire Roche, Executive Director of Nursing & Midwifery
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 Chartered Institute of Public Finance & Accountancy in April 2023.

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.

Executive Summary

Purpose

The overall objective of the audit was to review the controls and processes in place for Infection Prevention and Control, with specific focus on the IPC Improvement Plan and the Clostridioides Difficile infection pathway.

We have issued reasonable assurance on this area.

The matters requiring management attention include:

- The IPC team's Standard Operating Procedure (SOP) 'Management and Escalation of C.difficile cases/clusters/outbreaks and cases identified within Primary Care' should be added as an appendix to the Clostridioides Difficile Policy; and
- IPC Mandatory Training rates could be improved, it is the role of line managers to ensure their staff are compliant. Whilst completion rates are relatively high, mandatory training requires all staff to comply.

Further low priority recommendations / advisory points are within the detail of the report and included at Appendix A.

Report Opinion

Reasonable

Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary[1]

	Objectives	Assurance
1	Monitoring and reporting of the IPC Improvement Plan	Substantial
2	Clostridioides Difficile policies and procedures	Reasonable
3	Guidance and training	Reasonable
4	Incident reporting and monitoring of Clostridioides Difficile	Substantial
5	Reporting on Clostridioides Difficile performance	Substantial

[1]The 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
3	Addition of IPC Team's SOP to the Clostridioides Difficile Policy	2	Operation	Medium
4	Non-compliance with Mandatory IPC Training	3	Operation	Medium

Patterson,Liz 13/05/2024 11:50:14

1. Introduction

1.1 Our audit review of Infection, Prevention & Control was completed in line with the 2023/24 Internal Audit Plan for Powys Teaching Health Board (the 'Health Board').

1.2 Infection Prevention and Control (IPC) is fundamental in ensuring the provision of a safe environment for staff and service users. The COVID-19 pandemic has emphasised the need for healthcare organisations to have coordinated, collaborative, agile and robust IPC processes and structures in place to ensure an effective and timely IPC response.

1.3 Healthcare Associated Infection (HCAI) refers to an infection that occurs because of contact with the healthcare system. A consistent approach and effective leadership within the Health Board is required to prevent HCAI within Health Boards.

1.4 The Executive Director for Nursing and Midwifery commissioned a deep dive into IPC processes, policies and procedures across the Health Board between May 2022 and March 2023. The purpose of this deep dive was to assess the Health Board's position against the Welsh Government Code of Practice for the Prevention and Control of Healthcare Associated Infections, identifying gaps and priorities for improvement.

1.5 The deep dive was undertaken by the Health Board's Consultant Nurse for IPC and the findings were reported to the Executive PEQS Committee on the 31 May 2023 with the recommendation that an IPC Improvement plan be developed to address the findings of the deep dive.

1.6 The IPC Improvement Plan was developed and approved at the Executive PEQS Committee held on 28 June 2023 and was also submitted to the Patient Experience, Quality and Safety In-PEQS Committee (closed session) on 4 July 2023 for assurance and noting as the PEQS Committee was to be the forum for monitoring the delivery of the Improvement Plan.

1.7 The Executive Director for Nursing and Midwifery is the lead Executive for this review.

Audit Risks

1.8 The potential risks considered in this review were as follows:

- Non-compliance with infection control reporting requirements and legislation; and
- The Health Board fails to prevent the spread of infection.

2. Detailed Audit Findings

Objective 1: There are robust monitoring and reporting arrangements in place within the Health Board for the IPC Improvement Plan

2.1 Since the approval of the IPC Improvement Plan in the summer of 2023, delivery against the Plan has been presented to the Patient Experience, Quality and Safety Committee (PEQS Committee). Updates are included within the Integrated Quality Report, with a specific section on Infection Prevention and Control. The updates have demonstrated progress against the two-year plan. Most recently in January 2024 the PEQS Committee were advised that 60% of the actions were complete. We selected a sample of actions marked as complete and were able to evidence the position.

2.2 Whilst the PEQS Committee is kept informed of progress against the Improvement Plan, there are opportunities to make minor updates to the papers presented to enhance the clarity of the information presented.

(Matter Arising 1 – Low Priority)

2.3 In advance of the PEQS Committee, the Executive Committee have sight of the IPC papers, in addition to the 'Infection Prevention & Control, Decontamination & Antimicrobial Resistance Group' (The IPC Group). The Terms of Reference for the IPC Group refers to the Director of Nursing & Midwifery as Chair, who has the authority to nominate a deputy chair. The IPC Group plays a key role in monitoring the delivery of the Improvement Plan.

2.4 The IPC Group was newly formed in July 2023, following an action within the Improvement Plan. A review of the assurance framework and reporting structures found that the former IPC Group and separate Decontamination Committee should be combined, to facilitate regular reporting into the PEQS Committee. Management acknowledge that the IPC Group's Terms of Reference is dated July 2020, and therefore requires a review. ***(Matter Arising 2 – Low Priority)***

Conclusion 1:

2.5 There are robust monitoring and reporting arrangements in place within the Health Board for the IPC Improvement Plan, but we have identified minor opportunities to enhance the clarity of reporting to the PEQS Committee. There is also a need for the Infection Prevention & Control, Decontamination & Antimicrobial Resistance Group's terms of reference to be reviewed. *(Substantial Assurance)*

Objective 2: There are up to date policies and procedures in place for the C-Diff infection pathway that align with Welsh Government requirements and relevant legislation

2.6 The Management of Clostridioides Difficile Policy (IPC 003) along with the wider suite of Infection Prevention and Control policies and procedures were reviewed and updated in the summer of 2023.

2.7 The review of the Management of Clostridioides Difficile Policy was informed by a number of sources, which include publications by the UK government, The All Wales Medicine Strategy Group, and the National Institute for Health Care Excellence: Clostridioides difficile infection; antimicrobial prescribing (2021). The Policy also aligns to the 2014 Welsh Government Code of Practice for the Prevention and Control of Healthcare Associated Infections (nine minimum standards an organisation is expected to have in place).

2.8 The Policy was issued in November 2023 and is available on the Health Board's intranet site (SharePoint). The Policy was approved by the IPC Group, under delegated authority, as detailed within 'CGP 004 – Management of Policies, Procedures and Other Written Control Documents'.

2.9 The Policy contains a number of Standard Operating Procedures e.g. Appendix 1: SOP - Collection of stool samples for Clostridioides difficile toxin testing, and Appendix 3: SOP Management and Escalation of C. difficile cases and Periods of Increased Incidence (PII). A further SOP - Management and Escalation of C.difficile cases/clusters/outbreaks and cases identified within Primary Care was provided, but this was not referenced within the Policy. The IPC Consultant Nurse confirmed that this relates to processes solely within the IPC team.

(Matter Arising 3 – Medium Priority)

Conclusion 2:

2.10 There are up to date policies and procedures in place for the Clostridioides Difficile (C. Difficile) infection pathway that align with Welsh Government requirements and relevant legislation, but we have made a recommendation to strengthen the IPC governance framework. Management should consider how standard operating procedures underpin the Policy. *(Reasonable Assurance)*

Objective 3: There is awareness of the guidance and staff have undertaken appropriate training

2.11 Following the approval of the Management of Clostridioides Difficile Policy an email was circulated to ward managers and service leads to raise the awareness of the revised Policy. The IPC Team offered to speak to teams directly to clarify any queries around the updated policy, in addition to the more general Standard Infection Prevention and Control Precautions (SICPs) Policy.

2.12 To further raise awareness with staff, the policies were shared via the Chief Executives video update, and an article added to the Intranet.

2.13 The following policies clarify the training requirements:

- The Management of Clostridioides Difficile Policy notes, "… *Training on the management of Clostridodies difficile will be included in PTHB level 1 Infection Prevention and Control training, which is available via ESR".*
- The Standard Infection Prevention and Control Precautions Policy notes the varying training requirements for the different staff groups, *"Infection Prevention and Control mandatory training is annually for clinical staff to complete level 2, and all other staff level 1, access through ESR learning data base". The Policy further highlights that it is the responsibility of the Manager to ensure ALL staff complete the training.*

2.14 The IPC Group receives a quarterly report at each meeting from the IPC Consultant Nurse, which provides an overview of 'Organisational IPC Training', broken down by level 1 (Non-clinical staff - 3 year renewal) and level 2 (Clinical Staff - Annually).

2.15 As at the meeting on 30 January 2024 compliance rates were reported as follows:

- Non Clinical Staff 89.8% (713 of 794); and
- Clinical Staff 82.82% (1,263 of 1,525).

(Matter Arising 4 – Medium Priority)

2.16 Whilst training compliance rates are reported to the IPC Group within the IPC Quarterly Report, the timeliness of the data should be considered.

(Matter Arising 5 – Low Priority)

2.17 In addition to ESR Training, the IP&C Team arranged for clinical educators from Gamma (the manufacturer of clinical wipes) to visit Health Board sites. The purpose of these visits was to provide refresher training on the basic principles of cleaning (including equipment, such as beds, commodes etc). The training was undertaken in August 2023 and all community sites in Powys were visited by the representative together with IPC representation.

2.18 The IPC Consultant Nurse confirmed that IPC is included within Corporate Induction from February 2024, as detailed within the IPC Improvement Plan.

Conclusion 3:

2.19 The IPC team have provided various channels to inform staff of the updated C. Difficile Policy. The majority of staff have undertaken appropriate IPC training, although we note that approximately 10% (81 of 794) of non-clinical staff and 17% (262 of 1525) of clinical staff are not compliant with the mandatory training. It is managements responsibility to ensure their staff are compliant. (Reasonable Assurance)

Objective 4: Robust incident reporting and monitoring processes are in place for the accurate and timely identification and recording of C-Diff infections to ensure actions are taken to address the incidents and lessons are learned.

2.20 The Management of Clostridioides Difficile Policy, and supporting Standard Operating Procedures outline the processes in place for recording and actioning C. Difficile infections and thereafter how they are reported and monitored.

2.21 It was evident that the Health Board utilises the ICNet system in accordance with Welsh Health Circular (WHC/2019/019), which requires all Health Boards and Trusts to use the ICNet system for local IPC case management and outbreak management.

2.22 C. Difficile test results are published on ICNet, the IPC Team also have in place a local spreadsheet for monitoring C. Difficile infections, which expands upon hospital or community onset infections. The spreadsheet also records the circulation and return of a local assessment tool to assist in identifying root causes of infection and lessons to be learned going forward. The tool varies for hospital onset infections and community onset. GP practices are engaging with the IPC Team to complete and return the assessment tool.

2.23 Within the current year, 2023-24 through quarters one to three there had been 18 identified C. Difficile infections, two were hospital onset and 16 community onset. We took a sample of positive infections and were satisfied that the Management of Clostridioides Difficile Policy and supporting Standard Operating Procedures had been adhered to. We were able to evidence the timeliness of the circulation of the assessment tool to obtain any learning and to reduce the risk of further spread of infection. We also noted that incidents had been reported on Datix for the hospital onset infections.

2.24 Two positive infections within the sample were linked to a potential C. Difficile outbreak, where we noted that in place of a post infection review meeting, a potential outbreak control meeting took place. Clear actions were reported from the meeting, and it was highlighted that epidemiology colleagues thought it unlikely that transmission has occurred within PTHB. A further risk was noted within the meeting notes, that where neighbouring acute trusts are experiencing significant cluster outbreaks of C. Difficile this can leave PTHB vulnerable, given that a large number of patients are repatriated from these trusts and there is a risk of onward transmission within PTHB.

2.25 Since the onboarding of the IPC Consultant Nurse we noted the efforts made to enhance relationships and to improve communication with IPC colleagues in Wye Valley NHS Trust and Shrewsbury and Telford Hospital NHS Trust, which we were able to evidence by supporting emails.

2.26 As noted within paragraph 2.23, almost all C. Difficile cases to the close of quarter three were community onset. Welsh Health Circular (WHC 2022 Number 14)

highlights that *"Infection Prevention and Control (IP&C) measures have never been so important. The pandemic has demonstrated the need for adequate resources to support IP&C in both hospital and community settings"*.[1]

2.27 Currently the Health Board's IPC Team has no resource to proactively support IPC in community settings. The IPC Consultant Nurse has highlighted this risk to the executive lead and has prepared an internal business case, which is yet to be decided upon.

2.28 The IPC Group meet quarterly and are presented with HCAI data, which includes C. Difficile. The information is presented in a quarterly IPC report. Should there be matters that require escalation, these are raised in the Quality Report presented to the PEQS Committee.

Conclusion 4:

2.29 There are robust incident reporting and monitoring processes in place for the accurate and timely identification and recording of C. Difficile infections. We were able to evidence that actions had been taken to address the sampled infections and lessons were learned through the post assessment tool, or relevant meeting which were well documented. We make no recommendations within this objective. *(Substantial Assurance)*

Objective 5: There is regular reporting on C-Diff performance and reports are submitted to appropriate management and Board level groups for information and action

2.30 As noted previously there are quarterly IPC reports presented to the IPC Group, which report on C. Difficile cases, split by month, hospital onset, community onset and rate/100,000. Should there be a case for escalating issues within the reports the Executive lead would update the PEQS Committee.

2.31 The rater per 100,000 aligns to the Welsh Health Circulars. The current and previous versions of the Welsh Health Circulars titled, 'AMR & HCAI Improvement Goals' have consistently required Health Boards and Trusts to reduce the annual incidence of C. Difficile to 25 cases per 100,000.

2.32 The IPC Consultant Nurse confirmed that the Health Board has consistently fallen below these targets and therefore has no target to aspire to achieve. Consideration is being given to setting an additional internal target to have something to work towards and to drive improvement.

Conclusion 5:

2.33 There is regular reporting on C. Difficile performance to the IPC Group and there is a defined route of escalation to the PEQS Committee if required. At the close of quarter 3, C. Difficile cases were below the Welsh Government target outlined in Welsh Health Circular (WHC 2023/031). (Substantial Assurance)

[1] https://www.gov.wales/sites/default/files/publications/2022-04/amr-hcai-improvement-goals-for-2021-2023.pdf

Appendix A: Management Action Plan

Matter Arising 1: Enhancements to papers presented to the Patient Experience, Quality and Safety Committee (Operation)	**Impact**
Our review of the papers presented to the Patient Experience, Quality and Safety Committee linked to the IPC Improvement Plan highlighted the following: • The Infection Prevention Control Improvement Plan referred to Cwm Taf University Health Board within the header, when presented to the PEQS Committee in October 2023; and • The Integrated Quality Report presented to the PEQS Committee on 23 January 2024 had not been updated from the Executive Committee, the report date and purpose required an update.	Potential risk of: • Non-compliance with infection control reporting requirements and legislation.

Recommendation		**Priority**
1	Greater attention to detail should be given to the papers presented to the Patient Experience, Quality and Safety Committee in the context of the IPC Improvement Plan.	**Low**

Agreed Management Action		**Target Date**	**Responsible Officer**
1	Ensure a robust Quality Assurance process is in place within the Nursing Directorate prior to sharing reports with corporate team for publication	01/04/2024	Assistant Director of Quality & Safety

Matter Arising 2: Infection Prevention & Control, Decontamination & Antimicrobial Resistance Group's Terms of Reference requires review (Design)			**Impact**
As noted within the IP&C Improvement Plan, a review of the IP&C assurance framework and reporting structures resulted in a combined IP&C & Decontamination Group, with regular reporting into the PEQS Committee. We reviewed the terms of reference and operating arrangements for the 'Infection Prevention & Control, Decontamination & Antimicrobial Resistance Group', and noted that they are dated July 2020, and therefore requires review.			Potential risk of: • The Health Board fails to prevent the spread of infection.
Recommendation			**Priority**
2	To ensure the 'Infection Prevention & Control, Decontamination & Antimicrobial Resistance Group' have a clear purpose the terms of reference and operating arrangements should be reviewed and approved.		**Low**
Agreed Management Action		**Target Date**	**Responsible Officer**
2	The existing terms of reference will be revised to incorporate some of the actions identified within this audit and the organisations Infection Prevention and Control improvement plan. An updated terms of reference will be presented to the next quarterly group in May 2024 for ratification and approval.	05/05/2024	Consultant Nurse – Infection Prevention & Control

Matter Arising 3: Addition of IPC Team's SOP to the Clostridioides Difficile Policy (Operation)	**Impact**
We reviewed the C. Difficile Policy and the suite of Standard Operating Procedures and make the following observations: • The management of Clostridioides Difficile Policy (IPC 003) was approved by the 'Infection Prevention and Control Group', under delegated authority, as detailed within 'CGP 004 – Management of Policies, Procedures and Other Written Control Documents'. Whilst the Group has the relevant expertise to scrutinise the Policy, there is potentially a lack of transparency and independent scrutiny when it is approved internally. We also note that CGP 004 is significantly passed its review date of 2018. As these issues are outside the control of the IPC Group, we do not make any recommendation as part of this audit but will take them forward separately with the Health Board's Corporate Governance team. • Through the course of the audit we were presented with the Standard Operating Procedure 'Management and Escalation of C.difficile cases/clusters/outbreaks and cases identified within Primary Care' but this was not appended to the Policy where other Standard Operating Procedures were included. The IPC Consultant Nurse advised that the SOP details processes solely for the IPC team.	Potential risk of: • Non-compliance with infection control reporting requirements and legislation; and • The Health Board fails to prevent the spread of infection.

Recommendation		**Priority**
3	To strengthen the governance framework which supports infection prevention and control, the IPC Team's SOP on the 'Management and Escalation of C.difficile cases/clusters/outbreaks and cases identified within Primary Care' should be appended to the Policy, in keeping with other SOPs.	**Medium**

Agreed Management Action		**Target Date**	**Responsible Officer**
3	Infection Prevention & Control policies in the mane align with the Scottish National Infection Prevention & Control manual (NIPCM), which has been adopted for use by all organisations within Wales and adheres to best practice. The IP&C team will work with the corporate governance team to enhance independence and transparency. The SOP on the 'Management and Escalation of C.difficile cases/clusters/outbreaks' will be incorporated into the current policy.	01/04/2024	Consultant Nurse – Infection Prevention & Control

Matter Arising 4: Non-compliance with Mandatory IPC Training (Operation)			**Impact**
The IPC Policy highlights that it is the role of management to ensure that all staff complete the mandatory IPC training held in ESR. We reviewed the IPC Quarter 3 report, which was presented to the Group on 30th January 2024, which noted the following compliance rates: • Non Clinical Staff 89.8% (713 of 794) – 3 year renewal of Level 1; and • Clinical Staff 82.82% (1,263 of 1,525) – Annual renewal of Level 2.			Potential risk of: • The Health Board fails to prevent the spread of infection.
Recommendation			**Priority**
4	Management should be reminded to ensure that all staff complete their Infection Prevention and Control training held in ESR.		**Medium**
Agreed Management Action		**Target Date**	**Responsible Officer**
4	The Infection Prevention and Control team will continue to work collaboratively with service leads to ensure the completion of mandatory level 1 & 2 training. Strengthened monitoring of compliance will occur during the quarterly Infection Prevention and Control group, with service leads expected to report on compliance and actions for improvement, if required. The reporting requirements will be strengthened in the groups updated terms of reference.	01/04/2024	Consultant Nurse – Infection Prevention & Control

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Matter Arising 5: The timeliness of reporting mandatory IPC Training (Operation)			**Impact**
We reviewed the source data for ESR IPC Training rates which informed the Quarter 3 IPC report. We noted that Workforce and OD confirmed the compliance figures as at 31 October 2023, which were reported on 30 January 2024 meeting (a 3-month gap).			Potential risk of: • The Health Board fails to prevent the spread of infection.
Recommendation			**Priority**
5	Consideration should be given to the timeliness of ESR IPC Training data which informs the IPC Quarterly report.		**Low**
Agreed Management Action		**Target Date**	**Responsible Officer**
5	Traditionally reporting periods have covered the previous quarter, but moving forward, we'll strive to provide real-time data on training compliance to the group. This will include integrating the agreed management actions from recommendation 4 above.	05/05/2024	Consultant Nurse – Infection Prevention & Control

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.
	**Unsatisfactory 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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Agency Spend Reduction Group
Final Internal Audit Report

April 2024

Powys Teaching Health Board

PTHB – 2324-08

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

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Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Contents

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Executive sign-off:	David Farnsworth, Assistant Director CSG
Distribution:	Caroline Evans; Interim Business Manager Christian Thomas, Assistant Director of Finance
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 Chartered Institute of Public Finance & Accountancy in April 2023.

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.

Executive Summary

Purpose

The overall objective of the audit was to review the set-up, operation and delivery of the Agency Spend Reduction Group.

Overview

We have issued reasonable assurance on this area. The management group have made a productive start to their task and are looking at longer term recruitment initiatives whilst overseeing development of a reporting method which will enable detailed analysis of ward staffing and occupancy to assist with identification of the root cause of the need for temporary / agency staff.

We have identified two matters arising concerning the group administration.

Other recommendations / advisory points are within the detail of the report.

Report Opinion

		Trend
Reasonable 	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved	First review

Assurance summary[1]

Objectives		Assurance
1	Group Governance	Reasonable
2	Group Plan	Reasonable
3	Delivery Progress	Reasonable
4	Monitoring and reporting	Reasonable

[1]The 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	Improvements to the Group's ToR and minutes	1	Design	Medium
2	Group plan requires strengthening	2	Design	Medium

1. Introduction

1.1 All National Health Service organisations rely on a level of temporary and / or additional staff resources in order to maintain service continuity. The inherent nature of providing health services, with the variations in demand, capacity and workforce availability dictate that such expenditure is unavoidable.

However, the provision of this additional resource via the use of agency staff is extremely expensive and the least cost effective of the options available. These additional costs can place additional pressure on any Health Board's limited financial resources.

The Powys Teaching Health Board's (the 'Health Board') Integrated Performance Report submitted to the November 2023 Board meeting, identifies that as at September 2023, the level of agency spend as a percentage of the Health Board's total pay bill was 11.1%. This level is above the All-Wales benchmark of 5.1% at July 2023.

To address this issue the Health Board has introduced an Agency Spend Reduction Group (the 'Group') with the purpose of taking forward measures to reduce reliance on agency staffing across operational services. This review of the Groups activity has been completed in line with the Health Board's 2023/24 Internal Audit Plan.

The Executive Director of Operations / Director of Community & Mental Health is the lead Executive for this audit.

1.2 The potential risks considered in this review are as follows:

- The Group does not achieve its stated aims resulting in continued high levels of agency spend; and
- The Health Board fails to meet its financial targets.

1.3 Limitation to scope

Although this was originally planned as a 'project audit' it became clear that this is not being run as a full formal project; it is an ongoing management initiative to address a long standing and continuing staff resourcing issue. As such we have not considered a full formal project methodology to be a requirement for this audit.

2. Detailed Audit Findings

Objective 1: Robust arrangements are in place for the set-up and ongoing management of the Group including an agreed terms of reference, appropriate membership and clear lines of reporting and accountability.

2.1 The Group is chaired by an executive director and is comprised of senior directors and department leads. It has a defined purpose which is to reduce the Health Board's reliance on agency staffing through a series of initiatives and actions. Several of these initiatives and proposed actions will need time to produce their intended benefits, so the current levels of agency spend are likely to persist.

2.2 The group has a Terms of Reference (ToR). Although it includes purpose, membership, and meeting frequency we consider that there are several ways it could be improved, e.g. review dates, timeframes for delivery, reporting routes from 'ward to board'. See Matter Arising 1

2.3 Whilst the Group's reporting lines are not confirmed within the ToR, we note that the Group does report to the Executive Committee.

Conclusion:

2.4 The group is made up of senior managers who are working on finding a solution to a long-term problem. It has a clear purpose and a broad remit, although there is room for strengthening the groups ToR. We have provided Reasonable Assurance for this objective.

Objective 2: The Group has developed a comprehensive action plan to achieve its stated aims which includes clearly defined deliverables, actions, timescales and identified leads.

2.5 The Group has a plan in place that is reasonably well structured with key actions linked to key deliverables. The actions have a lead officer assigned with a start data and a completion date. There are however some inconsistencies within the plan, e.g. the BRAG status can be set to 'Action on Track', yet the completion date was passed six months ago. The completion dates are for the actions, not the deliverables.

2.6 The plan's key deliverables have no set target dates or defined KPI that can be used to monitor progress. There is also no quantification of the goals, E.G the phrase 'optimise the use of bank staff' is used. There are no numerical indicators of what optimal looks like or of what a successful outcome will be. See Matter Arising 2.

Conclusion:

2.7 The Group's plan is a simple tabular document that fulfils its designated purpose. However, there is room for it to be developed and improved by the addition of SMART objectives with Key Performance Indicators (KPI) to track the progress. We have provided reasonable assurance for this objective.

Objective 3: Effective progress is being made towards delivery of the stated actions within the action plan, and this is leading to an achievement of the aims of the Group and ultimately a sustained reduction in the agency spend.

2.8 Although the plan shows actions are being completed there is currently no quantifiable link to the objective of a sustained reduction in the agency spend without any negative impact on patient care.

2.9 The group meets twice per month, once to review the previous months financial outturns, i.e. the spend on agency staff; and then separately to report on and progress the actions they are taking in pursuit of their objectives. We consider this an effective way of working which allows the group to focus on both the financial results of any actions taken, and the continued development and delivery of their action plan. We note that there are minutes produced for each of the meetings, but they lack the detail necessary to be a considered as a full meeting record. See Matter Arising 1

2.10 The Group is currently developing a dataset in order to facilitate detailed analysis of the situation in every ward/location in the Health Board. It is intended that the dataset will produce an indicator, possibly care hours per patient, that will enable comparisons across all wards of all types.

2.11 The dataset comes from finance and e-roster data and is still a work in progress. It is intended to assist in identifying the specific causes of the need for agency staff at each location/ward so that long-term solutions can be found. At present there is no target deadline for the completion of the dataset or the delivery of a dashboard for its use. See Matter Arising 2

2.12 Other initiatives taken by the group will need time to produce positive results, especially given the existing age profile of the Health Board's nursing staff; e.g. the development of recruitment plans using the Aspiring Nurse Programme, Overseas Nursing Programme recruitment and the drive to increase bank provision; however, these initiatives should also be supported by defined SMART goals and KPI.

Conclusion:

2.13 There has been substantial work done to develop the dataset intended to produce the reports needed to support analysis of the reasons for the agency spend, and develop longer term initiatives to ease the recruitment problems. The group is meeting regularly and recording their progress, despite the lack of quantifiable progress indicators, and a scheduled reporting structure. We have provided reasonable assurance for this objective.

Objective 4: Robust arrangements are in place for regular and accurate monitoring and reporting of progress against the action plan, both within the Group and to appropriate management, groups and committees within the Health Board.

2.14 The Group did a presentation to the Executive Committee in August 2023 which was then expanded into a full update for the Delivery and Performance Committee meeting of August 2023. This gave a comprehensive report of the Group's activity

and an explanation of the dataset being developed. There was a further Executive Committee update in January 2023 with the minutes indicating the report was highly detailed.

2.15 We note that the group is producing analysis reports from the dataset every month which they use to track their progress in achieving their objectives. The reports produced to date though detailed and informative, are in a graphical and tabular format which is not likely to be helpful or easily understandable and readable by busy staff at the ward/operational level.

2.16 To achieve the overall group objective, co-operation and participation of operational staff at the ward level will be necessary. To get this operational buy-in to the objectives the reports need to be in an easily accessible and usable dashboard format so that ward level managers and staff can see their own data. See Matter Arising 3

Conclusion:

2.17 The group has reported its progress to the Executive Committee and Delivery & Performance committee and issued an update early in 2024. However, there is a lack of a formal reporting structure and schedule for the Group. We have provided reasonable assurance for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Group Administration (Design)	**Impact**
The group has a basic ToR which is sufficient for the groups structure and its purpose, however it is a relatively informal document and could be strengthened, which could in turn improve the operational effectiveness of the group. The current document: - • is not dated; • Has no set end date or review date; • Does not clarify if its meetings need to be quorate, or if members can have nominated substitutes; • What will success look like for the group, there are no smart objectives or KPI; and • There are no defined reporting lines. The minutes of the group meetings are insufficient to be considered a record of the meeting, at best they are a simple record of actions agreed.	Potential risk of: • Inefficient group operation • Missed opportunities to achieve objectives.

Recommendations		**Priority**
1.1	The Group ToR could be brought more in line with a formal project ToR. It should be dated, with a review date and have a defined reporting route, to the board and back through the organisational structure to the wards, especially as that is where results of the groups actions will be most keenly felt.	**Medium**
1.2	The groups meetings minutes should be kept to an accepted best practice standard, they are currently too brief to be considered a complete record of the meetings.	

Agreed Management Action		**Target Date**	**Responsible Officer**
1.1	ToR to be updated to include date, review date and reporting route.	30th April 2024	Business Manager

1.2	Future meeting minutes to include more detail, in line with best practice standards, to ensure a complete record of the meetings is recorded.	30th April 2024	Business Manager

Matter Arising 2: Group plan (Design)			**Impact**
The Group plan is actually a series of assigned and owned management actions that are intended to help manage the agency spend and produce longer term solutions to the staffing issues that the Health Board faces. It does not include any long-term target dates with quantified deliverables/goals, kpi indicators and reporting milestones.			Potential risk of: • Failure to track progress • Failure to achieve objectives
Recommendations			**Priority**
2.1	The plan should be strengthened. The ultimate goals should be quantified and made SMART. There should be KPI that facilitate tracking and reporting progress against those SMART objectives at regular intervals.		**Medium**
Agreed Management Action		**Target Date**	**Responsible Officer**
2.1	Review and update Action Plan, to include the development of SMART objectives, and the identification and development of KPIs to facilitate effective tracking of the SMART objectives.	30th June 2024	Executive Director of Operations

Matter Arising 3: Report production (Design)			**Impact**
The reports being produced by the group are detailed, but their format makes them time consuming to fully review and understand; they are currently likely to be of limited use to ward staff because of this.			Potential risk of: • Complexity of information presentation fails to secure acceptance of helpful information by operational staff.
Recommendations			**Priority**
3.1	For maximum benefit to be obtained from the dataset being developed the results should be displayed in a dashboard format which is accessible and understandable by ward staff.		**Low**
Agreed Management Action		**Target Date**	**Responsible Officer**
3.1	Develop and implement a dashboard for current dataset reporting, which can be cascaded to teams including SMT and OMT.	30th June 2024	Executive Director of Operations, supported by Assistant Director of Finance

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.
	**Unsatisfactory 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: Welsh Language Standards

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Shared Services Partnership
Audit and Assurance Services

GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Contents

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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 Chartered Institute of Public Finance & Accountancy in April 2023

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 & Assurance Committee.

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Executive Summary

Purpose

The overall objective of the audit was to provide the Health Board with assurance regarding the implementation of the agreed management responses from the Limited Assurance December 2022 Welsh Language Standards audit.

Overview of findings

Management have made significant progress in addressing the recommendations and management actions detailed in the Initial Final Internal Audit Report.

Of the 8 matters arising (9 recommendations) 7 recommendations have been closed, 3 of which were high priorities.

Progress has been made with the remaining 2 recommendations, but further action is still required. Both outstanding recommendations were initially high priorities but have now been downgraded to medium priorities.

The outstanding recommendations relate to submission of outstanding action plans for a number of individual services/departments and regular monitoring of said plans between Welsh Language Team and Service Leads.

Enhancements are also recommended for the documents that the Welsh Language Team have in place for monitoring the individual actions plans in place and also the Health Board's overall compliance with the Welsh Language Standards.

Follow-up Report Classification

		Trend
Reasonable 	**Follow up:** All high priority recommendations implemented and progress on the medium and low priority recommendations.	

Progress Summary

Previous Matters Arising		Previous Priority Rating	Direction of Travel	Current Priority Rating
1.1a	Services Action Plans	High		Closed
1.1b	Services Action Plans	High		Medium
2	Monitoring of compliance with the Action Plans	High		Medium
3	Welsh Language Policy	High		Closed
4	Monitoring and Reporting on Compliance	High		Closed
5	Welsh Language Annual Report	Medium		Closed
6	Estates Department – Signage	Medium		Closed
7	Staff Awareness	Medium		Closed
8	Risk Registers	High		Closed

1. Introduction

1.1 The follow-up review of 'Welsh Language Standards' was completed in line with the 2023/24 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 December 2022. This identified eight 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:

- Financial penalties and reputational damage if the Health Board is unable to comply with the Standards, within the timescales agreed with the Welsh Language Commissioner; and
- Patients that request communication in the Welsh Language are treated unfairly.

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	6	4	2	0
Medium	3	3	0	0
Low	0	0	0	0
Total	**9**	**7**	**2**	**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 1.1b: Service Action Plans (Design)		
Original Recommendation		Original Priority
The responsible officer / service lead should be reminded about the requirement to complete all the columns identified within the action plan which includes evidence, possible action required to meet the standard, and ensure there is an up to date 'target date'. The Welsh Language team should also reiterate to the Service Lead for the action plan the need to provide regular updates on the status of individual action plans to the Welsh Language Team, as this could help identify areas of non-compliance. Area of non-compliance and issues will be escalated to the Executive Director of Therapies & Health Sciences as Exec lead for Welsh Language and this will be raised with individual Directors and/or Exec Committee.		**High**
Management Response	Target Date	Responsible Officer
New actions plan in place and quarterly catchup meetings established between Welsh Language Team and service areas. Welsh Language team to develop & share guidance on how to complete the action plan. Service contacts to update work plans prior to quarterly meetings so they can be discussed.	April – July 2023 By February 2023 July 2023 & Quarterly thereafter	Welsh Language team Senior Managers, ADs and DDs Welsh Language Team Welsh Language Service Leads
Current findings		**Residual Risk**
The Welsh Language Service Leads Group (WLS Group) was re-established with the first meeting taking place in March 2023. Initially the meeting was scheduled to meet quarterly but due to poor attendance it was agreed that the group		The Welsh Language Department are unaware of any issues concerning Welsh Language

	would meet every six months. Despite this change in the frequency of the meeting Internal Audit was advised that the most recent meeting was poorly attended. There are Terms of Reference in place for the WLS Group, however, they need to be updated to reflect the change in Executive responsibility for the Welsh Language. Whilst Service Leads have been requested to review existing departmental action plans and provide a copy of the updated action plan using the new action plan template there are still a number of departments that are yet to provide an updated action plan to the Welsh Language Department. The Welsh Language Department maintains an action log that records which departments have submitted their Welsh Language Standards action plan, however that is the only information it records. It does not record when updated action plans are received. It was also noted that the Welsh Language Department do not schedule any individual meetings with Welsh Language Standards Service Leads, Internal Audit was advised that the onus on requesting a meeting is with the Welsh Language Standards Service Lead. **Conclusion:** The previous recommendations have been partially implemented.	Standards compliance with the Health Board Services.
New Recommendations		**Priority**
1	The Welsh Language Department should remind all Welsh Language Standards Service Leads of their responsibility to attend the WLS Group meetings. If they are unable to attend, then they should ensure that an appropriate member of the department attends instead. The Terms of Reference of the WLS Group should be updated to reflect the change in Executive Director responsibility for Welsh Language and then formally approved by the Group. The Welsh Language Department should issue a reminder to those Services that are yet to submit an updated Welsh Language Standards action plan of the requirement to do so with a suggested deadline. The Welsh Language Department should also consider enhancing the information recorded on the 'Action Plan' Log to note when updated Service Action Plans are received or if they are advised that there are no changes. Management may also consider reviewing this action plan at the WLS Group meetings. The Welsh Language Department should also consider scheduling individual meetings with the Welsh Language Service Leads prior to the WLS Group meetings. The meetings would allow an opportunity for the Service Leads to update the Welsh Language Department on any issues regarding the Welsh Language Standards for their	**Medium**

	service and also allow for the review of the actual action plan. It is acknowledged that in some cases a meeting may not always be required but the scheduling of the meetings could act as a prompt for the Service Leads to provide an update to the Welsh Language Department.		
Management Response		**Target Date**	**Responsible Officer**
1	The Welsh Language department will remind Welsh Language service leads that it is their responsibility to attend WLS Group meetings, and to submit an appropriate action plan.	September 2024	Service Lead for Welsh Language
2	The Welsh Language Service Lead and Director of Workforce & OD have reviewed the ToR for the WLS Group meetings.	Completed	Service Lead for Welsh Language / Director of Workforce & Culture
3	The Welsh Language department have simplified the monitoring processes and will maintain the new documents centrally. This will include a place to note how recently an update has been received, or a notice that no update is required.	Ongoing	Service Lead for Welsh Language
4	All WLS Group members will be reminded of their ability to arrange 1:1 meetings as required; these will be scheduled where there is a need for enhanced scrutiny e.g. during a Welsh Language Commissioner's Investigation.	September 2024	Service Lead for Welsh Language

Previous Matter Arising 2: Monitoring of compliance with the Action Plans (Design)		
Original Recommendation		Original Priority
Management should ensure that they meet with all service action plan leads on a regular basis to review and note progress on the compliance of standards noted in the action plans. This will then help to inform the overall compliance position noted in the Standards Monitoring Document maintained by the Welsh Language Department.		**High**
Management Response	Target Date	Responsible Officer
Senior Managers to ensure Welsh is a recurring agenda item in their regular service meetings.	March 2023	Senior Managers, ADs & DDs
Service managers to ensure good attendance at quarterly Welsh Language leads meetings quarterly.	July 2023 & Quarterly thereafter	Service Managers and Welsh Language Service Leads
Escalate attendance issues or other areas of concern to senior managers, ADs & DDs.	July 2023 & Quarterly thereafter	Welsh Language Team
Welsh Language team to update the Standards Monitoring Document quarterly following meetings with service areas.	Quarterly	Welsh Language Team
Current findings		**Residual Risk**
At the WLS Group meeting held in March 2023 all Service Leads were informed of the requirement to ensure that Welsh Language Standards is a regular agenda item in their regular service meetings. At the time of our fieldwork whilst evidence was provided that this is the case for two of the services within the Health Board, we were advised by the Service Improvement Manager Welsh Language & Equalities that he is unable to confirm if this is the case for all Service Areas.		Welsh Language Standards Compliance is not being reviewed/monitored by individual Services.
As noted in Matter Arising 1.1b attendance at the WLS Group meetings is poor.		
Whilst the Standards Monitoring Document maintained by the Welsh Language Department is updated after each meeting of the WLS Group the content of the original document is overwritten which does not allow a retrospective review on any progress has been made.		No audit trail.
Conclusion: The previous recommendations have been partially implemented.		

New Recommendation(s)		Priority
2	All Welsh Language Service Leads should be reminded to ensure that Welsh Language Standards Compliance to be included as an agenda item at an appropriate management meeting. Re attendance at WLS Group, please see recommendation 1 above. Management should consider implementing version control for each occasion that the Standards Monitoring Document is updated.	**Medium**

Management Response		Target Date	Responsible Officer
1	Prior to the WLS Service Leads Group meeting in March members were reminded to ensure that Standards compliance should be a standing agenda item; some departments have responded to confirm that this is the case.	Completed	Service Lead for Welsh Language
2	See above.	See Above	Service Lead for Welsh Language
3	Version control has been implemented on the standards monitoring document.	Completed	Service Lead for Welsh Language

Appendix B: Previous Matters Arising Now Closed

Previous Matter Arising 1: Service Action Plans (Design)		
Original Recommendation		Original Priority
The Welsh Language Department should undertake a review of all existing action plans as soon as possible to determine if the standards originally assigned to all the services are still appropriate and applicable. This will also ensure that all the standards from the compliance notice have been assigned to an appropriate service area. This will also provide an opportunity to ensure that an up-to-date position is recorded for each of the standards within each action plan, along with identifying appropriate service leads/responsible officers for each area. The Welsh Language team should encourage the service leads to devolve and further cascade the actions plans to aid the implementation of the standards within their area.		**High**
Management Response	Target Date	Responsible Officer
Welsh Language team to review existing action plans to ensure they reflect the standards applicable to each team / department. Identify any outstanding issues.	December 2022	Welsh Language Team
Welsh Language team to contact each service area to ask for a contact who would have responsibility for the Welsh Language. Contact list to be verified by Hayley Thomas.	December 2022 End 2022	Welsh Language Team Directors, Deputy Directors and Assistant Directors (Ads) Exec Dir of Primary Com & MH
Meetings set up with each new contact to look at establishing new work plans: • Contact made with each area. • Meetings to be arranged.	During Q1 22/23 March – June 2023	Welsh Language Team Welsh Language Team Welsh Language Service Leads Welsh Language Team

New action plans in place and quarterly catch-up meetings established between Welsh Language team and service areas.	April – July 2023 (following meetings)	Welsh Language Service Leads

Current findings

The Welsh Language Department has issued a communication to all Service Leads for the Welsh Language Standards requesting that all existing individual plans are reviewed. A new action plan template has also been issued along with guidance on how to complete, to the Service Leads.

Conclusion

This matter arising is deemed complete.

Previous Matter Arising 3: Welsh Language Policy (Design)		
Original Recommendation		Original Priority
Management to ensure that the Welsh Language Policy along with any staff guidance is up to date, accurate and published as soon as possible on SharePoint for point of reference for all staff. The existing Health Boars response to this standard has taken the form of a managers' guidance document, however the Audit has called for a formal policy; the Welsh Language team will develop this using models from other Welsh health boards.		**High**
Management Response	Target Date	Responsible Officer
The Welsh Language Team will develop a formal Welsh language policy summarising the Health Board's position.	By end January 2022 (completed draft) Approval during Q1 2023	Welsh Language Team
Current findings		
The Welsh Language Policy has been developed and approved and is available to all staff via the Health Board's Intranet site.		
Conclusion		
The matter arising is deemed complete.		

Previous Matter Arising 4: Monitoring and Reporting on Compliance (Design)		
Original Recommendation		Original Priority
Management should consider implementing a new process whereby appropriate discussions and scrutinisation of the action plans can be undertaken across the Health Board and includes providing regular updates on the compliance with the standards to an appropriate Executive forum. Consideration should be given to re-establishing the Welsh Language Service leads group which has defined reporting lines, and an appropriate membership and a Terms of Reference in place. Establishing this process could help to identify areas of concern / weakness which may need to be escalated whilst also identifying good practice which could be used to cascade to other Service Leads.		**High**
Management Response	Target Date	Responsible Officer
Update Welsh Language Service Leads Group Terms of Reference drafted ready for Exec consideration. Terms of reference to include clear lines of accountability. TOR to be approved by Execs. Welsh Language service leads group to feed into regular appropriate Executive forum in the Health Board to ensure issues and good practice are fed back to Execs – Workforce & Culture Committee. During 2023 the Welsh Language team or designated deputies will carry out in-person on-site audits of all main PTHB sites to establish whether compliance on sites has improved.	End January 2022 During Q1 2023 Implemented into draft Terms of Reference by end of December 2022 All main hospital sites visited by end of Q3 2023	Welsh Language Team and Directors Welsh Language Service Leads and Welsh Language Team
Current findings		
Terms of Reference are in place for the WQLS Group and have been approved. The Terms of Reference detail governance arrangements for the Group noting its accountability to the Workforce and Culture Committee. A review of a sample of agendas for the WLS Group noted that Service Leads are able to provide updates and raise any concerns regarding Welsh Language Standards at the meeting.		

The Welsh Language Department have undertaken visits to all Health Board sites to review progress on Welsh Language Standards compliance.
Conclusion
The matter arising is deemed complete.

Previous Matter Arising 5: Welsh Language Annual Report (Design)		
Original Recommendation		Original Priority
Looking forward to the production of the Welsh Language Report for 2022/23 management should ensure that appropriate engagement take place with the Leads for each Service action plans to ensure that the position is appropriately reflected within the report.		**Medium**
Management Response	Target Date	Responsible Officer
Updates for the Welsh Language annual report and items to be included discussed regularly with the service leads Welsh Language contacts in quarterly meetings.	Quarterly meetings	Welsh Language Team and Welsh Language Service Leads
Information collated for the annual report by the Welsh Language team and checked with services prior to presenting to Execs.	March 2023	Executive Directors and Welsh Language Team.
Current findings		
The WLS Group meeting agenda includes an agenda item for the Annual Report. With regards to the 22/23 Annual Report our fieldwork confirmed that all Welsh Language Service Leads were contacted to ask for contributions for the report.		
Conclusion		
The matter arising is deemed complete.		

Previous Matter Arising 6: Estates Department - Signage (Design)		
Original Recommendation		Original Priority
A review of all temporary signage should be carried out across the Health Board. The Welsh Language team should liaise with the Estates Department and all Service Leads / Responsible Officers to determine the most common temporary signage that are used in their Services and across the Health Board. Signposts to these bilingual signs should be available on both the Estates and Welsh Language Intranet pages to direct staff to the most common signs, but also highlight who they can contact if they need help to translate any other temporary signs.		**Medium**
Management Response	Target Date	Responsible Officer
Signage guidance and Library of temporary signage up on Welsh Language Intranet pages.	By March 2023	Welsh Language Team
Welsh Language Team, to join the Estates away day in October 2022 to discuss sharing resources and linking in the Intranet.	November 2022	Welsh Language Team
Test & Learn of audit of signage to be undertaken by the Therapies Department.	During Q1 2023	Welsh Language Team Welsh Language Team for Therapies
Each service area to do an audit of their own areas/wards to check temporary signage and update (audit tool to be developed following pilot with Therapies).	Spring 2023	Welsh Language Service Leads Support from Welsh Language Team
Good practice shared by the Welsh Language Team across other departments.	Spring/Summer 2023	Welsh Language Team
Welsh Language team to check areas and wards on their roadshows.	Spring 2023	Welsh Language Team

Current findings
Guidance regarding Welsh Language Signage can be found on both the Estates Department and the Welsh Language pages on the Health Board's Intranet which is available to all Health Board staff. The Welsh Language Team attended the Estates Department's Away day held in November 2022. The Health Board has introduced Welsh Managers Training for all staff that are Band 7 and above. As part of the training all staff are made aware of a checklist regarding Welsh Language requirements, included on this checklist is a review of all Departmental signage. (This has replaced the management action of each department undertaking their own audit). The Welsh Language Department issues monthly newsletters and used these to share examples of good practice. The Welsh Language Team have undertaken visits to all Health Board main sites.
Conclusion
The matter arising is deemed complete.

Previous Matter Arising 7: Staff Awareness (Design)		
Original Recommendation		Original Priority
Management should undertake work to raise the Welsh Language Team profile and promote their Share point page. They should ensure that there are links to various sources of information, advice, and services that are available whilst helping to promote and encourage the use of the Welsh language within the workplace. The Share point page should also be populated as soon as possible to provide advice and information to staff members which outlines their responsibility and have clear signposts to where they can obtain help or clarity.		**Medium**
Management Response	Target Date	Responsible Officer
Welsh Language share point pages are live and will be regularly updated.	September 2022	Welsh Language Team
Sharepoint pages have been 'launched' on our weekly newsletter announcements.	October 2022	Welsh Language Team
Current findings		
There is a dedicated Welsh Language page on the Health Board's Intranet site (sharepoint) that provides advice and guidance, which is available to all Health Board staff. The Welsh Language Team also publish regular Welsh Language Newsletters on the Health Board's Intranet.		
Conclusion		
The matter arising is deemed complete.		

Previous Matter Arising 8: Risk Registers (Operational)		
Original Recommendation		Original Priority
In light of the issues regarding Welsh Language Standards compliance identified in this report management should review the risk assessment for CRR 012 – Compliance with Welsh Language Standards, to establish if the position that has been / is being reported is accurate or whether it may be overstating the current controls in place. Management should also consider where issues regarding compliance with the standards are identified in individual service action plans management should undertake risk assessments to determine if the matter should be considered a risk and added to the departmental risk register.		**High**
Management Response	Target Date	Responsible Officer
Welsh Language discussed internally with DoTHS.	December 2022	Executive Director of Therapies and Healthcare Sciences
Reviewed quarterly.	Ongoing	Welsh Language Team
Welsh Language Team to meet with Senior Managers to discuss including Welsh Language Standards on departmental risk registers.	March – July 2023	Welsh Language Team and Senior Managers
Current findings		
In 2022/23 the Health Board undertook a refresh of the Corporate Risk Register. This review resulted in the risk concerning compliance with the Welsh Language Standards being removed from the Corporate Risk Register and being added to the Workforce and Organisational Development Directorate Risk Register. The Workforce & Organisational Risk Register is reviewed as part of the slide pack for their 'performance' meetings with the Health Board's Executive Committee. The WLS Group provides opportunities for Service Leads to discuss any concerns / issues regarding compliance with Welsh Language Standards that may require consideration for inclusion on departmental risk registers. Should it be agreed that a risk should be recorded on a departmental risk register the		

actual monitoring of the risk will be in accordance with the Health Boar's Risk Management Framework and Policy. The Service Leads will however be able to provide updates at the WLS Group.

Conclusion
The matter arising is deemed complete.

Appendix C: 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. **Follow up:** All recommendations implemented and operating as expected
 **Reasonable assurance**	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.
 **Limited assurance**	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.
 **No assurance**	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

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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Decarbonisation

Final Internal Audit Report

May 2024

Powys Teaching Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

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Committee:	Audit Committee

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Executive Summary

Purpose

The audit sought to consider progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Teaching Health Board's (THB) Decarbonisation Action Plan (DAP) - demonstrating how the THB will implement the NHS Wales Decarbonisation Strategic Delivery Plan initiatives.

Overview

We have issued reasonable assurance on this area.

In determining the overall assurance opinion, the audit recognises that the THB is reporting good progress towards delivery of the DAP (and benchmarking well in this area against other NHS Wales organisations). A forecast achievement of the Welsh Government's carbon reduction targets is also reported (with a 25.3% reduction in carbon emissions to date from the 2018/19 baseline year, and a forecast further 13% reduction via the Re:Fit programme, ahead of the 2030 deadline). The THB is the only NHS Wales health board currently anticipating achievement of this target. The THB may benefit from better understanding of the specific areas of activity in which carbon emission reductions have been achieved to date, and where they are targeted to 2025 and 2030, to improve assurance on the delivery of these key targets.

Robust controls evidenced included a clearly defined governance framework, a well-developed DAP monitoring tool and utilisation of an appropriate range of funding sources to deliver decarbonisation projects.

The other matters requiring management attention include:

- Following departure from the THB of the Director of Environment, decarbonisation responsibilities at a senior level were shared between the Director of Therapies and Associate Director of Capital & Estates. The THB should review the current assignment of responsibility, to ensure decarbonisation continues to receive sufficient focus and prioritisation;
- The Environment & Sustainability Group would benefit from improved attendance from a wider range of representatives across the THB, and more consistent reporting from sub-groups;

Report Classification

Reasonable

Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary [1]

Assurance objectives		Assurance
1	Governance	Reasonable
2	Localised Strategies	Reasonable
3	Funding Strategy	Limited
4	Monitoring and Reporting	Reasonable
5	Project Delivery	Reasonable

[1]The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

- As referenced in last year's report, the DAP remains uncosted. The THB has a sound understanding of the costs associated with a number of actions related to the Re:Fit programme, and it would be beneficial to incorporate this information within the DAP, along with any other forecast costs where relevant, to inform funding strategies;
- Whilst recognising the timeline does not permit the quarterly DCR returns to be reported through the internal governance cycle ahead of submission, retrospective sharing would ensure appropriate visibility of this key performance data;
- There was a need for improved consistency in application of RAG ratings, and level of detail recorded, at a small number of actions on the DCR returns; and
- Completion of post-project reviews would be beneficial to assess achievement of expected decarbonisation benefits and inform future investment decisions.

Other recommendations / advisory points are within the detail of the report.

Key Matters Arising

		Assurance Objective	Priority
1.1	To review the current assignment of decarbonisation responsibilities at Director level, and capacity to deliver the same.	1	Medium
4	Improved attendance at, and reporting to, the Environment & Sustainability Group.	1	Medium
4.1	Costing of the DAP to aid understanding of the scale of the challenge remaining and inform funding strategies.	2&3	High
5.2/3	Improved consistency in application of RAG ratings and level of detail included at the DCR returns, at a small number of DAP actions.	4	Medium
6.1	Undertaking of more detailed data analysis to better understand where carbon reduction savings have been achieved / are targeted, to improve management understanding and the assurance provided to IEG/Board.	4	Medium
7.1	Completion of post-project reviews to assess achievement of forecast decarbonisation benefits.	5	Medium

1. Introduction

1.1 The Welsh Government is party to international agreements to reduce carbon emissions and control climate change, most notably as arising from the 2016 Paris Accord. Accordingly, they have sought to create a framework of controls, guidance and support to achieve these aims.

1.2 The Welsh Government declared a climate emergency in 2019 and committed to achieving a Net Zero public sector by 2030.

1.3 The *NHS Wales Decarbonisation Strategic Delivery Plan* was published in March 2021 and responds to the climate emergency declaration and recognises that the NHS has a critical role to play in contributing towards this target as the largest public sector organisation in Wales.

1.4 The plan sets interim targets for the whole of the NHS (from a 2018/19 base) of carbon budget reduction of 16% by 2025 and 34% by 2030.

1.5 Category targets were also set for:

- Buildings;
- Procurement;
- Fleet and business travel; and
- Staff, patient, and visitor travel.

1.6 All Wales activity support streams have been created, including Estates planning, and approaches to healthcare.

1.7 The Welsh Government has made funding available NHS-wide of circa £8.1m (which includes each organisation matching 30% of the WG contribution from their own discretionary programme) for decarbonisation initiatives via the Estates Funding Advisory Board in both 2023/24 and 2024/25.

1.8 This audit sought to build upon our advisory review undertaken in 2022/23, which identified that the implementation plans had not been sufficiently developed to allow meaningful testing and to provide an assurance rating to respective Audit Committees. Accordingly, the decision was taken to provide an overview of the overarching position across NHS Wales and provide an action plan of common themes which were considered by the Teaching Health Board (THB). Noting the advisory nature of the report, the recommendations were not included formally on the THB's Internal Audit recommendation tracker; however, we have included updates on some of the recommendations (where relevant) within the body of this report which demonstrates that they are being taken forward by the THB.

1.9 The risks considered during the review were:

- Regulatory/legislative risk through not achieving mandated reductions in carbon emissions;

- Reputational risk by failing to meet emission targets; and
- Failing key stakeholders by not reducing carbon emissions which have a detrimental effect on health, and not meeting the requirements of the Wellbeing of Future Generations Act (2016).

1.10 The wider role of NHS Wales Shared Services Partnership (NWSSP) Procurement, in the decarbonisation agenda, has not been audited as part of this review. Additionally, verifying the accuracy of carbon emission declarations and estimates was excluded from the scope of this audit.

2. Detailed Audit Findings

Objective 1: Appropriate governance arrangements have been established in relation to decarbonisation that integrate with existing organisational accountability and reporting structures.

2.1 The THB has established an appropriate governance framework to oversee and manage the decarbonisation agenda. This includes:

- Director of Therapies as Executive Lead (re-assigned to the Executive Director of Finance, IT & Information Services post-completion of audit fieldwork);
- Delivery & Performance Committee;
- Innovative Environments Group (IEG), chaired by the Chief Executive;
- Environment & Sustainability Group (ESG); and
- Sub-groups responsible for delivery of specific areas of the Decarbonisation Action Plan (DAP).

2.2 Following departure of the Director of Environment from the THB during 2023, responsibilities for decarbonisation were reassigned to the Director of Therapies as Executive Lead, and to the Associate Director of Capital & Estates, acting in a more senior capacity. Whilst acknowledging therefore that senior responsibility had been reallocated, the prior role was a dedicated post with sole focus on environment matters, and this has not been replaced. Current responsibilities for environment/decarbonisation are now shared with pre-existing responsibilities, which may limit the capacity to give decarbonisation sufficient priority (**MA1.1**).

2.3 Roles and responsibilities for each of the Groups and sub-groups were clearly defined via Terms of Reference, with responsibilities operating largely as set out, from a sample review of meetings held within the last year. Noting recent changes in key responsibilities, it is recommended the current structure be captured in an organogram for clarity (**MA1.2**).

2.4 Recognising however some issues in securing sufficiently wide-ranging attendance at the ESG, and associated receipt of progress reporting from sub-groups, it is recommended these aspects be reviewed, with improvements sought (**MA1.3-**

1.4). Wider aspects of reporting within the governance framework are discussed within ***Objective 4*** below.

2.5 The governance structure was supported by the Technical Services Team, led by the Associate Director of Capital, Estates and Property. Whilst small in number, the THB considered the team to be dedicated and adaptive to the needs of the decarbonisation agenda, with no additional recruitment needs identified at the current time.

2.6 Collaboration with other NHS Wales organisations, and wider within the public sector, was evidenced via representation at a number of regional and national forums. These included the Powys Regional Partnership Board, and specialist national Project Boards reporting into the Health & Social Care (HSC) Climate Emergency Programme Board. It was noted however that whilst the THB previously had a presence at the HSC Climate Emergency Programme Board, through attendance of the Director of Environment, this has not been continued following his departure from the THB. We understand the THB is welcome to nominate another representative, and this would ensure the organisation remains party to the high-level national discussions taking place in relation to the decarbonisation agenda (**MA2**).

2.7 Carbon Literacy Training has been delivered to a range of key staff across the THB, including two directors, Heads of Service and operational staff. Environmental / climate change modules are also available via ESR, although in common with other NHS Wales organisations, these are not currently mandatory. The ESG had recently reviewed data in respect of modules completed, with figures across the previous 6 months low (79 in total had been completed). The ESG has agreed a need for greater communication to target improvements, and recognising this work is ongoing, it is not proposed to raise a recommendation.

2.8 The decarbonisation risk was recognised at the Corporate Risk Register, within CRR-010 (*'the care provided in some areas is compromised due to the health board's estate being not fit for purpose'*), and at the Environment Directorate Risk Register (*'Failure to meet Welsh Government Decarbonisation targets'*). Recognising that the THB is currently reporting good progress towards its carbon reduction targets and delivery of the Decarbonisation Action Plan, the current risk score of 16 could be reviewed to ensure consistency of message (**MA3**).

Conclusion:

2.9 Appropriate governance arrangements have been put in place to enable the THB to progress towards the achievement of its decarbonisation targets. Noting some scope for improvement in operational delivery of the defined governance framework, **reasonable assurance** has been determined in this area.

Objective 2: A tailored decarbonisation strategy and action plan has been developed in accordance with available legislation and guidance; documents have been appropriately scrutinised and approved prior to submission to Welsh Government; and the strategy and plan are adequately reflected within wider organisational documentation such as the IMTP.

2.10 The THB has developed a Decarbonisation Action Plan (DAP), maintained as a live tracker, with a series of supporting action plans through which relevant actions are assigned to individual specialist forums for management (e.g. Capital Control Group, Buildings & Biodiversity Group, Primary & Community Care).

2.11 The supporting action plans contained programmes mapping the actions required across the timeline to 2030. On review by Audit, the trackers were found to be up to date, and contained clear actions against which progress was monitored. The trackers fed into the overall THB dashboard, which presented a clear and useable interface for monitoring progress of assigned actions.

2.12 The THB have recognised that the forthcoming DAP reviews taking place across NHS Wales during 2024/25 will give the opportunity to expand the format of the current DAP to incorporate commentary additional to the current tracker format.

2.13 An all-Wales recommendation was made in last year's review that "*DAPs should be fully costed to fully determine the total funding required".* Whilst the THB's DAP remains uncosted in terms of individual actions, it is recognised that a number of actions (18 of 34 remaining to be actioned) requiring capital investment will be delivered via the Re:Fit programme (see ***Objective 3***). The Re:Fit partner has developed fully costed proposals (and associated carbon reduction benefits), ensuring the THB has a sound understanding of the costs involved in delivering the Re:Fit related actions within the DAP and achieving the carbon reduction targets. The inclusion of known and estimated costs within the DAP, both for Re:Fit activities and for wider actions, where relevant, would enhance the information available and understanding of the scale of the challenge ahead, and inform funding strategies (**MA4**).

2.14 Oversight of the DAP is managed at the Environment & Sustainability Group (ESG) and supporting sub-groups, as discussed in ***Objective 1***. As the key forum for oversight of DAP delivery, issues have been noted in attendance at, and reporting to the ESG (see **MA1***).*

2.15 There was clear evidence of decarbonisation embedded within the THB's Integrated Medium-Term Plan (IMTP), in addition to a dedicated strategic priority for Innovative Environments (with supporting capital plans).

2.16 Initial feedback received from Welsh Government in July 2022 noted:

> *"Powys' plan maps across to the NHS Wales Decarbonisation Strategic Delivery Plan with clear, comprehensive actions and ownership for delivery activity. In the overarching IMTP document biodiversity and decarbonisation are identified as key strategic drivers with the organisation committing to delivering the actions in the Strategic Delivery Plan as a minimum but aiming to go further…The plan has a strong focus on tracking progress through a dashboard which is positive to see".*

2.17 Of the 135 actions identified within the DAP, the THB is exempt from 66 (with these for example to be delivered by other organisations) – leaving 69 to be delivered by the THB. Audit review of the most recently reported status (Q3 update to the DCR Team submitted February 2024) confirmed the following position in respect of the 69 THB actions:

Complete	Highly likely	Probable	Feasible	In Doubt	Unfeasible	Total
35	24	1	4	5	0	**69**
51%	35%	1%	6%	7%	0%	**100%**

2.18 The THB is reporting therefore an overall positive position in respect of DAP delivery. It is also recognised that of the five actions classed as '*in doubt*,' three are contingent on actions to first be taken by other organisations.

2.19 Whilst each action captured in the DAP does not have an expected carbon emission saving attributed to it, for each overarching initiative a carbon impact score is identified, providing guidance to the THB on the actions that may have the greatest impact. It is recognised that a number of actions already completed had higher carbon impact scores, with a further element of these to be delivered via the Re:Fit programme.

2.20 A more detailed review of the monitoring and reporting arrangements operating for the DAP is discussed in ***Objective 4***, including recommendations made to improve detail and consistency in reporting at a small number of actions (see **MA4**).

Conclusion:

2.21 A Decarbonisation Action Plan has been developed and approved within the THB, and reported to Welsh Government in accordance with the requirements of NHS Wales Decarbonisation Strategic Delivery Plan. Robust monitoring arrangements were operating, with the current status of the DAP indicating positive progress in delivery of actions assigned to the THB. Recognising the benefit of incorporating known and estimated costs within the DAP, with some areas for improvement as identified in other objective areas of this review (***Governance, Monitoring & Reporting***), and some risks remaining in the delivery of outstanding actions, **reasonable assurance** is determined in respect of this objective.

Objective 3: An appropriate funding strategy targeting discretionary, EFAB and All-Wales funding is in place.

2.22 The THB's funding strategy for decarbonisation is set out in the IMTP (see ***Objective 2***), and includes:

- Major capital schemes incorporating elements of decarbonisation, e.g. Machynlleth and Llandrindod redevelopments, Electric Vehicle (EV) charging points installation at Machynlleth and Brecon, and installation of an air-source heat-pump at Bronllys;

- Estates Funding Advisory Board (EFAB) funding of £378k for photo-voltaic panels at Ystradgynlais, and £338k for a Building Management System (BMS) also at Ystradgynlais (whilst the BMS falls under the 'infrastructure' category of EFAB funding, it will also contribute to carbon efficiencies);
- Re:Fit funding (via Salix interest free loan) of circa £4m specifically targeted at decarbonisation initiatives linked to the DAP. Re:Fit alone will address 18 of the DAP actions, and is expected to be a significant contributor to achievement of carbon reduction targets: guaranteeing to provide 26% reduction in electricity consumption, 13% reduction in carbon emissions, replace over 7,000 luminaires with LED, and 6.6% reduction in gas consumption;
- A rolling programme of discretionary capital investments, targeting a range of schemes with links to decarbonisation. Recent examples include electrical infrastructure at Welshpool hospital as a major decarbonisation enabling project, BMS upgrades, agile working pilots, and Bronllys roof replacement. Discretionary capital also provides 30% of the funding against EFAB projects; and
- The ring-fencing of monies received from EV charging point fees, for reinvestment in decarbonisation.

2.23 The delivery of the above schemes is considered in ***Objective 5***.

Conclusion:

2.24 The THB is maximising funding opportunities from a range of sources to address its decarbonisation objectives. Delivery of the Re:Fit programme alone will be a significant contributor to both completion of DAP actions and achievement of carbon reduction targets. It is recognised however that outside the Re:Fit programme, other actions within the DAP have not been costed and therefore it is difficult to conclude whether appropriate funding strategies are in place to address these (see **MA4**). There are also significant pressures on all-Wales capital funding, which may limit the THB's ability to obtain further funding through this route. Noting the same, **limited assurance** is determined in this area.

Objective 4: Appropriate monitoring and reporting arrangements are in place to provide ongoing assurance on the implementation of the strategy and action plan.

2.25 Progress towards implementation of the decarbonisation strategy and DAP is monitored via the THB's DAP tracker (see para. 2.9), with oversight at the ESG (and supporting sub-groups). As referenced in ***Objective 1***, a recommendation has been made to improve reporting from sub-groups to the ESG, where there are risks to delivery (see **MA1**).

2.26 Routine progress updates on decarbonisation have been reported to the IEG, with regular focus also observed at the Delivery & Performance Committee and Board (through e.g. review of progress towards IMTP delivery and development of new plans, Integrated Plan progress reporting against the NHS Wales Performance

Framework, Regional Partnership Board updates, review of the Corporate Risk Register etc.).

2.27 Externally, the THB has complied with the requirement to submit annual quantitative and qualitative reports to Welsh Government detailing the progress of their contribution to the Climate Emergency response and associated targets as outlined in the THB's plan.

2.28 The THB is also required to present a quarterly report to the Decarbonisation Coordination Reporting (DCR) team, led by NWSSP on behalf of the Welsh Government. The DCR team is responsible for collating the reporting of the delivery of the NHS Wales Decarbonisation Strategic Delivery Plan for health boards and trusts pan NHS Wales, and reporting to the HCS Climate Emergency Programme Board.

2.29 Three reports had been submitted to the DCR team at the time of audit fieldwork:

- The first report (Quarter 1 2023/24) was a pilot focusing on Transport and Procurement only;
- Quarter 2 and Quarter 3 updates covering the whole DAP have subsequently been reported.

2.30 The current status of the THB's DAP as reported to the DCR Team has been discussed at para. 2.15, and presents a picture of positive progress. Audit review of the Q2 and Q3 submissions has noted an overall robust process of monitoring and reporting, but with some areas for improvement in the level of detail and consistency of coding of RAG ratings at a small number of actions, and in internal approval processes (**MA5**).

2.31 It is noted from review of the most recent all-Wales position (based on Q2 returns) reported to the HCS Climate Emergency Programme Board, that the THB's DAP progress benchmarks favourably against other NHS Wales organisations in terms of a higher proportion of completed actions and a lower proportion of 'at-risk' actions.

2.32 Against the Welsh Government carbon reduction targets of 16% by 2025 and 34% by 2030, the THB's reported carbon emissions for 2022/23 have shown a decrease from the 2018/19 baseline year and also from the historic high in 2021/22 (associated with the Covid pandemic). As reported to the IEG following the 22/23 submission, "*total carbon emissions are reported 35.2% lower from last year's historic high of 24,120 tCO2e. Against a baseline year of 2018-19 this is a reduction of 25.3%*", with further assurance provided in the December 2023 IEG report that the "*Health Board remains on track to meet obligations on 34% emission reduction by 2030."*

2.33 As discussed in ***Objective 3***, delivery of the Re:Fit programme is expected to deliver significant further carbon savings, contributing to the forecast achievement of the required reduction targets by 2030.

2.34 The THB has however, through its internal reporting and to Welsh Government, emphasised persisting concerns over data uncertainty and irregularities, including with regards the calculation of the baseline data (as also discussed in last year's

audit report). Concerns have also been expressed over the ability to influence reported carbon emissions in relation to procurement activity (which represent circa 60% of all emissions within NHS Wales), noting currently there is no mechanism for applying a favourable adjustment to carbon figures where green/sustainable procurement options are chosen. It is also recognised that the complexity of reporting requirements places pressure on the small team within the THB.

2.35 Whilst noting the above concerns surrounding the calculation and reporting of carbon emissions and associated trends, the scope of this audit did not include any detailed verification of reported data. The THB also did not have supporting analysis available to enable understanding of where the current savings have been made and where future savings are targeted, to enable achievement of the 2030 target. It would be beneficial for the THB to improve its data analysis in this area and factor supporting narrative into the assurance provided to key forums (e.g. IEG) and Board (**MA6**).

Conclusion:

2.36 Appropriate internal monitoring and reporting controls were in place for providing assurance on the decarbonisation agenda within the THB. External reporting demonstrates sound progress towards both delivery of DAP actions and achievement of carbon reduction targets (noting that this audit has not sought to verify the accuracy of the reported data). Recommendations have been made to improve the consistency of DCR reporting (allowing for more accurate benchmarking across NHS Wales), in the internal approval process for external submissions, and in the THB's more detailed understanding of where carbon reduction savings have / will be made. **Reasonable assurance** is therefore determined in this area.

Objective 5: Assurance that projects included within the 2023/24 funding commitments have been successfully delivered, and appropriate arrangements are in place to secure available funding during 2024/25.

2.37 Delivery of the THB's EFAB-funded projects are monitored via a tracker routinely submitted to NWSSP: Specialist Estates Services (SES). The latest update, in February 2024, highlights slippage of the Ystradgynlais PV scheme (due to issues with obtaining planning consents and with the original contractor), with completion now moved from 2023/24 to 2024/25. Management advise this has been agreed by SES. The BMS scheme was not scheduled for delivery until 2024/25, with design work only taking place in 2023/24.

2.38 Delivery of discretionary capital and All-Wales schemes is monitored by the Capital Control Group (and at individual project boards where applicable). A two-year project pipeline was in place for 2023-25, with a draft pipeline developed for 2024-26, recording agreed and proposed 'next-in-line' schemes listed for all sources of funding. The schemes included a number linked to decarbonisation benefits.

2.39 Progress with the Re:Fit scheme, as the key deliverable for achievement of the DAP and carbon reduction targets, was regularly reported to relevant forums,

including ESG, Capital Control Group and IEG. At the time of review, final Board approval was due to be obtained to enter into the loan agreement, with works to commence shortly after.

2.40 Whilst recognising therefore there was a robust planning and monitoring process in place for capital schemes, we did not evidence reporting of post-completion lessons learned, in relation to achievement of expected decarbonisation benefits. This would better inform future investment prioritisation decisions (**MA7**). It is recognised this process will be required separately by NWSSP:SES for EFAB schemes, and will also be an inherent part of the Re:Fit programme, noting carbon savings are contractually guaranteed and will therefore require accurate monitoring.

Conclusion:

2.41 The THB had robust processes in place for planning and monitoring the delivery of decarbonisation-related schemes. At the time of the audit, there had been some slippage in delivery of the EFAB Ystradgynlais PV scheme, but deferral of funding into 2024/25 had been agreed with SES. Re:Fit works were due to commence imminently, with a number of quick deliverables planned. The THB would benefit from post-completion reviews of decarbonisation schemes, to assess benefits achieved and inform future investment decisions. **Reasonable assurance** is therefore determined in this area.

Appendix A: Management Action Plan

Matter Arising 1: Governance (Operation)	Impact
An appropriate governance structure had been defined for the management and oversight of the THB's decarbonisation activities, benefiting from: • An assigned Executive Lead (Director of Therapies) (re-assigned to the Executive Director of Finance, IT & Information Services post-completion of audit fieldwork); • Strategic oversight from the Delivery & Performance Committee, reporting to the THB Board; • Responsibilities at the Innovative Environments Group (IEG), chaired by the Chief Executive; • Operational oversight at the Environment & Sustainability Group (ESG); • Support from a range of sub-groups with responsibilities for specific areas of the Decarbonisation Action Plan (DAP). Whilst recognising that director-level responsibilities for decarbonisation had been reassigned following the departure of the Director of Environment in 2023, the previously dedicated environment role is now delivered alongside pre-existing responsibilities. This may reduce the focus and capacity to sufficiently prioritise the decarbonisation agenda. Noting the recent changes, a current structure diagram was not evidenced. This would aid clarity of responsibilities and reporting lines. Terms of Reference were in place, clearly setting out the responsibilities and accountabilities for decarbonisation. From review of a sample of papers and minutes for the above forums, defined governance arrangements were largely operating as intended. It was noted however, that whilst the ESG had a comprehensive membership aiming for representation from across the THB, in practice attendance from nominated members has been poor, outside the central teams such as Estates / Technical Services. It is recognised that achieving commitment from clinical staff is	Potential risk of: • Insufficient capacity to give decarbonisation the focus and prioritisation it requires; • Governance forums cannot fulfil their role and responsibilities without adequate representation and receipt of sufficient levels of information.

challenging, noting operational pressures. The carbon literacy training that has been delivered, and use of other communication streams, was expected to increase interest in the future. The ESG also did not appear to receive sufficiently regular progress updates from some sub-groups in terms of delivery of the DAP (possibly linked to the attendance issues noted above). Whilst recognising reporting was by exception, the audit has noted risks to delivery of some DAP actions, for which recent reporting has not been evidenced or discussed.		

Recommendations		**Priority**
1.1	The THB should review current assignment of decarbonisation responsibilities, and capacity to deliver the same.	**Medium**
1.2	The decarbonisation governance structure, including key roles, forums and reporting lines, should be documented in an organogram.	**Low**
1.3	ESG attendance should be promoted to ensure directorates and sub-groups are appropriately represented wherever possible.	**Medium**
1.4	Sub-groups should ensure that exception reports are submitted to ESG where necessary e.g. when there is a risk to delivery of their assigned actions from the DAP.	**Medium**

Agreed Management Action		**Target Date**	**Responsible Officer**
1.1	The recommendation is agreed, and decarb responsibilities will be clarified under the current restructure with resource levels remaining unchanged.	August 2024	Associate Director of Capital, Estates & Property
1.2	The recommendation is agreed, an organogram will be produced in line with the structure and reporting lines illustrated.	August 2024	Head of Technical Services

1.3	The recommendation is noted. Attendance at Environment and Sustainability Group will continue to be monitored, with the ambition to continue to widen and strengthen meeting membership across the organisation post reorganisation.	September 2024	Head of Technical Services
1.4	The recommendation is agreed. Consistent implementation of exception reporting from the key subgroups will be applied.	August 2024	Head of Technical Services

Matter arising 2: Collaboration across Wales (Operation)	Impact
Collaboration across Wales on the decarbonisation agenda was evidenced through a number of channels, including: • Powys Regional Partnership Board, bringing together a range of public service representatives including the local council, THB, third sector and other key parties including citizens, to ensure that people work together better to improve health and wellbeing in Powys. The RPB Strategic Capital Plan incorporates a decarbonisation route map; • Specialist national Project Boards reporting to the Health & Social Care (HSC) Climate Emergency Programme Board, including the Buildings, Estates, Land Use and Planning Project Board and the Procurement & Transport Project Board; • Decarbonisation Coordination Reporting (DCR) Team sharing of all-NHS Wales performance information, good practice and lessons learned; and • THB sharing of lessons learned from completed decarbonisation initiatives. However, whilst the THB was previously represented at the HSC Climate Emergency Programme Board by the Director of Environment, this has not been continued following his departure from the THB in 2023.	Potential risk of: • The THB is not party to high level discussions surrounding the decarbonisation agenda. • Opportunities to influence the national narrative may be missed, and potential information gleaned through attendance may be lost to the THB.

Recommendations		Priority
2.1	The THB should identify a new representative to attend the HSC Climate Emergency Programme Board.	**Low**

Management response		Target Date	Responsible Officer
2.1	The recommendation is noted. Attendance of the Health and Social Care Climate Emergency Programme Board (CEPB) is not mandated for Health Boards. PTHB has representation on other Welsh Government led groups such as the DAP Community of Experts and does not currently anticipate attending the CEPB.	N/A	Associate Director of Capital, Estates & Property

Matter arising 3: Risk Management (Operation)	**Impact**
The Decarbonisation risk was recognised at the Corporate Risk Register, within CRR 010 (with a score of 16): "*the care provided in some areas is compromised due to the health board's estate being not fit for purpose*" with one of the supporting reasons for the score (in addition to estates compliance and capital) being: "*Environment & Sustainability: NHS Wales Decarbonisation Strategic Delivery Plan published in 2021 - challenging targets with limited resource."* However, decarbonisation was not the primary focus of this risk, and the detail included specifically for decarbonisation was limited. It does however mean it receives routine attention at Board/Committee level. The Decarbonisation risk was also included at the Environment Directorate Risk Register, as follows: "*Failure to meet Welsh Government Decarbonisation targets*" (score of 16). Operational / directorate risks were managed via the Decarbonisation Action Plan, which was RAG rated. Recognising good practice therefore in capturing and monitoring decarbonisation risks, the THB is currently reporting good progress towards its carbon reduction targets and achievement of DAP actions. The red-rated risk at the Environment Directorate risk register should be reviewed to ensure consistency of message. If the current assessment is deemed appropriate, additional narrative could be incorporated to better justify the scoring.	Potential risk of: • Inconsistency in messages given with regards performance / risk. • Required levels of attention / focus may not be appropriately directed.

Recommendations		**Priority**
3.1	The decarbonisation risk score at the Environment Directorate Risk Register could be reviewed in light of current reporting forecasts.	**Low**

Management response		**Target Date**	**Responsible Officer**
3.1	The Directorate Risk Register includes a red rated risk for the achievement of the NHS Wales Decarbonisation Strategic Delivery Plan targets for 2030; this recognises the funding availability / uncertainty, and other, risks over the next several years. The Decarbonisation Action Plan acknowledges progress to date and the positive impact of the Re:fit investment in the next year and addresses the specific questions which recognise achievements to date and present a positive picture. The recommendation	N/A	Head of Technical Services

	is noted; the directorate risk register is a 'live' document and will continue to be actively and regularly reviewed.		

Matter arising 4: Costing of the DAP (Operation)	Impact
An all-Wales recommendation was made in last year's review that "*DAPs should be fully costed to fully determine the total funding required".* The THB's DAP remains uncosted, however significant work has been undertaken via the Re:Fit programme to understand the costs involved in addressing a number of DAP actions (18 in total of 34 remaining to be actioned). The Re:Fit partner additionally provided wider input into the potential costs of delivering other decarbonisation and energy saving measures across the THB, with further information regarding costings available via the six-facet survey undertaken in 2023. For clarity and ease of reference, it would be beneficial to align the known and estimated costs with the DAP actions, where relevant, to aid understanding of the scale of the challenge remaining and inform associated funding strategies. A clearly costed and prioritised DAP may also support funding requests to Welsh Government, recognising the current pressure on all-Wales capital monies.	Potential risk of: • The scale of the challenge remaining to deliver the DAP is not adequately understood. • Funding strategies are insufficient to achieve the remaining DAP actions.

Recommendations		Priority
4.1	The DAP should incorporate known and estimated costs, where relevant.	**High**

Management response		Target Date	Responsible Officer
4.1	The recommendation is agreed. PTHB will utilise estimated costs from the recent Six Facet Survey in addition to the High Level Assessment undertaken by Re:fit to add costs to the Decarbonisation Action Plan. This work will help inform the funding strategy.	November 2024	Head of Technical Services

Matter Arising 5: Monitoring & Reporting – DAP (Operation)	Impact
The THB is required to provide quarterly updates against their Decarbonisation Action Plan (DAP) to the NWSSP Decarbonisation Coordination Reporting (DCR) Team. Data from the reports across NHS Wales are collated and shared at the Health and Social Care Climate Emergency Project and Programme Boards. DCR reporting commenced with a pilot exercise focused on Transport data in Quarter 1 2023, with two subsequent full reports submitted to date for Q2 and Q3. The DCR Team expects the returns to have been appropriately shared and signed off within the health organisations' internal governance processes, ahead of submission. The THB have advised, however, that this is not feasible noting the tight turn-around period (one month) and governance cycle. Instead, returns have been signed off by the Associate Director of Capital, Estates & Property. We did not however evidence the retrospective sharing of the returns at an appropriate forum, e.g. IEG, during the period of Audit review. Management advise that this has subsequently been actioned, with the latest return reported to the April 2024 IEG. The Q2 and Q3 submissions were reviewed to ascertain progress made / risks to delivery, and compliance with reporting requirements. The following issues were noted, in the context of an overall robust monitoring and reporting process: • Following the pilot exercise, the DCR team advised health organisations that for any actions for which the implementation date has passed, the RAG rating must be red/unfeasible (but the 'delivery confidence' rating could be higher, if the action is still achievable). At the THB's Q3 return, four overdue actions had been RAG rated as amber. Management advised this has been discussed with the DCR team, and the THB have not been asked to amend their reports. However, to ensure consistency across health organisations, and enable comparison/benchmarking, the THB should ensure future submissions comply with the requirement where possible (for example, if new actions are introduced following the current national review, the approach could be implemented for these, going forward). • Two actions (Approach to Healthcare refs 44.2 & 45.2) classed as amber/in-doubt on the Q3 submission were contingent on actions to first be delivered by NWSSP. The comments provided by the THB indicate they were not aware of the current status of the NWSSP progress in this area, which	Potential risk of: • Key THB performance reports are not sighted at relevant governance forums, reducing the ability to provide scrutiny and oversight. • The THB's reporting approach is not consistent with other health organisations, reducing potential benefits of benchmarking/ performance comparison across NHS Wales.

	would make it difficult to plan their own programme of activity in readiness for when the relevant central actions have been completed.	

Recommendations		Priority
5.1	The quarterly DCR returns should be retrospectively shared at an appropriate forum, e.g. IEG, recognising the timeframe does not allow for sharing and approval before submission.	**Medium**
5.2	At the DCR quarterly returns, actions should be RAG rated as required by the DCR team.	**Medium**
5.3	The THB should liaise with NWSSP to ascertain the current timeline for delivery of "Approach to Healthcare" actions 44.2 and 45.2.	**Medium**

Agreed Management Action		Target Date	Responsible Officer
5.1	The recommendation is agreed. The latest DCR return was retrospectively shared with the April 2024 Innovative Environments Group and will continue to be shared at future meetings.	n/a	Actioned since audit fieldwork
5.2	The recommendation is noted. The Health Board has consistently used the same reporting approach during the submissions, which have been accepted by the DCR team. The Health Board will work with DCR team to review guidance in respect to 'past deadline' initiatives. However, in line with DCR guidelines, deadlines are financial year targets and none were past their respective deadline during last DCR submission (2023 Q4).	August 2024	Head of Technical Services

5.3	The Health Board will liaise with NWSSP for timeline for delivery of Approach to Healthcare actions 44.2 and 45.3. Requests for updates have been made and a 'Request For Change' has been submitted to HSCCE Programme Board (scheduled for 8 May) for a number of initiatives, including Initiative 44 and this will give greater clarity for submissions.	August 2024	Head of Technical Services

Matter Arising 6: Monitoring & Reporting – Carbon Emissions (Operation)	Impact
The THB is required to submit annual carbon emissions reports to Welsh Government, which aid the forecasting of emissions trends and progress towards the 2025 and 2030 carbon reduction targets. The most recent submission (for 2022/23) and associated internal reporting within the THB state that in 2022/23 the THB achieved 25.3% reduction against the 2018/19 baseline year, and further assures that the THB remains on track to achieve the 34% reduction required by 2030 (particularly noting the forthcoming contributions from Re:Fit). Concerns have however been expressed over the accuracy of the baseline data, and the ability to influence the procurement element of emissions (which represent circa 60% of all emissions), noting current reporting mechanisms to not provide for adjusted emissions factors for "green" procurements. It is also noted that, on this basis, a number of other health boards across NHS Wales have declared that they cannot achieve the 2025 and 2030 targets. The scope of this audit did not include any detailed data verification of the above reported position. It is also noted the THB did not have any detailed data analysis behind the headline position. Management advise that they have undertaken analysis in an attempt to understand the performance to date, but this is challenging recognising the pressures on a small team, limited data available to date, and impact of non-business as usual activities such as capital spend on major projects. To ensure the THB has adequate understanding of the reasons for the carbon reductions achieved to date, and the specific areas in which the forecast further reductions will be achieved, it would be beneficial to continue this process of data analysis, and include this information when providing assurance to e.g. IEG/Board.	Potential risk of: • The THB does not adequately understand how it will achieve the carbon reduction targets, and whether these reductions are sustainable.

Recommendations		Priority
6.1	Further data analysis should be performed on the carbon reductions achieved to date against the baseline year, and on the future reductions forecast, to better understand the specific areas in which these savings will be achieved, and whether these are sustainable year on year. This information should be factored into the assurance provided to IEG/Board.	**Medium**

Agreed Management Action		Target Date	Responsible Officer
6.1	Carbon reduction data is reliant on a number of factors and is taken from a number of sources. The data sets continue to improve as understanding of the complex elements contributing to the calculations are better understood. One of the contradictory influences arises from capital investment in project activity, for example, Machynlleth hospital gave rise to a 'spike' in the reported carbon data for the period in which construction took place, whilst the project itself will deliver decarbonisation benefits for many years to come (solar photovoltaic, electric vehicle charging, insulation upgrade, triple glazing, etc.). Procurement data contributes over 60% of the carbon impacts for the organisation and the data has changed and evolved significantly over recent years. NWSSP-Procurement are making changes to their reporting which will take account of scope 3 indirect supply chain reporting and will continue to evolve. The Health Board decarbonisation roadmap is heavily reliant on delivery from Re:fit programme, whose Investment Grade Proposal is offering guaranteed 12.6% sustained carbon reductions. The step change in emissions will enable progress towards the 2030 net zero emission reduction targets. The recommendation is agreed. The team will continue to interrogate data and provide assurance to IEG/Board on the emission reporting data, recognising the challenges with the stability and complexity of the data gathering process.	November 2024	Head of Technical Services

Matter arising 7: Project Delivery (Operation)	Impact
Delivery of THB projects is monitored by the Capital Control Group, with progress towards delivery of EFAB-funded projects also reported to NWSSP:SES. Whilst noting post-project reviews will be required by SES for EFAB-funded schemes (and recognising the THB's schemes have not yet been completed), we did not evidence other internal arrangements for post-project review of schemes funded through e.g. discretionary capital. The post-completion assessment of projects against the original forecast carbon savings and other decarbonisation-related benefits will provide lessons learned and better inform future investment decisions.	Potential risk of: • Investment decisions are not informed by lessons learned from completed projects.

Recommendations		Priority
7.1	Post-project reviews should be undertaken, where feasible, on completed decarbonisation-related projects, to assess whether the forecast benefits have been achieved. Lessons learnt should be shared to inform future investment decisions in decarbonisation.	**Medium**

Management response		Target Date	Responsible Officer
7.1	The recommendation is noted, and the Health Board will look to expand the inclusion of decarbonisation benefits realisation within all major capital projects. It is expectation that funding from Welsh Government is evaluated against decarbonisation targets and so this recommendation will close the loop on evaluating delivery against decarbonisation initiatives following project completion.	Q4 2024	Head of Technical Services / Head of Capital

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.
	**Unsatisfactory 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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Archwilio Cymru
Audit Wales

Audit, Risk and Assurance Committee Update – Powys Teaching Health Board

Date issued: May 2024

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.

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

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

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Contents

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 in May 2024.

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.

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 of completion
Audit of the 2022-23 Charitable Funds Financial Statements	Director of Finance, Information, and IT	Audit of the financial statements to inform the audit opinion.	In agreement with the Health Board the audit was delayed until April in order for management to obtain external assurances in relation to the operation of a new financial investment system. This position is in common with a few other NHS charitable funds across Wales. Board approval is scheduled for May prior to AGW sign off in June.	June 2024
Audit of the 2023-24 Accountability Report and Financial Statements	Director of Finance, Information, and IT	Statutory audit of the financial statements to inform the audit opinion.	Accounts received as expected on May 3rd. Final audit currently ongoing.	Opinion prior to 15 July 2024

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
Review of Urgent and Emergency Care	Medical Director	This work will examine different aspects of the urgent and emergency care system and will include analysis of national data sets to present a high-level picture of how the urgent and emergency care system is currently working.	Blog and data tool published in April 2022	
		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).	Part 1 - Fieldwork complete and report drafting now underway.	June 2024
		We also plan to review progress being made in managing urgent and emergency care demand by helping patients access services which are most appropriate for their care needs (Part 2).	Part 2 – Fieldwork underway	September 2024
Primary Care Services -	Interim Director of Operations	In 2019, 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	Issued in final	May 2024

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Follow-up Review		as set out in the national plan. Our report published in 2019 made several recommendations to the Health Board. This work will follow-up progress against these recommendations.		
Structured Assessment 2023 – Deep Dive	Director of Finance, Information, and IT	This audit is to assure the Auditor General that the NHS body has an effective approach to identifying, delivering, and monitoring sustainable cost savings opportunities, in the context of the financial climate.	Fieldwork underway	June 2024
All-Wales thematic review of planned care	Interim Director of Operations	This work will follow on from the national report on tackling the planned care backlog. Whilst the exact focus of this work is still to be determined, it is likely to consider: • The extent that health boards have achieved Welsh Government targets for recovering planned care services; • The efficacy of local plans and activity to recover waiting lists; and	Planning Project brief to be issued in May 2024	To be confirmed

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
		• Use of the additional Welsh Government financial allocations to improve waiting lists.		
Local work	N/A	This work was due to focus on the Health Board's approach to financial efficiencies which has subsequently been included as the Structured Assessment 2023 deep-dive across all NHS bodies. Consequently, we are in the process of refunding this element of the 2023 audit fee back to the Health Board.	N/A	N/A

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
Supporting Ukrainians in Wales	**March 2024**

Additional information

7 Exhibit 4 provides information on corporate documents published by Audit Wales since the last committee update.

Exhibit 4 – corporate documents published by Audit Wales

Title	Publication Date
Annual Plan 2024-25	April 2024

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Archwilio Cymru
Audit Wales

Primary Care Follow-up Review – **Powys Teaching Health Board**

Date issued: February 2024

Document reference: 3747A2023

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 Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

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

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

Contents

Summary report

Introduction

1 Primary care is the first point of contact for many people who use health services in Wales. It encompasses a wide range of services, delivered in the community by a range of providers, including General Practitioners (GPs), Pharmacists, Dentists, Optometrists, as well as other professionals from the health, social care, and voluntary sectors.

2 In 2018-19, the Auditor General reviewed primary care across all health boards in Wales, with a particular focus on general practice. That work focussed on strategic planning, investment, workforce, oversight and leadership, and performance. Our 2019 Review of Primary Care at Powys Teaching University Health Board (the Health Board) found that it had clear plans for primary care and was making steady progress with implementing the key elements of the national vision. However, performance was mixed, and there was a lack of clarity about the Health Board's overall investment in primary care.

3 The landscape for primary care in Wales has changed since our original review in 2019. Welsh Government has since published its long-term plan for health and social care - A Healthier Wales. The plan highlights primary care's crucial role in helping to realise the ambition of creating a seamless whole system approach with services designed around people, based on their needs, supporting them to stay well and not just providing treatment when they become ill. This means that more services traditionally provided in a hospital setting are shifted into the community to provide care at home or closer to home to take pressure off hospitals and reduce the time people wait to be treated.

4 The Strategic Programme for Primary Care[1] is the all-Wales primary care response and contribution to 'A Healthier Wales'. These are being taken through six workstreams of work which health boards are expected to then implement at a local level:

- focussing on 'ill-health' prevention and wellbeing;
- developing 24/7 access to services;
- exploiting data and digital technologies;
- strengthening workforce and organisational development;
- improving communications and engagement; and
- developing 'cluster-level' vision and enabling service transformation.

5 In February 2023, the National Primary Care Board, which oversees the Strategic Programme for Primary Care, identified that this work is progressing at a varying pace within each health board area. Alongside this, there are wider concerns around as Board-level visibility and focus on primary care, as well as the capacity

[1] The Strategic Programme for Primary Care is the all-Wales primary care response and contribution to 'A Healthier Wales'.

of central Primary Care Services Teams within health boards to deliver organisational priorities.

6 Welsh Government has embarked on an ambitious programme of contract reform across General Medical Services, Dentistry, Community Pharmacy, and Optometry to:

- ensure primary care services are sustainable;
- improve patient access to primary care services;
- reinforce the focus on quality and prevention;
- enable cluster working to plan and deliver services; and
- strengthen the workforce.

7 Primary care services were severely impacted by the COVID-19 pandemic. Whilst the immediate public health emergency has subsided, primary care providers continue to face challenges as they seek to restore, recover, and reconfigure their services to meet the needs and expectations of the public in a post-pandemic world.

8 Our review has focussed primarily on assessing the extent to which the Health Board has implemented our 2019 recommendations. However, we have also undertaken some additional work to assess the extent to which:

- the Board and / or its committees regularly consider matters relating to the planning, performance, risks, and opportunities associated with the Health Board's primary care services; and
- the Health Board's central Primary Care Services Team has the appropriate capacity and capability (in terms of knowledge, skills, and experience) to deliver local and national priorities, as well as to manage day-to-day operational and business needs.

9 The methods we used to deliver our work are summarised in **Appendix 1.**

Key messages

10 Overall, we found that **the Health Board has made some progress to address our previous audit recommendations, but more action is needed. It is strengthening its Primary Care Clusters and has addressed actions relating to cluster lead training. However, it has struggled to demonstrate a shift in resources from secondary to primary care, gain an understanding of its workforce, and oversight of primary care at Board and committee level requires improvement. Capacity at both Director and team level is also a risk and arrangements for development and succession planning within the Primary Care Services Team need strengthening.**

Implementation of previous audit recommendations

11 We found that **the Health Board has addressed actions relating to leadership and training and is progressing work to develop and strengthen Primary Care Clusters. However, it has struggled to shift resources from secondary to primary care, establish a financial baseline to understand the true cost of primary care and gain a comprehensive understanding of its primary care workforce.**

12 The Health Board is making progress to develop and strengthen its Primary Care Clusters and Cluster Lead training and development arrangements. However, more focus is required to deliver the requirements of accelerated cluster development, reflect on cluster maturity, and further enhance the effectiveness of its arrangements.

13 The Health Board is struggling to shift resources from secondary to primary care and establish a baseline understanding of the true cost of primary care. While the Health Board completes regular workforce modelling exercises across professions, within primary care this is limited to GPs. Getting a comprehensive understanding of the number and skills of staff working in its primary care services is largely reliant on the availability of data at a national level.

Board-level visibility and focus on primary care

14 We found that **primary care features in the Health Board's long-term strategy and Integrated Medium-Term Plan, and there are reasonable arrangements in place for monitoring delivery of primary care plans. But consideration of primary care, including performance reporting, at Board and committees needs strengthening, and primary care plans need to be clearer on outcome-based measures and the impact they are having on the experience of patients.**

15 Primary care is a component of the Health Board's long-term strategy and Integrated Medium-Term Plan (2023-26) which clearly aligns to national priorities. Primary Care Clusters complete individual Integrated Medium-Term Plans and Annual Plans which align to the Health Board's overall strategic objectives and set out priorities and an assessment of progress against their delivery.

16 The Vice Chair of the Health Board proactively engages with primary care leaders and staff, however up until recently, there has been limited engagement from the wider Board with primary care services. Matters relating to primary care are not fully embedded within routine Board and committee business. While the Board considers reports referencing primary care services, it does not receive dedicated primary care reports and there is limited scrutiny and oversight of the information presented. Other than quarterly reports on primary care performance via the Commissioning Assurance Framework, coverage of primary care in other Health Board reports is weak.

17 There continues to be a limited number of primary care performance measures included within the Health Board's Integrated Performance Report (IPR). Performance against these measures is good but the Health Board may wish to consider including commentary within its IPR to enable the effective understanding and monitoring of primary care performance, and provide sufficient clarity on actions to improve performance, and the impact of actions taken.

18 The Health Board has reasonable arrangements for monitoring progress of primary care plans within its Integrated Plan Progress / Primary Care Cluster delivery reports. While these updates provide useful summaries of priorities, and their delivery status. There are opportunities for the Health Board to be clearer on outcome-based measures and reporting to help understand what impact or difference it is making and whether it is resulting in improved outcomes and experiences for patients.

Capacity and capability to deliver local and national priorities

19 We found **that the Health Board has an appropriate primary care structure with clear lines of accountability, however the interim arrangements for the Director of Primary Care role present a stability and capacity risk, and there is scope to take a more holistic approach to primary care. Capacity within the Primary Care Services Team is also at risk of being stretched due to increasing local and national priorities, and training, development, and succession planning arrangements within the team require strengthening.**

20 The Health Board's Primary Care Team has clear lines of accountability currently to the Director of Finance, IT and Information who has delegated authority for primary care services and is a member of the Board. This arrangement however is on an interim basis and in addition to the Interim Deputy Chief Executive role. This arrangement presents director capacity and stability risks. Nevertheless, the Director of Finance, IT and Information is supported by an effective management structure. The Health Board however has not established an overarching primary care management group with each of the primary care services managed in isolation, this inhibits the Health Boards ability to manage primary care services as a whole and limits opportunities for integrated working.

21 The Primary Care Services Team is relatively small, and increasing workloads associated with both local and national priorities, alongside the ongoing contract reforms is putting pressure on the team. The Health Board has good arrangements to support Cluster Leads and the Cluster Development Manager in their training and development, however this has not extended to all staff within the Primary Care Services Team. Furthermore, we found limited evidence of succession planning within the team. Positively, the Health Board is establishing a Primary Care and Community Care Academy which will consider and co-ordinate training and education for a broad range of professionals working within primary care.

Recommendations

22 The status of our 2019 audit recommendations is summarised in **Exhibit 1** and set out in more detail in **Appendix 2**.

Exhibit 1: status of our 2019 recommendations

Implemented	Ongoing	Not implemented	Superseded	Total
1	4	4	0	**9**

23 **Exhibit 2** details the recommendations arising from this audit. These recommendations incorporate the outstanding open recommendations from the original review as identified in this report. The Health Board's response to our recommendations is set out in **Appendix 3**.

Exhibit 2: recommendations.

Recommendations
R1 The Health Board should review the relative maturity of clusters, to reflect on the existing arrangements, address any potential gaps and strengthen Health Board support where necessary.
R2 The Health Board should: 2.1. calculate a baseline position for its current investment and resource use in primary and community care. 2.2. review and report, at least annually, its investment in primary and community care, to assess progress since the baseline position and to monitor the extent to which it is succeeding in shifting resources towards primary and community care.
R3 The Health Board should examine how it can gather additional workforce data on the number and skills of all staff working within its primary care settings, in the absence of national solutions.
R4 The Health Board should develop an action plan for raising the profile of primary care in the organisation and ensuring sufficient coverage of primary care challenges and performance within committee agendas.
R5 The Health Board should improve oversight at Board and committee level of performance within primary care by: 5.1. increasing the coverage of primary care performance within its Integrated Performance Report.

Recommendations

5.2. increasing the focus on outcomes and experience.

R6 The Health Board should strengthen its Primary Care Services Team by:

6.1. Reviewing the resources available to ensure it has the necessary capacity to deliver local and national priorities, alongside meeting day-to-day operational and business need.

6.2. Ensure that training and development opportunities extend to all members of the team and develop a succession plan.

R7 The Health Board should establish a central primary care services management group to manage primary care services as a whole and maximise opportunities for integrated working.

Implementation of previous audit recommendations

24 We considered the Health Board's progress in implementing our 2019 audit recommendations. These focus on:

- primary care clusters (Recommendation 1a and b);
- investment in primary care (Recommendation 2a and b); and
- primary care workforce (Recommendation 5).

25 Recommendations relating to oversight of primary care at Board and committees (2019 Recommendations 3 and 4a, b and c) are discussed later in this report.

26 Overall, we found that **the Health Board has addressed actions relating to leadership and training and is progressing work to develop and strengthen Primary Care Clusters. However, it has struggled to shift resources from secondary to primary care, establish a financial baseline to understand the true cost of primary care and gain a comprehensive understanding of its primary care workforce.**

Primary care clusters

27 We considered whether the Health Board has:

- reviewed the relative maturity of clusters, to develop and implement a plan to strengthen its support for clusters where necessary (2019 recommendation 1a); and
- encouraged all cluster leads to attend the Confident Primary Care Leaders course (2019 recommendation 1b).

28 We found that **the Health Board is making progress to develop and strengthen its Primary Care Clusters and Cluster Lead training and development arrangements. However, more focus is required to deliver the requirements of accelerated cluster development, reflect on cluster maturity, and further enhance the effectiveness of its arrangements.**

29 The Health Board is providing some resource and investment to develop and strengthen its Primary Care Clusters (PCC)[2] and implement the requirements of the Accelerated Cluster Development (ACD) Programme[3]. It has established three

[2] Primary care clusters are the local planning and delivery mechanism within accelerated cluster development. They are ideally made up of representatives from each of the professional collaboratives together with representatives from the third sector, mental health, and medicines management.

[3] The Accelerated Cluster Development Programme is a key strategic programme within NHS Wales to deliver the primary care component of place-based care, delivered through progressional collaboratives and clusters.

PCCs in North, Mid and South Powys with multidisciplinary membership including GPs, dentists, pharmacists, optometry, social services, voluntary and third sector organisations. However, they are experiencing challenges in attracting the necessary primary care professionals and subsequently representation varies across cluster areas.

30 The Health Board's Head of Primary Care, Cluster Development Manager and Cluster Leads for two of the three PCCs provide senior clinical and management time to support development. However, the Health Board has been unable to recruit to the Cluster Lead role for the Mid Powys PCC which has been vacant for some time impacting on the PCCs ability to pool ideas and share resources.

31 Positively, the Health Board organises regular PCC development days which include representation from the Assistant Medical Director, Director of Primary Care, Vice Chair of the Health Board, Head of Primary Care, Cluster Development Manager and Cluster Leads. Within these sessions, there is focus on key issues such as ACD implementation, PCC priorities, population need, winter service planning, service changes and development opportunities. However, there is limited evidence to indicate the Health Board is developing plans, actions, or priorities from these sessions to help strengthen cluster development and maturity.

32 The Health Board has also made some progress in establishing professional collaboratives[4] (PCs) which enable GPs, optometry practices, community pharmacies, allied health, and nursing professionals to come together within their profession specific groups across a cluster footprint. At the time of our review, GP, Optometry and Pharmacy professional collaboratives were meeting on a regular basis. The Health Board was also progressing work to establish a Dental PC indicating that its formation was dependent on the ongoing work around General Dental Services contract reform.

33 In March 2023 the Health Board submitted its response to the Strategic Programme for Primary Care's ACD readiness checklist indicating progress across a range of actions to support ACD. For example, securing funding to support existing and implement new PCC projects, introducing new governance arrangements and establishing some PCs. However, while the Health Board has assessed 10 actions as complete, further work is required to implement the remaining actions with 14 still in progress and five not commenced. The Health Board formally established a Pan Cluster Planning Group[5] (PCPG) in 2023 which was renamed the Regional Partnership Board Executive Group. Our review of the

[4] Professional Collaboratives are networks of professionals, with shared expertise who consider and respond to regional and national strategy for their respective profession, they quality of service they offer and design solutions to meet the needs of local people.

[5] Pan Cluster Planning Groups enable representatives of clusters to come together at county population footprint to collaborate with representatives of health board and local authority, public health experts, planners etc to translate cluster led activity into Health Board and Regional Partnership Board priorities.

group's terms of reference, agenda and meeting minutes found evidence of cluster lead representation, and routine oversight of cluster plans.

34 While the Health Board continues to respond to these actions, it should also use the opportunity to reflect on the maturity of its PCCs and the effectiveness of the overall arrangements. **We consider 2019 recommendation 1a to be ongoing and has now been replaced by 2024 recommendation 1.**

35 The Health Board is taking positive steps to strengthen leadership and training for Cluster Leads. It is supporting two of its Cluster Leads and Cluster Development Manager to attend leadership programmes provided through the Health Education and Improvement Wales (HEIW) Gwella Leadership Platform. In addition, the Head of Primary Care, Cluster Development Manager, and a representative from the Medical Directorate support Cluster Leads through a range of formal and informal meetings to discuss personal development alongside wider PCC and organisational development. This provides an opportunity for Cluster Leads to develop understanding and knowledge of the Health Board's wider strategic vision whilst also providing a forum for them to provide direct feedback on PCC priorities. **We consider recommendation 1b implemented.**

Investment in primary care

36 We considered whether the Health Board has:

- calculated a baseline position for its current investment and resource use in primary and community care (2019 recommendation 2a); and
- reviewed and reported, at least annually, its investment in primary and community care, to assess progress since the baseline position and to monitor the extent to which it is succeeding in shifting resources towards primary and community care (2019 recommendation 2b)

37 We found **the Health Board is struggling to shift resources from secondary to primary care and has not established a baseline understanding of the true cost of primary care.**

38 While the Health Board can determine its resource use in primary and community care using its annual accounts and Welsh Costing Returns, it has struggled to establish a financial baseline for its investment. **We consider 2019 recommendation 2a as not implemented and has now been replaced with 2024 recommendation 2.1.**

39 At the time of our previous work, the Welsh Government had issued guidance to support the shift in financial resources from secondary acute services to community and primary service delivery[6]. The impact of the COVID-19 pandemic has made shifting resources from secondary to primary care challenging. In

[6] Welsh Health Circular (2018) 025 - Improving Value through Allocative and Technical Efficiency: A Financial Framework to Support Secondary Acute Services Shift to Community/Primary Service Delivery

particular, the continuing increase in demand on the Health Board's own secondary care services and those it commissions make it difficult for it to demonstrate the benefits this approach would have in the current environment.

40 The Health Board has indicated that they have established the highest number of local enhanced services in Wales and is piloting short-term projects that aim to reduce demand on secondary care by moving 'care closer to home'. However, it needs to develop strategic intent to understand the 'true cost' of primary care, successfully transfer more of its resources from secondary to primary care and understand the progress it is making. **We consider 2019 recommendation 2b as not implemented and has now been replaced with 2024 recommendation 2.2.**

Primary care workforce

41 We considered whether the Health Board has:

- developed and implemented an action plan for ensuring it has regular, comprehensive, standardised information on the number and skills of staff, from all professions working in all primary care settings (2019 recommendation 5).

42 We found **that while the Health Board completes regular workforce modelling exercises across professions, within primary care this is limited to GPs. Getting a comprehensive understanding of the number and skills of staff working in its primary care services is largely reliant on the availability of data at a national level.**

43 Our recent Workforce Planning report found that the Health Board has a good understanding of its current and future service demands and trends. It has completed a workforce modelling exercise for clinical and non-clinical services and professions and repeats this exercise twice a year. This has resulted in the Health Board having up to date information on budgeted establishment, staff currently in post, workforce trends, and average annual recruitment, turnover and retirement projections. However, within primary care, this is limited to GPs only.

44 The Health Board is making use of annual workforce census data, but this relates to general medical services only. Data collated through the Wales National Workforce Reporting System (WNWRS) is used to inform discussions on the Health Board's future general medical services workforce. National plans are in place to roll out WNWRS to the other primary care services, but this has not yet happened. In its absence, we found limited evidence to demonstrate that the Health Board has taken action to develop a local understanding of the number and skills of staff across the other professions working in its primary care settings. **We consider recommendation 5 as not implemented and has now been replaced with 2024 recommendation 3.**

Board-level visibility and focus on primary care.

45 We considered the extent to which the Board and its committees regularly consider matters relating to the planning, performance, risks, and opportunities associated with the Health Board's primary care services. In doing so, we specifically considered whether the Health Board has:

- reflected primary care in its strategies and plans in line with the ambitions of 'A Healthier Wales';
- developed an action plan for raising the profile of primary care in the Health Board (2019 Recommendation 3);
- ensured the contents of Board and committee performance reports adequately cover primary care (2019 Recommendation 4a);
- increased the frequency of primary care performance reporting (2019 Recommendation 4b); and
- ensured that reports to Board and committees provide sufficient commentary on progress in delivering Health Board plans for primary care and the extent to which those plans are results in improved experience and outcomes for patients (2019 Recommendation 4c).

46 We found that **primary care features in the Health Board's long-term strategy and Integrated Medium-Term Plan, and there are reasonable arrangements in place for monitoring delivery of primary care plans. But consideration of primary care, including performance reporting, at Board and committees needs strengthening, and primary care plans need to be clearer on outcome-based measures and the impact they are having on the experience of patients.**

47 The Health Board's long-term strategy for Powys provides an overview of its high-level vision and direction for healthcare services to 2027 and beyond. The strategy takes a life-span approach and seeks to enable children and young people to 'start well', for people to 'live well' and for older people to 'age well'. The vision is underpinned by four key areas; wellbeing, early help, and support, tackling the big four, and joined up care. While the strategy does not explicitly reference primary care, some of the associated key deliverables for 'joined up care' do focus on local, accessible, integrated, and co-ordinated services.

48 The Health Board's Integrated Medium-Term Plan (IMTP) 2023-26 sets out its vision and outcomes for primary care. It focuses on improving access and use of primary care services with key actions for delivery aligning to the four main primary care professions, i.e. GMS (General Medical Services), GDS (General Dental Services), Optometry and Pharmacy. The plan clearly aligns to the Health Board's long-term strategy and the ambition of 'A Healthier Wales' and emphasises the importance of 'first point of contact' services in delivering the most impact on the wellbeing of its population.

49 Each PCC has completed an individual IMTP 2021-24 which aligns to the Health Board's overarching strategic objectives and provides an assessment of progress

against previous plan priorities. The individual IMTPs also set out the PCCs revised priorities and key actions, expected outcomes, constraints / risks, and workforce / financial implications for each year over the three-year period. They also include key information on the PCC workforce and financial profile with respect to GMS. Each of the IMTPs are underpinned by a PCC annual plan.

50 The Vice Chair of the Health Board proactively engages with primary care leaders and staff. For example, through attendance at Cluster Lead development days (see paragraph 31) and has routine meetings with senior leadership to discuss primary care performance and plans. At the time of our work, other Board members had not been given the opportunity to engage, however several Board briefing sessions on primary care are due to take place in 2024.

51 Matters relating to primary care are not embedded within routine Board and committee business as much as they could be. Board agendas do not include a standing item on primary care and our 2023 Structured Assessment report highlights the Health Board's limited oversight of primary care services at Board and committee level. Despite primary care services being a significant part of the Health Board's delivery, only one item under the theme of 'Primary Care' is listed on the Board workplan for 2023-2024. **We consider recommendation 3 as not implemented and has now been replaced with 2024 recommendation 4.**

52 The Health Board's corporate risk register currently includes a high-level risk that the demand and capacity pressures in the primary care system lead to services becoming unsustainable. Where the Board receives reports that reference primary care services such as the Corporate Risk Register, Vice-Chairs report, Commissioning Assurance Framework[7] and to a limited extent the Integrated Performance Report (IPR) we note limited scrutiny of the information presented. There are no dedicated primary care primary care updates to Board.

53 Other than the Delivery and Performance Committee, primary care does not feature in any of the committees Terms of Reference or work programmes. Furthermore, the Delivery and Performance Committees work programme only lists four items relating to primary care services during 2023-24. These items relate to the annual Commissioning Assurance Framework reports for GMS, GDS, OOH Services and Community Pharmacy. The latest Commissioning Assurance Framework report on GDS provides an overview of performance against the service contract. It also provides an update around the ongoing contract reform. While there is evidence of primary care reports being presented to other committees (see paragraph 55), in general, coverage of primary care in performance, finance and workforce reports is weak. **We consider recommendation 4a ongoing and has now been replaced with 2024 recommendation 4.**

[7] The Commissioning Assurance Framework is the mechanism to provide assurance on the quality of services provided to Powys residents.

54 The Board and Delivery and Performance Committee routinely consider the Health Board's Integrated Performance Report which sets out its performance against national delivery measures, ministerial priorities, and local quality and safety measures. However, there continues to be a limited number of primary care performance measures which mainly relate to GP access standards, dental contract delivery, and patients referred from primary care (Optometry, GPs) into secondary care ophthalmology services. The update provides a useful overview of in-month / period performance, includes performance targets and benchmarking comparisons to the all-Wales position. The Health Board is delivering relatively good performance against these measures; however, it may wish to consider including commentary within its IPR to enable the effective understanding and monitoring of primary care performance, and provide sufficient clarity on actions to improve performance, and the impact of actions taken. **We consider recommendation 4b ongoing and has now been replaced with 2024 recommendation 5.1.**

55 The Health Board has reasonable arrangements for monitoring progress of primary care plans. At its meeting in November 2023, the Planning, Partnerships, Population Health Committee received an update on PCC IMTPs. The update provided an overview of delivery against PCC IMTP priorities for 2023-24. The update was supported by a useful progress summary for each PCC area which outlined each project, result / benefits expected, strategic alignment, budget, planned delivery, and RAG[8] rating.

56 The Board and Delivery and Performance Committee receive a quarterly Integrated Plan Progress Report which provides an update on delivery against each of the Health Board's strategic priorities including Primary Care. This report sets out when the Board can expect the actions and plans to be delivered, the responsible officers, and the route through which it can expect to receive appropriate assurance. The report also includes a 'Year End Delivery Confidence Assessment' which is noted as High, Medium, or Low, providing a perspective from the organisation on its deliverability. However, there are opportunities for the Health Board to be clearer on outcome-based measures and reporting to help understand what impact or difference its plans are making and whether they are resulting in improved outcomes and experiences for patients. **We consider recommendation 4c ongoing and has now been replaced with 2024 recommendation 5.2.**

Capacity and capability to deliver local and national priorities.

57 We considered the extent to which the Health Board's central Primary Care Services Team has the appropriate capacity and capability (in terms of knowledge,

[8] Red, Amber, Green.

skills, and experience) to deliver local and national priorities, as well as to manage day-to-day operational and business needs. In doing so, we considered whether the central Primary Care Services Team has:

- an appropriately resourced structure, which is kept under review, with clear lines of accountability; and
- arrangements for identifying and supporting learning and development needs, and succession planning on an ongoing basis.

58 We found that **the Health Board has an appropriate primary care structure with clear lines of accountability, however the interim arrangements for the Director of Primary Care role present a stability and capacity risk, and there is scope to take a more holistic approach to primary care. Capacity within the Primary Care Services Team also risks being stretched due to increasing local, and national priorities, and training, development, and succession planning arrangements within the team require strengthening.**

59 The Health Board's Primary Care Team has clear lines of accountability to the Director of Strategy, Partnerships and Primary Care who has delegated authority for primary care services and is a member of the Board. Presently, the Director of Strategy, Partnerships and Primary Care is currently fulfilling the role of Interim Chief Executive Officer (CEO).

60 The Director of Finance, IT and Information is covering the Director of Primary Care role on an interim basis (with support from the Interim CEO) in addition to the Interim Deputy Chief Executive role. Whilst this arrangement has not presented any immediate issues, we have some concerns that the additional responsibilities add further pressure to an already demanding role. Furthermore, interim arrangements can cause instability for both services and staff. The Health Board is currently in the process of appointing a substantive CEO. Once the appointment process is complete, this should enable the Health Board to resolve the interim arrangements currently in place. Nevertheless, the Director of Finance, IT and Information is supported by an effective management structure including the Assistant Director of Primary Care, Head of Primary Care and Cluster Development Manager.

61 The Primary Care Services Team sit within the Primary Care Directorate and is managed by the ~~Head~~ Assistant Director of Primary Care. The Health Board has increased the team's capacity by creating a Cluster Development Manager role in November 2021 to provide additional support to ACD. The Cluster Development Manager is supported by 2 additional team members who work closely with the PCCs. However, feedback indicates that PCCs would benefit from additional central support and expertise when developing business plans. While, we were not informed of any issues concerning current resources, we note that it is a relatively small team and there is a risk that increasing workloads associated with both local and national priorities, alongside the ongoing contract reforms is putting pressure on the team. This is further compounded when the team are taking on additional

work associated with the mid-Powys PCC whilst the Cluster Lead post remains vacant **(Recommendation 6.1).**

62 The Health Board has not established a central primary care management group that would provide holistic oversight of primary care performance and risk, delivery of plans, and quality and safety of services within the directorate. Instead, there are separate GMS and GDS contract management groups that are responsible for the efficient and effective management of contracts and include representation from senior primary care leadership. This arrangement inhibits the Health Boards ability to manage primary care services as a whole and limits opportunities for integrated working. **(Recommendation 7).**

63 While the Health Board has good arrangements to support Cluster Leads and the Cluster Development Manager in their training and development (see paragraph 35), there is limited evidence to demonstrate that this has extended to all staff within the Primary Care Services Team. Furthermore, we found limited evidence of succession planning within the team. This not only presents some short-term risks where existing staff are unable to cover unexpected absences, but also longer-term risks in terms of resilience and business continuity following the loss of key skills, expertise, and knowledge **(Recommendation 6.2).**

64 Positively, the Health Board is establishing a Primary Care and Community Care Academy which will consider and co-ordinate training and education for a broad range of professionals working within primary care.

Appendix 1

Audit methods

Exhibit 4 sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from the methods below.

Element of audit approach	Description
Documents	We reviewed a range of documents, including: • Evidence of review of clusters against the maturity matrix • Cluster development plans created post 2019 review, including any revisions / new versions • Primary and community care development programme(s) • Attendance records of 'Confident Primary Care Leaders' course since 2019 • Evidence of implementation of formal leadership development programme • Analysis of current investment and resource use in primary care. • Reports demonstrating reviews of investment in primary care. • Evaluations of clusters and action plans to develop and strengthen support. • Evidence that leadership development opportunities are provided for cluster leads. • Integrated Medium-Term Plans for 2022-25 and 2023-26 (if available), and other corporate strategies or plans that relate to the Health Board's primary care services. • Assessment of capacity needs to manage ongoing transformational change. Assessment of resource within its central Primary Care Services Management Team to manage ongoing transformational change. • Action plans for raising the profile of primary care in the Health Board. • Annual reports on primary care.

Element of audit approach	Description
	• Board and committee reports outlining primary care performance. • Board and committee reporting outlining progress in delivering plans within primary care and whether they are resulting in improved experiences and outcomes for patients.
Interviews	We interviewed the following: • Director of Finance and IT (Interim Director of Primary Care) • Assistant Director of Primary Care • Independent Member (Vice Chair) • Head of Primary Care Development and Support • Cluster Development Manager • Cluster Lead North • Cluster Lead South • Assistant Director of Finance • Chair of Delivery and Performance Committee
Observations	We observed the following meeting(s): • Board meeting 24 May 2023 • GMS Contract Monitoring Meeting 26 July 2023

Appendix 2

A summary of progress against our 2019 recommendations

Exhibit 3 sets out the recommendations we made in 2019 and our summary of progress.

Recommendations	Progress
Primary care clusters R1 We found variation in the maturity of primary care clusters, and scope to improve cluster leadership and support. The Health Board should: a) Review the relative maturity of clusters, to develop and implement a plan to strengthen its support for clusters where necessary. b) Ensure all cluster leads attend the Confident Primary Care Leaders course.	Ongoing – see paragraph 29-34 Implemented – see paragraph 35
Investment in primary care R2 While the Health Board recognises that it needs to shift resources from secondary to primary and community settings, it cannot demonstrate that this shift is happening. The Health Board should: a) Calculate a baseline position for its current investment and resource use in primary and community care.	Not implemented – see paragraph 38

Recommendations	Progress
b) Review and report, at least annually, its investment in primary and community care, to assess progress since the baseline position and to monitor the extent to which it is succeeding in shifting resources towards primary and community care.	Not implemented – see paragraph 39-40
Oversight of primary care R3 We found scope to raise the profile of primary care in the Health Board, particularly at Board and committee level. The Health Board should therefore develop an action plan for raising the profile of primary care in the Health Board. Actions could include ensuring a standing item on primary care on Board agendas.	Not implemented – see paragraph 51
R4 We found scope to improve the way in which primary care performance is monitored and reported at Board and committee level. The Health Board should: a) Review the contents of its Board and committee performance reports to ensure sufficient attention is paid to primary care. b) Increase the frequency with which Board and committees receive performance reports regarding primary care. c) Ensure that reports to the Board and committees provide sufficient commentary on progress in delivering Health Board plans for primary care, and the extent to which those plans are resulting in improved experiences and outcomes for patients.	Ongoing – see paragraph 52-53 Ongoing – see paragraph 54 Ongoing – see paragraph 55-56

Recommendations	Progress
Primary care workforce R5 The Health Board's workforce planning is inhibited by having limited data about the number and skills of staff working in primary care. The Health Board should therefore develop and implement an action plan for ensuring it has regular, comprehensive, standardised information on the number and skills of staff, from all professions working in all primary care settings.	Not implemented – see paragraph 43-44

Appendix 3

Organisational response to audit recommendations

Exhibit 5 sets out the Health Board's response to our audit recommendations.

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Health Board should review the relative maturity of clusters, to reflect on the existing arrangements, address any potential gaps and strengthen Health Board support where necessary.	To continue with Accelerated Cluster Development progress, including expansion and implementation of wider collaboratives. This will include a focus on Collaborative Communication and Engagement, embedding Professional Collaboration arrangements linking in with Contract Reform Implementation and progressing cross-collaborative projects at cluster level through 'start well', 'live well', 'age well' programmes – a bottom-up approach to increase cluster maturity. Progress will be monitored via the ACD readiness checklist and assurance provided through the RPB Executive Group	March 2025.	Executive lead for Primary Care

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R2	The Health Board should: 2.1. calculate a baseline position for its current investment and resource use in primary and community care. 2.2. review and report, at least annually, its investment in primary and community care, to assess progress since the baseline position and to monitor the extent to which it is succeeding in shifting resources towards primary and community care.	Establish a summary of the baseline position to monitor current investment and resource used in primary and community care. Establish a mechanism to report changes in expenditure compared to the baseline to identify any shift in resources**.**	June 2024 March 2025	Director of Finance
R3	The Health Board should examine how it can gather additional workforce data on the number and skills of all staff working within its primary care settings, in the absence of national solutions.	To capture and review workforce data across Independent Contractors and the impact of instability in primary care due to increase in demand and recruitment challenges, to include: • Identifying workforce needs in primary care • Improving workforce planning and supporting sustainability	March 2025	Executive lead for Primary Care & Executive Lead for Workforce and Development

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
		• Promoting and encouraging multi-professional working • Improving access and capacity for student training and placement opportunities to promote longer term sustainability of Powys primary care. This will inform the roll-out of the Primary Care Workforce Plan across Powys (linked to National Workforce Plan)		
R4	The Health Board should develop an action plan for raising the profile of primary care in the organisation and ensuring sufficient coverage of primary care challenges and performance within committee agendas.	Develop a timeline for presentation of primary care reports at Executive Committee and Board level to provide regular reporting and assurance, to include challenges and risks.	June 2025	Corporate Secretary
R5	The Health Board should improve oversight at Board and committee level of performance within primary care by:	Produce an Annual Primary Care Report for Presentation to Board.	March 2025	Executive lead for Primary Care

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	5.1. increasing the coverage of primary care performance within its Integrated Performance Report. 5.2. increasing the focus on outcomes and experience.	Progress the development of a Primary Care Dashboard as part of Integrated Performance Report presented to Executive and Board Committees. Frequency to be agreed	Scoping work will be concluded by December 2024. However full implementation across all four primary care contractors will take a considerable amount of time.	Executive lead for primary care & Executive lead for Performance
R6	The Health Board should strengthen its Primary Care Services Team by: 6.1. Reviewing the resources available to ensure it has the necessary capacity to deliver local and national priorities, alongside meeting day-to-day operational and business need. 6.2. Ensure that training and development opportunities extend to all members of the team and develop a succession plan.	in conjunction with ongoing operational requirements, including contract reform. Review resources available to increase capacity in the Primary Care Services Team. Develop a training plan for the Primary Care Services team to support succession planning and ongoing resilience.	June 2024 September 2024 September 2024	Assistant Director of Primary Care

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R7	The Health Board should establish a central primary care services management group to manage primary care services as a whole and maximise opportunities for integrated working.	Establish a Primary Care Services Management group covering the four contractor professions to include clinical, managerial and finance representation.	September 2024	Executive lead for Primary Care

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Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.7

Audit Risk and Assurance Committee	**Date of Meeting: 14 May 2024**
Subject:	**Counter Fraud Update Report**
Approved and Presented by:	Director of Finance and IT / Matthew Evans Head of Counter Fraud
Prepared by:	Head of Counter Fraud
Other Committees and meetings considered at:	N/A

PURPOSE:

The purpose of this report is to update the Audit Risk & Assurance Committee on key areas of work undertaken by the Local Counter Fraud Specialists during 2024/25.

Appended to the report is the Counter Fraud Annual Report 2023/24 summarising work undertaken and performance against NHS Counter Fraud Standards in the last financial year.

RECOMMENDATION(S):

It is recommended that the Audit Risk & Assurance Committee:

- **RECEIVE** the 2023/24 annual report;
- **RECEIVE** the update report (May 2024) for discussion;
- Take **ASSURANCE** that appropriate counter fraud systems are in place.

Ratification	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	✓

The following Impact Assessment must be completed for all reports requesting Approval, Ratification or Decision, in-line with the Health Board's Equality Impact Assessment Policy (HR075):

IMPACT ASSESSMENT – NOT REQUIRED					
Equality Act 2010, Protected Characteristics:					
	No impact	**Adverse**	**Differential**	**Positive**	
Age	✓				
Disability	✓				
Gender reassignment	✓				

Pregnancy and maternity	✓				
Race	✓				
Religion/ Belief	✓				
Sex	✓				
Sexual Orientation	✓				
Marriage and civil partnership	✓				
Welsh Language	✓				

Risk Assessment:					
	Level of risk identified				
	None	**Low**	**Moderate**	**High**	
Clinical	✓				
Financial	✓				
Corporate	✓				
Operational	✓				
Reputational	✓				

Item 3.5

Counter Fraud Update Report

14 May 2024

Counter Fraud Update Report

1. INTRODUCTION

The purpose of this report is to update the Audit Committee on key areas of work undertaken by the Health Board Local Counter Fraud Specialists since the last meeting.

2. BACKGROUND

Meetings are held on a regular basis with the Director of Finance, where progress against the annual work plan and with the LCFS case workload is discussed and monitored.

The following sets out activity under the Key Principles specified within the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales).

3. RESOURCE UTILISATION

Resource utilised in line with the four Strategic Areas aligned to NHS Counter Fraud Standards is presented below. Figures are correct as of 02 May 2024.

Strategic Area	Resource Allocated	Resource Used
Strategic Governance	**40**	**5**
Inform and Involve	**55**	**6**
Prevent and Deter	**113**	**4**
Hold to Account	**100**	**8**
TOTAL	**308**	**23**

4. STRATEGIC GOVERNANCE

The Counter Fraud Team attended a NHS Finance Academy led workshop to discuss Counter Fraud strategy and approach. Despite not arriving at a definitive conclusion this was a very useful exercise with Counter Fraud colleagues engaging in dialogue around ideas in a round table style approach. A further workshop is planned to devise and arrive at Counter Fraud recommendations around potential options for future approach.

The Counter Fraud Annual Report 2023/24 has been completed and is at Appendix 1 to this report. The Annual Report incorporates the Health Board's self-reviewed position against the Functional Standards and reflects the content of the Functional Standard Return which is required to be authorised on behalf of the Health Board by the Executive Director of Finance, Information & IT Services and Audit Committee Chair by 31 May 2024.

5. INFORM AND INVOLVE

The Counter Fraud Team have organised training to be delivered in partnership with the Primary and Community Academy to Primary Care Contractors within Ophthalmology, Pharmacy, and Dental. This follows recent training delivered to GMS contractors and feeds into strategic work to raise the fraud awareness profile within the Primary Care sector.

6. PREVENT AND DETER

Following previous NHS Counter Fraud Authority exercises centred on procurement spend during the Covid-19 pandemic in April 2022 and procurement fraud risk areas including contract management and purchase order (PO) vs non-PO spend in June 2022 a new proactive exercise has been launched focussed on procurement contract management and due diligence. This exercise has been included in the Counter Fraud Work Plan 2024/25 and is scheduled for completion in Quarter 2.

7. HOLD TO ACCOUNT

The status of the LCFS investigative caseload is summarised in Appendix 2 to this report. A summary of basic investigation KPI data is presented at outset of the appendix.

Case information presented is split by between those cases which are currently open and under active investigation by the LCFS; contained in the Open Cases table.

The Pending Cases table reflects those cases where active investigation by the LCFS has concluded, however the case must remain open due to other outstanding actions from third parties such as (but not limited to) disciplinary, professional body enquiries, financial recoveries.

A table of Closed Cases is also presented to review outcomes of investigations.

8. RECOMMENDATION

The Audit Committee is asked to **note** the Counter Fraud Progress Report.

Powys Teaching Health Board

Counter Fraud Annual Report 2023/24

Matthew Evans

14 May 2024

Table of contents

1. Introduction

This report has been written in accordance with the provisions of the Fraud, Bribery and Corruption Standards for NHS Wales Bodies (the Functional Standards) which require Local Counter Fraud Specialists (LCFS) to provide a written annual report reflecting the counter fraud, bribery and corruption (economic crime) work undertaken during the financial year.

The Counter Fraud Work Plan for 2023/24 was approved by the Audit Committee in May 2023 and identified a total resource of 308 days for the year. The Counter Fraud Team delivered 181 days of counter fraud activity. The total cost for the provision of local counter fraud services for the year was £73,204. The under delivery of counter fraud activity days was due to the Local Counter Fraud Specialist leaving post at the start of the year with a short gap before replacement recruited. Additionally, the replacement Local Counter Fraud Specialist was absent on a long-term basis due to a serious medical emergency.

For ease of reference and in line with the Work Plan, this report is structured under in line with Functional Standards Requirements of Counter Fraud activity. The annual report should be completed in enough detail to enable the responsible officers within the organisation to gain sufficient assurance that the counter fraud, bribery and corruption work undertaken is compliant with the Functional Standard Requirements and has been completed in line with organisations counter fraud workplan.

When the required work has not been completed against the counter fraud work plan or is not fully compliant with the Functional Standard Requirements details of the corrective actions to be undertaken should be reported.

2. Executive summary of organisational compliance

The Functional Standards require each health body to produce a written work plan outlining the LCFS' projected duties for the year. The 2023/24 work plan, agreed by both the Director of Finance and Audit Committee, took due account of the work required to ensure consistent and effective implementation and delivery of the newly introduced Functional Standards. It was designed to ensure a holistic risk-based approach to counter fraud work within the Health Board with work split between proactive and reactive counter fraud activity. Flexibility contained in the work plan allowed high risk work to be undertaken urgently and dynamically.

Progress against the plan has been monitored during meetings with the Director of Finance, with update reports produced and presented to the Audit Committee in line with its agreed work programme.

The Counter Fraud Team continue to attend meetings and forums organised by the NHS Counter Fraud Service (CFS) Wales. These meetings provide an invaluable opportunity to share information and identify emerging risks, themes and areas of best practice with NHS Counter Fraud colleagues across Wales. They have also been utilised by the NHS Counter Fraud Authority Training Delivery Leads to deliver key skills development sessions, refreshing fundamental operational skills and providing information and training on any relevant new economic crime matters or legislation.

As part of the quality assurance process, NHS organisations in Wales are required to complete a self-review of their progress in implementing the Standards. From 2021/22 NHS Wales adopted the Government Functional Standards on Counter Fraud (NHS Requirements) to replace NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)'. Counter Fraud work since that introduction has been focussed on building or maintaining compliance with the new standards. Since 2021/22 the Health Board has shown continual annual improvement in ratings against the Standards or maintained ratings. At the conclusion of 2023/24 the Health Board is assessed as Green overall there is however one Component rated as Amber.

Component 3: Fraud bribery and corruption risk assessment

This component has continually been rated as Amber since the introduction of the new Counter Fraud Standards in 2021/22. A final action plan aimed at bringing maturity to previous work in this area and thereby lift rating to Green in 2023/24 was hampered by the availability of resource. In that context maintaining the current rating is an achievement and essentially allows for an action plan to be completed in 2024/25 to deliver a Green rating by year end.

The action plan to lift rating to Green is to undertake a full review of existing risk assessments with risk owners and to utilise results of previous work to effectively demonstrate monitoring of risk with measurable outcomes.

3. Declaration of compliance against the Functional Standard Requirements at the end of March 2022

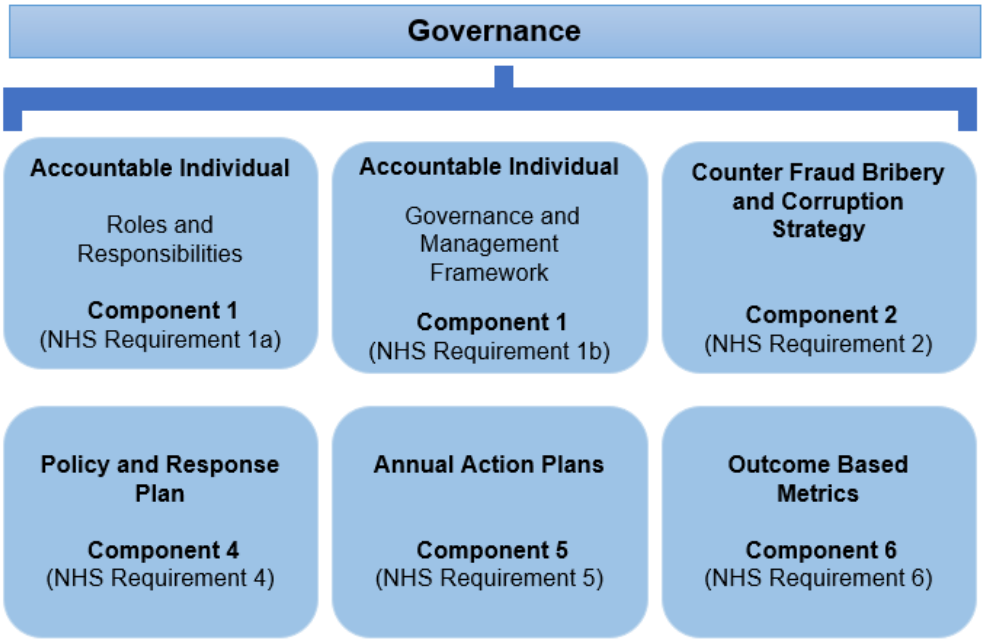
The annual report must contain one of the declarations listed below. This declaration must reflect the organisation type and be signed by the Accountable Board Member in order for the organisation to be compliant with the Functional Standard Requirements.

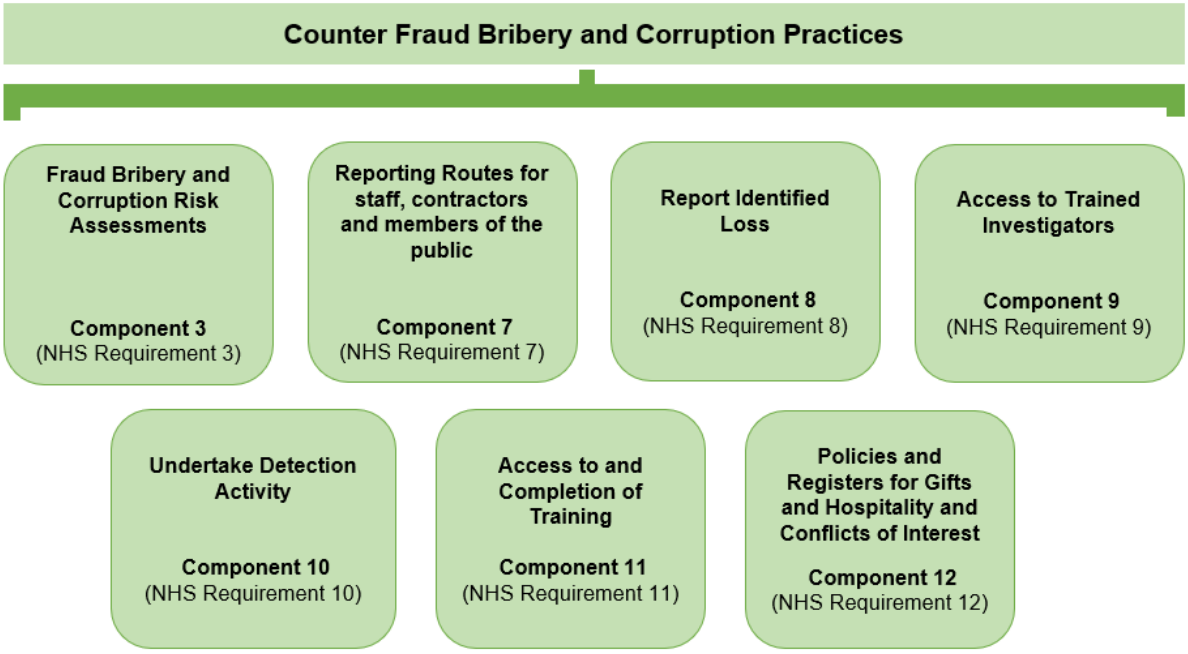
Organisation Declaration

I declare that the counter fraud, bribery and corruption work carried out during 2023/24 has been self-reviewed against the Functional Standard Requirements relating to fraud, bribery and corruption, and that the above rating has been achieved.

Organisation	**Powys Teaching Health Board**
Accountable Board Member Signature	
Date	

4. Work carried out against the Functional Standard Requirements





Governance

This section of the annual report outlines how the organisation supports and directs counter fraud, bribery and corruption work undertaken to create a strategic organisation wide response when combatting fraud bribery and corruption.

Work relating to each Governance Component of the Functional Standard is summarised and current and previous rating for each Requirement is set out below.

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
Component 1 **Accountable individual** Patterson,Liz 13/05/2024 11:50:14	**NHS Requirement 1A**	This relates to the role of the accountable board member and their responsibility for the strategic management of, and support for, counter fraud, bribery and corruption work, including timely reporting and accurate notification of nominations to the NHSCFA.	GREEN	GREEN	The Director of Finance is responsible for the strategic management and support of counter fraud work. A good level of support and assistance is given to the Counter Fraud Team in the discharge of responsibilities by the Director of Finance and the wider Finance Directorate. The Health Board's Audit Committee receive regular reports

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
					of Counter Fraud activity throughout the year which includes quarterly benchmarking reports. The Audit Committee receive and approve the Health Board's Counter Fraud Annual Report and Workplan. All Counter Fraud submissions to the Audit Committee are sponsored and supported by the Director of Finance.
	NHS Requirement 1B	This relates to the work of the organisations board / governing body in gaining assurance and evaluating the counter fraud work undertaken during the year. This requirement also covers the role of the Counter Fraud Champion.	GREEN	GREEN	NHSCFA proactive exercise reports have been presented to the Health Board's Audit Committee. A concluding report Quality & Assurance evaluation has also been presented to Audit Committee which highlighted work undertaken in response to findings. The Audit Committee receives an Annual Report written in line with NHSCFA guidance using the template. This includes details of the Functional Standard Return for review. The Director of Corporate Governance is nominated as the Organisation's Fraud Champion.

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
Component 2 **Counter fraud bribery and corruption strategy**	**NHS Requirement 2**	This Component relates to the organisations over-arching counter fraud, bribery and corruption strategy, and how the counter fraud work plan and resource allocation is aligned to the objectives of the strategy and locally identified risks.	GREEN	GREEN	The Health Board's Counter Fraud Policy & Response Plan includes the overall strategic aims of counter fraud work and operational response aligned to the NHSCFA counter fraud, bribery and corruption strategy. A counter fraud work plan is developed in line with key objectives of the strategy, alignment to national standards and includes response to nationally and locally identified risks. The CFP&RP and work plan are agreed by Director of Finance and Audit Committee and progress is tracked via regular reporting and attendance at Audit Committee.
Component 4 **Policy and response plan** Patterson,Liz 13/05/2024 11:50:14	**NHS Requirement 4**	This Component relates to the organisations counter fraud, bribery and corruption policy and response plan and its alignment to the NHSCFA strategic guidance.	GREEN	GREEN	The Health Board has a Counter Fraud Policy & Response Plan in place. The Policy is reviewed to ensure that it remains current. Issues relating to bribery and fraud are also referenced within the Standards of Behaviour Policy. Staff awareness of these key policy documents is measured using questionnaires and a

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
					survey issued in March 2024.
Component 5 **Annual Action Plan**	**NHS Requirement 5**	This Component relates to the development and management of the organisation's annual counter fraud work plan. This plan should be informed by national and local fraud, bribery and corruption risk assessments.	GREEN	GREEN	A counter fraud work plan is developed in line with key objectives of the strategy and alignment to national standards. Resource is allocated in line with this within the context of 4 strategic areas of counter fraud activity; Inform and involve, prevent and deter, hold to account and strategic governance. Progress against this work plan is monitored and evaluated through out the year with regular meetings with Director of Finance and regular reporting to Audit Committee. Allocated resource is included as part of this regular reporting along with benchmarking of overall resource availability.
Component 6 **Outcome based metrics**	**NHS Requirement 6**	This Component relates to how the organisation identifies and reports on annual outcome-based metrics with objectives to	GREEN	GREEN	All Wales Performance statistics are collated on a quarterly basis and shared between Health Boards and Welsh Government. Statistics are utilised to

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
		evidence improvement in performance			examine performance between NHS Wales organisations. Benchmarking undertaken on an organisational level against previous years and against other NHS Wales Organisations. Reports on performance and benchmarking are shared with the Audit Committee to scrutinise. Clue3 includes recording and reporting mechanisms for proactive and reactive outcomes of counter fraud work which is utilised as a recording mechanism.

Counter Fraud Bribery and Corruption Practices

This section of the annual report outlines the organisations operational counter fraud activities undertaken during the year when detecting and combatting fraud.

The organisation should report against each Counter Fraud Practice Component, under the Functional Standard and summarise the work completed to meet each Requirement. A high-level summary of each of the Counter Fraud Practice Components is set out below.

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
Component 3 **Fraud bribery and corruption risk assessment**	**NHS Requirement 3**	This Component relates to the local risk assessments undertaken in line with Government Counter Fraud Profession methodology to identify fraud, bribery	AMBER	AMBER	Comprehensive risk assessments are carried out in line with the GCFP methodology and recording aligns to the Health Board's Risk Management Policy. The annual counter

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
		and corruption risks, and how the organisations counter fraud, bribery and corruption provision is proportionate to the level of risk identified.			fraud work is informed by these risk assessments. NHS CFA issued national fraud risks guidance containing 129 fraud risk descriptors across the entirety of business areas the NHS engages in. These risks have been concatenated into core risk areas for review locally. Work since introduction of this Component has been to map fraud risk descriptors to core risk assessments, development of a fraud risk profile around core risk areas, implement sufficient scanning techniques and processes to ensure all emerging fraud risk is captured and reviewed against existing fraud risk assessments. Action plan to lift rating to Green is to undertake a full review of existing risk assessments with risk owners and to utilise results of previous work to effectively demonstrate monitoring of risk with measurable outcomes.
Component 7 **Reporting routes for staff, contractors**	**NHS Requirement 7**	This Component relates to the reporting routes in place at the organisations to report suspicions of fraud, bribery and corruption and a	GREEN	GREEN	The Health Board has well documented reporting routes for any party to report incidents of fraud, bribery and corruption. Reporting routes are formalised in the

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
and members of the public		mechanism for recording these referrals and allegations on the approved NHS fraud case management system.			Counter Fraud Policy & Response Plan and Bribery Policy. Reporting routes are also highlighted within counter fraud awareness training, newsletters and communications, included on the Counter Fraud Intranet pages and highlighted in the Counter Fraud Information Booklet available for staff. Reporting routes include a central Counter Fraud email inbox, email and phone directly to LCFSs, a Microsoft Forms Fraud Reporting form, the National Fraud and Corruption Reporting Line as well as alternative reporting routes to Director of Finance and whistleblowing charity Protect-Public Concern at Work. The Counter Fraud Team have regularly received contact from individuals raising concerns resulting in the commencement of new investigations in 2023/24. Surveys have been undertaken in March 2024 to measure effectiveness.

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
Component 8 **Report identified loss**	**NHS Requirement 8**	This Component relates to the organisations use of the approved NHS fraud case management system to record all allegation and investigative activity. Including all outcomes, recoveries and system weaknesses identified during the course of investigations and/or proactive prevention and detection exercise.	GREEN	GREEN	The Health Board fully utilises the Clue case management system to record and report identified loss. The system includes opportunity to record all investigaiton materials, local proactive exercises and operational statistical information. Statistics are collated and submitted on a quarterly basis to Counter Fraud Service Wales and an All Wales Operational Performance report produced. A benchmarking report utilising this information is presented to Audit Committee on a quarterly basis.
Component 9 **Access to trained investigators**	**NHS Requirement 9**	This Component relates to the accredited Local Counter Fraud Specialist (LCFS) at the organisation, and details of the continuous professional development undertaken. All LCFS undertaking counter fraud activity at the organisation must be nominated with the NHSCFA.	GREEN	GREEN	Local Counter Fraud Services for the Health Board are provided by Swansea Bay UHB under a Service Level Agreement. The service is delivered by qualified, nominated and accredited LCFS, who conduct the full range of anti-fraud, bribery and corruption work on behalf of the organisation. The LCFS attend all necessary training and continuous professional development events as required to appropriately fulfil their

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
					role on an ongoing basis. The counter fraud accredited resource for 2023/24 was 1.2 FTE.
Component 10 **Undertake detection activity**	**NHS Requirement 10**	This Component relates to the proactive work completed to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and the work undertaken in response.	GREEN	GREEN	LCFS review Final Internal and External Audit reports and meet with the Head of Internal Audit to share details on identified risk. This would include instances where data mining or sampling has highlighted outliers or concerns. A PPV programme is undertaken in respect of GPs, Opticians and Pharmacies, with final reports received by the LCFS. Meetings are held with the PPV Manager. The HB also participates in the NFI process. Risk assessments are considered as part of this work and completed where necessary. As a result of this information and intelligence review process the Counter Fraud Team have registered local proactive exercises on the case management system in 2023/24.

Function Standard Component	NHS Requirement		2023 Rating	2024 Rating	Current Position
Component 11 **Access to and completion of training**	**NHS Requirement 11**	This Component relates to the programme of work undertaken at the organisation to raise awareness of fraud, bribery and corruption and to create a counter fraud, bribery and corruption culture among all staff. The effectiveness of the awareness programme is measured.	GREEN	GREEN	The Health Board has an ongoing programme of work to raise awareness of economic crime issues amongst all staff, using a range of methods including virtually delivered presentations, inclusion on Corporate learning days for inductees and and managers as well as e-learning package availability. This is supported by newsletters and intranet pages alongside the regular release of counter fraud information via articles and alerts.
Component 12 **Policies and registers for gifts and hospitality and Conflicts of Interest**	**NHS Requirement 12**	This Component requires the organisation to have in place policies and registers for gifts and hospitality and conflicts of interest that reference the requirements of the Bribery Act 2010 that are communicated to all staff. The effectiveness of which is regularly tested.	GREEN	GREEN	The HB has a Standards of Behaviour Policy in place, which has incorporated declarations of interest, gifts, hospitality and sponsorship. The Policy also includes reference to fraud, bribery and corruption and the requirements of the Bribery Act 2010, and is available to all staff via the intranet. It is also promoted during fraud awareness presentations. Testing of staff awareness of the Policy has been included in surveys issued in March 2024.

5. Appendices

Appendix 1 – Counter Fraud Activity

This section of the annual report should detail the total counter fraud resources used by the organisation. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B.

Area of activity	Days used
Proactive work	120
Reactive work	61
Total days used	181

Appendix 2 – Counter Fraud Costs

This section of the annual report should detail the total costs of the counter fraud resources used by the organisation. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B.

Cost of Counter Fraud, Bribery and Corruption Work	Total Costs £
Proactive costs	£48,533
Reactive costs	£24,670
Total costs	£73,204

Appendix 3 – Nominations Overview

This section of the annual report should detail the nominated officers at the organisation during the reporting period, including all supporting LCFS. If any of the nominations have changed during the year, the date of the change should be included.

The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B and 9.

Role	Name of Nominated Person
Accountable Board Member	Pete Hopgood
Audit Committee Chair	Rhobert Lewis
Fraud Champion	Helen Bushall
Lead LCFS	Matthew Evans
Supporting LCFS	Louisa Steele

Appendix 4 – Investigation Information

This section of the annual report should detail all the activity recorded on the CLUE Case Management System. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6, 7 and 8.

Investigation Information	Number
Investigations carried forward from 2022/23	5
Investigations Opened during the period	14
Investigations Closed during period	6
Investigations Transferred	1
Investigations Ongoing	12

Appendix 5 – Risk Based Exercises

This section of the annual report should detail all the Fraud Risk Assessments (FRAs), Local Proactive Exercises (LPEs) and System Weakness Reports (SWRs) undertaken. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the NHS Counter Functional Standard NHS Requirement 1B, 3, 5, 6, 8 and 10.

Fraud Risk Assessments	Number
Number of FRAs reviewed in line with the organisations risk management policy	4

Local Proactive Exercises	Number
Number of LPEs conducted during the year	42
Number of LPEs recorded on the NHS CFA Case management system as per component 8	42
Number of LPEs concluded during the year	38

System Weakness Reports	Number
Number of SWRs identified during the year	0
Number of SWRs concluded during the year on the NHS CFA Case management system as per component 8	0
Number of new processes adapted or introduced as a result of SWRs	0

Appendix 6 - Sanction & Redress Overview

This section of the annual report should detail of any sanctions and redress activity undertaken. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6 and 8.

Sanction Imposed	Number
Disciplinary	0
Civil	0
Criminal	0
Total Sanctions	0

Redress Imposed	Total Amount £
Fraud identified	£0
Fraud Prevented	£0
Fraud Recovered	£0

Open Cases					
Reference	Date Commenced	Fraud Type	Subject Type	Allegation	Status
INV/23/00424	01/03/2023	Expenses	Staff	Multiple Staff claiming full rate mileage expenses for excess mileage entitlement	Investigations have sought to confirm knowledge of claim procedure. Evidence has been discovered of staff members questioning process with managers and requesting additions to e-expenses account to enable claim to be made under excess mileage. In absence of evidence of criminal dishonesty civil recovery route available. Recovery was passed to debt collector agency who failed in attempts to make recovery of funds. Given the relatively low value the only remaining option of direct civil legal action is not viable. Debt write off is being taken forward.
INV/23/01425	20/07/2023	Dental	Contractor	Dental contractor alleged to be inflating treatment banding	Information has been disclosed to Primacy Care and Medical Director. An analysis of treatments is being undertaken by NHS BSA Dental Advisor to inform investigation. This analysis was due to be completed by end of January 2024 however an extension was granted to allow further time for paperwork to be collected by the contractor. An update has been requested.
INV/23/01970	13/09/2023	Overpayment of Salary	Staff	Staff member terminated by Health Board continued to be paid for 8 months	Subject was dismissed due to working without correct immigration status. Subject has been traced via Home Office who confirmed issuance of a new visa and is believed to be in UK. Investigation to be undertaken by NHS CFS financial investigator who is seeking to trace whereabouts.

Open Cases					
Reference	Date Commenced	Fraud Type	Subject Type	Allegation	Status
INV/23/02632	22/11/2023	Fraudulently Amended Medical Records	Staff	The medical records of a patient have been amended with allegations that files have been deleted, and/or fabricated in order to imply that they have mental health issues	Information received via Fraud and Corruption Reporting Line. Enquiries have been undertaken with the NHS CFA Central Intelligence Unit, who received the report, to ascertain any further details such as those of reporting person. None were available. Investigation is to seek patient records for the individual to conduct review. This is difficult without direct consent due to duty of confidentiality rules. An approach has been made to medical records to confirm whether a patient in name of potential victim has in fact been treated at the Health Board. This approach does not seek any medical details or records themselves and takes into account potential collateral intrusion.
INV/23/02673	24/11/2023	Working Elsewhere Whilst Sick	Staff	Staff member absent due to sickness were seen to be working during sick period	Investigation has commenced with approach to a witness. Further witnesses were identified following this discussion who were approached. A witness statement was gathered corroborating allegation details. An interview under caution has been conducted and follow up enquiries are being undertaken.
INV/23/02770	06/12/2023	Overbilling	Contractor	Contractor via All Wales contract has overinflated claims for services provided	Allegations centre on ‘double booking’ charges for services provided and charges for services not provided. A meeting was held with contract manager who disclosed that this contractor had separately identified significant value of charges that needed to be returned to the NHS across Wales. The

Open Cases					
Reference	Date Commenced	Fraud Type	Subject Type	Allegation	Status
					contract manager is to meet the contractor to discuss particular concerns raised and ascertain any service issues linked to charges being claimed and subsequently returned. Additionally, contractor has expressed difficulties to contract manager around access to sites at times. Non-access to site would be chargeable under contract. Given potential All Wales nature of this concern information was discussed with CFS Wales. LCFS and CFS Wales in agreement that issue appears to be contract management issue at this stage and should initially be addressed under those processes. Counter Fraud to review progress of this process.
INV/23/02907	03/01/2024	Working Elsewhere Whilst Sick	Staff	Staff member absent due to sickness has been working during sickness period	Initial enquiries have confirmed sickness period. Investigation detail has been shared with subject's managers for consideration. A Data Protection Act request is being considered but would likely lead to 'tip off' to the subject. Alternative means of confirming secondary working is being explored. Information requests have been issued to other NHS health bodies following identification of potential secondary employment.
INV/24/00461	22/02/2024	Working Elsewhere Whilst Sick	Staff	Staff member absent due to sickness were seen to be working during sick period This investigation was previously being undertaken under reference INV/23/02673. These are separate individuals and separate potential	Investigation has commenced with approach to a witness. Further witnesses were identified following this discussion who were approached. A witness statement was gathered corroborating allegation details. An interview under caution has been conducted and follow up enquiries are being undertaken.

Open Cases					
Reference	Date Commenced	Fraud Type	Subject Type	Allegation	Status
				offences as such have now been separated for ongoing investigation.	
INV/24/00525	04/03/2024	Working Elsewhere Whilst Sick	Staff	Staff member currently employer via a fixed term contract has been alleged to have been working Bank shifts for other NHS organisations.	Enquiries have established the sick leave records of the subject and discussions with subject's manager have been undertaken. Evidence established that subject was witnessed working at a community health care site during a period of sick leave. Rostering information has been requested to enable review.

Closed Cases					
Reference	Date Commenced	Fraud Type	Subject Type	Allegation	Status
INV/23/01876	05/09/2023	Leave/Absence	Staff	Staff member has used allocation of leave intended for Bank Holiday allowance as normal annual leave	Enquiries undertaken around leave records at Health Board and previous employer, another NHS Wales Health Board. Investigation produced evidence from the Health Board and previous employer that this was an isolated incident. Disciplinary action resulted in informal action with agreement to repay 7 days of leave from 2022/23. The subject has now left employment with the Health Board and recovery balanced in final pay. Case closure to be sought.
INV/23/01918	12/09/2023	Qualifications	Contractor	Doctor alleged to have falsified qualifications	Given circumstances an immediate disclosure was made to Primary Care and Medical Director. A review of documentation, including qualifications, submitted for admittance on performers list was undertaken and enquiries with GMC made promptly. No issues or concerns were established with these enquiries and no evidence was established to warrant action against doctor at that stage. A meeting has been held with Practice Manager and no concerns have been established following this. Enquiries are being undertaken to test and confirm validity of qualifications held by the doctor. Request

Closed Cases					
Reference	Date Commenced	Fraud Type	Subject Type	Allegation	Status
					for information has been sent to Irish Medical Council who have been slow to provide response. A further meeting has taken place between Primary Care, Counter Fraud and Practice Senior Partner. Details of allegation were shared with the Senior Partner. Given the circumstances and available evidence the Senior Partner assessed as low risk. Further evidence has been received from the Irish Medical Council confirming the work history and experience of the subject. No fraud established in this case.
INV/24/00238	31/01/2024	Fuel Card Misuse	Staff	Ex-staff member left organisation and took a Health Board fuel card with them with continued use for personal vehicle	Enquiries established that the general process and controls around fuel card management. Cards are valid for a period of 12 months. Additional controls on actual use link card to the pool car vehicles at point of fuelling. Ex-employee was found to have left organisation in 2020 the valid cards to which the individual would have had access to were identified and records verified. No concerns were established in the use of these fuel cards and no fraud established. Case closure to be sought.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.8

Audit and Assurance Committee	**Date of Meeting:14th May 2024**
Subject :	**ANALYSIS OF SINGLE TENDER WAIVERS 2019 TO 2024**
Approved and Presented by:	Director of Finance, Information and IT
Prepared by:	Assistant Director of Finance (Accounting and Services)
Other Committees and meetings considered at:	N/A

PURPOSE:
The Audit Risk and Assurance Committee is asked to NOTE the analysis of Single Tender Waiver requests made between 1 April 2019 and 31 March 2024.
RECOMMENDATION(S):
It is recommended that the Audit Risk and Assurance Committee: • **RECEIVE and DISCUSS** the report taking **ASSURANCE** that an appropriate system of reporting single tender waivers is in place.

Ratification	**Discussion**	**Information**
		✓

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:

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:

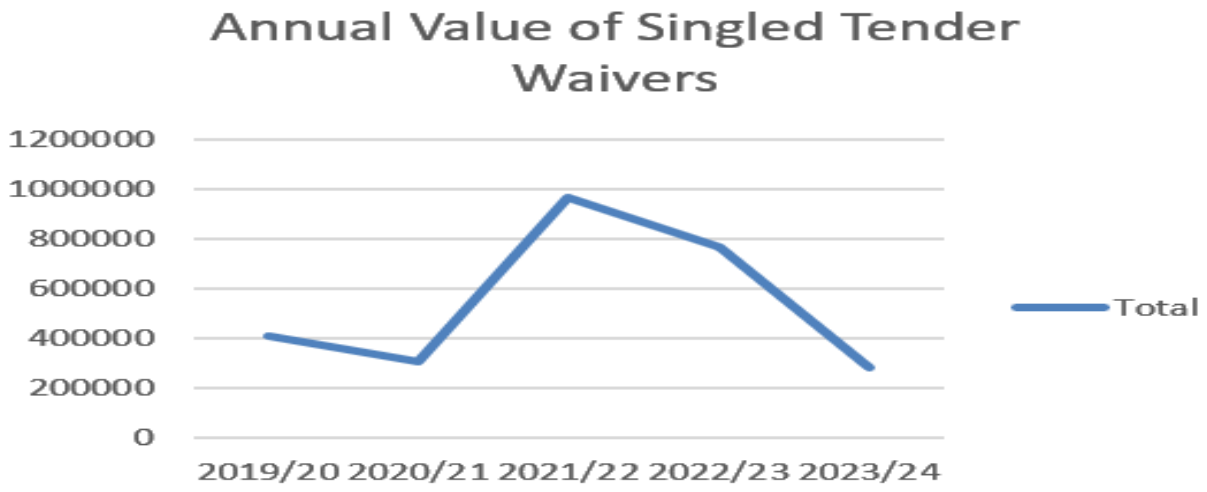
Periodically the Audit Risk and Assurance Committee receive a summary of STWs over a period of time, to identify trends and themes where there is a greater use of STWs in a particular area.

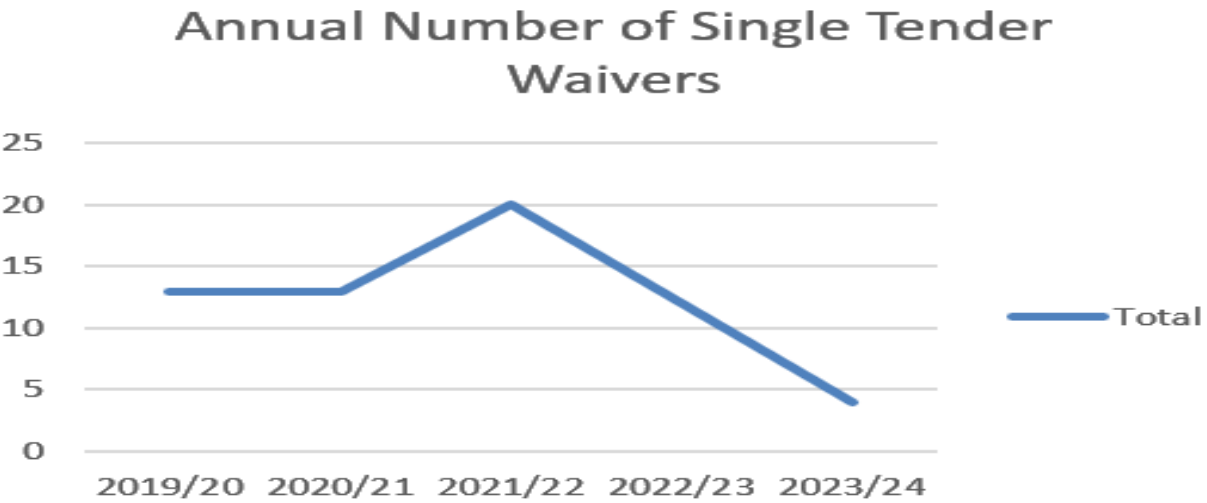
An analysis of approved Single Tender documents covering the period 1st April 2019 to 31st March 2024 has been undertaken by the Assistant Director of Finance.

The findings of this analysis are as follows:

Annual Value and Numbers of STWs

The trend can be seen that during 2020/21 the amounts per year were decreasing in year until an increase in 2021/22. This peak increase in 2021/22 is mainly due to Health Care Provision related STWs for longer periods and larger values. Since this peak the the annual value and number of STWs has decreased over the following two years.



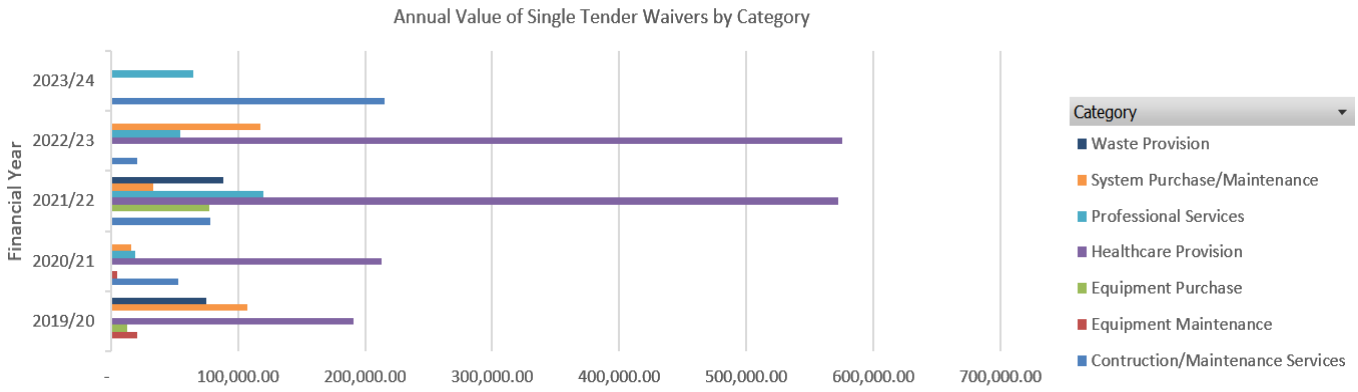


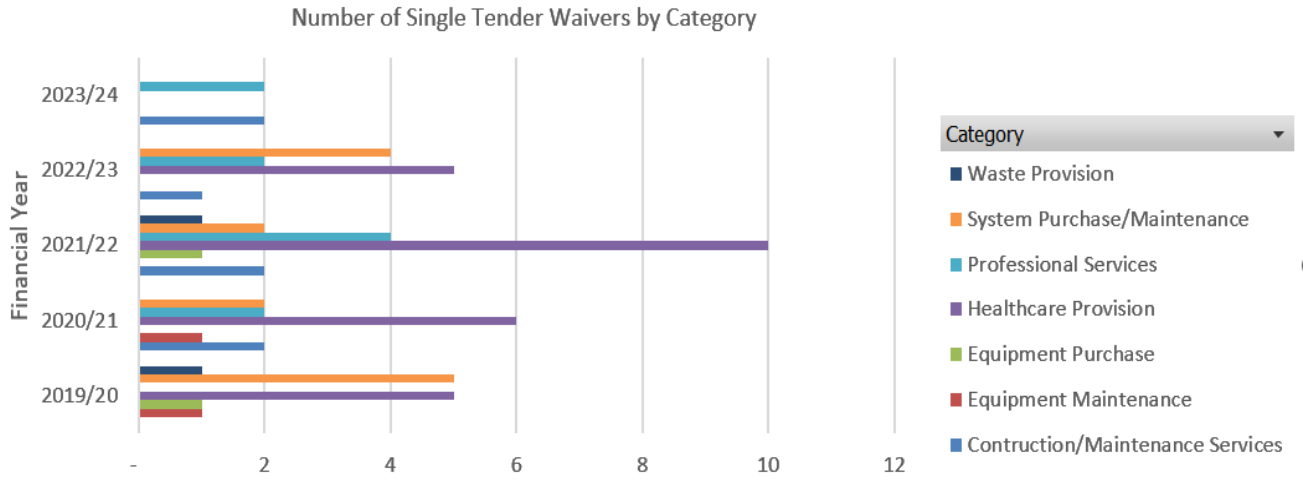
Category of Single Tender Waiver

The chart below shows that the majority of Single Tender Waiver usage relates to Healthcare provision but this has reduced since the peak period of 2021/22. The main reason for Healthcare Provision usage is due to augment NHS Capacity to undertake necessary services or treatments for the population of Powys.

System purchase/Maintenance is the next highest category. This is mainly due to sole suppliers of systems in use within the Health Board and the resulting requirement for maintenance contracts that only that supplier can carry out. This trend is showing a downward movement.

The number of waivers by category chart is showing that on an annual basis the comparison of numbers per category can fluctuate but due to the low level of forms approved on an annual basis it is difficult to see any significant trends.





Numbers of Single Tender Waivers by Directorate

Detail of Usage per Directorate is as follows with the majority being undertaken by the Directorate of Primary and Community Care and Mental Health with a reducing number year on year and the Directorate of Planning and Performance (includes Estates and Commissioning for analysis purposes), which has fairly constant numbers each year.

	Directorate									
Financial Year	Community Health Councils	Directorate of Finance & ICT	Directorate of Medical Services	Directorate of Nursing and Therapies	Directorate of Planning and Performance	Directorate of Primary Care, Community Services and Mental Health	Directorate of Public Health	Directorate of Therapies and Health Sciences	Directorate of Workforce and Facilities	Grand Total
2019/20					3	8	1		1	13
2020/21	1			1	2	9				13
2021/22		1	1		2	13			3	20
2022/23		1	1		4	4		1	1	12
2023/24					2	1			1	4
Grand Total	1	2	2	1	13	35	1	1	6	62

NEXT STEPS:

None identified as a result of this paper.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.9

Audit, Risk and Assurance Committee	**Date of Meeting: 14 May 2024**
Subject:	**SINGLE TENDER WAIVERS**
Approved and presented by:	Director of Finance, Information and IT
Prepared by:	Assistant Director of Finance (Accounts and Services)
Other Committees and meetings considered at:	N/A

PURPOSE:
To inform the Audit Risk and Assurance Committee that there has been no Single Tender Waiver requests made between 1 March 2024 and 30 April 2024.
RECOMMENDATION(S):
To NOTE there has been no Single Tender Waiver requests made between 1 March 2024 and 30 April 2024.

Ratification	**Discussion**	**Information**
✓		

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:

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 March 2024 meeting which covered the period from 1 January 2024 and 29 February 2024 was a nil usage.

No Single Tender Waiver Requests have been received between the period 1 March 2024 and 30 April 2024

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.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.10

Audit and Assurance Committee	**Date of Meeting: 14 May 2024**
Subject :	Annual Report for Losses and Special Payments for the period 1 April 2023 to 31 March 2024
Approved and Presented by:	Director of Finance, Information & ICT
Prepared by:	Assistant Director of Finance - Financial Accounts and Services
Other Committees and meetings considered at:	N/A

PURPOSE:

To RATIFY the Annual Report of Losses and Special Payments for the period 1st April 2023 to 31st March 2024.

RECOMMENDATION(S):

The Audit Committee is asked to:

- **RATIFY** this Annual Report on Losses and Special payments covering the period 1st April 2023 to 31st March 2024.

Ratification	Discussion	Information
✓		

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:

Losses and special payments are items that the Welsh Government would not have contemplated when it passed legislation or agreed funds for the NHS; such payments would also include any ex gratia payments made by the THB.

By their nature they are items which should be avoidable and should not arise. Therefore, they are subject to special control procedures and are included within a separate note in the THB's annual accounts.

DETAILED BACKGROUND AND ASSESSMENT:

The following relate to payments made on behalf of cases for which Powys THB has responsibility. Claims relating to the Residual Clinical Negligence (relating to former Health Authorities) cases are scrutinised by the Welsh Risk Pool advisory panel and, therefore, are not included below.

This report is for the period 1st April 2023 to 31st March 2024. The payments have been categorised as follows:

- **Clinical negligence and personal injury**
- **Redress (Putting Things Right)**

- **General Medical Practice Indemnity (GMPI)**
- **Other Special Payments**
- Fraud case

Management Arrangements

The responsibility for managing Powys clinical negligence and personal injury claims transferred back to the Health Board in June 2012. This action brought together Concerns (incidents, complaints and claims [both <£25k and >£25k]) within the remit of the Concerns Team. The Redress, Compensation Claims & Inquest Case Co-Ordinator, manages the claims on a day-to-day basis supported by the Assistant Director Quality & Safety. Advice and support are provided by Legal & Risk Services on the processes and on the management of individual cases. Addressing learning following settlement of individual cases, learning and evidence is shared with Welsh Risk Pool (WRP) with the Learning From Events Report (LFER) process for reimbursement.

Systems and processes have been established and databases documenting all claims activity alongside the individual claims files exist. Decision making on payments are approved in a number of ways:

- On a day-to-day basis, advice received from Legal & Risk solicitors regarding payments are discussed with the Executive Director of Nursing & Midwifery. All discussions are documented in file notes to provide an audit trail for all decisions re: approved/ declined advice and subsequent transactions.
- The Management of Compensation Claims Clinical Negligence & Personal Injury Policy (April 2015) requires the Executive Team, as the delegated committee on behalf of the Board, to receive and review six-monthly progress reports on the management and status of claims against Powys Teaching Health Board (PTHB), as required under Section 8 of the Putting Things Right guidance. A summary position on overall open cases is also provided to the Patient Experience, Quality and Safety Committee (and the former Experience, Quality and Safety Committee). The last reports were provided to the January 2024 and April 2024 Committees.
- Information and decision about Redress compensation claims <£25k have been channelled through the Putting Things Right Redress Panel. This allows the Panel to have an overview of all redress claims activity.

Clinical negligence and personal injury

In the period from the 1 April 2023 to 31 March 2024, the THB made payments in respect of 14 cases totalling £505,822.01 summarised below. It should be noted that the THB is responsible for the first £25,000 of any claim with the residual balance being covered by Welsh Risk Pool Services. During the year to date the THB has received five reimbursements in respect of cases that exceeded the £25,000 THB liability.

Details of the payments are included in **Appendix Ai**.

	No. of payments	No. of cases	£
Clinical Negligence /Personal Injury (Payment)	41	14	£505,822.01
Total	**41**	**14**	**£505,822.01**

There were five receipts from the Welsh Risk Pool in respect of Clinical Negligence and Personal Injury cases over £25,000 during 1st April 2023 to 31st March 2024.

	No. of receipts	No. of cases	£
Clinical Negligence /Personal Injury (Receipt from WRP)	5	5	£185,700.51
Total	**5**	**5**	**£185,700.51**

Powys Teaching Health Board continues to hold a small claims portfolio. There are currently 14 cases which are which are inclusive of clinical negligence (9),and personal injury (5) claims with NWSSP Legal and Risk Services instructed to act on behalf of the Health Board.

Redress (Putting Things Right)

These relate to smaller claims that are managed by the THB in line with the Putting things Right Legislation. These are reimbursed to the THB in full but there is often a timing difference between years on reimbursements.

Details of the payments made during 1st April 2023 to 31st March 2024 are included in **Appendix Aii.**

	No. of payments/receipts	No. of cases	£
Redress Payments	28	15	£41,693.80
Total	**28**	**15**	**£41,693.80**
Redress Receipts	8	8	£34,945.00

Total	**8**	**8**	**£34,945.00**

There are currently 5 open redress cases at variable stages.

General Medical Practice Indemnity (GMPI)

GMPI provides clinical negligence indemnity for providers of GP services in Wales for compensation arising from the care, diagnosis and treatment of a patient following incidents which happen on or after 1 April 2019. These are reimbursed to the THB in full but there is often a timing difference between years on reimbursements.

Details of the payments made during 1st April 2023 to 31st March 2024 are included in **Appendix Aiii.**

	No. of payments/receipts	No. of cases	£
GMPI Payments	8	2	£25,095.50
Total	**8**	**2**	**£25,095.50**
GMPI Receipts	2	2	£18,112.00
Total	**2**	**2**	**£18,112.00**

There are currently 4 open GMPI cases at variable stages of review/progression.

There have been two reimbursements from Welsh Risk Pool during 2023/24.

Other Special Payments

Details of the payments are included in **Appendix Aiv**.

	No. of payments/receipts	No. of cases	£
Other Special Payments	8	8	£24,187.94
Total	**8**	**8**	**£24,187.94**

Fraud Case Debt

The Audit Committee is requested to ratify the proposed write off of monies in relation to a fraud case. This debt has been referred to a debt collection agency for action but its routes have been exhausted and it has advised that it is not economically viable to pursue. The Director of Finance and the Counter Fraud Manager have agreed to this. This amount is detailed in **Appendix Av**.

Conclusion

The Audit Committee is asked to RATIFY the above Annual report for 2023/24 for losses and special payments. These have been approved in line with the Scheme of Delegation on losses and special payments within the THB.

Full details including supporting listing is attached at Appendix Ai – Av

NEXT STEPS:

The Audit Committee will receive an update every 6 months on losses and special payments.

Appendix Ai

Losses And Special Payments for 2023-24 Financial Year Appendix Ai

1st April 2023 to 31st March 2024

Claim Type	Payment Type	Welsh Risk Pool Reference	Date of Payme	Payments	Amount by case
Clinical Negligence	Damages	MN/030/1441/OF	Apr-23	£396,057.81	
Clinical Negligence	Claimant Costs	MN/030/1441/OF	Apr-23	£1,816.37	
Clinical Negligence	Claimant Costs	MN/030/1441/OF	Apr-23	£517.63	£398,391.81
Clinical Negligence	Defence Costs	MN/030/1682/EC	Jun-23	£700.00	
Clinical Negligence	Claimant Costs	MN/030/1682/EC	Dec-23	£26,000.00	
Clinical Negligence	CRU Costs	MN/030/1682/EC	Jan-24	£224.00	£26,924.00
Clinical Negligence	CRU Costs	MN/030/1690/AR	Jun-23	£891.00	
Clinical Negligence	Claimant Costs	MN/030/1690/AR	Jun-23	£8,000.00	
Clinical Negligence	Claimant Costs	MN/030/1690/AR	Aug-23	£360.00	
Clinical Negligence	Claimant Costs	MN/030/1690/AR	Sep-23	£4,000.00	£13,251.00
Clinical Negligence	Defence Costs	MN/030/1706/AR	May-23	£231.60	
Clinical Negligence	Damages	MN/030/1706/AR	Aug-23	£11,000.00	
Clinical Negligence	Defence Costs	MN/030/1706/AR	Oct-23	£480.00	
Clinical Negligence	Claimant Costs	MN/030/1706/AR	Oct-23	£10,000.00	
Clinical Negligence	Claimant Costs	MN/030/1706/AR	Nov-23	£12,750.00	£34,461.60
Clinical Negligence	Defence Costs	MN/030/1829/EC	Dec-23	£1,500.00	£1,500.00
Clinical Negligence	Defence Costs	MN/039/1388/DK	Jan-24	£3,600.00	£3,600.00
Personal Injury	Defence Costs	PI/030/1483/AH	Apr-23	£5,242.40	£5,242.40
Personal Injury	Defence Costs	PI/030/1669/JAM	Sep-23	£252.05	£252.05
Personal Injury	Defence Costs	PI/030/1697/RHJ	Jul-23	£253.70	
Personal Injury	Defence Costs	PI/030/1697/RHJ	Aug-23	£270.35	
Personal Injury	Defence Costs	PI/030/1697/RHJ	Oct-23	£138.00	£662.05
Personal Injury	Defence Costs	PI/030/1780/RHJ	Aug-23	£1,425.60	
Personal Injury	Defence Costs	PI/030/1780/RHJ	Sep-23	£280.40	
Personal Injury	Defence Costs	PI/030/1780/RHJ	Nov-23	£609.05	
Personal Injury	Defence Costs	PI/030/1780/RHJ	Mar-24	£713.35	£3,028.40
Personal Injury	Defence Costs	PI/030/1789/JAM	Aug-23	£1,177.10	
Personal Injury	Defence Costs	PI/030/1789/JAM	Sep-23	£528.55	
Clinical Negligence	Defence Costs	PI/030/1789/JAM	Oct-23	£2,496.00	
Clinical Negligence	Defence Costs	PI/030/1789/JAM	Nov-23	£228.00	
Personal Injury	Defence Costs	PI/030/1789/JAM	Nov-23	£452.25	
Clinical Negligence	Defence Costs	PI/030/1789/JAM	Dec-23	£160.00	
Clinical Negligence	Defence Coss	PI/030/1789/JAM	Dec-23	£7,610.00	
Personal Injury	Defence Costs	PI/030/1789/JAM	Jan-24	£276.05	£12,927.95
Personal Injury	Defence Costs	PI/030/1790/JAM	Aug-23	£486.95	£486.95
Personal Injury	Defence Costs	PI/030/1839JAM	Jan-24	£402.80	
Personal Injury	Defence Costs	PI/030/1839JAM	Feb-24	£426.30	
Personal Injury	Defence Costs	PI/030/1839JAM	Mar-24	£769.80	£1,598.90
Personal Injury	Damages	PI030/1711/JAM	Aug-23	£1,500.00	
Personal Injury	Claimant Costs	PI030/1711/JAM	Aug-23	£1,455.00	
Personal Injury	Defence Costs	PI/030/1711/RHJ	Aug-23	£539.90	£3,494.90
		TOTAL		£505,822.01	£505,822.01

Reimbursements from Welsh Risk Pool

Receipt Date		WRP Reference		Amount	
Jun-23		MN/030/1564/AS		£49,856.93	
Oct-23		PI/030/1483/AH		£87,145.68	
Dec-23		MN/030/1509/OF		£15,953.50	
Dec-23		MN/030/1690/AR		£20,851.00	
Mar-24		MN/030/1706/AR		£11,893.40	
		Total		£185,700.51	

Appendix Aii

Redress Losses And Special Payments for 2023-24 Financial Year

Appendix Aii

1st April 2023 to 31st March 2024

Payment Date	Redress Reference		Nature of Payment	Amount	Amount by case
Aug-23	COM1039 RED61		Claimants Costs	£1,600.00	
Oct-23	COM1039 RED61		Defence Fees	£29.70	
Oct-23	COM1039 RED61		Defence Fees	£297.00	£1,926.70
May-23	COM3222/RED20		Defence Fees	£2,150.00	
Mar-24	COM3222/RED20		Claimant Costs	£1,600.00	£3,750.00
Apr-23	COM3355/RED15		Claimants Costs	£1,600.00	
May-23	COM3355/RED15		Damages	£17,500.00	
Oct-23	COM3355/RED15		Defence Fees	£29.70	
Oct-23	COM3355/RED15		Defence Fees	£148.55	
Oct-23	COM3355/RED15		Defence Fees	£29.70	£19,307.95
May-23	COM35/RED50		Defence Fees	£3,300.00	
Sep-23	COM35/RED50		Defence Fees	£372.00	£3,672.00
Dec-23	COM3954		Defence Fees	£1,500.00	£1,500.00
Apr-23	COM613/RED51		Claimant Costs	£1,920.00	
May-23	COM613/RED51		Damages	£3,000.00	£4,920.00
May-23	COM874/RED58		Damages	£700.00	£700.00
Apr-23	COM896		CRU Charges	£766.00	£766.00
Jun-23	RED17(4165/44)		Defence Fees	£326.70	£326.70
Apr-23	RED44		Defence Fees	£720.00	£720.00
Oct-23	RED48		Defence Fees	£178.20	
Oct-23	RED48		Defence Fees	£326.70	
Jan-24	RED48		Defence Fees	£516.20	
Mar-24	RED48		Defence Fees	£30.30	£1,051.40
May-23	RED50 (COM35)		Defence Fees	£494.90	
Jun-23	RED50 (COM35)		Defence Fees	£595.90	£1,090.80
Jan-24	Red64		Defence Fees	£337.55	£337.55
Mar-24	RED67/INC7543		Defence Fees	£278.30	£278.30
Oct-23			Defence Fees	£1,346.40	£1,346.40
			Total	**£41,693.80**	**£41,693.80**

Reimbursements from Welsh Risk Pool

Receipt Date	WRP Reference			Amount	Amount by case
Aug-23	RED7A7-0042/NS			£1,266.00	£1,266.00
Aug-23	RED7A7-0015/MA			£17,500.00	£17,500.00
Aug-23	RED7A7-0041/KT			£3,000.00	£3,000.00
Aug-23	RED7A7-0044/GMJ			£700.00	£700.00
Dec-23	RED7A7-0011/JM			£3,870.00	£3,870.00
Mar-24	RED7A7-0034/WMD			£300.00	£300.00
Mar-24	RED7A7-0040/IW			£3,672.00	£3,672.00
Mar-24	RED7A7-0037/AS			£4,637.00	£4,637.00
			Total	**£34,945.00**	**£34,945.00**

Appendix Aiii

GP Indemnity Losses And Special Payments for 2023-24 Financial Year

Appendix Aiii

1st April 2023 to 31st March 2024

Payment Date	Welsh Risk Pool Reference	Nature of Payment	Amount	Amount by case
Apr-23	GPM/030/1646/DT	CRU Payment	£2,892.00	
Apr-23	GPM/030/1646/DT	Defence Costs	£700.00	
Apr-23	GPM/030/1646/DT	Damages and Claimant Costs	£11,000.00	£14,592.00
Jun-23	GPM/030/1650/CAP	Defence Costs	£2,232.00	
Oct-23	GPM/030/1650/CAP	Defence Costs	£3,200.00	
Nov-23	GPM/030/1650/CAP	Defence Costs	£2,886.00	
Feb-24	GPM/030/1650/CAP	Defence Costs	£558.00	
Feb-24	GPM/030/1650/CAP	Defence Costs	£1,627.50	£10,503.50
		Total	**£25,095.50**	**£25,095.50**

Reimbursements from Welsh Risk Pool

Receipt Date	Welsh Risk Pool Reference	Nature of Reimbursement From Welsh Risk Pool	Amount
Dec-23	GMP7A7-0030/GDGG	GPM/030/1417/CAP	£3,520.00
Mar-24	GMP7A7-0020/SS	GPM/030/1646/DT	£14,592.00
		Total	**£18,112.00**

Appendix Aiv

Other Losses And Special Payments for 2023-24 Financial Year

Appendix Aiv

1st April 2023 to 31st March 2024

Payment Date	Nature of Reimbursement	Amount
Jul-23	Replacement of lost dentures on ward	£1,043.00
Aug-23	Public Service Ombudsman instructed payment in respect of delay of undertaking redress considerations under PTR guidance	£200.00
Sep-23	Settlement Payment in respect of Termination of Employment	£5,872.22
Oct-23	Public Service Ombudsman instructed payment in respect of delay of undertaking redress considerations under PTR guidance	£750.00
Jan-24	Public Service Ombudsman instructed payment in respect of delay of undertaking complaint handling and failing to refer the patient to support agencies during telephone conversation	£250.00
Feb-24	Replacement of Staff Member spectacles damages by Patient	£219.00
Feb-24	Redundancy Payment in respect of Termination of Employment	£13,042.93
Mar-24	Write off of obsolete Radiography Film	£2,810.80
	Total	**£24,187.95**

Appendix Av

Counter Fraud Case Write off

Appendix Av

Invoice no	Nature of invoice	Amount	Action Taken to date
74041	Reclaim for amounts received relating to Fraud investigation of working whilst on sick leave	£487.74	Referred to debt collection agency who have exhausted routes and advised further action or litigation is not economically viable
	Total	**£487.74**	

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

AGENDA ITEM: 3.11

AUDIT, RISK & ASSURANCE COMMITTEE	**DATE OF MEETING: 14 May 2024**
Subject:	**Post Payment Verification End of Year Report – 1 April 2023 to 31 March 2024**
Approved and presented by:	Director of Finance and IT All Wales Post Payment Verification Manager
Prepared by:	Amanda Legge - Post Payment Verification Manager
Considered by Executive Committee on:	N/A

PURPOSE:

This paper highlights the narrative on how practices have been performing over the current Post Payment Verification (PPV) cycle.

PPV of claims from General Medical Services (GMS), General Ophthalmic Services (GOS) and General Pharmaceutical Services (GPS) are undertaken as a part of an annual plan by NHS Wales Shared Services Partnership (NWSSP).

Mid-year and end of financial year, the PPV Manager will prepare a report for Health Board audit committees to outline how practices have been performing and highlighting PPV progress. It also compares the overall performance of the Health Board against the national PPV visits.

The paper is being produced for the Committee to review and seek assurance that the Post Payment Verification cycle is being managed appropriately. PPV provides assurance in all contractor disciplines, except for General Dental Services.

The purpose of the PPV process is to provide assurance to Health Boards that the claims for payment made by primary care contractors are appropriate and that the delivery of the service is as defined by NHS service specification and relevant legislation.

The PPV team also manages the Waste Management Audit programme on behalf of the Health Boards offering advice and support to GP Practices and Community Pharmacies in respect of Waste Management.

The past year in 2023-2024, PPV began recovering from the backlog of work that we had, due to a new payment system within PCS and the inability for practices to submit NHS numbers to evidence their claims. This system was developed and enhanced

which allowed us to return to Business as usual in April 2023, and has maintained an excellent level of PPV, which continues to provide Health Boards with reasonable assurance that public monies are being appropriately claimed.
The following key points should be noted:
General Medical Services (GMS):
Due to the backlog of PPV work across Wales, we created the visit plan for 2023-2024 to try to complete as many visits as possible that we could in the year with the aim of condensing our normal 3-year rolling plan into 2 years. We managed to complete all 184 routine visits across Wales with 9 for PTHB.
Regarding the revisits that were due in 2023-2024, and because we wanted to complete all routine visits along with Ad-hoc requests, we only managed to carry out a small number across Wales.
Firstly**,** in this financial year, we will be concentrating on all outstanding revisits, and if a revisit is due at the same time as the routine, we will do an 'extended visit' which means 10% of the claims for the routine and 100% check on the services that were triggered in the initial routine.

General Ophthalmic Services (GOS): The visit plan for GOS 2023-2024 was not finalised after explaining to our HB's that these visits were subject to change due to a new way of verifying claims. PPV began remote access options having full support from Optometry Wales and carried out a small percentage of virtual visits via Microsoft TEAMS, which proved successful. Unfortunately**,** this was more gradual than anticipated due to the lack of electronic patient records.
Future visits will now be included in the 2024-2025 visit plan and is still changeable, and although we are hoping to increase the number of remote visits, we will also incorporate physical visits to carry us through this transition period of electronic patient records, which is being encouraged by Welsh Government.

General Pharmacy Services (GPS): In 2023/2024 NWSSP/PPV introduced a new service check after a successful pilot, which was the Quality and Safety Scheme and completed all visits planned. We are also beginning the Collaborative Working Scheme verification this upcoming financial year 2024-2025. We can verify both these services remotely.
We are also investigating other avenues for PPV in GPS and beginning another pilot early this year.

Additional Services:
After technical issues with our dispensing Data checks, and a lot of developing, we can now progress with our quarterly provision of these reports Nationally across Wales.
From the pilot we carried out and informing practices of the regulations surrounding dispensing eligibility, we have the data which shows the future success of this service.

Clinical Waste Self Assessments were piloted for GMS and have been Live this last year to ensure compliance with legislation. We are planning to conduct a pilot with the Self Assessments for Pharmacies in the next few months in 2024-2025.

Quarterly meetings are scheduled with the Head of Primary Care, Primary Care Managers, Finance Lead, PPV Team and local Counter Fraud team to regularly review the progress report and to discuss themes, recommendations, and any risks. We are

also investigating other avenues of savings from the provision of Clinical Waste services and now produce a 'non-collection' 6 monthly report to all our HB's.

There are bi-monthly National GMS, GOS Working Group meetings with Primary Care Managers and PPV to discuss and agree any issues regarding the National application of the programme. PPV are planning to commence a National GPS Working Group to align with the above which has proved successful.

PPV training events and roadshows to Practice Managers have been delivered locally and we now record these in advance, based on our trend data analysis. In addition to facilitating one-on-one training requirements, particularly for new practice managers, we created a video recorded guide for both GOS and GMS.

RECOMMENDATION(S):

It is recommended that the Audit & Risk Assurance Committee Members receive the contents of this report. There are no options included in this report. The report is for Assurance that appropriate systems are in place to implement and monitor the Post Payment Verification (PPV) cycle.

The report details specific risks as outliers in a traffic light system, but provides the narrative for what PPV, Primary Care, Finance and Counter Fraud consider the be the best approach to support practices in improving.

Approval/Ratification/Decision[1]	Discussion	Information
	✓	

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

Strategic Objectives:		
	1. Provide Early Help and Support	
	2. Tackle the Big Four	
	3. Enable Joined up Care	
	4. Develop Workforce Futures	
	5. Promote Innovative Environments	
	6. Put Digital First	
	7. Transforming in Partnership	
Health and Care Standards:	1. Staying Healthy	
	2. Safe Care	
	3. Effective Care	

[1] Equality Impact Assessment (EiA) must be undertaken to support all organisational decision making at a strategic level

	4. Dignified Care	
	5. Timely Care	
	6. Individual Care	
	7. Staff and Resources	
	8. Governance, Leadership & Accountability	

The following Impact Assessment must be completed for all reports requesting Approval, Ratification or Decision, in-line with the Health Board's Equality Impact Assessment Policy (HR075):

IMPACT ASSESSMENT					
Equality Act 2010, Protected Characteristics:					
	No impact	**Adverse**	**Differential**	**Positive**	**Statement** ***Please provide supporting narrative for any adverse, differential, or positive impact that may arise from a decision being taken***
Age					
Disability					
Gender reassignment					
Pregnancy and maternity					
Race					
Religion/ Belief					
Sex					
Sexual Orientation					
Marriage and civil partnership					
Welsh Language					
Risk Assessment:					
	Level of risk identified				**Statement** ***Please provide supporting narrative for any risks identified that may occur if a decision is taken***
	None	**Low**	**Moderate**	**High**	
Clinical					
Financial					
Corporate					
Operational					
Reputational					

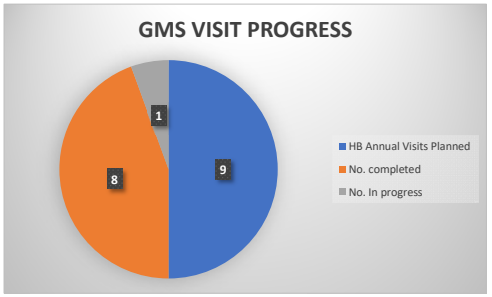
Audit Report - 1st April 2023 to 31st March 2024 = Powys Teaching Health Board

To Notes

Above planned numbers were sent to HB for 23/24 Visit Plan. Numbers may change due to ad hoc visits or closures/mergers
Health Board and Counter Fraud receive copies of each visit report to act upon PPV recommendations
PPV work collaboratively with Health Board managers and Local Counter Fraud to assist with any concerns that may arise
Training/support is provided to practices after visit where necessary

GMS	Visit Type	HB Annual Visits Planned	No. completed	No. In progress	Queries with Practice /HB	No. Recoveries	Value of recoveries	All Wales Completed	All Wales No. in progress	All Wales Planned	All Wales Value of Recoveries
	Routine	9	8	1	0	129	£7,957.65	147	19	166	£105,274.77
	Revisit	4	0	0	0	0	£0.00	15	12	131	£39,137.83
	Total	13									

Summary of themes/findings/issues
Due to the new payment system, all Revisits across Wales were on hold until Dec 2023

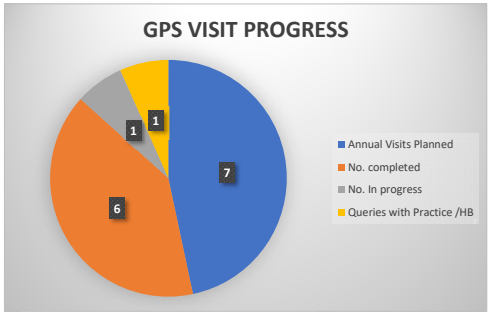


GOS	Visit Type	Annual Visits Planned	No. completed	No. In progress	Queries with Practice /HB	No. Recoveries	Value of recoveries	All Wales Completed	All Wales No. in progress	All Wales Planned	All Wales Value of Recoveries
	Routine	17	0	0	0	0	£0.00	39	5	301 Rolling Plan	£3,856.86
	Revisit	0	0	0	0	0	0	0	0	6	£0.00
	Total	17									

Summary of themes/findings/issues
As contractors are transistioning to electronic records, remote access visits are slow in progressing

GPS	Visit Type	Annual Visits Planned	No. completed	No. In progress	Queries with Practice /HB	No. Recoveries	Value of recoveries	All Wales Completed	All Wales No. in progress	All Wales Planned	All Wales Value of Recoveries
Q&S Scheme	Routine	7	6	1	1	0	£0.00	229	0	229	£0.00
	Total										

Summary of themes/findings/issues
Nothing to report at this stage



Patterson,Liz
13/05/2024 11:50:14

Audit & Risk Assurance COMMITTEE, 14 MAY 2024	Agenda Item 3.12
Subject:	Audit Recommendations Tracking (Internal and External Audit)
Approved and Presented by:	Director of Corporate Governance
Prepared by:	Senior Administrator
Purpose:	The purpose of this paper is to provide the Audit, Risk and Assurance 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 31 January 2024.
Recommendations:	The Audit & Risk Assurance Committee is asked to: • **CONSIDER** the current position of outstanding Audit Recommendations and take **ASSURANCE** that the organisation has an appropriate system for tracking and responding to audit recommendations.

Executive Summary:	The responsibility for the collation, monitoring and reporting of internal and external (Audit Wales) audit recommendations is the responsibility of the Corporate Governance Team. Information is managed throughout the year and reported to the Executive and Audit & Risk Assurance Committees on a regular basis.
	
	The last report was received by the Audit & Risk Assurance Committee on the 11 March 2024.
	
	The report provides the following information:
	
	• Internal Audit Recommendations that:
	  • remain OUTSTANDING
	  • are COMPLETED since the previous report
	  • Are NOT YET DUE for implementation
	
	• External Audit Recommendations that:
	  • remain OUTSTANDING
	  • are COMPLETED since the previous report
	  • Are NOT YET DUE for implementation
	
	The report also confirms there are no outstanding recommendations from Local Counter Fraud Services Pro-Active Exercises.

SUMMARY POSITION – Internal Audit

Internal Audit – Completed since last report

Internal Audit Priority	2020/21	2021/22	2022/23	2023/24	Total
High			3	1	4
Medium			2	3	5
Low				3	3
Total	All complete		5	7	12

Internal Audit – Not yet due for implementation

Internal Audit Priority	2020/21	2021/22	2022/23	2023/24	Total
High			1	9	10
Medium	1		1	12	14
Low				8	8
Total	1	0	2	29	32

Summary since the last report in March 2024:

- 12 actions have been completed since the last report
- 32 actions are not yet due for implementation
- 32 actions are not yet due implementation

SUMMARY POSITION – Internal Audit

Internal Audit – Remain Outstanding						
Internal Audit Priority	2019/20	2020/21	2021/22	2022/23	2023/24	Total
High	1	1	2	1	0	5
Medium	4		3	7	2	16
Low				4	1	5
Total	5	1	5	12	3	26

Summary

- 26 actions remain outstanding or are overdue of which:
  - 5 (19%) are high priority
  - 3 (12%) are from the last financial year
  - 6 (23%) relate to Limited to No Assurance Reports
  - 20 (77%) relate to substantial or reasonable assurance reports

Actions being Taken:

- Lead Executives have been asked to give priority to the overdue recommendations and provide further updates together with a risk assessment against each action – this will take into account recent changes in executive portfolios
- Further updates will be provided to the Committee in the next report in July together with a further analysis of the outstanding recommendations and the residual risk they carry to the organisation. From there Audit Committee can consider and further actions.

SUMMARY POSITION – External Audit

External Audit – Completed since last report					
Year	2020/21	2021/22	2022/23	2023/24	Total
Total	All complete	All complete	5	All complete	4

External Audit – Not yet due for implementation					
Year	2020/21	2021/22	2022/23	2023/24	Total
Total	0	0	0	4	4

External Audit – Remain Outstanding/Overdue					
Year	2020/21	2021/22	2022/23	2023/24	Total
Total	All complete				0

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Summary since the last report in March 2024:

- 5 actions have been completed
- 0 actions remain outstanding or are overdue
- 4 actions are not yet due for implementation - all from the last financial year (2023/24)

Appendices:

The following appendices are provided with more details:

- 3.12a – Internal audit - recommendations completed since last report
- 3.12b – Internal audit - recommendations not yet due
- 3.12c – Internal audit - recommendations outstanding
- 3.12d – External audit – recommendations completed since last report
- 3.12e – External audit – recommendations not yet due

PTHB Ref. No.	Report Title	Assurance Rating	Director	Responsible Officer	Ref / Priority	Recommendation	Management Response	Agreed Deadline	Revised Deadline	Due	COVID-19 Priority Level	Status	If closed and not complete, please provide	PTHB Ref. No.			If action is complete, can evidence be provided	No. of months past agreed deadline	No. of months past revised deadline	Reporting Date	Date Added to Tracker
														Progress of work underway	Barriers to implementation including any interdependencies	How is the risk identified being mitigated pending	When will implementation be achieved?				
222301	IT Infrastructure and Asset Management	Limited	Director of Finance, Information and IT	Assistant Director Digital Transformation / Assistant Director of Estates and Facilities	R5	Fire and water detection should be included at both sites. Consideration should be given to providing a dedicated power supply to the Bronllys room. Fire suppression should be installed at Brecon. The air conditioning within Brecon should be reviewed to ensure it is capable of reducing the temperature appropriately.	Fire detection and suppression are in place at Bronllys, but no water detection. Air conditioning has been serviced and will form part of a regular service and maintenance programme to ensure it is efficient There are plans to move on premise servers held within the Data Centre to the cloud so this will reduce the risk of on-premises DC's.A plan will be developed with Estates and Facilities to assess the water detection requirements and to test and provide assurance relating to the power requirements (initial meeting already taken place).	Mar-23		Complete		Closed		a full audit has been completed of comms rooms, there will be a report available with requirements to be submitted to estates and facilities 11/04/2023 - No progress 27/11/2023 - This is reliant on working in partnership with Estates and Facilities capacity which is focussing on other digital priorities such as cabling, but ongoing discussions are in place to support this. There are also plans to potentially re-locate data centres if the water detection is not practical. 02/03/2024 - Assurance has been given by Estates that the air conditioning has been serviced and will form part of a regular service and maintenance programme to ensure it is efficient. The status of the rooms remains the same. Fire detection and suppression are in place at Bronllys, there is no fire suppression in Brecon and neither site has provision for water detection.					13	1491	Apr-24	Sep-22
222301	IT Infrastructure and Asset Management	Limited	Director of Finance, Information and IT	Assistant Director Digital Transformation	R6	A programme of re-cabling should be undertaken. Unsupported network devices should be removed from the network A review and associated upgrade of Wi-Fi provision should be undertaken	Dedicated Programme Manager post established to lead on this area and to identify options and develop a plan over a reasonable timescale to improve (link to 4C report). Funding to be secured based on final plan and business case and unsupported network devices will be replaced by managed switches (dependant on procurement and funding constraints). An independent Wi-Fi review has been completed and improvement plan in place including controller configuration and upgrade. Further improvement dependant on business case and funding being secured.	Mar-23		Complete		Closed		Project manager is in post and working with suppliers on the specificaiton and quality control for cabling requirements 11/04/2023 - Work is ongoing to address the health boards cabling infrastructure, we are currently working with estated to ensure that all contracted work complies with all applicable standards before implementation. 27/11/2023 - The project is maintaining progress, with funding approved from capital control group for significant improvement in day hospital and Llewellyn ward. 02/03/24 - In progress is the development of priority list for the cabling works together with associated costings.					13	1491	Apr-24	Sep-22
222301	IT Infrastructure and Asset Management	Limited	Director of Finance, Information and IT	Assistant Director Digital Transformation	R7	The network should be split into Vlans. The firewalls should be deployed.	Network re-design plane is being developed and will include implementing the segmentation identified. The Digital Transformation team are overseeing the wider infrastructure improvement plan (which is reliant on strengthened capability and investment). This is aligned to the All-Wales Infrastructure Programme. Firewall implementation has started and is in progress lead by the Head of Cyber Security.	Mar-23		Complete		Closed		The firewalls have been deployed and there is a design plan to segment the network and implement V-Lans 11/04/2023 - New switching and wifi infrastructure procured at the end of 2022/23 FY will allow the design and implementation of segmented vlans. This is a significant activity and may take most of 2023/2024 to implement. 27/11/2023 - The network segmentation re-design is complete, there are technical challenges and some dependances to implement that are being worked through, progress is ongoing 02/03/24 - Network segmentation has been implemented and as of late December we have a migration project to align our infrastructure to our new network topology. Project Management & technical resource is aligned, and I expect this work to complete late q3 or early q4 in FY24/25. I migrated our first workload between Christmas and new year. Reporting will be via progress updates aligned to the Digital Strategic Framework presented to the Delivery and Performance Committee					13	1491	Apr-24	Sep-22
222317	Cyber Security	Limited	Director of Finance, Information and IT	Head of Infrastructure and Cyber Security	R1	Progress reporting should contain enough granular detail to enable progress achieved to be accurately tracked and accurate quantification of what remains to be achieved, especially as the ultimate goals will always be changing. E.G. out of support software will always decrease/increase as time passes The software tools available should be configured to provide accurate information on activities related to key objectives. onthly KPI should be produced for senior management. They should be detailed enough to identify the ongoing cyber security position and specifically related to the key objectives of the cyber improvement plan.	Agreed and Action This has been an area of ongoing focus, action and improvement. Significant progress has been made in addressing legacy operating systems, patch compliance and coverage against known assets but it is acknowledged that the reporting of this against internal KPI's and industry to support best practice requires further improvements to provide assurance. Work has already started on developing the required reports and rationalising the tooling (Intune, SCCM, Autopatch) used to ultimately deliver more useful and relevant reports and implement the appropriate KPI's to manage this longer term. As evidenced, the data exists and this will be provided specifically in monthly performance reports for senior management, aligned to the Cyber Improvement Plan and related KPI's.	Jun-23		Complete		Closed		The development of monthly KPI's has begun with an initial focus on Active Directory. Some progress has been made with Backup Reporting but isn't yet something that can be developed into a KPI. The implementation of New Backup Hardware procured at the end of 2022/2023 will allow additional focus on this area of cyber resilience and subsequent assurance reporting.					9	1491	Apr-24	Mar-23
222317	Cyber Security	Limited	Director of Finance, Information and IT	Head of Infrastructure and Cyber Security	R3	The data replication process should be re-instated/ replaced as a matter of urgency. Backup files are a critical component in the defence against cyber-attack. They should be at least encrypted, and stored on appropriately secure media, with a remote copy in line with established best practice. Backups require as much security as can be afforded to maximise their protection against compromise through unauthorised network access. Test restorations (a rolling partial programme) should be carried out at least monthly and recorded to confirm their full success. This can often be achieved as part of estate management, server swapping, load balancing etc. All user requested restorations should also be recorded.	Agreed, Actioned and part completed. New Hardware procured to provide air gapped secure back up storage to mitigate the impact of a cyber incident. Procedures are being developed as a priority to demonstrate the consistency of our backup operations on a regular basis.	Apr-23		Complete		Closed		Data replication has been reinstated and some progress has been made in developing a restoration cycle to test backup consistency. New hardware procured will improve the cyber posture by introducing air gapped backup media and storage.					11	1491	Apr-24	Mar-23
232406	SLAs for In-reach Medical Staff	Reasonable	Medical Director/Director of Performance and Commissioning	Katie Gamez/Senior Manager Planned Care	R6	Evidence should be obtained for the Health Board's In-reach Medical Staff relating to Disclosure and Barring Service (DBS) checks, accreditation, registration, validation, job planning and appraisals of all clinicians. The evidence should be reviewed for issues relating to In-reach Medical Staff and appropriate action should be identified and taken.	Within existing SLA documentation there is clear expectation that commissioned service providers provide assurance to PTHB and with evidence to support Disclosure and Barring Service (DBS) checks, accreditation, registration, validation, job planning and appraisals of all clinicians(s). This will continue to be monitored through the CQPRM process with expectation that commissioned service providers inform PTHB of any change in status or concern. Where asiurance is not provided, this will be escalated in accordance with the SLA terms and conditions.			Complete		Complete		We have requested that all providers confirm all applicable checks have been made by them as the employing organisation. This continues to be a requirement of the SLA template. 20/3/2024 - this will remain as a requirement of the SLA template and will continue to be monitored through the CQPRM. This will be ongoing action but is business as usual.					1491	1491	Apr-24	
232413	Clinical Education HCSW Induction Programme	Reasonable	Director of Workforce and OD	Head of Clinical Education	R1	Management should update the current Standard Operating Procedure in place to set out the responsibilities for both the Temporary Staffing Unit and Recruiting Managers in identifying staff that are eligible to participate in the HCSW Induction Programme. Management should also consider including within the SOP the process for updating the Induction Tracker to cover the information required and outlining Department responsibilities. Medium Agreed Management Action Target Date	The clinical Education team will revise the SOP to identify the roles and responsibilities of Recruiting Managers and TSU. To include the process for updating the tracker as part of revised SOP.	Dec-23		Complete		Complete		FEB 24- SOP has been revised to define roles and responsibilities . Tracker is updated and Existing quals are to be added to ESR so partially complete.					4	0	Apr-24	jan-24
232413	Clinical Education HCSW Induction Programme	Reasonable	Director of Workforce and OD	Head of Clinical Education	R3	Linked to Matter Arising 1, management need to ensure that the process developed includes information to managers to help to aid with the identification of all staff eligible to register/enrol on the HCSW Induction Programme to avoid unnecessary training sessions being scheduled and then ultimately cancelled. Medium Agreed Management Action Target Date	In support of R1 a process flow/criteria will be provided to recruitment managers that identifies those eligible to undertake the HCSW induction programme and how to sign/ book them onto the induction course.	Mar-24		Complete		Complete		FEB 24 - In conjunction with data / information on process flows from other Health Boards a new internal process flow is being created. On track for completion End March					1	0	Apr-24	jan-24
232414	Health and Safety Arrangements	Reasonable	Director of Therapies and Health Science	Assistant Director of Support Services - Health and Safety	R1	Management should ensure that where policies have been reviewed, the new updated versions are published on the Intranet as soon as possible and the old versions taken off. For those policies that are overdue for review management need to ensure that they are reviewed and updated as soon as practicable.	Management will review the version control of relevant H&S policies and ensure they are updated in a timely manner	Mar-24		Complete		Complete		All H&S linked policies are being reviewed so they correspond correctly to each other and the revised meeting schedule. This requires a detail reading of the policy, making amendments, then they will go back to HSG in March for ratification and then published before April Health and Safety Policies are all in date and updated on the intranet.	None	Mar-24			1	1491	Apr-24	jan-24
232414	Health and Safety Arrangements	Reasonable	Director of Therapies and Health Science	Assistant Director of Support Services - Health and Safety	R7	Management should consider introducing a standing agenda item for H&S training compliance review at the Health & Safety Group meeting. This will enable the group to review areas of low compliance and agree appropriate actions.	Management will change the standing agenda item to include a dedicated item on H&S training compliance to ensure there is a focus on low compliance and to agree appropriate actions.	Mar-24		Complete		Complete		Training compliance is now a standing agenda item and also is reported by services as part of the highlight reports March 2024 a standing agenda for training is now on the HSG and is reported via its reporting structure.	None	Mar-24			1	1491	Apr-24	jan-24
232414	Health and Safety Arrangements	Reasonable	Director of Therapies and Health Science	Assistant Director of Support Services - Health and Safety	R8	Management should ensure that for the information reported on statutory and mandatory training compliance that a standard format is agreed so that all departments are reporting the same information and that the reporting period is also the same	Management will introduce a standard format for the reporting of mandatory and statutory training	Mar-24		Complete		Complete		Work is gongoing to identify which trainig is to be reported on a standard temlate for the group and will be finalised at the March HSG March 2024 process for reporting S&M has been agreed at SMT and will be part of the next round of meetings	None	Mar-24			1	1491	Apr-24	jan-24
232418	Board and Committee Governance Effectiv	Substantial	Director of Corporate Governance/Board Secretary	N/A	R2	The Annual Work Programme should be subject to update and revision to ensure that items of business are accurately timetabled and allocated to Committee meetings. Where timetabled items stated on the Work Programme are subject to change and removed from the respective Committee Agenda, this should be noted within the Minutes stating the reason, and if known, the date of the next Committee meeting to which the item has been rescheduled.	A revised approach has been implemented since the report, changes to work programmes are recorded on the work programme report to the Committee and the report then noted in the minutes	May-24		Complete		Complete		April 2024 update - recommendation implemented.								Mar-24

PTHB Ref. No.	Report Title	Assurance Rating	Director	Responsible Officer	Ref / Priority	Recommendation	Management Response	Agreed Deadline	Revised Deadline	Due	COVID-19 Priority Level	Status	If closed and not complete,	PTHB Ref. No.				If action is complete, can	No. of months past agreed deadline	No. of months past revised deadline	Reporting Date
202115	Winter pressures and flow management	Reasonable	Director of Operations	Senior Manager Unscheduled Care	R2	2.1 The health board should ensure the update to discharge policies and procedures is undertaken promptly upon confirmation from Welsh Government. 2.2 The health board should engage relevant staff in the update to ensure the documents are easily understandable (using flow charts and diagrams where appropriate). 2.3 The content of this audit report should be considered as part of the update process.	2.1 Agree – cannot action until further consultation. Recent engagement with DU has suggested DTOC will return by end of year. If this is the case policies and procedures will need recommencing & revision if required. 2.2 Flow charts & diagrams of discharge requirements circulated to staff, placed in shared access folders and discussed in team meeting. Will be a standard agenda for assurance of understanding & interpretation by staff. 2.3 The update of any policies will be in line with Welsh Government direction on DTOC and discharge planning, so we are working within national guidelines.	Mar-22		Not yet due		Partially complete		Still awaiting direction from WG, which is expected November 2021. Ongoing work with the delivery unit in regards to newly revised DTOC system which is anticipated for release by November. Will implement guidelines & establish pathways as required. Policies will be updated when guidelines released to be in line with national requirements. Nov 2023- DTOC system now revised to Pathways of Care Monitoring. PTHB has been reporting on a monthly Census since April 2023 and working with the delivery unit through regular action planning. Patient pathways are embedded on admission. National guidelines for discharge have been published, PTHB local discharge guidelines under review- to work with our partners in development with aim of completion by end of January 2024. 31/1 The reluctant to leave procedure and dishcarge guidelines have been circulated for comment. The discahrge hospital guidance has been revised but pending an addition of the choice element TBC by WG. Delivery Unit confirmed this will be released soon. Both procedures are in line with Welsh Government guidance released in November 27/3 Management of relcutant to leave published. Discharge guidance for PTHB in draft & ready to be circulated once choice element has been published by Welsh Government. Confirmation from NHS exec this will be due "soon".	Choice element needs to be added for discahrge guidance, WG advised due soon. As an interim discahrge guidance has been completed in anticapation of adding the choice element	Mitigated with the pathways of car	01/02/2024 - Relucant to leave 28/2/24 - Discharge guidance 27/3 Discharge guidance due "soon" is the update from NHS exec, hopefully early Spring, Once released will circulate internal discharge guidance for approval & release. Draft compelte.	https://nhswales365-my.sharepoint.com/:w:/r/personal/claudia_oshea_wales_nhs_uk/Documents/The%20Management%20Of%20Reluctant%20Dis	24	1491	Apr-24
222321	Performance Management and Reporting	Substantial	Director of Performance and Commissioning	Chris Moss	R1	Ensure that the Integrated Performance Framework has been fully implemented as planned and is operating effectively.	PTHB has established an IPF implementation group and developed a project implementation plan with the aim of integration by the end of Q3. Key areas of implementation include but are not limited to. • 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).	Dec-23		Not yet due		Partially complete		Implementation of the IPF, approved in September 2022, has been taken forward: - Directorate Performance reviews refreshed and structured around the 4 domains of the IPF. - Integrated Performance Report refreshed to provide more detailed narrative on escalations and exceptions, performance trajectories and mitigating actions to ensure performance targets achieved. - Performance and Business meeting established to provide regular forum for discussion with the services on performance across the 4 domains of the IPF. Further work to be taken forward as agreed by the executive team, to further embed the Duty of Quality within the PBM and IPF structure. - Work continues on the Power BI supporting solution however is behind timescale. The supporting IT solution has not prevented the rollout of the IPF.					4	1491	Apr-24
232408	Clinical Audit	Reasonable	Medical Director	Medical Director	R2	The Health Board should ensure that sufficient resources are available for clinical audits so that the annual Clinical Audit Programme is fully delivered.	The agreed management plan will be shared with colleagues from the operational services to ensure that prioritisation of audits is understood.	Dec-23		Not yet due		Partially complete		Cascaded to clinical and opertaional execs. Evidencing may be difficult but would be evidenced by delivery of the clinical audit plan. Teams asked to reflect back if they do not think they have capacity for clinical audit. Marked as partially complete. Will mark as compleete at next review If teams have not fed back concerns re capacity. 20/03/2024 Email was casaded to teams ascertain whether services felt they had sufficient resources within their own service to complete clinical audits. Of the responsed recieved the answer was, Dental Dept. We have capacity to do mandatory or important safety audits but lack the internal capacity to do all the audits we would like to Medicines Mgmt We struggle to complete even those audits that we feel should be a priority. CSG Nursing We have capacity to do mandatory or important safety audits but lack the internal capacity to do all the audits we would like to,Its more complicated – we feel our					4	1491	Apr-24
232415	Incident Management	Reasonable	Director of Nursing & Midwifery	Director of Nursing & Midwifery	R4	Management is advised to have a system where lessons learnt (and mitigating actions) are collated, especially those that have been seen as a recurring theme across the Health Board and monitored to help mitigate/avoid/minimise further occurrence.	Services to review systems in place to monitor lessons learned to support appropriate triangulation and improvement	May-24		Not yet due		Partially complete		reported locally through the service group led quality and safety forums. This is then reported through the Professional Nursing and Midwifery Oversight Group on a monthly basis. Progress on NR/EWN/DoC					#NUM!	1491	Apr-24
232416	Information Governance	Limited	Director of Finance, Information and IT	Head of Information Governance, Records and DPO	R4	The Health Board should ensure that appropriate IG Leads / Champions are identified within the Health Board to support the IG team by promoting good information governance practice.	Accept: Work is underway to engage with Service Leads to identify key staff within their services to take on this role. Once identified work will take place led by the IG Team to utilise these roles to support the IG/Records Workplans to promote good information governance practices in both health and corporate areas. A PTHB Information Governance Advisory Group will be set up to meet bi annually, to discuss progress the Information Asset Register agenda and promotion of good Information Governance practices across the organisation.	Mar-24		Not yet due		Partially complete		5/2/24 - engagement has commence with Heads of Service and responses are being received back in. once received, meetings will be set up					1	1491	Apr-24
232416	Information Governance	Limited	Director of Finance, Information and IT	Head of Information Governance, Records and DPO	R5	The Health Board should ensure that the IAR is progressed by the Information Asset Owners and Information Asset Administrators identified under recommendation 232416_R3	Accept: The existing Information Asset Register is due to move to a new platform in Power BI which will enhance monitoring for completeness and data quality providing better tools for the IG Team, IAO and IAA to ensure all assets are entered in a timely manner and are correct.	Mar-24		Not yet due		Partially complete		see entry above					1	1491	Apr-24
232417	Primary Care Dental Services - Management and Monitoring of General Dental Services Contract	Substantial	Director of Finance, Information and IT	Assistant Director of Primary Care Services	R1	In the event of the GDS Monitoring Group meeting quoracy levels not being met, future meetings should proceed, and arrangements should be implemented to allow for any decisions undertaken to be approved/ratified outside of the meeting e.g. via Chairs action	Arrangements are in place to allow for decisions to be undertaken and approved outside of the meeting at Assistant Director, Interim Director of Finance, Chief Executive and Chair level, however this is not reflected in the GDS Monitoring Group Terms of Reference. The GDS Monitoring Group Terms of Reference will be updated to reflect this process.	Mar-24		Not yet due		No progress							1	1491	Apr-24
232419	Follow Up: IT Infrastructure and Asset Management	Reasonable	Director of Finance, Information and IT	Chief Technology Officer	R1	A realistic time and cost constrained replacement programme for infrastructure equipment should be developed. Work to complete the upgrade of the servers should continue	There will be a realistic replacement programme developed, and this will be included in the overall Digital Portfolio of Projects underpinning the delivery of the Digital Strategic Framework. We have funding aligned and procurements are in flight for all services hosted on legacy operating systems ie Phone System, Finance systems & RDS Farm. The current forecast is that these will be removed in Q1/2 24/25	Jun-24		Not yet due		No progress							#NUM!	1491	Apr-24
232419	Follow Up: IT Infrastructure and Asset Management	Reasonable	Director of Finance, Information and IT	Chief Technology Officer	R2	Following the transfer of responsibility for patching, a patch schedule which keeps track of the current state of the patches deployed and enables patching of switches should be developed.	A maintenance schedule is partially developed to support a much improved patch schedule this will be further strengthened to track and evidence a rolling cycle of firmware updates for PTHB's Network	Dec-24		Not yet due		No progress							#NUM!	1491	Apr-24
232419	Follow Up: IT Infrastructure and Asset Management	Reasonable	Director of Finance, Information and IT	Chief Technology Officer	R3	Fire and water detection should be included at both sites. Consideration should be given to providing a dedicated power supply to the Bronllys room. Fire suppression should be installed at Brecon.	Further investigations and risk analysis will be facilitated to understand the practical implications, cost and feasibility of installing fire and water detection in digital computer rooms. Please note considerable work has been undertaken to tidy up the Digital Computer rooms to improve access and to mitigate BC and H&S risk. Work to assess the feasibility of providing dedicated power supply into Bronllys Hafren Server Room has concluded that it is currently not feasible. Uninterruptable power supplies and local generator mitigate any cyber security risks. The operational risks associated with a non-optimal power feed shall be accepted.	Sep-24		Not yet due		No progress							#NUM!	1491	Apr-24
232419	Follow Up: IT Infrastructure and Asset Management	Reasonable	Director of Finance, Information and IT	CDO & Assistant Director Digital Transofrmation/ Chief Technology Officer	R5	Develop a realistic, costed plan with achievable time scales to undertake the redesign of the network. Provide clear reports on what the challenges are, along with potential solutions and time lines.	Network segmentation has been implemented and as of late December we have a migration project to align our infrastructure to our new network topology. Project Management & technical resource is aligned, and I expect this work to complete late q3 or early q4 in FY24/25. I migrated our first workload between Christmas and new year. Reporting will be via progress updates aligned to the Digital Strategic Framework presented to the Delivery and Performance Committee	Jan-25		Not yet due		No progress							#NUM!	1491	Apr-24
232421	Follow Up: Cyber Security	Reasonable	Director of Finance, Information and IT	CDO & Assistant Director Digital Transofrmation/ Chief Technology Officer	R2	There has been improvement in the recording of assets. The work should continue to record all the assets across the estate especially in Brecon and Bronllys	Agreed and Actioned. The Refresh 2024/25 programme is scheduled and will continue to support an up to date record of assets and means legacy equipment will be refreshed and accurately recorded as part of the full Asset Management lifecycle and associated process. Full physical site audits will continue with a priority given to Brecon and Bronllys.	Oct-24		Not yet due		No progress							#NUM!	1491	Apr-24
232420	Estates Condition	Limited	Chief Executive Officer	Associate Director of Estates and Property/Director of Corporate Governance/Head of Estates/Head of Technical Services/Capital Programme Manager	R1	Procedural guidance should be established that details the backlog review process.	A procedure will be produced to define the requirements of the backlog maintenance annual review.	Jun-24		Not yet due		No progress							#NUM!	1491	Apr-24

232420	Estates Condition	Limited	Chief Executive Officer	Associate Director of Estates and Property/Director of Corporate Governance/Head of Estates/Head of Technical Services/Capital Programme Manager	R3	The THB should develop an Estates Strategy for the medium and long term, to be informed by the up to date Six Facet Estate Condition Survey.	PTHB Estates Strategy is being developed and is informed by the recent 6 Facet Survey with first draft to be produced in quarter one 2024/25	Jun-24		Not yet due		No progress							#NUM!	1461	Apr-24

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														Progress of work underway	Barriers to implementation including any interdependencies	How is the risk identified being mitigated pending	When will implementation be achieved?					
192014	Care Homes Governance	Limited	Director of Nursing & Midwifery	Director of Planning & Performance Director of Finance and IT & Director of Primary, Community and Mental Health Services Director of Nursing	R2	2.1 The health board should agree a common contract and specification for CHC care home contracts not covered by the All Wales Framework Agreement. This is an action set out within the S33 agreement for delivery by PTHB & PCC. 2.2 The health board should review its Scheme of Delegation for CHC packages (Section 12) to ensure that CHC expenditure is subject to an appropriate level of scrutiny by appropriate individuals within the organisation for both Adult and MH&LD CHC. 2.3 The CHC Standard Operating Procedures should be aligned with the Scheme of Delegation (Section 12) and practices in Adult and MH&LD CHC should be aligned. The CHC SOP should also be updated to clarify when contract renewals valued over £50,000 p.a. should go through a High Cost Resource Panel. 2.4 The health board should ensure the Scheme of Delegation (Section 12) and CHC Standard Operating Procedures are adhered to for CHC packages across Adult and Mental Health Nursing.	2.1 A common contract and specification for CHC care home contracts not covered by the All Wales Framework Agreement to be developed, as set out within the S33 agreement for delivery by PTHB & PCC. 2.2 There is currently a national review being undertaken for Wales of Health Board Scheme of Delegation and Reservation of Powers lead by a Small Task & Finish Group chaired by Welsh Government. The outcome of this Task & Finish Group may require a larger review for the health board. The work is planned to be 3-6 months long and commenced in early November 2019. Once the recommendations and/or revised Scheme of Delegation is issued the health board will undertake a review focusing on the recommendations of this report 2.3 CHC Standard Operating Procedure to be updated to ensure the all cases over £50,000 are referred to High Cost Panel 2.4 Formal communication to be issued from the Director of Finance to services leads for CHC (Adult and Mental Health) on the need to ensure the Scheme of Delegation (Section 12) and CHC Standard Operating Procedures are adhered to for all CHC packages. Additionally, to offer support if clarity is required on the Scheme of Delegation or SOP.	Dec-20	Sep-21	Overdue	2	Partially complete		2.2 We have reviewed the scheme of delegation within PTHB Schemes of Delegation work and the revised SFIs have been issued to Health Board in draft. These will then need to be finalised and taken through the Board for ratification and once agreed a check will need to be undertaken to ensure all areas of the HB are in line with these updated overarching procedures. With regard to the process for approving CHC packages revised documentation has been drafted which clarifies the approval levels and processes required. Complex Care Value Based Healthcare Transformation Programme of work commencing October 2021. This will include review of contracts, Standard Operating Procedures and Scheme of Delegation. This action will be transferred to the Programme's risk register to track to completion. 28/2/2022 Complex Care Project has commenced with Secondment to lead the work and review the requirements in line with the New Framework which is being implemented. Scheme of delegation and sign off procedures are in place and effective. 23.08.2022 - Scoping part of the work programme has been completed and the Complex Care Project Group is moving into a delivery programme. To support this the operational lead had been identified as the Assistant Director of Community Services and he will be supported professionally by the Lead Nurse for Transformation and Value in Complex Care. A governance structure is developing to support this work, including an Executive Director Group for Continuing Healthcare. The Complex Care Project Group and Continuing Health Care / Complex Care task and finish group meet fortnightly. 02.02.2023 - Workshop held on the 18th November and work through the Complex Care Delivery Group continues. The Transformation Lead for Complx Care contract finishes February 2023 and a final report being drafted. Once receviad a summary of the work undertaken including the Transformation Lead report will be presented to Executive Directors with recommendations for future working. 06/04/23 - DDoN and AD Community Services developing a report to include recommendations for the future. Ongoing improvements being made to processes through the CHC Delivery Group 07.02.2024 - S33 group has not been functioning Manager finishing in March. Scheme of delegation has been completed and agreed, however, will now be reviewed under new strategic structure SOP has been updated and agreed in July 2022, scheme of delegation will be added as an amendment. New internal audit underway for CHC working with new Assistant Director in Complex Care	Delay in Lead Clinician for the complex care project to commence. Delay in CHC Framework starting	Completed local review of scheme of delegation and sign off procedures in December 20221 as apart of the D2RA pathway implementation	Sep-21		39	30	Apr-24	
192014	Care Homes Governance	Limited	Director of Nursing & Midwifery	Director of Nursing & Director of Planning & Performance	R3	Out-of-county care homes monitoring 3.1 The health board should consider strengthening its out-of-county care home governance/monitoring arrangements. For example, guidance could be provided to CCSNs on the wider governance considerations required in the form of a checklist and incorporated into the current individual review forms. The arrangements should mirror the joint monitoring process and include proactive consideration of recent inspectorate visits and feedback from the relevant local authority. 3.2 This process should be documented in the CHC SOP (see finding 4 also). In-county care homes monitoring 3.3 The health board should clarify how it receives assurance that the LA has escalated issues identified through the joint monitoring process to the JQAP as appropriate, for example through its representation at the JMP and JQAP meetings and through feedback to the CCSG. 3.4 The health board's CHC SOP should be updated to make reference to the joint monitoring process under the S33 agreement, including the assurance it receives as per 3.3 (see finding 4 also). 3.5 The above recommendations on in- and out-of-county care homes monitoring should take into consideration the NHS Wales National Collaborative Commissioning Unit project on provider care map dashboards. 3.6 The assurance mechanisms over CHC and FNC packages, including for monitoring both in- and out-of-county care homes, should be incorporated into the Board Assurance Framework. Funded Nursing Care 3.7 The health board should be clear on how it receives assurance over the timeliness and accuracy of the FNC payments to the care homes. This should be documented in the SOP. 3.8 Management should ensure that issues relating to the care homes S33 agreement, including FNC, are escalated to an appropriate level, both with the Local Authority and within the health board. The LA should be reminded that health board approval is obtained on care requirements prior to funding being committed.	3.1 Update the current checklist used for Joint Monitoring Visits for use when reviewing 'Out of County' patients to capture wider governance arrangements and patient experience. 3.2 Update SOP to incorporate the process. 3.3 Minutes following JIMP to be shared at the CCSG. 3.4 CHC SOP to be updated to make reference to the joint monitoring process under the S33 agreement. 3.5 As above	Apr-20	Jul-21	Overdue	2	Partially complete		3.1 Yes this will form part of out of county reviews. A form has been developed but it has not been used as of yet. To support this action, it needs agreement from all services (MH LD and adult) as a way forward. 3.2 It has not been updated in the CHC SOP but it needs it's own SOP to support our governance arrangements. AI, I have looked at this, this week and I'm trying to put time aside to complete. 3.3 This action can be closed 3.4 This is not completed 3.5 Yes we have the BI dashboard, however, there is ongoing work to develop the dashboard further dashboard further. 3.7 & 3.8 There is now a section 33 manager that oversees this function. The CCSN team have also developed a flow chart for ensuring payment is made. Complex Care Value Based Healthcare Transformation Programme of work commencing October 2021. This will include review of checklists, quality dashboard and SOPs. This action will be transferred to the Programme's risk register to track to completion. 28/2/2022 Escalation of care homes is supported via the local Care Home MDT. Assurance checkes part of the QA assessment for out of county placements in place. 23.08.2022 - Scoping part of the work programme has been completed and the Complex Care Project Group is moving into a delivery programme. To support this the operational lead had been identified as the Assistant Director of Community Services and he will be supported professionally by the Lead Nurse for Transformation and Value in Complex Care. A governance structure is developing to support this work, including an Executive Director Group for Continuing Healthcare. The Complex Care Project Group and Continuing Health Care / Complex Care task and finish group meet fortnightly. 02.02.2023 - Workshop held on the 18th November and work through the Complex Care Delivery Group continues. The Transformation Lead for Complx Care contract finishes February 2023 and a final report being drafted. Once receviad a summary of the work undertaken including the Transformation Lead report will be presented to Executive Directors with recommendations for future working. 07.02.2024 - Monitoring for out of counties is completedby the main commissioning body for that area. PTHB adhere to governance by reviewing with the area LA and HB or CCG prior to placment. This is also added in to each patients QA documentation. JIMP is a collaborative meeting. Any issues raised are reported via QSEG, CSG by reports completed. Out of county reviews are completed as per National CHC Framework 3/12 and annually. These are then brought back to panel for scrutiny. FNC Payments are completed by finance. Reconciliation is completed by the Complex Care adult general admin under Section 33.	COVID19 has restricted Monitoring visits	Monitoring is not completed jointly with PCC but will be undertaken when there is a review within that care home. Revised oversight process established during COVID-19, lessons learned will be used to reshape structure feeding into Section 33 arrangements.	Jul-21		47	32	Apr-24	
192014	Care Homes Governance	Limited	Director of Nursing & Midwifery	Director of Nursing,/ Director of Primary, Community and Mental Health Services	R4	4.1 The CHC SOP should be updated to reflect: • the care homes S33 agreement, pooled fund and joint care homes monitoring process; • the national reviews (UK and Welsh Government) of the National Framework and CHC/FNC working practices; • the process within both Adult and MH&LD CHC, aligning the process where appropriate; and • the recommendations of this audit. 4.2 The health board should undertake a demand and capacity review in light of the updated processes, in order to ensure compliance with legislation and maintain patient safety.	4.1 CHC SOP to be updated to reflect recommendations. 4.2 Demand and Capacity review to be undertaken to ensure reviews are undertaken within required timeframes. 07.02.2024 Current SOP evidences scheme of delegation, will now be updated to reflect new structure. Processes within adault general and MH/LD are aligned with the development of the same QA document, governance processes. Demand and capacity review has been undertaken and reported to in August 2022	Mar-20	Apr-21	Overdue	2	Partially complete		Awaiting All Wales refresh and continuing to work with LA colleagues to reach a position of an agreed policy and SOP . Policy and SOP for endorsement as interim in May 2021, with early review date. Complex Care Value Based Healthcare Transformation Programme of work commencing October 2021. This will include review of the SOP, new national framework for CHC, Joint working across adults, mental health and learning disability and a capacity review. This action will be transferred to the Programme's risk register to track to completion. 28/2/2022 As part of the restructure of the team in CSG betweeen November 2021and January 2022 the service was re mapped against activity and new pathways and a revised service model was implemented. 23.08.2022 - Scoping part of the work programme has been completed and the Complex Care Project Group is moving into a delivery programme. To support this the operational lead had been identified as the Assistant Director of Community Services and he will be supported professionally by the Lead Nurse for Transformation and Value in Complex Care. A governance structure is developing to support this work, including an Executive Director Group for Continuing Healthcare. The Complex Care Project Group and Continuing Health Care / Complex Care task and finish group meet fortnightly. 02.02.2023 - Workshop held on the 18th November and work through the Complex Care Delivery Group continues. The Transformation Lead for Complx Care contract finishes February 2023 and a final report being drafted. Once receviad a summary of the work undertaken including the Transformation Lead report will be presented to Executive Directors with recommendations for future working. 06/04/23 - DDoN and AD Community Services developing a report to include recommendations for the future. Ongoing improvements being made to processes through the CHC Delivery Group 07.02.2024- AD for Complex Care appointed and undertaking a gap analysis. DDoN undertaking a review of governance arrangements for Complex Care withe new AD.	LA have requested to review the SOP and have contested some areas of the SOP 4.2 COVID19 has impacted on the way in which reviews are undertaken. Care home too busy to support completion, reviews completed virtually	We have started to utilise the practice within the new SOP 4.2 Support of bank staff to complete reviews	Apr-21		48	35	Apr-24	
192022	Outpatients Planned Activity	Reasonable	Director of Performance and Commissioning		R1	Create and implement an overarching document that outlines the range of outpatient services and pathways provided by the health board, including the locations where they are delivered. Create and implement a process flow diagram that explains the outpatient referral process, ensuring Patient Services staff are fully aware of the procedures to be followed.	Implementation will inevitably be dependant upon the health board's position in relation to COVID-19. An indicative implementation date of 31 March 2021 has therefore been included. PTHB Elective Care patient pathways are managed in accordance with national waiting times standards and good practice is followed to ensure that patients are treated promptly, efficiently and consistently. A Patient Access Policy within the health board will be developed that details roles and responsibilities and sets out the general principles and rules for managing patients through their elective care pathway. WG are currently reviewing national waiting times standards (RTT) in light of COVID19 19 and the impact of new ways of working e.g. digital appointment solutions like Attend Anywhere. The Patient Access Policy will be updated in line with the revised WG guidance once published.	Mar-21	Mar-22	Overdue	3	Partially complete		This work has been delayed due to covid but also now needs to be considered in line with national guidance on pathways and the Powys renewal priorities. This will take until end of the year.	Waiting for overall WG rollout		Jun-23		24	12	Apr-23	Sep-20
192026	Risk Management and Board Assurance	Limited	Director of Corporate Governance/Board Secretary	Board Secretary / Head of Risk & Assurance	R5	a. The Board should explore ways to strengthen the Board Assurance Framework as a live and robust assurance tool for its corporate objectives by: • relevant Committees and groups regularly review controls and assurances to assess their effectiveness and identify any gaps; and, • the relevant committees have regular oversight of the strategic objectives and risks assigned. b. Consider enhancement of the Board Assurance Framework review process by implementing and presenting a detailed BAF report at Board meetings. c. Establish the concept of Local assurance frameworks into the risk management hierarchy and then introduce them as a process documentation and discussion at directorate level.	Agreed	Mar-21	Mar-23	Overdue	2	Partially complete		High level work has been initiated to outline the framework and principles. Feb 2022 update - some high level work commenced with this action in 2022 but due to a variety of factors the work has not been completed. The new Director of Corporate Governance / Board Secretary took up post in January 2023 and will ensure the development of the BAF is a priority for the 2023/24 year. Revised date requested to 31 January 2024. April 2023 - action is on track for March 2024, reports will be provided as the year progresses. Feb 2024 - action is on track for end March 2024. Update due to Audit Committee March 2024. April 2024 - item scheduled to Board for May 2024, action will be closed at the next update.	Lack of organisational capacity and within the corporate governance team	Agendas for all meetings continue to be scrutinised in order to ensure that the Board is receiving appropriate assurance.	Jan-24		12	10	Feb-24	Sep-20

202108	Partnership Governance – Programmes Interface	Limited	Director of Corporate Governance/Board Secretary		R1	The health board should consider developing a partnership governance guidance document defining the different types of partnership/collaborative working arrangements and the governance arrangements required for each. This would assist in identifying the most appropriate arrangement to meet identified needs when seeking to establish a new partnership. The equivalent arrangements in place for Section 33 agreements could be used as a starting point. Partnerships should be supported by a partnership governance framework clearly setting out the objectives and governance arrangements. This should include roles and responsibilities of each partner, performance monitoring and assurance reporting arrangements and escalation processes. A central record of partnerships should be maintained. This should identify the executive lead(s) and assurance reporting arrangements. The record should be referred to when considering establishing a new partnership, to identify whether requirements could be met by an existing partnership in order to avoid potential duplication of effort.	The Board has previously recognised the need for a Partnership Governance Framework. Development was delayed due to COVID-19. This will be taken forward in 2021/22 as part of the Annual Governance Programme.	Sep-21	Mar-22	Overdue		Partially complete		Overview of partnership governance arrangements presented to board at Strategic Planning Session as an interim position. Feb 2022 update - some high level work commenced with this action in 2022 but due to a variety of factors the work has not been completed. The new Director of Corporate Governance / Board Secretary took up post in January 2023 and will ensure the development of the partnership governance guidance document is included for the 2023/24 year. Revised date requested to 31 March 2024. April 2023 - action is on track for March 2024, reports will be provided as the year progresses. April 2023 - The Live Well: Mental health partnership reports to each Regional Partnership Board meeting. An assurance report will also now be included to the Boards Patient Experience, Quality and safety meeting on an annual basis. The report has been added to the Committee's work plan for 2023-24. Nov 2023 - RPB report introduced at Board level on a bi-annual basis (first report 29 Nov 2023) with enhanced reorting of RPB Board activity at each meeting. The framework is intended to be completed for the target date, there is a risk of not achieving this due to staffing capacity, the Board Assurance Framework wil take priority. Feb 2024 - in Nov 2023, when the Board considered the revised annual delivery plan, the Board agreed that the action be deferred to 2024/25. Recommended date change to Dec 2024. all other mitigations mentioned above continue to be in place. April 2024 - update as per above. Date needs to be changed to Dec 2024.	Lack of organisational capacity and within the corporate governance team	The Board's main partnership arrangements are reported to each Board meeting	Mar-24		24	39	Feb-24	
212203	Medical Equipment and Devices	Reasonable	Director of Therapies and Health Science	Head of Clinical Education / Medical Device & POCT Manager	R5	1. The Local Responsible Officers at each ward / department should ensure that all training received by staff in respect of medical devices and equipment is recorded in ESR. 2. The manufacturer's instructions for all medical devices and equipment should be scanned and stored together electronically in accordance with the requirements of the Policy for the Management of Medical Devices and Equipment. This may be achieved by developing a central repository for manufacturer's instructions that is accessed via the Medical Devices pages of the intranet, rather than being done by individual wards and departments.	1. Management is committed to making improvements in the recording of medical device and POCT training, for both new devices and refresher. A small group has been set up to progress medical devices and POCT training which includes robust record keeping via ESR. An initial meeting of the group is scheduled for 8th November, this was delayed at the request of Clinical Education as waiting for new members of the team to commence into post. The aim of the group will be to pilot a process for a small number of devices. Once this is in the place, the same process will be rolled out for all devices and all staff groups. 2. Management will ensure manufacturer's instructions are stored digitally via the Medical Devices Intranet page where applicable. Capacity to undertake this task is limited. Responsibility for this role and timeframe for completion to be identified.	Mar-22		Overdue		Partially complete		Training matrix has been developed and shared with Governance Leads for review. Shared with MD&POCT Group members in October 2022 and agreed at November MD&POCT Group. Comments received and to be added to matrix. SBAR is being drafted to identify the issues and risks around training. November 2023: T&F Group implemented to progress this work. Additional sub group set up to focus on Syringe Drivers. Positive engagement from key stakeholders. January 2024: Syringe Driver Training held November 2023. T&F group continues to progress towards making recommendations to implement improvements to training provision. March 2024: T&F Group to continue to make recommendations to implement improvements to training provision and recording compliance. Team will scope options for collecting the infomation with a specific audit.	Resource within Medical Devicies Team.	Implementation of new devices on a health board basis incorporate training and recording via ESR.	Assurance on devices already in use will take some time to obtain through ensuring all staff are appropriately trained and competent, recieve updates at agreed intervals and that robust recording processes are in place. Gradual progress being made but unable to define a specific completion date due to capacity constraints Target Date for completion is June 24		24	1491	Apr-24	
212203	Medical Equipment and Devices	Reasonable	Director of Therapies and Health Science	Medical Device & POCT Manager	R6	The Health Board should introduce suitable monitoring arrangements for all contracts associated with the provision and maintenance of medical devices and equipment. This should include the development of key performance indicators (kpi's) and targets for each contract. These could for example include: • Actual expenditure against expected expenditure / annual contract value • The number / percentage of medical devices and equipment serviced each month / quarter (PPM Contracts) • Quality - the number of staff and patient complaints received, number resolved / unresolved, time taken to resolve • Call out response times (for responsive, unplanned maintenance) Performance should preferably be monitored on a regular basis and reported to the Medical Devices Group.	Management will ensure contract meetings are resurrected and KPI's developed and monitored as per contractual arrangements, although capacity does limit this area. The renewal of the main maintenance contract (due 1st April 2022) provides an opportunity to significantly strengthen this area. Standing agenda item will be added to the Medical Devices Group to review contract monitoring and KPI's.	Apr-22		Overdue		Partially complete		Contract monitoring meetings continue with some providers. Temporary additional resource has provided an opportunity to strengthen processes in this area and identify cost savings. Additional resource has also enabled contract monitoring meetings to be reinstated. However, this won't be feasible in the long term without permanent support in this area. November 2023: Significant work has been undertaken in relation to management of key contracts. This was enabled through temporary additional support to the team. It is anticipated this work will continue in order to continue to strengthen the governance around contract monitoring and management. January 2024: Collaborative working with NWSSP Procurement and main contract provider working towards a resolution to elements of contract that are being challenged. Attempts to focus on other contracts but remains a challenge due to capacity.	Resource prevents progress in this area.	Contract monitoring meetings held for some providers.	Without any additional support it is difficult to understand how the health board will be in a position to strengthen contract monitoring processes and therefore obtain assurance on compliance. Tartgt Dare is June 2024		23	1491	Apr-24	
212203	Medical Equipment and Devices	Reasonable	Director of Therapies and Health Science	Governance Leads / Medical Device & POCT Manager	R7	1. Staff and independent contractors across the HB responsible for undertaking POCT should be reminded to ensure that all Internal Quality Control (IQC) checks and External Quality Assessments (EQA's) are recorded in accordance with the requirements of the Management of Point of Care Testing Policy. 2. Staff and independent contractors across the HB responsible for the management of medical devices and equipment and undertaking POCT should be reminded of the requirement to periodically complete the Medical Devices Audit Form, in accordance with the Management of Point of Care Testing Policy and the Management of Medical Devices and Equipment Policy. The Management of POCT policy should be updated to include an indicative timescale for undertaking self-audits and completing the Medical Devices Audit Form. A link to the Medical Devices Audit Form should also be added to the Management of Medical Devices and Equipment Policy. 3. A Standard Operating Procedure (SOP) should be drawn up for all medical devices and equipment used in POCT, in accordance with the Management of Point of Care Testing Policy.	1. Actions and improvements will be made through the POCT Group. Processes will be implemented for monitoring compliance and will be developed through the POCT Group in collaboration with service group Governance Leads. 2. The Management of POCT policy will be updated to include an indicative timescale for undertaking self-audits and completing the Medical Devices Audit Form. A link to the Medical Devices Audit Form is already included in the Management of Medical Devices and Equipment Policy. Will be raised through POCT Group in relation compliance with policy. 3. All new POCT devices will have SOP's in place prior to implementation. The management, in conjunction with Governance Leads, will ensure all current Point of Care Testing Devices have SOP's in place and that they are regularly reviewed and updated accordingly. This work will be implemented through the POCT group.	Dec-22		Overdue		Partially complete		WPOCT implementation will strengthen governance in terms of quality control checks. WPOCT project has commenced but not completed. Project Manager role has progressed but delay in IG approval has impacted on being able to deliver within a specified timescale. November 2023 Update: Success bid for 6 goals funding has progressed to appointing a POCT Co-ordinator on a temporary basis. Anticipated start date of mid-January 2024. This post will enable key elements within these recommendations to be progressed. An SLA arrangement with ABuHB will support this post in terms of governance and technical support. January 2024: The POCT Coordinator is now in post and has begun work on reviewing existing policies and SOPs. A plan of works has been put in place for all existing devices. The priority for the first quarter 2024/25 is to implement the all-Wales POCT specific Data Management system (WPOCT). This will allow for extensive monitoring of all IQC & EQA and give the department control of user access to devices based on user training & competency on all connected devices. POCT Coordinator will ensure that all SOPs and governance documents will be updated and/or drawn up prior to devices going live on WPOCT. User training will emphasise personal responsibility for staff to carry out IQC/EQA and reminders sent out via clincal refresher training and via PTHB Intranet adverts. March 2024: POCT Co-ordinator now in post for 2 months and continues to work through priorities as listed in January 2024 update.	Resource prevents progress in this area.	Awareness raised through Governance Leads of the importance of quality control checks and robust recording, albeit currently in manual format.	Funding has ceased for the Project Manager role, and following IG delays this has significantly impacted implementation. Gradual progress is being made in WPOCT implementation for INR devices across all sites; revision of timescales in light of project manager funding ceasing is underway. This role will need to be absorbed within the MD&POCT Team. This is proving a challenge from a capacity, skills and knowledge aspect. Further discussions held with neighbouring health board and agreement from Executive Director to explore options to strengthen POCT governance within the health board. Briefing paper under development. Success bid for 6 goals funding has progressed to appointing a POCT Co-ordinator on a temporary basis. Anticipated start date of mid-January'2024. This post will enable key elements within these		15	1491	Apr-24	
212207	Dementia Services Home Treatment Teams	Reasonable	Director of Operations	Assistant Director of Mental Health Services	R1	The operating environment within both teams needs further evaluation, to ensure clients have consistent access to services throughout the Health Board and good practice can be shared and embedded.	The configuration of the North Powys team to match the clinical specialism of the South will require additional funding, as well as any move to the South Team matching the North's 7- Day working practices. Elements of this funding will be considered as part of the Mental Health Service Improvement funding and any additional funding released by Welsh Government.	Sep-22		Overdue	Low	No progress		There is still no funding to enable the expansion of the team to accommodate 7 day working. This will be considered within the overall MH model of care through the MH Transformation work now known as 'Better Together'. Some delays in progress have occurred as a result of the need to reprioritise the implementation of 111 press 2 in line with Welsh Government timescales. This service went live in 2023 but the ASM programme requires appointment of a Transformation Programme Manager, recruitment of which is underway. The eventual model will be incorporated into our OBC	Additional financial resources and reconfiguration of older adult services are required in order to operate the service on 7 day basis.	Should patients deteriorate over weekend, inpatient and MHA processes are available.		Jun-23	19	1491	Apr-24	Jan-22
212207	Dementia Services Home Treatment Teams	Reasonable	Director of Operations	Operations Manager, Mental Health Services	R2	The draft policy should be updated to ensure it captures the operating environment of both teams and is approved by an appropriate forum/committee.Consideration should be given to producing standard operating procedures within both teams that should clarify the process for the operational updating of the WCCIS System.	The draft policy will be finalised by April 2022, and until additional funds are available to operate the South Team on a 7 – day basis we will require two flow charts demonstration patient flow and the method of referral.The SOP requires finalisation and until full expansion of the service will require two sections, relating to North and South Powys. This will include an update on WCCIS forms to be utilised, however, it should be noted that this work is conducted on an all-Wales basis and all agencies using WCCIS are required to agree to the same forms and processes.	Apr-22		Overdue		Partially complete		Strong progress has been made on the SOP, and updating WCCIS forms is underway. However, these need to be agreed at a national level before they are implemented. Authorisation still awaited. Update: the SOP is complete but the Policy in place will need to be updated again in line with the outcomes of work through the Better Together ASM programme to reflect consistency for a Pan Powys model		Need for Policy to reflect a Pan Powys approach rather than having sub SOPs for the two pathways of North and South. This action should therefore remain in the audit recs tracker until complete.		Jun-23	24	1491	Apr-24	Jan-22
222307	Looked After Children Health Assessments	Substantial	Director of Nursing & Midwifery	Director of Nursing & Midwifery	R1	Management should ensure that Data entry checks are undertaken to ensure that information held within the LAC Spreadsheet is correct and up to date.	Weekly spot checks by Business support manager of the LAC spread sheet in place. Immediate action in progress and already commenced. The LAC Team had identified the LAC Spreadsheet needed to be updated due to the amount of information it was holding and the time involved in updating the data. The process of redesigning a new system that will improve data collection, imit human error and enable a more efficient use of time has already commenced and will be ready for testing January 2023.	Jan-23		Overdue		Partially complete		spot check of current data speadsheet being undertaken weekly. New data collection/storing system built and ready for testing.		weekly spot checks	new data system will be in place March 2023		14	1491	Apr-24	Jan-23
222310	Machynlleth Hospital Reconfiguration Project	Reasonable	Associate Director of Capital, Estates and Property	Project Director	R2	a) All project variations should be approved in line with the Standing Orders. b)We here the THB wishes to vary the delegated financial limits contained within the Standing Orders, a project-specific scheme of delegation should be defined and formally approved at an appropriate level for application at future projects. c) Noting timeliness of contract execution is a recurring audit recommendation at the THB, management should develop an acceptable procedure to facilitate the signing of agreements / contract documentation in a complete and timely manner. 2.2) Project Board minutes should clearly record when a decision is made/approval	a) Agreed. b) Project-specific scheme of delegation will be considered / implemented, dependent on value of project, to administer variations whilst still maintaining the governance criteria for overall cost control for future major projects. c) Strengthening of process to ensure timeliness of signing of agreements / contract documentation will include investigation of electronic signatures and possible delegation of authority for signing of construction related contracts. 2.2) Project Board minutes will clearly record decisions made and approvals granted.	Jan-23		Overdue		Partially complete		a) Complete b) This will be implimented on future major schemes discussions are taking place regarding governance arrangements c) To be implimented on future schemes electronic signatures being implimented - to be discussed with Board Secretary d) Complete					15	1491	Apr-24	Jan-23
222311	North Powys Wellbeing Programme	Reasonable	Associate Director of Capital, Estates and Property	Senior Responsible Officer	R5	An updated benefit framework should be developed to ensure clarity and relevance to the phase of the Programme but most importantly to meet with the overall desired outcome of the North Powys Wellbeing Programme	A review of the Benefit and outcomes framework to be undertaken, included on the OBC Programme Plan and due to sign off Q3 2023.	Dec-23		Overdue		No progress							4	1491	Apr-24	Jan-23
222311	North Powys Wellbeing Programme	Reasonable	Associate Director of Capital, Estates and Property	Senior Responsible Officer	R6	The service mapping should be updated to ensure the programme has continuous relevance in providing a clearer picture to services to users, encouraging solidarity of stakeholders especially locals of North Powys accepting change and importantly supporting the required service transformation plan.	A full review of the service mapping has been carried out and updated and aligned to the 5 transformation areas of work.	Jan-23		Overdue		Partially complete		2 workshops have been undertaken in order to review service mapping. The remaining workshops were stood down due to winter pressures, industrial actions preparation and wider assimilation with the Accelerated Sustainability Model work. Further service mapping has occurred to update from 2014 following recommendations as part of the Internal Audit				Jun-23	15	1491	Apr-24	Jan-23
222311	North Powys Wellbeing Programme	Reasonable	Associate Director of Capital, Estates and Property	Senior Responsible Officer	R7	Management should ensure the membership agreement is sorted promptly for the smooth running of the governance framework and the programme as a whole. Management should also encourage key staff to attend their respective programme meetings drawing their attention to the quorate requirement stated in the ToR in the Governance framework.	Majority of work areas have now identified leads from respective organisations who attend Programme Delivery Team on a monthly basis with the exception of the social model for health transformation area.	Jan-23		Overdue		Partially complete		Workstream leads have been identified however some delay in progressing all workstreams for the reasons outlined above				Jun-23	15	1491	Apr-24	Jan-23

222315	Therapies and Health Sciences Professional Governance Structure	Reasonable	Director of Therapies and Health Science	Assistant Director of Therapies and Health Science	R3	Liaison should be undertaken with the Workforce and OD Directorate to explore the possibility of developing a process for recording the HCPC registration number at the point of enrolment on ESR and communicating this to the Professional Heads of Service. This would be the most efficient and effective way of ensuring all relevant staff are identified at the point of commencing with the Health Board.	Strengthening of the Workforce and OD Directorate process for recording the professional registration number at the point of enrolment on ESR and communicating this to the Professional Heads of Service.	Oct-23		Deadline Revised		Partially complete		Meeting held with WOD 28.03.2023 - recruitment process and ESR capability to be looked into further to support achievement of this recommendation. November 2023: WOD engagement with ESR team and NWSSP regarding potential to strengthen process through existing TRAC/ESR systems. Delayed meeting due to WOD/NWSSP capacity but re-engaged Nov 2023 and meeting planned. Deadline revised to reflect this. January 2024: ongoing. National discussion regarding ESR data consistency for T&HS professions which will support this. Outside of local control so will require further deadline revision.					5	1491	Apr-24	Mar-23
222317	Cyber Security	Limited	Director of Finance, Information and IT	Head of Infrastructure & Cyber Security and ICT Service Delivery Manager	R2	The asset management software should be brought 100% up to date by reconciling it with a physical stock check of all digital equipment as necessary. All 'spare' equipment should be returned to a central location where it can be securely stored and maintained.	At the time of the Audit a plan was already in place to address asset information. As mentioned above, increasing awareness of asset information will allow us to demonstrate the coverage of our technical solutions, highlighting gaps and improving compliance, particularly so with physical storage of assets held within Service areas. There is a plan to perform a physical audit in addition to the electronic inventory.	Apr-23		Deadline Revised		Partially complete		Significant work as been completed to cleanse data withing active directory to provide a clearer picture of assets currently in use in the health board, this will be continually reviewed and updated until the data accuracy provides little or no room for error. SysAid will become the authoritative asset managment solution based on existing records and information of live assets from active directory. 02/04/24 The Asset Refresh 2024/25 programme is scheduled and will continue to support an up to date record of assets and means legacy equipment will be refreshed and accurately recorded as part of the full Asset Management lifecycle and associated process. Full physical site audits will continue with a priority given to Brecon and Bronllys. Sysaid has been replaced by a new ITSM solution called HALO. IA have reviewed and agreed a new target date of Oct 2024 recognising this is ongoing work					11	1491	Apr-24	Mar-23
222318	Therapies and Health Sciences Professional Governance Structure	Reasonable	Director of Therapies and Health Science	Assistant Director of Therapies and Health Science	R2	The Health Board should implement a formal, overarching, and clearly defined professional and clinical governance framework covering all Therapy and Health Science professions regulated by the HCPC and other professional bodies.The structure should also include a forum that oversees, advises and coordinates appropriate application of professional accountability and use of professional title for Health Board Therapy and Health Science professionals which are currently in place within the four departments sampled.	Implementation of a formal, overarching, and clearly defined professional and clinical governance framework covering all Therapy and Health Science professions.	Oct-23		Deadline Revised		Partially complete		Draft framework document complete, circulated for comments to Professional Leads October 2023. To be finalised and approved at next Professional Leads meeting December 2023. Professional Leads forum established and meets bimonthly.					5	1491	Apr-24	Mar-23
222318	Therapies and Health Sciences Professional Governance Structure	Reasonable	Director of Therapies and Health Science	Assistant Director of Therapies and Health Science	R3	Liaison should be undertaken with the Workforce and OD Directorate to explore the possibility of developing a process for recording the HCPC registration number at the point of enrolment on ESR and communicating this to the Professional Heads of Service. This would be the most efficient and effective way of ensuring all relevant staff are identified at the point of commencing with the Health Board.	Strengthening of the Workforce and OD Directorate process for recording the professional registration number at the point of enrolment on ESR and communicating this to the Professional Heads of Service.	Oct-23		Deadline Revised		Partially complete		Meeting held with WOD 28.03.2023 - recruitment process and ESR capability to be looked into further to support achievement of this recommendation. November 2023: WOD engagement with ESR team and NWSSP regarding potential to strengthen process through existing TRAC/ESR systems. Delayed meeting due to WOD/NWSSP capacity but re-engaged Nov 2023 and meeting planned. Deadline revised to reflect this.					5	1491	Apr-24	Mar-23
222337	Follow Up: Occupational Health Service	Reasonable	Director of Workforce and OD	Sarah Powell	R2	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.	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.	Jul-23		Overdue		Partially complete		Data relating to referral and appointments are now presented in ' dashboard' format performance reports into the Health and Safety Group. Data also used in WOD workforce performance reports . Awaiting the implementaion (end Nov) of the new OPASG" OH system to be able to produce detailed KPI reports. UPDATE FEB 24 - OPASG2 now live, awaiting transfer of all files, and new templates to be configured. Estimated ability to report out on KPI data by 1st April					9	0	Apr-24	
222338	Follow Up: Occupational Health Service	Reasonable	Director of Workforce and OD	Helen Hine/ Jo Samuel	R3	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.	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.	Jul-23		Overdue		Partially complete		Data relating to PECS are now presented in ' dashboard' format performance reports into the Health and Safety Group. Data also used in WOD workforce performance reports . Awaiting the implementaion (end Nov) of the new OPASG" OH system to be able to produce detailed KPI reports. UPDATE FEB 24 - OPASG2 now live, awaiting transfer of all files, and new templates to be configured. Estimated ability to report out on KPI data by 1st April					9	#REF!	Apr-24	
222339	Follow Up: Occupational Health Service	Reasonable	Director of Workforce and OD	Helen Hine/ Jo Samuel	R4	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.	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.	Jul-23		Overdue		Partially complete		Data relating to OH are now presented in ' dashboard' format performance reports into the Health and Safety Group. Data also used in WOD workforce performance reports . Awaiting the implementaion (end Nov) of the new OPASG" OH system to be able to produce detailed KPI reports. UPDATE FEB 24 - OPASG2 now live, awaiting transfer of all files, and new templates to be configured. Estimated ability to report out on KPI data by 1st April					9	#REF!	Apr-24	
232401	SLAs for In-reach Medical Staff	Reasonable	Medical Director/Director of Performance and Commissioning	David Farnsworth/Chris Moss	R1	Procedural documentation should be developed which sets out in detail how actions regarding In-reach Medical Staff should be undertaken by the Health Board's staff.	Develop Standard Operating Procedure setting out in detail how actions regarding in-reach medical staff should be undertaken. This will include an information pack of PTHB policies and procedures for visiting consultants. Develop process/procedure for development of a Service Level Agreement.	Nov-23		Overdue		Partially complete		SOPs in process of being revised, but behind original deadline. SLAs in process of being revised and updated by the Head of Commissioning and to be presented to the Executive Team for approval. 20/3/2024 - SLA template updated for 2024/25 and to be presented along with updated LTA template to Executive Team.					5	1491	Apr-24	
232403	SLAs for In-reach Medical Staff	Reasonable	Medical Director/Director of Performance and Commissioning	Katie Games	R3	SLAs should be signed off with all providers of In-reach Medical Staff on a timely basis.	To ensure that all agreements signed within financial year. Aim to have timelier sign off of agreements with NHSE providers.	Sep-23		Overdue		Partially complete		All SLAs with Welsh providers have been signed for 23/24. The 23/24 SLAs with English providers have been agreed in principle and we are waiting for the organisations to send us the signed versions. 20/3/2024 - work underway to ensure more timely sign off of SLAs in 2024/25.					7	1491	Apr-24	
232404	SLAs for In-reach Medical Staff	Reasonable	Medical Director/Director of Performance and Commissioning	Katie Games	R4	The frequency of meetings should be reviewed to determine what is appropriate to reflect the level of risk for each provider of In-reach Medical Staff and this should then be reflected in the SLAs. Following this, Contract Quality Performance and Review Meetings should be held in line with the frequency specified in the SLAs.	Regular SLA review meetings to be held independently to the CQPRM's. In 2024/25 further alignment of the SLAs to the Integrated Performance Framework.	Sep-23		Overdue		Partially complete		We continue to include as an agenda item in the CQPRMs, once action 232402 has been completed we will look at holding separate meetings. Please note, the only exception is Wye Valley, we have service to service meetings set up from Nov to discuss performance etc. 20/3/2024 - SLA meetings to be further refined to reflect updated Integrated Quality and Performance Framework.					7	1491	Apr-24	

PTHB Ref. No.	Report Title	Assurance Rating	Director	Responsible Officer	Ref / Priority	Recommendation	Management Response	Agreed Deadline	Revised Deadline	Due	COVID-19 Priority Level	Status	If closed and not complete, please provide	Progress being made to implement recommendation				If action is complete, can evidence be	No. of months past agreed deadline	No. of months past revised deadline	Reporting Date	Date Added to Tracker
														Progress of work underway	Barriers to implementation including any interdeoendencies	How is the risk identified being mitigated pending implementation?	When will implementation be achieved?					
222302	The National Fraud Initiative in Wales 2020-21		Director of Finance, Information and IT		R1	All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.				Complete		Closed		A review has been undertaken around approach to NFI by completion of the NFI self appriasal checklist. NFI guidance is reviewed to inform approach to undertaking match reviews for each NFI report.					1489	1489	feb-24	nov-22
222302	The National Fraud Initiative in Wales 2020-21		Director of Finance, Information and IT		R2	Audit committees, or equivalent, and officers leading the NFI should review the NFI self-appraisal checklist. This will ensure they are fully informed of their organisation's planning and progress in the 2022-23 NFI exercise.		mar-23		Complete		Closed		The Audit Committee received NFI self-appriasal checklist report in May 2023 and NFI progress reports will be part of regular Counter Fraud reporting into this Committee going forward.					10	1489	feb-24	nov-22
222302	The National Fraud Initiative in Wales 2020-21		Director of Finance, Information and IT		R3	Where local auditors recommend improving the timeliness and rigour with which NFI matches are reviewed, NFI participants should take appropriate action.				Complete		Closed		Any recommendations recevied from local auditors will be implemented to inform NFI approach.					1489	1489	feb-24	nov-22
232401	Structure Assessment 2023		Director of Corporate Governance/Board Secretary		R1	promote all Board meetings and other events, such as the Annual General Meeting, via the Health Board's social media channels and other communication mechanisms.	The Health Board acknowledges the importance of promoting meets and relevant events and already uses mechanisms including its website and social media for the AGM given the public meeting nature of the event. Other Board and Committee meetings will continue to be made available through the website and through relevant other mechanisms including public briefings and other public engagement communications. We do not consider social media to be the most effective channel for promoting			Complete		Complete		April 2024 - action has been implemented into routine business.					jan-04	1491	apr-24	mar-24
232401	Structure Assessment 2023		Director of Corporate Governance/Board Secretary		R4	Developing a forward programme which involves both Independent Members and Executive Directors, and covers a broad range of Health Board services;	Programme is in place for Chair, Vice Chair and CEO, this is being expanded to Independent Members and Executive Directors. A coordinating mechanism is also in place.	mai-24		Complete		Complete		April 2024 - actions in place to capture execuitve out and about programme and synergise it with the Chair, Vice Chair and CEO programme. paper will be incorporated into Executive Committee bi-monthly.					#NUM!	1491	apr-24	mar-24
232401	Structure Assessment 2023		Director of Corporate Governance/Board Secretary		R8	The Health Board should ensure that the Audit, Risk and Assurance Committee regularly receives the recommendation tracker throughout the year	The tracker will be reported to the Committee in May, September and January of each year	mar-24		Complete		Complete		April 2024 - action in place and embedded into committee work programme						1491	apr-24	mar-24

PTHB Ref. No.	Report Title	Assurance Rating	Director	Responsible Officer	Ref / Priority	Recommendation	Management Response	Agreed Deadline	Revised Deadline	Due	COVID-19 Priority Level	Status	If closed and not complete, please provide	Progress being made to implement recommendation				If action is complete, can evidence be provided	No. of months past agreed deadline	No. of months past revised deadline	Reporting Date	Date Added to Tracker
														Progress of work underway	Barriers to implementation including any interdependencies	How is the risk identified being mitigated pending implementation?	When will implementation be achieved?					
232401	Structure Assessment 2023		Director of Nursing and Midwifery		R5	Develop a framework setting out how the walkaround should operate, and the mechanisms for reporting key themes.	A framework will be developed that can be deployed and reported to both the Patient Experience and Quality Committee and the Workforce Committee. These Committees are in the process of undertaking joint committees and this will provide an opportunity to capture key messages from patients, service users and staff	May-24		Not yet due		No progress										Mar-24
232401	Structure Assessment 2023		Director of Corporate Governance/Board Secretary		R6	The Health Board should undertake its committee effectiveness reviews as soon as practically possible, to ensure continuous development in the way in which the committees operate.	At the time of writing, three Committee reviews have been completed. All others are scheduled and will be reported to the Board in May 2024.	Jun-24		Not yet due		Partially complete		April 2024 - all formal Board Committee reviews have been completed and will be reported to the May 2024 Board. Action will be closed at the next update.					#NUM!	1491	Apr-24	Mar-24
232401	Structure Assessment 2023		Director of Corporate Governance/Director of Nursing and Midwifery		R7	The Health Board should increase the pace in which risks currently recorded on spreadsheets are moved across to the Datix risk module.	The Clinical Quality Framework will be revised as it has exceeded its date. This will be a key action for Year 2 of the Duty of Quality Implementation Plan. This may result in a different approach given the maturity of the Integrated Performance Framework (which is aligning to the Duty of Quality). The progress and plan to address this will be presented to the Patient Experience and Quality Committee in July 2024	Jul-24		Not yet due		Partially complete		April 2024 - plans in place and on target					#NUM!	1491	Apr-24	Mar-24

Risk Management

Audit and Risk Assurance Committee

16 May 2024

Director of Corporate Governance

Audit & Risk Assurance COMMITTEE, 14 MAY 2024	Agenda Item 3.13
Subject:	Risk Management Update
Approved and Presented by:	Director of Corporate Governance
Prepared by:	Director of Corporate Governance
Purpose:	The purpose of this paper is to provide the Audit, Risk and Assurance Committee with an update on corporate level risk management activity since the last report in October 2023.
Recommendations:	The Audit & Risk Assurance Committee is asked to: • **RECEIVE** the report including an update on actions from the last report; and • Take **ASSURANCE that the corporate risk management continues to develop**
Executive Summary:	The Audit, Risk and Assurance Committee is responsible for overseeing risk management processes across the organisation, with a particular focus on seeking assurance that effective systems are in place to manage risk; that the organisation has an effective framework of internal controls to address strategic (principal) risks (those likely to directly impact on achieving strategic objectives); and, that the effectiveness of that framework is regularly reviewed. The Committee is responsible for monitoring the assurance environment and challenging the levels of assurance in respect of key risks across the year, ensuring that the Internal Audit Plan is based on providing assurance that controls are in place and can be relied upon, and reviewing the internal audit plan in-year as the risk profiles change.

Risk Management Approach / Update

- **Risk Management Framework** in place (Nov 2022 approved)
- Board approved **risk appetite statement** (Nov 2022)
- **Corporate Risk Register** (CRR) in place, reported to Executive Committee and Board bi-monthly, and to Committees according to their terms of reference
- **Directorate** and **programme** risk registers in place
- Intranet pages for staff including risk management **toolkit**
- **Risk and Assurance Group** reconstituted Sept 2023

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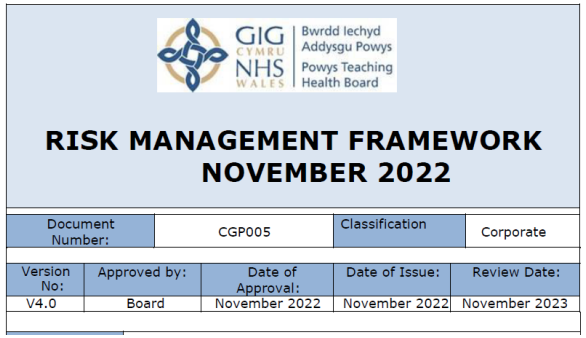

GIG CYMRU NHS WALES
Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

RISK MANAGEMENT FRAMEWORK NOVEMBER 2022

Document Number:	CGP005	Classification	Corporate

Version No:	Approved by:	Date of Approval:	Date of Issue:	Review Date:
V4.0	Board	November 2022	November 2022	November 2023

Focussed area of Intranet for staff

The Risk Management Toolkit has been produced to provide guidance for staff on the practical application of the Risk Management Framework deployed by the health board, including the compilation of risk registers. In addition to using this guidance, all staff with responsibility for managing risks are invited to request risk management training. Should you have a specific query in relation to risk and/or identify a need for training within your service area please contact:

P **Powys Directorate of Corporate Governance**
Generic Account

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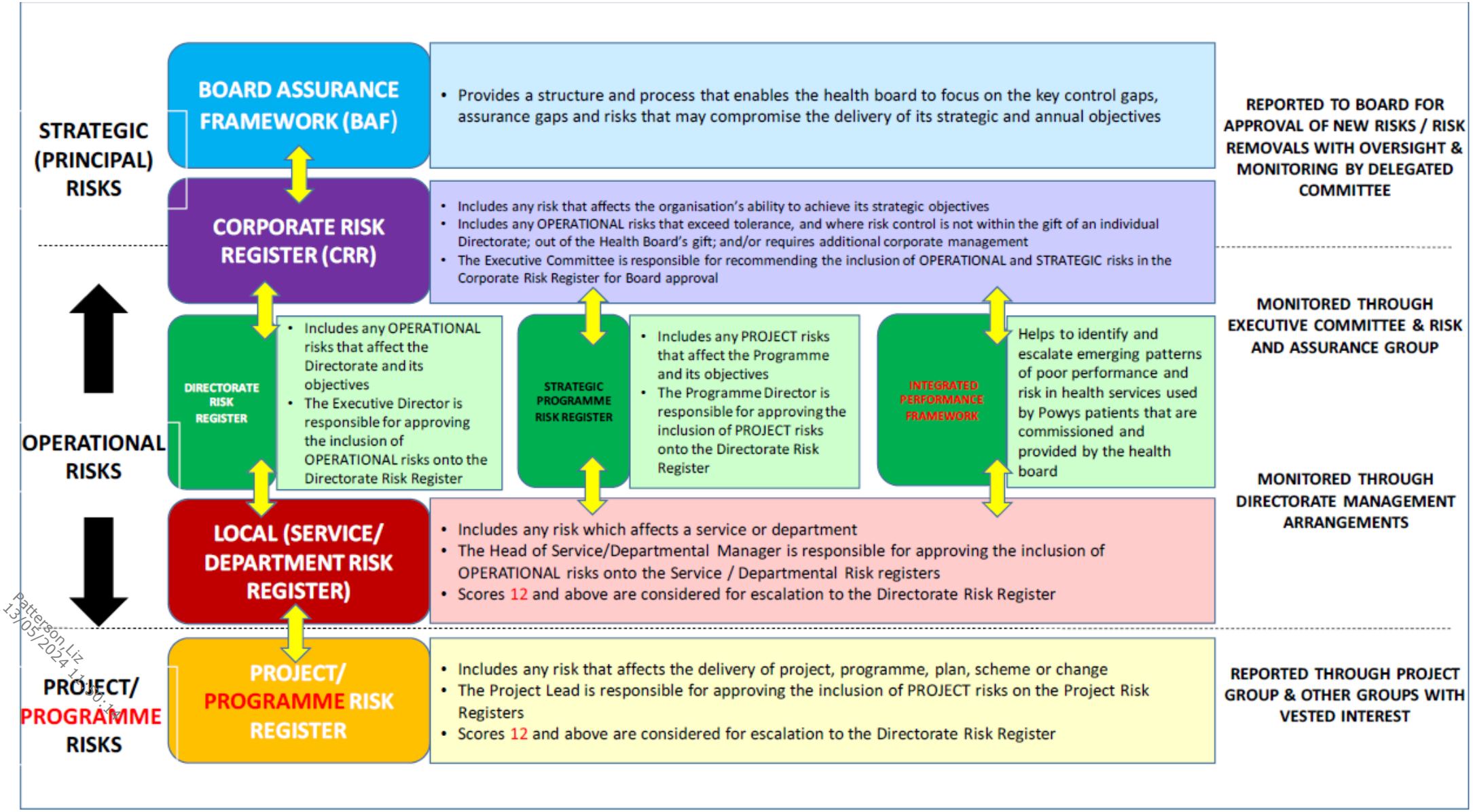
Risk Management – Overview



Board Assurance Framework

(Sources of Assurance in relation to the achievement of Health Board's Strategic Objectives)

Powys Health and Care Strategy

Integrated Medium-Term Plan

Annual Delivery Plan

Strategic Objectives

Corporate Risk Register

Risks that represent a threat to achieving the Health Board's strategic objectives

Governance Arrangements

Standing Orders, Standing Financial Instructions, Committee's of the Board, Terms of Reference, Work Programmes

Internal Sources of Assurance
(Based on Three Lines Model, IIA)

First Line (Management):

- Executive input supported by evidence
- Directorate Plans

Second Line (Management Oversight):

- *Standing Orders and Standing Financial Instructions*
- *The Committee's of the Board, including :*
  - *Terms of Reference*
  - *Work Programmes*
- Risk Management and Board Assurance Arrangements
- Local Counter Fraud and Post Payment Verification
- Audit Recommendation Tracking

Third Line (Internal Audit):

- Delivery of the Internal Audit Plan
- Head of Internal Audit Opinion

External Sources of Assurance (External Audit, Health Inspectorate Wales, Welsh Government, Stakeholder Engagement)

Organisational Culture and Values including High Performing Board

Internal Audit & Structured Assessment – (May/June 2023)

Report Opinion

		Trend
Reasonable 	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.	 2021/2022

Assurance summary[1]

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

[1] The 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

Further enhancing systems of assurance

R3 The Health Board does not have an updated Board Assurance Framework that maps all the opportunities and risks to achieving strategic objectives, identifies gaps in assurance, and informs Board and committee workplans. The Health Board, therefore, needs to update its Board Assurance Framework.

R4 There is currently a disconnect between directorate risk registers and the Corporate Risk Register (CRR). The Health Board, therefore, needs to review all high risks on directorate risk registers to ensure the relevant ones are escalated to the CRR, and that the Board is aware of wider risks that may materialise.

Update:

R3 in development – version 1 to May Board

R4 – initial review completed, activity will remain ongoing

Next audit due May/June 2024

Key Actions – update since last report

- **Board Development (November) – completed**
  - Risk appetite training (external provider)
- **Board Meeting (November) – work in progress**
  - Board risk appetite statement – *Board reviewed on two occasions, updated statement to Board May 2024*
  - Revised corporate risk register
- **Audit and Risk Assurance Committee - January Focus – completed**
  - Risk Management Deep dive incl. Framework
  - Board Assurance Framework
- **Board Development (January/March 2024) - work in progress**
  - Risk Management Framework – *rescheduled to Autumn 2024*
  - Board Assurance Framework – *version 1 scheduled to May Board*
- **Other updates**
  - Risk and Assurance Group met on three occasions
    - including the delivery of external governance and risk training
  - Datix risk module pilot in Nursing and Midwifery Directorate
    - Currently being evaluated and plan for roll out organisation wide in development
  - Staffing:
    - Corporate Governance Risk and Assurance role recruited – postholder starts 20 May 2024
    - Deputy Board Secretary role recruited – postholder starts 11 June 2024

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Updated Corporate Risk – enhanced assurance reporting

CRR xxx **Risk that:** there is a risk that xxxx which could result in xxxx	**Executive Lead:** xxx **Assuring Committee:** xxx
Risk Impacts on: STATE INTEGRATED PLAN PRIORITY	**Date last reviewed:** xxx
Date added to the risk register: xxx	**Board risk appetite:** Xxx

Risk Rating (likelihood x impact): Inherent: ? x ? = ? Current: ? x ? = ? Target: ? x ? = ? **Source of risk:** IMTP	
Rationale for current score: ▪ xxx	

Controls (What are we currently doing about the risk?)		**Sources of Assurance**	**Level of Assurance**	**Highest Assurance provided to:**
7.1		•		
7.2		•		
7.3		•		
7.4		•		
7.5		•		

Mitigating Actions (What more will we do?)

Action	Lead	Action update	Deadline	Action on Target

Key: Assurance Ratings	
Substantial Assurance	High confidence in relation to quality of assurances and effectiveness of controls. Sightedness by a range of stakeholders. Low impact on residual risk exposure.
Reasonable Assurance	Medium confidence in relation to the quality of assurances and effectiveness of controls. Sightedness at various levels of the organisation, potentially some external assurance. Low to moderate impact on residual risk exposure.
Limited Assurance	Medium confidence in relation to the quality of assurances and effectiveness of controls. Limited sightedness externally and across the organisation. Moderate impact on residual risk exposure.
No Assurance.	No evidence in relation to the effectiveness of controls. Action required to assess/address. High impact on residual risk exposure.

- Corporate Risk Template updated to include greater focus on assurance levels of controls using assurance ratings

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Future Action / Next Steps

Action	Timescale
Risk Management / Corporate Risk	
Implementation of the new Corporate Risk Register template	Ongoing
Datix risk management module plan for roll out	Sept 2024
Review of the Risk Management Framework	• October – Audit Committee • November – Board
Audit	
Development of intelligence / analysis of internal and external audit reports and recommendations into the risk environment	Later 2024
Board Assurance Framework (BAF)	
Board consideration of V1 of the Board Assurance Framework (BAF)	May 2024 – Board
Continued development of the BAF to V2 • Enhanced assurance across domains	Sept/Nov 2024 - Board
Continued development of the BAF to V3 • More sophisticated analysis across Domains	• 2025 - Board • Working with Audit and Risk Assurance Committee 2024 into 2025

Audit, Risk and Assurance Committees 2024-25

Theme	Item Title	Exec Lead	Route to Committee	May 14/05/2024	June 11/06/2024	July 09/07/2024 (Annual accounts)	Oct 18/10/24	Jan 14/01/2025	March 11/03/2025
Governance	Minutes of previous meeting	DCG	Chair	✓	✓	✓	✓	✓	✓
Governance	Declaration of Interests	DCG	DCG	✓	✓	✓	✓	✓	✓
Governance	Action Log	DCG	DCG	✓	✓	✓	✓	✓	✓
Governance	Annual Work Programme	DCG	Chair / Exec Leads	✓					
Governance	Work Programme (updated through year)	DCG	DCG			✓	✓	✓	✓
Governance	Annual Assessment of Committee Effectiveness	DCG	DCG/Chair						✓
Governance	Committee Annual Report	DCG	DCG	✓					
Governance	Audit Recommendation Tracker	DCG	Executive Committee	✓		✓	✓	✓	✓
Governance	WHC Tracker	DCG	Executive Committee			✓		✓	
Governance	Register of Interests	DCG	Executive Committee				✓		✓
Governance	Register of Gifts and Hospitality	DCG	Executive Committee				✓		✓
Governance	Board Assurance Framework						✓		
Governance	Review of Terms of Reference	DCG	DCG						✓
Governance	Review of Standing Orders and Standing Financial Instructions	DCG	DCG	✓					✓
Governance	Confirmation Clinical Audit Programme in place	MD	DCG			✓			
Annual Accounts	Approach to the Annual Accounts	DFIT/DCG	DFIT/DCG						✓
Annual Accounts	PTHB Draft Accountability Report and Financial Accounts (Invite D&P Members)	DFIT	AO	✓					
Annual Accounts	PTHB Final Accountability Report and Financial Accounts and Letter of Representation	DFIT	DFIT/CEO			✓			
Internal Audit	Head of Internal Audit Opinion Draft	DCG	DCG/CEO	✓					
Internal Audit	Head of Internal Audit Opinion Final	DCG	DCG			✓			
Internal Audit	Internal Audit Annual Plan	DCG	Executive Committee						✓
Internal Audit	Internal Audit Progress Report	DCG	DCG	✓		✓	✓	✓	
Internal Audit	Internal Audit Reports (as required)	DCG	DCG / exec Committee (if	✓		✓	✓	✓	✓
Internal Audit	Internal Audit Trend Report	DCG	DCG					✓	
External Audit	Enquiries of Management and Those Charged with Governance	DFIT/DCG	CEO			✓			
External Audit	External Audit Annual Plan	DFIT/DCG	DFIT/DCG						✓
External Audit	External Audit Progress Report	DCG	DCG	✓		✓	✓	✓	
External Audit	External Audit Reports (as required)	Lead	DCG / exec Committee (if escalated)	✓		✓	✓	✓	✓
External Audit	Structured Assessment	DCG	Executive Committee					✓	
Counter Fraud	Counter Fraud Annual Plan	DFIT	Executive Committee						✓
Counter Fraud	Counter Fraud Update	DFIT	DFIT	✓		✓	✓	✓	
Counter Fraud	Counter Fraud Reports (as required)	DFIT	CEO	✓		✓	✓	✓	✓
Finance and Procurement	Single Tender Waivers Annual Report	DFIT	Executive Committee	✓					
Finance and Procurement	Single Tender Waivers (including extensions to contracts)	DFIT	DFIT	✓		✓	✓	✓	✓
Finance and Procurement	Losses and Special Payments Annual Report	DFIT	CEO	✓					
Finance and Procurement	Losses and Special Payments	DFIT	DFIT				✓		✓
Finance and Procurement	Post payment Verification Yr End May, Mid Yr Oct	DFIT	DFIT	✓			✓		
Risk	Review of Risk Management Framework	DCG	Executive Committee				✓		
Risk	Assurance of Risk Management arrangements	DCG	DCG	✓					
Hosted Bodies	Hosted Body annual report (HCRW)	DWOD	DWOD			✓			

Key
Date to be confirmed
Item to be confirmed
Item deferred
Item brought forward
Going to Board
Due to Committee
Find Exec Cttee date
Added to draft agenda