

# 2022-06-13 Audit, Risk & Assurance Committee

Mon 13 June 2022, 10:00 - 12:00

## Agenda

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10:00 - 10:00  
0 min

1. PRELIMINARY MATTERS

Oral Chair

ARA\_Agenda\_13June22\_v4.pdf (2 pages)

### 1.1. Welcome and Apologies

Oral Chair

### 1.2. Declarations of Interest

Oral All

### 1.3. Minutes from the Previous Meetings: held 26 April 2022 and 17 May 2022

Attached Chair

ARA\_Item\_1.3\_Unconfirmed\_Minutes\_17May22\_PH.pdf (6 pages)

ARA\_Item\_1.3\_Unconfirmed\_Minutes\_26April22\_v2\_PH JQ reviewed.pdf (7 pages)

#### 1.3.1.

### 1.4. Matters Arising from the Previous Meetings: held 16 April and 17 May 2022

Oral Chair

### 1.5. Committee Action Log

Attached Chair

ARA\_Item\_1.5\_Action Log\_13Jun22.pdf (1 pages)

10:00 - 10:00  
0 min

2. ITEMS FOR APPROVAL/RATIFICATION/DECISION

Oral Chair

### 2.1. Annual Report and Accounts 2021-22, including Letter of Representation

Attached Director of Finance and IT/Board Secretary & Director of Planning and Performance

ARA\_Item\_2.1\_Annual Report and Accounts 2021-22.pdf (6 pages)

ARA\_Item\_2.1a\_PTHB ANNUAL REPORT AND ACCOUNTS 21-22\_Final\_v2.pdf (201 pages)

ARA\_Item\_2.1ai\_Powys THB 2021-22 Annual Accounts Final Audited.pdf (74 pages)

ARA\_Item\_2.1aii\_Powys THB Letter of Representation 2021-22.pdf (3 pages)

ARA\_Item\_2.1aiii\_Final Annual Accounts 21-22.pdf (17 pages)

### 2.2. Application of Single Tender Waiver

Attached Director of Finance and IT

ARA\_Item\_2.2\_Application for Single Tender Waiver Jun 22.pdf (4 pages)

Party Stella  
06/09/2022 14:08

10:00 - 10:00  
0 min

### 3. ITEMS FOR ASSURANCE

Oral      Chair

#### 3.1. Head of Internal Audit Opinion 2021-2022

Attached      Head of Internal Audit

- ARA\_Item\_3.1\_Powys THB HIA Opinion & Annual Report 21-22 Cover.pdf (3 pages)
- ARA\_Item\_3.1a\_Powys THB HIA Opinion Annual Report 21-22.pdf (32 pages)

#### 3.2. Internal Audit Reports: a) Concerns Tracking and Monitoring (Substantial Assurance) b) Recommendation Tracking and Follow Up (Substantial Assurance) c) Occupation Health Services (Limited Assurance)

Attached      Head of Internal Audit

- ARA\_Item\_3.2a\_PTHB 2122.06 Concerns Tracking and Monitoring Assurance Final Internal Audit Report\_.pdf (13 pages)
- ARA\_Item\_3.2b\_PTHB2122.23 Recommendation Tracking Final report.pdf (16 pages)
- ARA\_Item\_3.2c\_PTHB\_2122\_17 Occupational Health Final Internal Audit Report.pdf (20 pages)

#### 3.3. External Audit Reports: a) External Audit of Financial Statements 2021-2022

Attached      External Audit

- ARA\_Item\_3.3a\_3002A2022\_Powys\_THB\_2021-22\_Audit\_Accounts\_Report.pdf (26 pages)

10:00 - 10:00  
0 min

### 4. ITEMS FOR DISCUSSION

Oral      Chair

There are no items for inclusion in this section

10:00 - 10:00  
0 min

### 5. OTHER MATTERS

#### 5.1. Committee Work Programme

Attached      Board Secretary

- ARA\_Item\_5.1\_Committee Work Programme\_2022-23\_June\_22.pdf (4 pages)

#### 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: 18 July 2022 at 10:00, Microsoft Teams

Oral      Chair

Party Stella  
06/09/2022 14:08:13

**POWYS TEACHING HEALTH BOARD  
AUDIT, RISK & ASSURANCE  
COMMITTEE  
MONDAY 13<sup>th</sup> June 2022 10.00 –  
12.00  
VIA MICROSOFT TEAMS**



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

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

**AGENDA**

Item	Title	Attached /Oral	Presenter
1	PRELIMINARY MATTERS		
1.1	Welcome and Apologies	Oral	Chair
1.2	Declarations of Interest	Oral	All
1.3	Minutes from the Previous Meetings, held 26 April 2022 and 17 May 2022	Attached	Chair
1.4	Matters Arising from the Previous Meetings, held 26 April 2022 and 17 May 2022	Oral	Chair
1.5	Committee Action Log	Attached	Chair
2	ITEMS FOR APPROVAL/RATIFICATION/DECISION		
2.1	Annual Report and Accounts 2021-22, including Letter of Representation	Attached	Director of Finance and IT/Board Secretary/Director of Planning and Performance
2.2	Application of Single Tender Waiver	Attached	Director of Finance and IT
3	ITEMS FOR ASSURANCE		
3.1	Head of Internal Audit Opinion 2021-22	Attached	Head of Internal Audit
3.2	Internal Audit Reports:	Attached	Head of Internal Audit
3.3	External Audit Reports: a) External Audit of Financial Statements 2021-22	Attached	External Audit
4	ITEMS FOR DISCUSSION		
There are no items for inclusion in this section			
5	OTHER MATTERS		
5.1	Committee Work Programme	Attached	Board Secretary

5.2	Items to be Brought to the Attention of the Board and Other Committees	Oral	Chair
5.3	Any Other Urgent Business	Oral	Chair
5.4	Date of the Next Meeting: <ul style="list-style-type: none"> <li>18<sup>th</sup> July 2022 at 10.00, Microsoft Teams</li> </ul>		

Key:

	Governance & Assurance
	Internal & Capital Audit
	External Audit
	Anti-Fraud Culture

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

**However, in light of 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 expediting 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 Board Secretary in advance of the meeting in order that your request can be considered on an individual basis (please contact James Quance, Board Secretary, james.quance2@wales.nhs.uk).**

**In addition, the Board will publish a summary of meetings held on the Health Board's website within ten days of the meeting to promote openness and transparency.**

Parry Stella  
06/09/2022 14:08:13





GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

## AUDIT, RISK & ASSURANCE COMMITTEE

### UNCONFIRMED

#### MINUTES OF THE EXTRAORDINARY MEETING HELD ON TUESDAY 17 MAY 2022 VIA MICROSOFT TEAMS MEETING

##### Present:

Tony Thomas  
Mark Taylor  
Matthew Dorrance  
Ronnie Alexander

Independent Member – Finance (Committee Chair)  
Independent Member – Capital and Estates  
Independent Member – Local Authority  
Independent Member - General

##### In Attendance:

Carol Shillabeer  
Gareth Lucy  
Ian Virgil  
Melanie Goodman  
Pete Hopgood  
James Quance  
Andrew Gough

Chief Executive  
External Audit  
Internal Audit  
Internal Audit  
Director of Finance and IT  
Interim Board Secretary  
Deputy Director of Finance

##### Observers:

Vivienne Harpwood

PTHB Chair

##### Committee Support

Stella Parry

Interim Corporate Governance Manager

##### Apologies

Rhobert Lewis  
Claire Powell  
Jayne Gibbon

Independent Member – General  
Powys CHC  
Internal Audit

ARA/22/019	<p><b>WELCOME AND APOLOGIES</b></p> <p>The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted as recorded above.</p>
ARA/22/020	<p><b>DECLARATIONS OF INTEREST</b></p> <p>The Committee Chair INVITED Members to declare any interests in relation to the items on the Committee agenda.</p> <p>None were declared.</p>
ARA/22/021	<p><b>DRAFT ACCOUNTABILITY REPORT</b></p> <p>The Interim Board Secretary presented the Draft Accountability Report which constituted one component of the larger document that makes up the statutory Annual Report, comprising of the Performance Report, Accountability Report and Financial Statements. It was noted that 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 6 May 2022, alongside the Draft Performance Report.</p> <p>The Committee CONSIDERED the Report and Members were asked to provide any feedback to inform the development of the final draft prior to its presentation to the meeting of the Committee on Tuesday 13<sup>th</sup> June 2022.</p>
ARA/22/022	<p><b>DRAFT FINANCIAL STATEMENTS</b></p> <p>The Director of Finance and IT presented the Draft Accounts for 2021-22 to the Committee and noted that the Draft Accounts had been submitted to Welsh Government and Audit Wales and would be subject to a full audit by Audit Wales. The following matters were highlighted for the Committees attention:</p> <ul style="list-style-type: none"> <li>• The draft position in relation to Revenue, Capital, and Public Sector Payment Policy (PSPP) was presented as below:</li> </ul>

Party: Stella  
06/09/2022 14:08:13

Area	Financial KPI	Target	Delivery 2021-22
Revenue	To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government	Variance Against Revenue Resource Limit Deficit / (Surplus)	(£80k)
Capital	To ensure that costs do not exceed the capital resource limit set by Welsh Government	Variance Against Capital Resource Limit Deficit / (Surplus)	(£67k)
PSPP	To pay a minimum of 95% of all non-NHS creditors within 30 days of receipt of goods or a valid invoice	Cumulative Year End % of Invoices Paid within 30 days	87.50%

- The health board has a statutory duty to ensure that its expenditure does not exceed the aggregate funding (Revenue Resource Limit – RRL) allotted to it over the 3 year period. Subject to Audit, the health board has achieved this requirement in 2021/22, and for the proceeding 2 years.
- Welsh Government requires that Health Boards pay their trade creditors in accordance with the CBI Prompt Payment Code (PSPP) and Government Accounting Rules. The financial Target is to pay 95% of these non NHS invoices (number not financial value) within 30 days of delivery. The health board performance at 87.5% did not meet the target of 95% for the number of non NHS creditors paid within 30 days. This will be a key area of focus in 2022-23.
- There were two property purchases (Llanwrtyd Health Centre and Land Adjoining Machynlleth Hospital) and no property disposals during 2021/22. The Capital Programme added £15.926m to the asset base during 2021/22.
- As of 31<sup>st</sup> March 2022, the Pensions Provision relating to previous organisations staff had been fully discharged with the support of Welsh Government.

Party Stella  
06/09/2022 14:08:13

- A new provision in year was created for 2019-20 Scheme pays. At the date of draft submission of the accounts, there was evidence of take-up of the scheme by two health board clinical staff with an estimated financial impact of £0.047M. The communicated view of the Auditor General for Wales is that any provision included within NHS Wales bodies accounts for the cost of Scheme Pays will constitute irregular expenditure and lead to a qualification of the health board's accounts, with the qualification being in respect of the regularity opinion. This is a national issue that will affect all NHS Wales Organisations and Welsh Government Accounts for any provisions held in this regard. It was noted that the Health Board had followed National Policy in its actions and that NHS England had a different External Audit view. Discussions remained underway at national level in this regard.

Members of the Committee sought assurance by asking the following questions:

*What was the reason for the failure to meet the PSPP target and what plans had been developed for 2022-23 to ensure the target is met?*

The Director of Finance and IT noted that an increased use of agency staff in response to COVID-19 has resulted in the failure to meet the target, it was reported that work was underway to implement an automated payment process in this area to support future performance.

*Had any analysis been undertaken in relation to a potential increase in operating cost linked to COVID-19 and anticipated levels of inflation in the coming months?*

An increase in spending had been reported in 2021-22, which was mostly linked to COVID-19 however other key areas of financial pressure include Complex and Continuing Health Care (CHC) and variable pay. A Task and Finish Group had been established to review these areas and will also carefully monitor other potential areas of financial pressure. It was also noted that risks in relation to inflation were shared with Welsh Government and would constitute a key area of focus for the health board in 2022-23.

*Health Education and Improvement Wales (HEIW) had been referenced within miscellaneous income, however no income was included, why was this?*

The Head of Financial Services noted that HEIW provide items such as training contracts however these transactions occur in low levels within Powys in comparison to other health boards with training rotations. The Chief Executive highlighted that work was currently underway with HEIW in relation to the implantation of Nurse Placements however the ambition of the health board was to develop a broad range of training contracts across Powys.

Party: Stella  
06/09/2022 14:08:13

	<p>The Committee CONSIDERED the Draft Accounts and Members were asked to provide any further feedback prior to presentation of the Final Accounts to the meeting of the Committee due to be held Tuesday 13<sup>th</sup> June 2022. The Committee Chair expressed thanks on behalf of the Committee for the excellent work undertaken by the Finance Department throughout a challenging period. The Director of Finance and IT welcomed the feedback and expressed his thanks to colleagues across the organisation for their support.</p>
ARA/22/023	<p><b>DRAFT HEAD OF INTERNAL AUDIT OPINION 2021-22</b></p> <p>The Head of Internal Audit presented the item and noted that in accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon, and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through delivery of an audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities. The 2021-22 plan was formally approved by the Audit, Risk and Assurance Committee at its March 21 meeting.</p> <p>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. It was noted that the final HIA Opinion would be presented to the Committee in June 2022, this was due to a number of reports which remained in draft at the time of reporting.</p> <p>It was highlighted that the Draft HIA Opinion for 2021-22 provided the health board with 'Reasonable Assurance'. This suggested that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Though some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p> <p>Members of the Committee sought assurance by asking the following questions:</p> <p><i>In paragraph 4.2 it is reported that management response turnaround had been rated as red, is it felt that 15 days is a reasonable deadline, particularly in light of current pressures?</i></p> <p>It was reported that the deadline is locally agreed as part of the Internal Audit Charter and that 15 days is aligned to the requirements in other health boards. It was suggested that 15 days was reasonable however it</p>

Party: Stella  
06/09/2022 14:08:13

	<p>was agreed that in some instances, such as limited assurance reports or reports in areas of sufficient pressure a longer turnaround is anticipated.</p> <p>The Committee CONSIDERED and NOTED the Draft Head of Internal Audit Opinion and Annual Report 2021/22.</p>
ARA/22/024	<p><b>ENQUIRIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE</b></p> <p>The Director of Finance and IT presented the proposed response to the Audit Enquiries Letter 2021-22 for scrutiny and comments.</p> <p>The Committee NOTED the proposed the response.</p>
ARA/22/025	<p><b>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES</b></p> <p>There were no items to be brought the attention of the Board and other Committees.</p>
ARA/22/026	<p><b>ANY OTHER URGENT BUSINESS</b></p> <p>It was queried by members whether any consideration had been given to the potential for financial challenges in 2022-23 given the potential impact of multiple external factors such as the exit of the European union, Ukraine, and COVID-19. The Director of Finance and IT assured Committee Members that financial performance mechanisms, including forecasting, were in place and reported on regular basis to the Board, Delivery and Performance Committee and Executive Committee.</p>
ARA/22/027	<p><b>DATE OF NEXT MEETING</b></p> <p>13 June 2022, 10:00 am, Microsoft Teams</p>

Party: Stella  
06/09/2022 14:08:13

## AUDIT, RISK & ASSURANCE COMMITTEE

### UNCONFIRMED

### MINUTES OF THE MEETING HELD ON TUESDAY 26 APRIL 2022 VIA MICROSOFT TEAMS MEETING

#### Present:

Tony Thomas  
Mark Taylor  
Rhobert Lewis  
Ronnie Alexander

Independent Member – Finance (Committee Chair)  
Independent Member – Capital and Estates  
Independent Member - General  
Independent Member - General

#### In Attendance:

Carol Shillabeer  
Ian Virgil  
Jayne Gibbon  
Melanie Goodman  
Pete Hopgood  
James Quance  
Andrew Gough  
Sarah Pritchard  
Alice Rushby  
Anne Beegan  
Claire Powell  
Kirsty James  
Matthew Evans  
Amanda Legge  
Sue Tilman

Chief Executive  
Internal Audit  
Internal Audit  
Internal Audit  
Director of Finance and IT  
Interim Board Secretary  
Deputy Director of Finance  
Head of Financial Services  
External Audit  
External Audit  
Powys CHC  
Local Counter Fraud  
Swansea Bay Counter Fraud  
NHS Wales Shared Services (Item 3.3 only)  
NHS Wales Shared Services (Item 3.3 only)

#### Observers:

Vivienne Harpwood  
Kirsty Williams

PTHB Chair (Part-meeting only)  
PTHB Vice Chair

#### Committee Support

Stella Parry

Interim Corporate Governance Manager

#### Apologies

Matthew Dorrance

Independent Member – Local Authority

ARA/22/001	<b>WELCOME AND APOLOGIES</b> <p>The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted as recorded above.</p>																												
ARA/22/002	<b>DECLARATIONS OF INTERESTS</b> <p>The Committee Chair INVITED Members to declare any interests in relation to the items on the Committee agenda.</p> <p>None were declared.</p>																												
ARA/22/003	<b>MINUTES FROM THE PREVIOUS MEETING FOR RATIFICATION</b> <p>The minutes of the meeting held on 22 March 2022 were RECEIVED and AGREED as being a true and accurate record.</p>																												
ARA/22/004	<b>MATTERS ARISING FROM PREVIOUS MEETINGS</b> <p>There were no matters arising.</p>																												
ARA/22/005	<b>COMMITTEE ACTION LOG</b> <p>The Committee received the action log and the following updates were provided.</p> <p>ARA-21-114: It was confirmed that this action was included on the meeting agenda under item 2.1. This annual report had been included in the 2022-23 Committee workplan and the action was recorded as complete.</p>																												
ARA/22/006	<b>APPLICATION FOR SINGLE TENDER WAIVERS (STWs)</b> <p>The Head of Financial Services presented the previously circulated report and sought the Committee's ratification of the STW request made between 1 March 2022 and 31 March 2022</p> <p>One STW request was considered by the Committee, summarised within the table below:</p> <table border="1"> <thead> <tr> <th>Single Tender Reference</th><th>Request to waive QUOTE or TENDER threshold</th><th>Name of Supplier</th><th>Item</th><th>Reason for Waiver</th><th>Date of Approval</th><th>Value £</th><th>Length of Contract</th><th>Prospective/ Retrospective</th><th>Appendix Ref</th></tr> </thead> <tbody> <tr> <td>POW2122018</td><td>TENDER</td><td>Adcuris Consulting</td><td>Demand Capacity and Financial Modelling In Support of service change for Strategic</td><td>Continuation of work linked to previous undertaking and timescale</td><td>09/03/2022</td><td>£70,000</td><td>1 month</td><td>Prospective</td><td>A1</td></tr> </tbody> </table>									Single Tender Reference	Request to waive QUOTE or TENDER threshold	Name of Supplier	Item	Reason for Waiver	Date of Approval	Value £	Length of Contract	Prospective/ Retrospective	Appendix Ref	POW2122018	TENDER	Adcuris Consulting	Demand Capacity and Financial Modelling In Support of service change for Strategic	Continuation of work linked to previous undertaking and timescale	09/03/2022	£70,000	1 month	Prospective	A1
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				Outline Case						
	The Committee RATIFIED the approval of the STWs as detailed within the report.									
ARA/22/007	<p><b>CHARITABLE FUNDS ANNUAL REPORT AND ACCOUNTS 2020-21 AND ISA260 FUNDS HELD ON TRUST 2020-21 AND FUNDS HELD ON TRUST AUDIT PLAN 2021-22</b></p> <p>The Deputy Director of Finance presented the item and reported that Powys Teaching Health Board as Corporate Trustee must provide to the Charity Commission an Annual Report and Accounts for the year ended 31<sup>st</sup> March 2021 for the Powys Teaching Local Health Board Charitable Fund that has been subject to Statutory Audit by External Audit and approved by the PTHB Board. The deadline for this submission was 31<sup>st</sup> January 2022 but due to additional testing and an historic issue with complex accounting adjustments to be dealt with this deadline had not been met. The Charity Commission had been informed by the health board the reason for the delay in the submission.</p> <p>Alice Rushby (External Audit) introduced the findings of the ISA260 and highlighted three key issues:</p> <ul style="list-style-type: none"> <li>• The Charity uses a cash-based financial system, and manual accruals have to be identified and adjusted for. This has resulted in material misstatements to the financial statements.</li> <li>• Material investment properties left to the Charity have been identified, that were previously not recognised within the financial statements.</li> <li>• In addition to the specific issues and recommendations above, we identified various other issues within the financial statements. These included: <ul style="list-style-type: none"> <li>○ errors in the disclosure of investments and the calculation of the gain or loss in year;</li> <li>○ misclassification of restricted funds, income and expenditure;</li> <li>○ errors within or omission of disclosures required per the accounting framework;</li> <li>○ discrepancy between the approval threshold for expenditure in the scheme of delegation and threshold approved by the board;</li> <li>○ omission of a creditor; and</li> <li>○ incorrect calculation of the movement on funding commitments</li> </ul> </li> </ul> <p>It was noted that in previous years the Charitable Funds had been subject to an Independent Examination however the 2020-21 accounts met the threshold for full testing and audit. The Audit Plan for 2021-22 was presented and the risks to the plan were highlighted to the Committee.</p>									

	<p>Members of the Committee sought assurance by asking the following questions:</p> <p><i>Was it felt that the Chairty had disposed of funds appropriately?</i></p> <p>The Director of Finance and IT suggested that this was beyond the scope of the ISA260 Audit, however a review due to be undertaken by Internal Audit in 2022-23 was due to look at this aspect in more detail.</p> <p>The Committee REVIEWED the Charitable Funds Annual Report and Accounts for the period to 31 March 2021 and RECOMMENDED that the Charitable Funds Committee requested Board approval as Corporate Trustee.</p>
ARA/22/008	<p><b>INTERNAL AUDIT PROGRESS REPORT 2021-22</b></p> <p>The Head of Internal Audit presented the item which provided an overview of the progress to date against the 2021-22 Internal Audit Plan. It was noted that since the last meeting of the Committee three audits reports had been finalised, which were included as independent reports under agenda item 3.2. There were 19 audits included in the 2021-22, 13 of which were complete, 5 were in progress and 1 was at the planning stage. It was anticipated that the Draft Head of Internal Audit Opinion for 2021-22 would be presented to the Committee in May 2022 and the final in June 2022. The Head of Internal Audit indicated that based upon the work undertaken to date the opinion would be positive in nature and suggested that a rating of reasonable assurance was likely. Committee members welcomed the feedback and expressed their thanks to Internal Audit colleagues for the work undertaken throughout the year.</p> <p>The Committee DISCUSSED and NOTED the Progress Report.</p>
ARA/22/009	<p><b>INTERNAL AUDIT REPORTS:</b></p> <p><b>a) Budgetary Control Report (Substantial Assurance)</b></p> <p>The Head of Internal Audit presented the report which had sought to evaluate and determine the adequacy of the systems and controls in place for budgetary control. The review had resulted in a Substantial Assurance rating and one medium priority recommendation had been made.</p> <p><b>b) Machynlleth Report (Reasonable Assurance)</b></p> <p><i>The Director of Environment and Deputy Director of Capital and Estates joined the meeting.</i></p> <p>Melanie Goodman (Internal Audit) presented the report which was undertaken to review the delivery and management arrangements in place to progress the Machynlleth Hospital Reconfiguration project; and the performance, for the period March 2020 to December 2021, against</p>

its key delivery objectives i.e. time, cost and quality. It was noted that following discovery of unforeseen issues during the demolition works the project costs have risen significantly. Project changes to date (including the unforeseen issues) have totalled £1.135m, giving a current reported forecast overspend of £180k. This includes full utilisation of the project contingency at the current stage of the project (i.e. 34% programme complete). These financial pressures necessitated the transfer of £349k from the discretionary capital budget. Management have stated that the associated reported delays, 7 weeks to date, will not adversely impact on service delivery (recognising services continue to operate from alternative locations for the duration of the project). Key issues reported included:

- The need to ensure the timely completion of contract documentation at future projects;
- The ongoing review / development of the project risk register to ensure key details are captured; as well as considering the remaining project risks and available contingencies.
- Procedures for signing of contract documentation need to be developed to ensure any specific additional risks highlighted (including the absence of liquidated and ascertained damages) are accepted at the appropriate level of delegation; together with the enhancement of existing checklists.
- Recognising the extent of the cost escalation at such an early stage of the progression of the works, there is a need to evaluate the sufficiency of the structural and condition surveys undertaken during the design development stages to assess the impact on the affordability of the project and to determine any future actions.

Noting the priority ratings of the issues identified a reasonable assurance rating had been determined. The Director of Environment welcomed the report and expressed his thanks to Internal Audit colleagues. It was noted that the lessons learned from the review would inform the day-to-day management of such projects going forward.

*Recommendation 2.1 within the report had not been agreed by management, what was the process for managing this?*

It was reported that should a recommendation not be agreed by management it is then escalated to the Chief Executive and Board Secretary for consideration. The Committee NOTED that the recommendation had not been agreed however was assured that the Chief Executive would be keeping the matter raised under personal review.

### **c) NIS Directive Report (Reasonable Assurance)**

Sian Harries (Internal Audit) presented the report which had sought to Review arrangements in place for the implementation of the NIS Directive in the Health Board, including the Cyber Assessment

	<p>Framework (CAF), improvement plan and overarching governance. The review had resulted in a Reasonable Assurance rating. Three medium priority and one low priority recommendations had been made.</p> <p>The Committee RECEIVED and NOTED the Internal Audit reports.</p>
ARA/22/010	<p><b>EXTERNAL AUDIT PROGRESS REPORT 2021-22</b></p> <p>Anne Beegan (External Audit) presented the report and provided an overview of work underway including, Renewal, Unscheduled Care and CHC. It was also highlighted that the Structured Assessment project brief was included within the report which was due to be issued in May 2022. Alice Rushby (External Audit) provided an overview of financial audits underway and highlighted that a key focus was preparation for the audit of the Financial Accounts for 2021-22</p> <p>The Committee Chair welcomed the strengthening of governance around audit in the previous few years. The Committee DISCUSSED and NOTED the External Audit Progress Report.</p>
ARA/22/012	<p><b>COUNTER FRAUD ANNUAL REPORT 2021-22</b></p> <p>Kirsty James (Counter Fraud) presented the report and highlighted that metrics had been measured against the Fraud, Bribery and Corruption Standards for NHS Wales Bodies (the Functional Standards), though the standards were not required until 2022-23. The report provided detail in relation the work completed against each of the components relating to governance actives and counter fraud, bribery and corruption practices undertaken during the year, against a Red, Amber, Green (RAG) rating system.</p> <p><i>How where the parameters of each RAG rating defined?</i></p> <p>It was confirmed that the rating were self-scored by the Counter Fraud team against the criteria provided in the Functional Standards.</p> <p><i>Had the health board appointed a Counter Fraud Champion at Board level?</i></p> <p>It was confirmed that the Board Secretary was the Board level champion and would provide support and advice to the Board on Counter Fraud related issues.</p> <p>The Committee DISCUSSED and NOTED the Counter Fraud Annual Report.</p>
ARA/22/013	<p><b>AUDIT RECOMMENDATION TRACKING</b></p> <p>The Board Secretary presented the item which provided an overview of the current position relating to the implementation of Audit Recommendations, arising from reviews undertaken by Internal Audit, External Audit (Audit Wales) and Local Counter Fraud Services. It was reported that work had recommenced in response to the Policy Management Audit Recommendations and that a report in relation Records Management was</p>

	<p>due to be presented to a forthcoming meeting of the Delivery and Performance Committee.</p> <p>The Committee DISCUSSED and NOTED the Audit Recommendation Tracking Report.</p>
ARA/22/014	<p><b>WELSH HEALTH CIRCULAR TRACKING</b></p> <p>The Board Secretary presented the item which provided an overview of the current position relating to the implementation of Welsh Health Circulars (WHCs). It was noted that the position was positive and an overview of WHCs implementation progress in year would be included within the Annual Accountability Report 2021-22.</p> <p>The Committee DISCUSSED and NOTED the Welsh Health Circular Tracking Report.</p>
ARA/22/015	<p><b>DRAFT COMMITTEE WORK PROGRAMME 2022-23</b></p> <p>The Board Secretary presented the draft workplan for awareness and noted that work was underway across all of the health board's committees to develop workplans aligned to the strategic objectives within the Integrated Medium Term Plan 2022-25.</p> <p>The Committee RECEIVED and NOTED the draft Committee Work Programme 2022/23.</p>
ARA/22/016	<p><b>ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES</b></p> <p>There were no items to be brought the attention of the Board and other Committees.</p>
ARA/22/017	<p><b>ANY OTHER URGENT BUSINESS</b></p> <p>No other urgent business was declared.</p>
ARA/22/018	<p><b>DATE OF NEXT MEETING</b></p> <p>17 May 2022, 01:00 pm, Microsoft Teams</p>

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Powys Teaching  
Health Board

## AUDIT, RISK AND ASSURANCE COMMITTEE ACTION LOG (June 2022)

Minute	Date	Action	Responsible	Progress	Status
There are no reportable actions at this time.					

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## Agenda item: 2.1

<b>AUDIT, RISK AND ASSURANCE COMMITTEE</b>		<b>Date of Meeting: 13 June 2022</b>
<b>Subject:</b>	<b>PTHB Annual Report and Accounts 2021-22</b>	
<b>Approved and Presented by:</b>	Board Secretary Director of Finance and IT Director of Planning and Performance	
<b>Prepared by:</b>	As above	
<b>Other Committees and meetings considered at:</b>	Executive Committee; Delivery and Performance Committee; Audit, Risk and Assurance Committee	

### PURPOSE:

To present the Committee with the Final Draft of:

- 1. The Performance Report;**
- 2. The Accountability Report, including:**
  - a. A Corporate Governance Report**
  - b. A Remuneration and Staff Report**
  - c. A Parliamentary Accountability and Audit Report; and**
- 3. The Financial Statements 2021-22**

for consideration prior to being submitted for formal approval at PTHB Board on 14th June 2022 and submitted to Welsh Government on 15<sup>th</sup> June 2022, in-line with HM Treasury Requirements.

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

### RECOMMENDATION(S):

The Audit, Risk and Assurance Committee is asked to consider the Final Draft Versions presented and make a RECOMMENDATION for formal approval at the PTHB Board on 14th June 2022.

Approval/Ratification/Decision	Discussion	Information
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✓	✓	x
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**THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):**

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

**EXECUTIVE SUMMARY:**

**1) THE PERFORMANCE REPORT**

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

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



Auditors will review the performance report for consistency with other information in the financial statements.

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

## **2) THE ACCOUNTABILITY REPORT**

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

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

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

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

The Accountability Report is required to have three sections:

a) Corporate Governance Report

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

b) Remuneration and Staff Report

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

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

c) Parliamentary Accountability and Audit Report

The Parliamentary Accountability Report should contain disclosure on the following:

- Regularity of expenditure. - It is expected that public funds will be used in a way that gives reasonable assurance that public resources will be used to deliver the intended objectives. Expenditure must be compliant with relevant legislation including EU legislation, delegated authorities and following guidance in Managing Welsh Public Money.
- Fees and charges (if applicable) - Charges for services provided by public sector organisations normally pass on the full cost of providing those services. There is scope for charging more or less than this provided that the relevant Ministerial approval is given and there is full disclosure. Public sector organisations may also supply commercial services on commercial terms designed to work in fair competition with private sector providers. The Welsh Government expects proper controls over how, when and at what level charges may be levied.
- (Public Sector Information Holders only) a statement is required if the entity has not complied with the cost allocation and charging requirements set out in HM Treasury guidance
- A brief description of the nature of each of the entity's material remote contingent liabilities (that is, those that are disclosed under Parliamentary reporting requirements and not under IAS 37) and, where practical, an estimate of its financial effect.

The Accountability Report shall be signed and dated by the Accountable Officer/Chief Executive.

### **3) THE FINANCIAL STATEMENTS**

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

#### **Background**

The Teaching Health Board (THB) was required to submit a draft unaudited set of annual accounts to the Welsh Government (WG) and Audit Wales by 29<sup>th</sup> April 2022. Audit Wales have undertaken the statutory audit of the annual accounts.

The THB is required to submit an audited set of annual accounts to the Welsh Government on 15<sup>th</sup> June 2022. These accounts are required to be approved by the THB Board; this is scheduled to take place on 14<sup>th</sup> June 2022. The Accounts will then be signed by the Auditor General for Wales on 15<sup>th</sup> June 2022.

## **Financial targets and statutory duties**

The THB has achieved the following financial targets and statutory duties for 2021/22:

- Operational in-year financial balance has been achieved, reporting a surplus of £0.080M (Achievement of Operational Financial Balance, Note 2.1 page 26)
- Cash contained within cash limit (Statement of Cash Flows, page 7)
- Capital financial balance (Note 2.2. page 26).

The THB has also achieved the 3 year duty to ensure that its expenditure does not exceed the aggregate funding allotted to it over a 3 year period. (Note 2.1 & 2.2 Page 26) for both revenue and capital resource limits. This is the sixth year to demonstrate this 3 year duty.

The THB has not met the following administrative (not statutory) target:

- The THB performance at 87.5% did not meet the administrative target of payment of 95% of the number of non-nhs creditors within 30 days this year. (Note 2.4 page 27).

## **Changes from the Draft Annual Accounts**

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

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

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

It is confirmed as part of the audit opinion provided by the Auditor General for Wales that the provision included within Powys THB accounts for the cost of Scheme Pays has led to a qualification of the health board's accounts, with the qualification being in respect of the regularity opinion. The view of the Auditor General for Wales is that any provision included within NHS Wales bodies accounts for the cost of Scheme Pays constitutes irregular expenditure. This has affected all NHS Wales Organisations with

such provisions included within their Financial Statements including Powys THB.

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

The THB has met the target dates for preparing and submitting the draft annual accounts to Welsh Government and Audit Wales by 29<sup>th</sup> April 2022.

The THB is on course to meet the target date to submit the audited accounts to be approved Health Board on 14<sup>th</sup> June 2022 and Welsh Government by the final submission date of 15<sup>th</sup> June 2022.

The Auditor General for Wales will be required to sign the auditor's statement and submit the full signed accounts to Welsh Government on 15<sup>th</sup> June 2022.

#### **NEXT STEPS**

- 2021/22 Annual Report including Audited Annual Accounts to be considered by the Board at its meeting on 14<sup>th</sup> June 2022.
- Following Board approval, the 2021/22 Annual Report including Audited Annual Accounts are to be submitted to Welsh Government by 15<sup>th</sup> June 2022 by Audit Wales.
- The Auditor General for Wales will sign the 2021/22 Audited Annual Accounts on 15<sup>th</sup> June 2022.

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# Annual Report

## 2021-2022

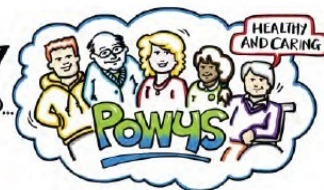
### THE HEALTH AND CARE STRATEGY FOR POWYS 'AT A GLANCE'



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



To  
2027  
AND  
BEYOND...



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



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



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



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



WORKFORCE FUTURES

INNOVATIVE ENVIRONMENTS

DIGITAL FIRST

TRANSFORMING IN PARTNERSHIP

## Foreword – Statement of Chief Executive and Chair

We are delighted to bring you our Annual Report for 2021-22 which has proven to be another extraordinary year for all of us. This Annual Report is in a similar format to last year as it is set in the context of the ongoing global COVID-19 pandemic. The pandemic continued to impact on the daily lives of our staff and Powys residents and the way in which we planned and delivered health and care services.

Throughout this challenging time, the normal planning cycle for the NHS in Wales was suspended and in line with Welsh Government guidance, we developed an Annual Plan for 2021-22. Set in the context of our future vision and principles, our plan was structured around three core elements:

- Covid Response
- Essential Healthcare
- Renewal

The plan was supported by the enabling objectives of Workforce Futures, Digital First, Innovative Environments and Transforming in Partnership to ensure we have the workforce, infrastructure and digital capabilities to achieve our ambitions and deliver on the healthcare needs of our population.

The majority of our services have continued to operate with appropriate changes made to ensure a COVID-19 safe environment for our staff and patients. The established Test, Trace and Protect service has continued to flex in response to the different challenges presented by the Omicron variant and our successful COVID-19 Vaccination Programme has been agile in responding to changes to policy, demand and guidance throughout the year.

The Vaccination Programme rapidly increased the pace of booster vaccinations over a short period to effectively provide as much protection as possible to the population of Powys. This was successfully delivered during a challenging Winter period. We wish to express our thanks to all those who contributed to the ongoing response to the pandemic, including the third sector who have continued to provide outstanding support to the Vaccination Service in 2021-22 and of course, to Powys residents, who played their part in getting the vaccine to protect themselves and the wider community.

The report includes details of the services which have continued to be delivered using alternative methods during the earlier stages of the pandemic and how learning from these alternative means of provision is helping shape services as the health board moves through recovery to renewal. It should be noted that several serious challenges faced the health board and the wider health and social

care system in 2021-22 such as access to emergency and planned care, an increase in referral to treatment times and increased length of stay in hospital settings. In 2022-23 the health board will continue to focus on ways in which the health board can mitigate these issues to ensure the best outcomes and value for the residents of Powys.

We are immensely proud of the work that has been progressed despite the challenges posed by COVID-19, including the development of the Health and Care Academy as part of the Workforce Futures Programme and the joint submission with Powys County Council to Welsh Government of the Strategic Outline Case for the North Powys Wellbeing Programme. We will continue to make progress with these exciting initiatives in forthcoming years.

This Report is informed by a thorough reflection of what the health board has learnt during the pandemic, where there have been areas of positive development and where learning and improvement is needed. It shares the work started in 2020, which continued through 2021/22, to fully understand and respond to the impact the pandemic has had on the population of Powys.

Recovering from any challenging incident such as the pandemic calls for diversity of thinking and approach. This has resulted in an incredible amount of innovation and this is providing the foundation for our recovery, the renewal of our services and transformation programmes. The health service, along with partners and specifically with patients, service users, carers, and communities, has developed better ways of providing access to high quality healthcare and in many cases, providing more rapid support with a focus on people's own homes and lives rather than being limited by the constraints of services and buildings. Examples of these are highlighted throughout this report.

It can be seen from the report that whilst considerable resilience has been shown by the health board, our partners and the community, there has in some cases been a requirement to work in extremely difficult circumstances. This leads to a greater need than ever before to put wellbeing at the heart of our efforts to recover and renew. It will be important for us to continue our focus on wellbeing in 2022-23 to ensure that colleagues are supported and enabled to look after themselves, their families, patients and colleagues.

This report describes how the long-term health and care strategy 'A Healthy, Caring Powys', developed with the people of Powys, has remained an important anchor for us this year and stands us in good stead as we move forward.

If you are reading this report, as a staff member or colleague in a partner organisation, a resident, a patient, a carer, a volunteer, a local business or a combination of these, **thank you** for all you have done and I hope this report captures a glimpse into the incredible efforts you have made for Powys this year.



A handwritten signature in black ink that reads "V Harwood".

Professor Vivienne Harwood (Chair)



A handwritten signature in black ink that reads "Carol Shillabeer".

Carol Shillabeer (Chief Executive)

[www.facebook.com/PTHBhealth](https://www.facebook.com/PTHBhealth) [@PTHBhealth](https://twitter.com/PTHBhealth) [www.youtube.com/PowysTHB](https://www.youtube.com/PowysTHB)

Parry Stella  
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## Contents

Foreword – Statement of Chief Executive and Chair .....	2
About this Report .....	6
SECTION ONE: THE PERFORMANCE REPORT .....	7
Purpose and Requirements for 2021 /22.....	9
Performance Overview .....	18
SECTION TWO: THE ACCOUNTABILITY REPORT .....	78
PART A: CORPORATE GOVERNANCE REPORT .....	82
1. THE DIRECTOR’S REPORT 2021-2022h .....	83
2. STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2021-2022 .....	89
3. STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2021-2022.....	91
4. ANNUAL GOVERNANCE STATEMENT.....	93
PART B: REMUNERATION AND STAFF REPORT .....	178
PART C: PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT .....	193

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## About this Report

This Annual Report covers the period 1 April 2021 to 31 March 2022. All NHS bodies in Wales are required to produce this report and publish this information. Copies of this report and previous year's report are available on the health board's [website](#).

The report is made up of three sections:

### Section 1 – The Performance Report

This section provides:

- How the health board has delivered against the Planning, Delivery and Performance Framework, and how it has adapted in response to the pandemic.
- An overview of the Powys population, and the role of the health board in response to the pandemic.
- An analysis of performance for 2021-22 against the key areas of the NHS Outcomes Framework.
- Quality and Patient Experience.
- A forward look to the Planning Framework for 2022/25.

### Section 2 – The Accountability Report

This section provides:

- Information on how the organisation is governed – its 'corporate governance'.
- Information on remuneration and staffing.
- The Parliamentary Accountability and Audit Report.

### Section 3 – The Financial Statements

This section includes the Audited Annual Accounts.

*If you would like this report in another format, please contact:*

The Board Secretary, Powys Teaching Health Board, Corporate Headquarters, Glasbury House, Bronllys Hospital, Bronllys, Brecon, Powys, LD3 0LU.

Or visit our website at <https://pthb.nhs.wales/>

Parry Stella  
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## SECTION ONE: THE PERFORMANCE REPORT

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Powys Teaching  
Health Board

## PERFORMANCE REPORT: 2021-22



SIGNED BY:

DATE: 15 JUNE 2022

CAROL SHILLABEER  
[CHIEF EXECUTIVE]

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## Purpose and Requirements for 2021 /22

The purpose of the Performance section of this Annual Report as set out in the guidance provided in the NHS Wales 2020-21 Manual for Accounts is to provide information on Powys Teaching Health Board, its main objectives and strategies and the principle risks that it faces.

In response to the Covid-19 pandemic, the reporting requirements have been streamlined whilst ensuring all regulatory matters are met and the report provides information to reflect the position of the NHS body within the community and provide public accountability.

The requirements for an Integrated Medium Term Plan remained suspended in this period and an Annual Plan was required instead for the period 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2022.

The Annual Report is required to provide an overview of progress against the Annual Plan, in line with a revised recommended approach set out in the Annex 7 of the NHS Wales guidance.

## Powys and its Population

The health board develops its plans based on an assessment of the needs of the Powys population which takes into account environmental, social and economic issues and the role of the health board in its community.

Powys is one of the most rural counties in the UK. Whilst the county is large, covering approximately 25% of the landmass of Wales, it has only 5% of the population. The county has a strong network of small towns and villages with a high level of community commitment and a strong voluntary sector.

Unemployment is low; however, Powys has a low-income economy with low average earnings and house prices that are high when compared to other areas in Wales. Five areas (Lower Super Output Areas) are among the most deprived 30% in Wales, clustered around the main market towns with higher residential populations.

There are generally good health outcomes in the County and people live longer and spend more years in good health than the national average, eating a healthier diet and being more physically active.

The Powys Public Service Board Well-being Assessment, carried out prior to the pandemic and updated in 2021, notes a strong sense of community and satisfaction with life, with 83% reporting that they felt they belonged to their local area, compared to 75% in Wales as a whole. See *Powys Well-being Assessment* for further detail and sources

<https://en.powys.gov.uk/article/5794/Full-Well-being-assessment-analysis>

However, whilst general health is good, there are issues that have informed our long-term strategy prior to the pandemic and there is now the impact of the pandemic itself to be taken into account.

The population in Powys is older compared to the rest of Wales and the proportion of older people is growing. The working age adult population is smaller compared to Wales and it is predicted that the number of young people and working age adults will decrease, whilst the number of older people will increase.

The population assessment demonstrates that 1 in 5 people still smoke, 1 in 4 children are overweight or obese on entering school and 6 in 10 adults are overweight or obese. Health inequalities amongst people living in the most deprived areas of Powys are significant; a child born in the most deprived area lives approximately 10 years (boys) to 14 years (girls) less than a child born in the least deprived area.

The latest evidence regarding the impact of the Covid-19 pandemic (direct and indirect) on the population shows that the impacts will be felt in societies for many years to come, health inequalities will widen, unless this risk is mitigated, and there is evidence of a complex effect on health behaviour, with both positive and negative impact.

There will be differing effects between population groups, and with increased unemployment, there is evidence that longstanding illness would be expected to increase gradually. There would be a higher increment in the percentage of adults with limiting longstanding illness compared to adults with any long-standing illness which would have implications for healthcare services. It may result in c. 900,000 more adults of working-age in the UK developing chronic health conditions.

Based on current unemployment predictions, there is evidence that the percentage of working-age adults with chronic health conditions is projected to increase following the up to the end of 2022/23, with a higher increment for mental health and endocrine/metabolic problems:

- The proportion of working-age adults limited a lot by long-standing illness is projected to increase from 18.1% in 2019/20, to 24.4% in 2022/23. *For Powys, this is 4,719 more adults.*
- The proportion of working-age adults with musculoskeletal problems is projected to increase from 17.1% in 2019/20, to 19.4% in 2022/23. *For Powys, this is 1,723 more adults.*
- The proportion of working-age adults with heart and circulatory problems is projected to increase from 12.8% in 2019/20, to 15.5% in 2022/23. *For Powys, this is 2,023 more adults.*
- The proportion of working-age adults with respiratory problems is projected to increase from 8.2% in 2019/20, to 10.6% in 2022/23. *For Powys, this is 1,797 more adults.*

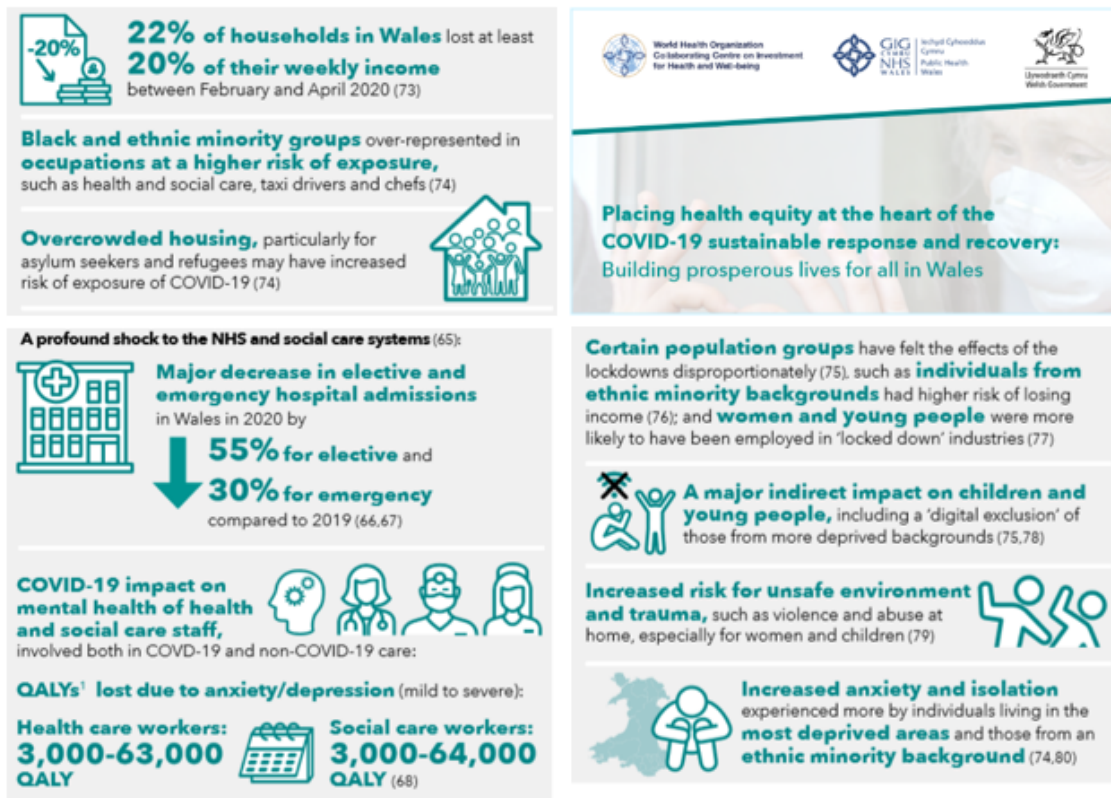
The proportion of working-age adults with endocrine and metabolic problems is projected to increase from 7.9% in 2019/20, to 10.9% in 2022/23. *For Powys, this is 2,247 more adults.*

- The proportion of working-age adults with mental health problems is projected to increase from 8.8% in 2019/20, to 11.9% in 2022/23. *For Powys, this is 2,322 more adults.*

Source: Planning Ahead: Evidence Relating to the Impact of the Pandemic (Catherine Woodward, February 2021)

Various sources refer to a 'syndemic' impact, meaning there is a cumulative effect for those with existing health conditions and a social gradient in how this is experienced. Research points to particular impacts on children and young people and vulnerable groups, and a correlation across inequalities, including ethnicity, gender, age and sexuality.

The report 'Placing health equity at the heart of the Covid-19 sustainable response and recovery' (The Welsh Health Equity Status Report, 2021) sets out the wider socio-economic impact in Wales:



The report emphasises the profound interdependence between population and community well-being and a window of opportunity to accelerate new approaches to healthier, more resilient people, societies and economies.

The Kings Fund have identified insights from recovery work globally noting that recovery will span 10 to 15 years and will not be linear. Their key finding is that recovery should focus on understanding what individuals and communities need to cope with the impacts of a disaster and be in a better position to withstand the next one. There are four priority areas: Mental Health; Community need; Not leaving anyone behind; Collaboration.

The World Health Organisation have suggested that there will be different stages of impacts on populations following the pandemic and there is evidence emerging continually on population well-being of relevance to Powys that has informed the health board's work during the year and the development of its Annual Plan for 2021-22 and review of the Population Assessment which will be taking place in the year ahead.

## The role of the Health Board

The health board has a unique role as both a provider and commissioner of healthcare for the residents of Powys.

Healthcare services that are directly managed by the health board are provided through its network of community services and community hospitals, with a range of consultant, nurse and therapy led outpatient sessions, day theatre and diagnostics in community based facilities.

Primary care is delivered through contractors including General Practices and Out of Hours services; Dental Practices and health board primary care dental services as well as Community Dental Services located across Powys as part of community services; Pharmacies and Optometrists. Community and Voluntary services are also provided through agreements with the Third Sector.

The health board commissions secondary care from District General Hospital providers in both England and Wales. Specialist care is commissioned through collaborative arrangements overseen by the Welsh Health Specialist Services Committee.

The health board has defined the Values that underpin the organisation's structure, processes, people and culture.

These have been developed by people who work in the health board and its stakeholders.

They resonated even more strongly throughout the pandemic and remain core to the organisational well-being and development.



## Planning and Delivery Framework 2021-22

Whilst the Covid-19 pandemic led to changes in the planning and delivery of healthcare, the shared long-term health and care strategy, A Healthy Caring Powys has remained the foundation for the health board's medium and long term view.

'A Healthy Caring Powys' is framed around eight well-being objectives that were developed following extensive engagement with the public, service users and carers, stakeholders and staff.



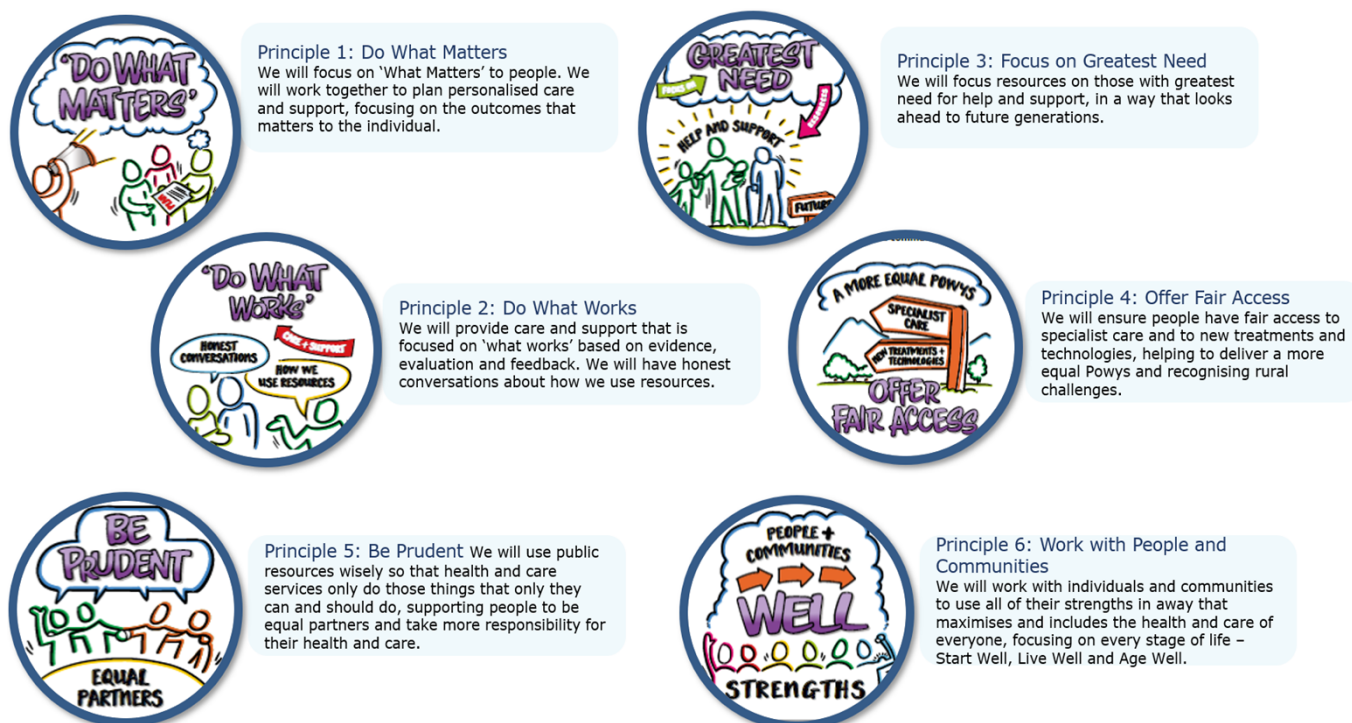
They consist of four core well-being objectives:

- Focus on Well-being
- Early Help and Support
- Joined Up Care
- Tackling the Big Four

And four enabling objectives:

- Workforce Futures
- Digital First
- Innovative Environments
- Transforming in Partnership

A set of principles were also developed with staff, partners, patients, carers and stakeholders as part of the Health and Care Strategy. These also came to the fore during 2020-21, setting the parameters for the delivery of safe and effective care and the agreement of meaningful priorities going forward.



Arrangements for Integrated Medium Term Plans were suspended at the outset of the pandemic in the first quarter of 2020/21 and remained suspended throughout the period of this report up to the end of March 2022. An Annual Plan was required to be developed instead and this report therefore focuses on delivery against that plan.

The Annual Report for 2021/22 whilst continuing to respond to the Covid-19 pandemic, was set in the context of 'A Healthy Caring Powys' which itself is informed by the Powys Well-being Assessment. It also followed Welsh Government and UK Government requirements and guidance from the World Health Organisation and clinical bodies in the context of the Covid-19 pandemic.

Development of the Annual Plan 2021/22 took a six step approach to ensure a full consideration of the complexity including emerging evidence of the impact of the pandemic.

**Step One** allowed for a *reflection* on what had been learnt by the health board during the pandemic to that point. This was important to understand where there were areas of positive development and where improvement was needed.

**Step Two** focused on the impact of the pandemic on the population of Powys. Using an *evidence-based approach* to determining critical priorities so that most effort is spent in ways that will make the most difference in areas of most need, the issue of inequity and health inequalities standing out particularly strongly.

**Step Three** *appraised the current position* of health service provision for patients/service users and communities. This considered information on how long people were waiting for access to services, particularly planned care appointments and operations, but also support with for example mental health, therapy services and other key health service support.

**Step Four** drew together the evidence from the previous three to form *critical priorities* for the year ahead. These included the continuation of measures to manage the pandemic, particularly the Test, Trace, Protect service and the Covid Vaccination service. Alongside this, the further acceleration of the provision of essential and routine services, recognising the access challenges brought about by the pandemic.

**Step Five** centred on *proposals to make a positive change* for and with the people of Powys. This embraced the learning during the pandemic, some of which was surprising, highly valuable and to be embraced. It set out ways the health service with partners and patients/service users/carers/citizens and communities can develop better ways of providing access to high quality healthcare.

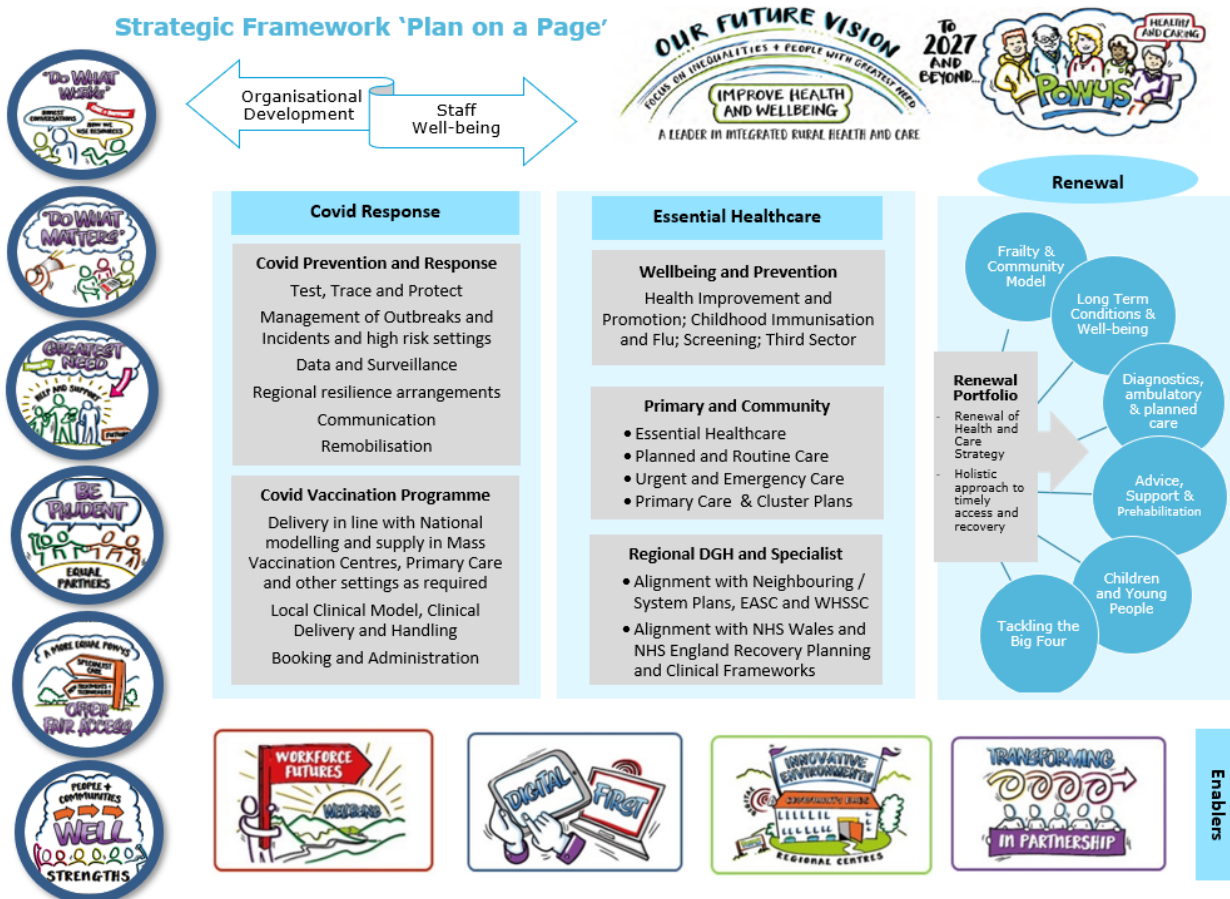
**Step Six** defined the actions necessary to achieve this change. It saw the creation of a significant new portfolio of work focused on Renewal which would tackle the recovery of access times and look longer term at sustainable delivery of quality healthcare.

The 'Plan on a Page' below shows how the final Annual Plan was set in the context of our future vision and principles, structured around three core elements:

- Covid Response
- Essential Healthcare
- Renewal

This is supported by the enabling objectives of Workforce Futures, Digital First, Innovative Environments and Transforming in Partnership:

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06/09/2022 14:08:13



The importance of organisational development and staff wellbeing was highlighted, acknowledging the huge efforts that had been made in responding to the pandemic and the impacts on staff, partners and communities.

A focus on wellbeing was a key priority, with a recognition that it directly impacts on the ability to be involved in how services develop to meet the needs of our population; how the organisation itself develops and operates and how individuals can thrive through their work in the health board and in partnership with Trade Unions.

The Annual Plan similarly focused on community wellbeing, with self and supported care approaches, shared decision-making and care closer to home. Digital care has in many cases been transformative, with more rapid and accessible service provision, as well as providing opportunities for more efficient and effective working.

Innovation and agility, trying new things, improving ways of working and adapting to new challenges has been key, working with partners and the wider community.

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06/09/2022 14:08:13

## Highlights of the Year

There have been significant challenges over the past two years however there have also been substantial achievements. Services have been disrupted through the pandemic and access has been more difficult, however adaptations have been made to minimise the impact of this.

Essential healthcare was delivered, working in partnership with staff and trade unions to adapt ways of working, supported by training, role development and deployment.

- Quality, safety and infection control measures were maintained, with associated clinical and professional practice and guidance.
- Estates and equipment improvements delivered to support covid response and surge preparations.
- Primary Care contractors adapted to ensure life-essential and life-critical care was maintained.
- Community Care teams pioneered new approaches including use of technology to support complex and vulnerable patients.
- The health board played a key role in managing patient flow across a complex network of healthcare systems in both England and Wales with a home first ethos, utilising discharge to recover and assess and virtual wards in addition to the bed base.
- Support plans were implemented for care homes including testing, primary care and therapy input particularly for respiratory needs, the management of Section 33 arrangements and implementation of the Commissioning Assurance Framework.
- Partnership working continued with colleagues in the military services, volunteers and community groups, enabling the successful delivery of the covid vaccination programme.
- Partnership with Powys County Council was central to the Covid response including the Test, Trace and Protect service.
- Communications were enhanced with key stakeholders including the Community Health Council and local politicians, cabinet members and partners. Local campaigns were delivered to support national messages and guidance.



- There has continued to be progress against the ambition in 'A Healthy Caring Powys', with the Regional Partnership Board (RPB) and Public Services Board (PSB) renewing the commitment to the Health and Care Strategy and the Well-being Plan.
- Joint work carried out to update the Population Needs Assessment and the Well-being Assessment in 2021, contributing to the understanding of the Powys population and the wider socio-economic impacts and determinants of health.
- The health board has taken important steps in 2021 on climate change, with Board approval of the Biodiversity Delivery Plan and Decarbonisation Delivery Plan.
- Transformation programmes are progressing with significant large scale changes on the Powys Model of Care – breaking traditional boundaries to design a social and integrated model centred around the community and the person.
- The North Powys Well-being Programme is driving forward a social model across education, housing, health and care which is founded in the sustainable development principle and five ways of working.
- Clinical leadership has been key to the development of a significant Renewal Portfolio, which is taking forward both immediate recovery work focused on waiting times and longer-term Programmes to develop resilient, value based models and services.
- The health board has continued to implement the Clinical Quality Framework to target quality improvement work and strengthen feedback on patient experience.
- Intelligence capability has been strengthened linked to system resilience planning and giving greater lines of sight across both unscheduled and planned care pathways.
- The North, Mid and South Powys Clusters have reviewed their plans in parallel with the IMTP this year, resetting their aims in line with the ambition for Accelerated Cluster Development.

A more detailed analysis of performance against the three areas of the Annual Plan is provided on the following pages.

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06/09/2022 14:08:13



## Performance Overview

### Covid Response

During the first phase of the response to Covid-19 the health board worked at pace to adapt its planning and delivery to life-essential and critical services and produced a Clinical Response Model and Support Services Model which has provided the foundation for the planning and delivery of safe, effective and quality services during the pandemic.

A **Covid-19 Prevention and Response Plan** has been in place throughout, regularly reviewed and updated in line with national policy. This encompassed:

- Prevention messages and activities for the general population.
- Prevention messages, support and enforcement in high risk settings such as hospitality, manufacturing, hairdressing and food processing.
- Prevention & Response related activities in care homes, community hospitals, schools and other closed settings.
- Covid-19 Testing
- Covid-19 Contact Tracing
- Covid-19 Mass Vaccination
- Incident Management
- System resilience arrangements

PTHB framed the delivery of healthcare in this period around the 'Four Harms' initially set out by Welsh Government in the context of the pandemic:

- Harm from the Covid-19 pandemic itself
- Harm from the reduction in non-Covid activity
- Harm from the risk of an overwhelmed health and social care system
- Harm from the lockdown or wider societal actions

This was subsequently updated to five harms (Technical Advisory Group Five Harms Arising from COVID-19, 9 July 2021, Welsh Government):

- Harm directly arising from Covid
- Indirect harm due to pressures on the health and care system and changes in healthcare activity such as cancellation or postponement of care and treatment
- Harms arising from population based measures such as lockdown and shielding, including educational harm, psychological harm and isolation
- Economic harms such as unemployment and reduced business income
- Exacerbated or new inequalities in our society

The PTHB Covid Response reflected the **dual track** approach recommended by the World Health Organisation, based on a 'proceed with caution'

principle, remaining ready to provide care needed to prevent, diagnose, isolate and treat Covid-19 (Track 1) and addressing accumulated demand from services that were paused to reduce exposure to and provide care for during outbreak peaks (Track 2).

A **Strategic Gold Group**, chaired by the Chief Executive has been in operation throughout the pandemic to manage the response to the Covid-19 pandemic, underpinned by **delivery principles**:

- The use of agile planning to respond to Covid-19, using 30, 60 and 90 day cycles
- A stepped approach based on robust modelling and early warnings
- A dual track approach - continuous review and assessment to balance the delivery of Covid and Non Covid healthcare
- A collaborative approach building on regional working across Powys including the Local Resilience Forum, Silver Command structures cross border, Regional Partnership Board and Public Services Board
- An evidence based approach, utilising national and international learning, policy and practice and local learning

This approach is built on **strong partnerships** with Powys County Council and other key partners in regional resilience forums across Dyfed Powys, Shropshire Telford and Wrekin and Herefordshire and Worcestershire as well as Welsh Government. Collaboration with the third sector had been a defining feature of the first year of response in 2020/21 and remained important during the second year in 2021/22, helping and supporting people through the changing phases of the pandemic.



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## Modelling and Surge Planning

Operational and tactical plans were reviewed as national guidance and requirements changed and escalation levels in relation to the covid pandemic and related restrictions and regulations evolved.

Surge plans were developed utilising national modelling intelligence and local information. Preparations had been made at the early stage of the pandemic in spring 2020 which were revisited throughout 2021/22. Whilst the health board had considered and carried out preliminary preparations for potential use of field or alternative hospital provision, these were not required as it was possible to deliver surge plans within PTHB capacity.

The national modelling in relation to the progress of the pandemic has been used as a guide and has been updated as part of the Minimum Data Set (MDS) provided by Welsh Government.

A key source of modelling is from the Wales Technical Advisory Group (TAG), a group of experts that provides technical advice and updates to Welsh Government. It considers emerging outputs from SAGE (the UK Government Scientific Advisory Group for Emergencies), Welsh modelling forecasts and situation reports.

Oversight and surveillance of Covid-19 locally is in accordance with the Prevention and Response Plan and agreed local governance arrangements, which take into account national requirements.

Local modelling is underpinned by:

- An evidence-based approach, utilising data, policy and guidance
- Regular review to take into account new scenarios and emerging Covid-19 variants under investigation or concern
- Robust local surveillance including R value and other Situation Analysis
- A collaborative approach across England and Wales
- The Minimum Data Set trajectories

Powys has a complex set of healthcare pathways spanning England and Wales and therefore modelling of demand relates to directly provided services and commissioned services.

Plans have also been drawn up for additional capacity which remain available if at any point it becomes necessary to revisit these, particularly in the context of emerging variants which present a continuing level of uncertainty in relation to capacity required.

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## Powys Prevention and Response Plan

The Powys Prevention and Response Plan encompassed the delivery of the Powys Testing Plan, developed in line with national requirements:

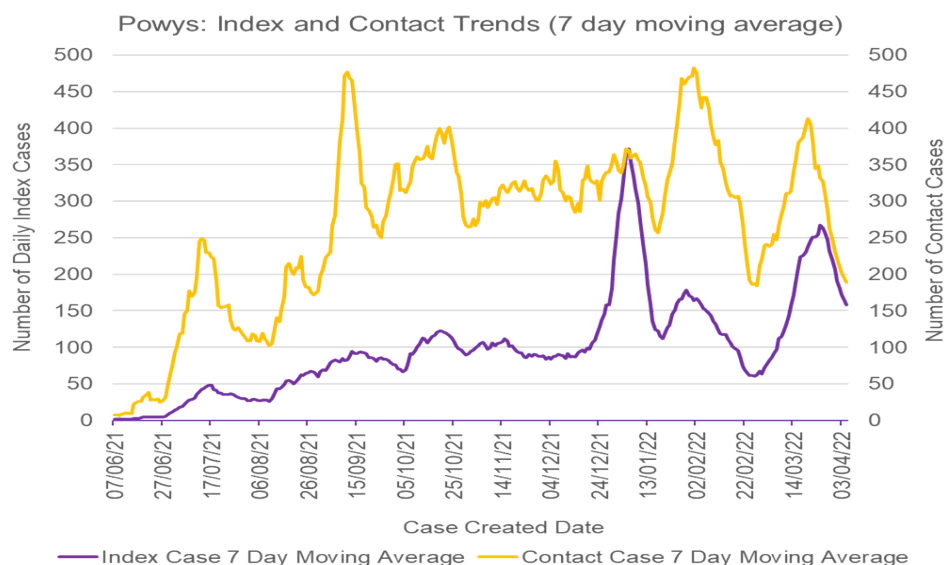
- Symptomatic testing
- Asymptomatic screen
- Antibody testing using PCR (polymerase chain reaction), LFT (Lateral Flow Testing) and new technologies
- Delivery of Contact Tracing
- Regional co-ordination of Test, Trace and Protect service

The Test Trace Protect (TTP) partnership in Powys has continued to be pivotal in keeping communities safe, with a sustained focus on prevention and response throughout the pandemic.

Contact tracing performance has remained strong despite the additional pressures associated with the Delta and Omicron variants during the year. Between 1 March 2021 - 31 March 2022 the team handled 53,202 Initial Contact Calls, 24,965 Standard Contact Traces, 10,073 Arriving Traveller Daily Checks and 5,852 Contact Daily Checks. This is in addition to the sending of Eforms, backward contact traces, incoming and other calls.

Since the launch of the service in June 2020 the team has dealt with:

- 36,446 Index Cases (93% successfully followed up)
- 94,686 Contact Cases (93% successfully followed up)



All quarterly milestones were completed:

- Public messaging reinforced and supported through PTHB channels
- Development of Workforce Plans for Testing and Tracing Q1
- Asymptomatic (surge) testing exercise preparations Q1, testing site operational June / July 2022, workforce training completed

- Delivery of LFD collect (Lateral Flow Devices arrangements) Q1 commenced, Sites across Powys including Powys libraries. By year end over 133,000 kits were collected:
  - 75,250 from supermarkets and 41,227 from libraries
  - 8,718 at events, 4,167 at leisure centres, 250 at livestock markets
  - 3,630 from pharmacies and 387 from community sites
- Escalation of Local Incident Management Team to respond to case rates Q2, regular review to respond to clusters and outbreaks
- Timely follow up of cases and contacts Q1 – Q4 monitored by Prevention and Response Strategic Oversight Group
- Part Year Review Q3 – no formal arrangements as co-ordinated partnership working enabled timely responses
- Workforce Review and preparation Q4 completed, contracts extended to deliver 'Together for a Safer Future' transition
- Civil contingencies and business continuity plans reviewed and updated Q3 / Q4 – with ongoing work into 2022/2023
- Governance and leadership including Strategic Gold Command, Dyfed Powys Strategic Co-ordinating Group, Recovery Co-ordination Group, Prevention and Response Group and Incident Management Team

The team accelerated the availability of Lateral Flow Tests with distribution via local libraries, pharmacies, leisure centres, supermarkets and other collection points.

The walk-in asymptomatic testing centre in Newtown was part of the first official visit to Powys by the Health Minister Eluned Morgan in June 2021.

A pop up testing centre at the Royal Welsh Winter Fair in November 2021 provided rapid testing for visitors without a COVID Pass. The Minister for Rural Affairs and North Wales and Trefnydd Lesley Griffiths visited and helped distribute testing kits to attendees.

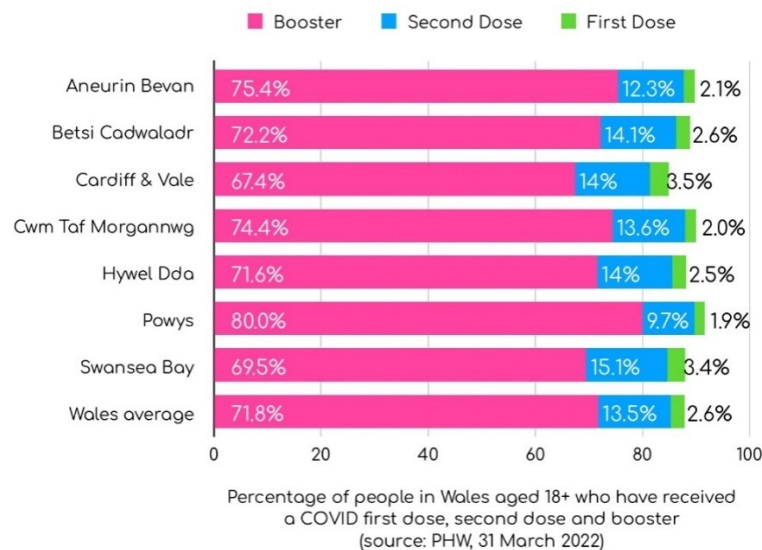


Detailed planning is under way in light of NHS Wales COVID-19 Transition Plan "Together For A Safer Future" published in March 2022 including the contingencies that need to be in place for "COVID Urgent" scenarios.

Further detail of the achievements of the team were shared at a Showcase Event in November 2021 available at: <https://youtube/u9Ec4mgf1eE>

## COVID-19 Vaccination Programme

During 2021/22, Powys Teaching Health Board continued to deliver the highest rates of COVID-19 vaccination of all health boards in Wales. By the end of the year, over 80% of adults had taken up the invitation for booster vaccination with nearly 90% completing their primary course.



National aims for 2021/22 focused on delivery of the “Phase 3” strategy priorities, which were all achieved or exceeded in Powys:

<p><b>National Aim 1:</b></p> <p>All individuals identified as severely immunosuppressed, as set out in the JCVI advice, will be prioritised for an urgent appointment at the time best for them</p>	Achieved
<p><b>National Aim 2:</b></p> <p>We will offer the vaccine to all 12 to 15 year olds by 1 November with the majority of those who come forward vaccinated in October.</p>	Achieved
<p><b>National Aim 3:</b></p> <p>By 31 December, we will have offered the majority of those who are eligible for a booster a vaccine appointment. Eligible Care Homes residents will be offered their vaccination by 1 November.</p>	Exceeded
<p><b>National Aim 4:</b></p> <p>We will continue to work to ensure no-one is left behind and maximise vaccine coverage in Wales for the protection of individuals, their families and the communities in which they live.</p>	Achieved

Phase 3 headline performance comparators (source: PHW, uptake as at 31 March 2022):

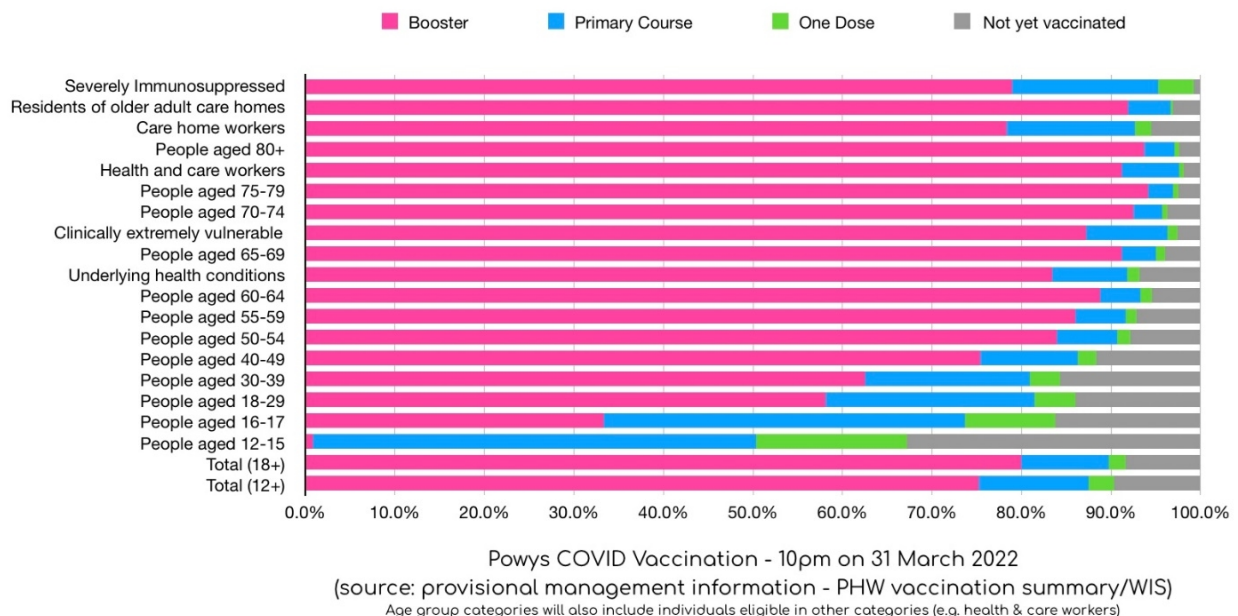
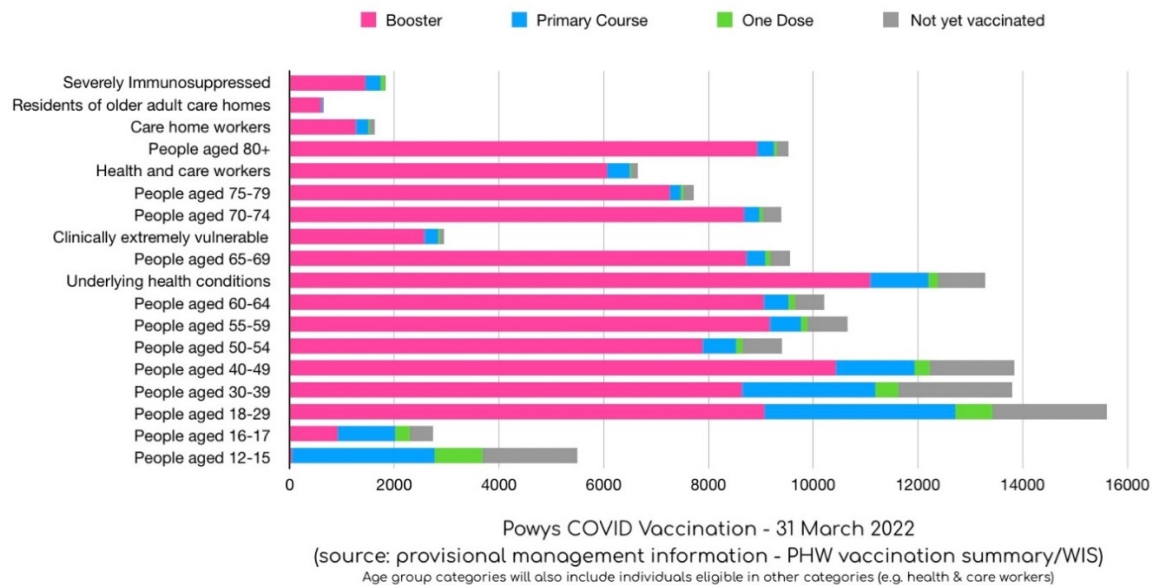
- 80.0% of the adult population have received their booster dose (Wales: 71.8%)
- 89.7% of the adult population have completed their primary course (Wales: 85.3%)
- 83.7% of 16-17 year olds have received their first dose and 72.8% have received their second (Wales: 76.3%, 60.75%)
- 66.9% of 12-15 year olds have received their first dose and 48.4% have received their second (Wales: 59.7%, 39.2%)

The local Phase 3 programme aims were also achieved:

To continue to offer first and second dose vaccination for people who have not yet taken up the offer, ensuring no one is left behind.	Achieved	"Always Open" offer remained in place through drop-in arrangements.
To deliver first and second dose vaccination for children and young people aged 12-17 in line with national guidance.	Achieved	Uptake is currently highest of all health boards in Wales. New guidance implemented to offer boosters to 16-17 year olds and extending first & second doses to 5-11 year olds
To deliver a safe, prudent and timely booster programme in line with national guidance.	Achieved	Booster uptake is the highest of all health boards in Wales. Programme accelerated in response to new guidance in November and December to offer all eligible individuals a booster by end December.
To deliver a third primary dose for individuals experiencing immunosuppression at the time of their first or second dose, in line with national guidance.	Achieved	Booster also implemented following new national guidance – booster uptake for this cohort is currently the highest of all Health Boards in Wales.
To continue to review COVID-19 vaccination delivery in order to develop our future model, if and as required by national policy and guidance.	Achieved	Our plan for 2022/23 is being developed and delivered in response to new national planning guidance published on 14 February 2022.

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06/09/2022 14:08:13

The graphs below show the uptake for first dose, primary course and first booster in each cohort group by 31 March 2022. Data are not yet available for second (spring) booster uptake.



The programme adapted to significant changes during the year:

- Following initial guidance on booster doses, eligibility was extended to include all adults and thereafter to include 16-17 year olds, and in response to the Omicron variant the dose interval was reduced from six months to three months followed by a new national requirement to offer all eligible adults their booster dose by end of December. These accelerated requirements were achieved in Powys.
- In December 2021 the Joint Committee on Vaccination and Immunisation (JCVI) announced first and second doses for children aged 5-11 in clinical risk groups, and in February 2022 this was



extended to include a universal offer to all 5-11 year olds. Vaccination arrangements were put in place before year end.

- In February 2022 the JCVI announced a second (spring) booster for everyone aged over 75, residents of care homes for older adults, and people aged 12 and over with severe immunosuppression. The spring booster programme in Powys commenced in mid March 2022 and will continue through Q1 2022/23.
- Locally the temporary decommissioning of the vaccination centre in Llanelwedd has also been delivered, to accommodate the Winter Fair in November 2021, at the Royal Welsh Showground. This was the first major event on the site since the start of the pandemic.
- In February 2022 the vaccination centre in Newtown relocated from the Maldwyn Leisure Centre to Park Street Day Centre.

The vaccination programme has continued to receive positive feedback, and in February 2022 was presented with the "Family of the Year" award from the Powys County Times. This award recognise the true team effort across the programme including staff, volunteers and partners – as well as everyone who has taken up the offer of vaccination.

Volunteer support with assistance from Powys Association of Voluntary Organisations has continued to be pivotal to the success of the programme in Powys.

Looking ahead, new national planning guidance was published on 14 February 2022 to set out the requirement for 2022/23. Priorities include:

- delivery of the spring booster programme
- vaccination for 5-11 year olds
- delivery of an autumn booster programme subject to guidance
- preparedness for any surge response if needed
- and a continued "always open" offer to leave no one behind.

We would like to thank the Royal Welsh Agricultural Society, Freedom Leisure and Powys County Council for their continued support for the programme.



### **Covid-19 Recovery and Rehabilitation**

The health board's approach to people recovering from Covid-19 is focused on providing care and support as close to home as possible, tailored to meet an individual's specific needs.

This is being achieved by providing integrated rehabilitation services for the range of longer-term effects such as fatigue, breathlessness, heart, physical or psychological impacts, whether as a result of Covid-19 or other pre-existing conditions.

The Post Covid Syndrome service has been in place since January 2021 supported by the Pain and Fatigue Management Service. In addition to the already established multi-disciplinary team it includes the input of a GP and an Advanced Practitioner to support the care being provided.

The Service have also developed a range of resources including a webpage which links to the NHS Wales Covid Recovery App <https://pthb.nhs.wales/services/painandfatiguemanagement/covid-recovery-and-rehabilitation/> and a module for the Invest in Your Health service dedicated to Managing Breathlessness.

- Cough
- Reduced fitness and muscle strength
- Joint pain and muscle aches
- Weight gain
- Low mood
- Weight loss
- Breathlessness
- Voice and swallowing problems
- Brain fog
- Stress and anxiety
- Fatigue
- Sleep problems



- + Install the NHS Wales COVID Recovery App
- + Set personalised goals based on your symptoms
- + Review educational videos to support you in achieving your goals
- + Monitor and record your progress over the next 12 weeks

The Health Board has been key to the development of services throughout Wales and has been represented at a number of national groups including the All Wales Covid Recovery Operational Group.

Owen Hughes, Head of Pain and Fatigue Management has presented at a number of conferences and events on the impact of COVID and its recovery including the International Chronic Pain Virtual Summit 2020 in June 2020.

## Essential Healthcare

The pandemic required the NHS to mobilise healthcare in new and different ways to respond to the public health emergency, setting up entirely new services to provide protection, vaccination and support in the as described in the previous section.

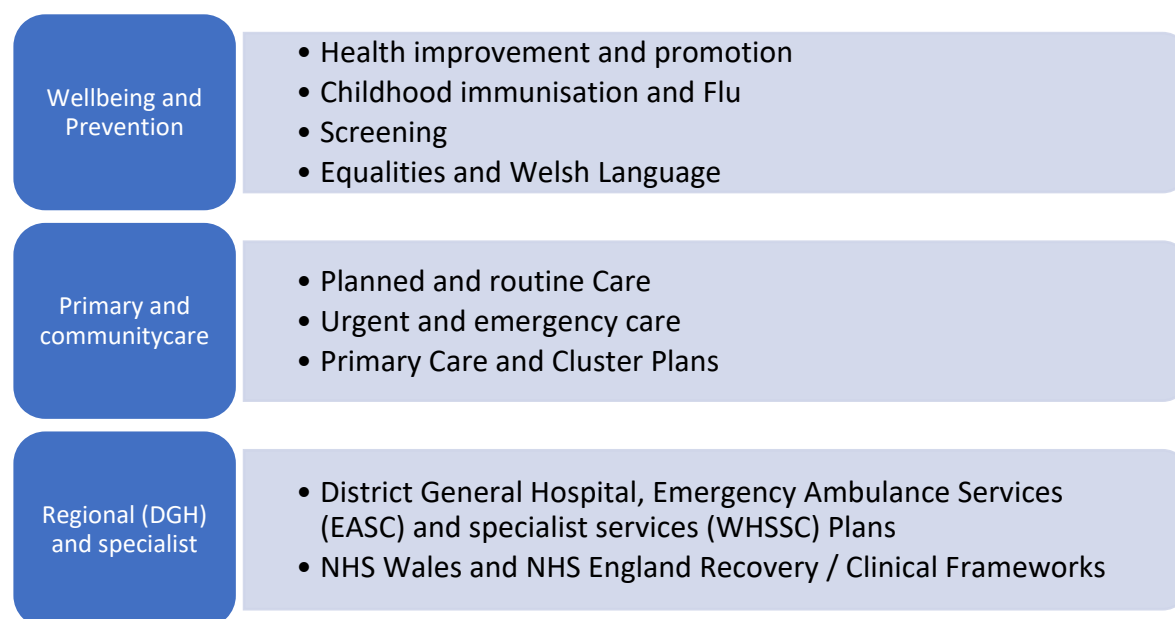
Alongside this, it was also necessary to continue to provide essential healthcare to meet population needs, whether that was related to 'non-covid' or 'covid' related needs. Indeed, in many cases, healthcare was responding to a combination of complex factors, with the pandemic exacerbating existing health conditions or risk factors for some of the population.

The health board maintained essential healthcare for its directly provided services throughout, using new and alternative ways of working to counteract the reduction in physical space and capacity arising from the Covid-19 infection control measures and to offer virtual / remote service provision where possible.

The use of digital technology, phone and email access and provision was introduced in the early stages of the pandemic and continued into the second year, alongside 'face to face' services in line with national guidance and adaptations to the environment of care to accommodate the appropriate safety measures.

The sustained effort of staff has been enormous, with a huge collaborative endeavour across partners and communities in the face of a pandemic that continued into a second year.

The Annual Plan set out the key components for the delivery of Essential Healthcare in this context, based on three core components:



## Wellbeing and Prevention

A long term inter-generational plan, 'Towards 2040', has been agreed across all partners in Powys and reviewed in the context of the pandemic. It is overseen by the Public Services Board, established as a statutory partnership as part of the implementation of the Well-being of Future Generations (Wales) Act 2015 to improve the economic, social, environmental and cultural well-being of Powys through better joint working across all public services.



People in Powys will experience a stable and thriving economy

People in Powys will be healthy, socially motivated and responsible

People in Powys will enjoy a sustainable and productive environment

People in Powys will be connected by strong communities and a vibrant culture

## Well-being 12 steps



We have agreed an initial 12 well-being steps to deliver our local objectives in this first plan. These are collective steps, where we need to work together and enhance the work we're doing as individual organisations and communities. Again more detailed information about the steps is provided later in this plan.

01		Actively engage with residents, communities and key stakeholders to promote, shape and deliver our vision for 2040	07		Develop a carbon positive strategy that maximises green energy production
02		Establish a simple and effective performance management framework to monitor progress in delivering the well-being steps and achieving the vision	08		Develop a sustainable environment strategy
03		Work with and influence others to improve our transport infrastructure, our existing transport links and develop a sustainable and integrated approach for planning and delivery	09		Undertake market research and establish an effective infrastructure to support active enjoyment of the environment and adventure tourism
04		Work with and influence others to ensure improved digital infrastructure for Powys	10		Develop a strong brand to promote and attract inward investment into Powys
05		Develop a joint approach to community resilience by co-ordinating existing support and building the skills and capacity within communities helping them do the things they can do for themselves	11		Implement more effective structures and processes that enable multiagency community focused response to wellbeing, early help and support
06		Develop a holistic approach to skills and lifelong learning, which offers a range of formal and informal opportunities, including apprenticeships and traineeships	12		Develop our organisations' capacity to improve emotional health and well-being within all our communities

The health board has a key role in the Public Services Board which includes providing expert advice, leadership and action on public and population health and inequalities (including the five harms). There is an agreement to revise the Well-being Plan more fully in 2022, to take into account emerging evidence and learning from the pandemic response.

The shared ambition for improving population health and reducing health inequalities is a golden thread throughout this plan and central to the shared Health and Care Strategy for Powys, which has a ten year horizon. This runs in parallel to the Powys Well-being Plan and shares key action areas, notably in Steps 11 and 12 in relation to multi-agency responses and emotional health and wellbeing.

Each partner has a role in ensuring that the golden thread is woven into its own delivery plans and there was a clear focus on wellbeing, prevention and inequalities within the PTHB Annual Plan 2021/22.

There was a focus on actions for health improvement and promotion, childhood immunisation and flu and screening. These required a flexible approach in line with the requirements for the changing phases of the pandemic and the deployment of resources.

Quarterly milestones were tracked during the year, some areas were delayed due to deployment to the Covid-19 response, with actions reprioritised in year and carried forward into the following year as follows:

- Smoke Free Premises and Vehicles regulations - policy embedded Q2 and compliance report completed and shared through Planning, Partnerships and Population Health Committee.

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06/09/2022 14:08:13

- Implementation of the Smoking Cessation system framework, with the completion of a needs assessment in Q1, review of the current model and activity in Powys experienced some delay and further development of the service planned for 2022/23, with full implementation during Q3 (Autumn Winter 2022).
- Review of Healthy Weights Action Plan completed Q3 and approval process underway Q4 (with final approval in Q1 2022/23) recruitment to Obesity system posts completed.
- Development of Weight management pathway on track with Strategic Group established to co-ordinate pathway development for Levels 1 to 4 and implementation of Multi-Disciplinary Team working group Q1; scoping and mapping of adult and children / young people's services carried out, progression of pilot on track.
- Delivery of immunisation plans and post Covid catch up for vaccine preventable communicable diseases including influenza, Human-papillomavirus, Men AWCY (meningococcal bacteria) and MMR (mumps, measles and rubella) Q1 – Q4.
- Implementation of plan and monitoring for Building A Healthier Wales funded programmes carried out Q1 – 4.
- Screening programmes progressively restored in line with national directives and to recover where there have been service disruptions such as the Child Measurement Programme.
- The review of school aged screening for the Healthy Child Wales Programmes was not progressed in 2021/22, but has been included as business as usual into the coming year.
- Vision screening has recommenced in schools to catch up provision for eligible cohorts of children and audiology screening offer is being progressed.

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06/09/2022 14:08:13

## Equalities and Welsh Language

Fairness & Equality represents one of the six core organisational values of the health board. The values are the things that are important in the way we live and work and represent the guiding principles behind our actions.

As a UK public sector body, the health board is subject to the Public Sector Equality duty as outlined in the Equality Act (2010), which among other things sets out a general duty to reduce inequality of opportunity and foster good relations between groups of people.

The PTHB [Strategic Equality Plan](#) (SEP) for 2020-2024 sets objectives which have been designed to sit alongside the 10 year Health and Care Strategy and form part of the PTHB Planning and Delivery Framework.

Each year, the Executive Lead for Equality agrees an annual work plan to identify priority equality actions for the year.

Highlights from work carried out in 2021-22 include:

- The provision and rollout of in-house training in relevant areas such as Equality Impact Assessment and Equality for Managers.
- Training for staff across the organisation to produce documents in Easy Read format, improving accessibility for a wide range of audiences.
- Commencement of an exciting new Patient Stories project, collecting the experiences of a diverse range of patients in order to inform service and project delivery across the health board.
- Promotion of a regular series of virtual talks and events for staff via our internal communications channels, including opportunities for staff to respond to consultations and collaborate on internal projects.
- The introduction of a new intranet based Staff Wellbeing hub.
- New opportunities for staff to network with their colleagues, including across the wider Welsh NHS.

In relation to the Welsh Language, a range of actions have been carried as outlined more fully in the Welsh Language Annual Report which is available at the link noted below.

Some of these projects were not originally a part of the work plan and have become possible thanks to new team skills or opportunities arising:

- Appointment of a full-time internal translator to provide in-house translation. This has improved service capacity and reduced turnaround times.
- Continued promotion of Welsh language impact assessment procedures for strategic decisions such as policy, service development and/or redesign as part of the broader Equality Impact Assessment

process, including training on assessing policies for the impact on Welsh.

- The establishment of new staff networks for Welsh speakers and learners, and the resumption of the Welsh Language Standards Service Leads group (following Covid-19 related disruption) to share good practice.
- Continued promotion of communication around national events such as Diwrnod Mae Gen i Hawl (Welsh Language Rights Day) and staff events such as a St. David's Day Bilingual Quiz and the Welsh and Equality Week talks hosted by Aneurin Bevan University Health Board.
- Implementation of a new Vacancy approval procedure which has ensured that all PTHB vacancies are advertised 100% bilingually, as per Standard 107A.

As with all of the health boards, the ongoing pandemic which required the redeployment of some key staff in the team has disrupted the efforts to improve capacity to deliver bilingual services. Activities reliant on staff presence such as audit or face-to-face training have also been disrupted and in some cases suspended in this reporting period.

Nonetheless, significant work has been progressed to continue to deliver and improve the provision of services in Welsh and its compliance with the standards.

The health board has recognised the importance of this area by providing more resources than have been available in the past, with a Welsh Language and Equality Officer being appointed to act as departmental deputy and support both agendas in addition to the translator mentioned above. This actively encourages staff to operate bilingually and to make greater use of translation by making it easier and faster to access support and guidance.



The full details of our work in this area over 2021-22 is available in the Equality Annual Report 2021 – 2022 <https://pthb.nhs.wales/about-us/key-documents/equality-and-welsh-language/>.

Further information can be obtained by contacting the Equality and Welsh Language team on [powys.equalityandwelsh@wales.nhs.uk](mailto:powys.equalityandwelsh@wales.nhs.uk).

## Primary and Community Care

Primary and Community Care was central to the delivery of the Annual Plan 2021/22, building on the Clinical Support Model established in the first phase of the pandemic and continuing into 2021/22. This ensured the continued delivery of essential healthcare, with a greater focus on routine care, addressing backlogs and renewal of healthcare through the year.

The Annual Plan recognised the disruption in healthcare caused by the pandemic, with changes in the way people accessed support and longer waits for care. This also exacerbated challenges faced across primary and community care in relation to service fragility and sustainability.

The Annual Plan set out a clear ambition to develop high value approaches to services over the next three years, working with national programmes including those within NHS Wales for Primary Care, Planned Care and Recovery and Accelerated Cluster Development. Key points of progress:

- Significant efforts remained necessary in relation to infection control including personal protective equipment (PPE), environmental adaptations and prevention of nosocomial spread; this limited the physical capacity and methods of delivery however all primary care contractors adapted their ways of working to maintain access.
- General Practice adapted to respond to the pandemic, introducing total triage services and virtual consultations such as Attend Anywhere and Consultant Connect (remote secondary care advice).
- The Local Medical Committee has been involved in preparatory work ahead of the contract reforms to General Medical and Enhanced Services, in the context of the recovery and renewal of healthcare.
- A variety of resilience measures were put in place across Clusters such as buddy up systems, cluster contingency plans, active signposting services and remote working solutions.
- General Dental Practice and Optometry adapted to meet changing requirements for physical and clinical measures in response to Covid-19. The introduction of Attend Anywhere supported the delivery of advice and assessment. There have been challenges with dental provision and actions have been taken to increase community dentistry and take forward the national contract reforms.
- Pharmacy played a key role in the success of the Covid Vaccination programme in Powys, as well as providing a key point of contact, being an essential service and access point for advice and medication. The Pharmaceutical Needs Assessment provides the foundation for future service planning.
- The management of medicines has been taken forward with the first Area Prescribing Group being rolled out in Spring 2022.
- Key areas of optometry work have been progressively restored, with alignment to the national Eye Care programme and Electronic Patient Record, with e-referral and 'OpenEyes' hospital clinic developments which enable services closer to home.



- Expansion to the ophthalmology service in North Powys has been accelerated through the North Powys Wellbeing Programme.
- The nursing, women and children's' and therapies teams adapted approaches across virtual, ward and community environments, promoting universal access with a targeted approach for those with complex needs such as the development of integrated responses to safeguarding, domestic violence and additional learning needs (ALN).
- A home first ethos to support independence and avoid unnecessary acute care was progressed to support those with chronic disease, with case management and support for the most vulnerable.
- The three Powys Clusters regrouped to refresh their plans for the populations in North, Mid and South of the county, in the context of the response to the pandemic and its impacts.
- A new contract for Non Emergency Transport was agreed with Shropshire, Telford and Wrekin Clinical Commissioning Group and commenced in the Autumn 2021.
- The health board has incrementally reinstated the arrangements for commissioning assurance notably in those areas subject to special measures, notably maternity services provided by Shrewsbury and Telford hospitals and Cwm Taf Morgannwg University Health Board.
- Work has continued in response to the earlier opening of the Grange hospital by Aneurin Bevan University Health and the accelerated changes to pathways.
- Targeted work has been taken forward to prevent out of county placements for children and young people with complex needs who require safe accommodation and continues as a key priority in the Integrated Medium Term Plan in 2022.
- Partnership work with Powys County Council has continued in relation to those areas covered in the 'Section 33' agreement in relation to the joint commissioning of Care Homes.



## Urgent and Emergency Care

The challenges faced during the pandemic increased pressures in the healthcare system and particularly the capacity to respond to increased and changing patterns of demand for urgent and emergency care.



Powys residents access urgent and emergency care from a large network of providers in both Wales and England and the health board has a complex and pivotal role in supporting system resilience.

A System Resilience Plan was agreed in the Autumn of 2021 across partners in the Regional Partnership Board in liaison with Welsh Government. This was mobilised and tracked through arrangements set up by Strategic Gold Command.

A Delivery Coordination Group (DCG) was formed comprising operational and strategic representatives of Powys Teaching Health Board (PTHB), Powys County Council (PCC) and Powys Association Voluntary Organisations (PAVO).

The purpose of DCG was to coordinate tactical actions taken to limit the impact on any business continuity disruption and oversee delivery of the System Resilience Plan. Specifically, to:

- Ensure shared understanding and responsibility for system pressures
- Undertake performance monitoring & SITREP reporting across the whole system to improve system performance
- Co-ordinate problem solving at a tactical level to manage system pressures and to manage risk and flow, minimising delays
- Co-ordinate matters by exception for Primary, Community Care and Mental Health, Social Care, Care Homes and Third Sector
- Liaison with key health and care partners in England and Wales including Ambulance Services and District General Hospitals
- Co-ordinate Local Resilience Forum Reporting
- Oversee Communications/ Engagement for system resilience
- All partners agreed to implement a zero tolerance environment to delays attributable to funding decisions.

In December 2021, ahead of the system reset across Wales, the Powys Delivery Co-ordination Group led work to expedite patient flow and reduce delays in transfers of care. There was a clear understanding of the problem and the actions that needed to be taken.

Emergency access has been highly pressurised across primary, out of hours, secondary and community care with very long waits reported in acute accident and emergency (A&E) units in neighbouring hospitals. There were considerable delays in transfers and discharges, and ambulance services have been impacted as they wait to handover patients at A&E units and are unable to deploy back to operation in the community.

In this context the health board has placed further focus on the Powys bed flow, to maximise provider beds supporting demand and reducing repatriation delays to the absolute minimum. It was critical to improve reaction and assessment time for patients to ensure needs were being met in the right place at the right time in a collaborative manner.

A whole system approach, including the third sector, enabled partners to prioritise discharge planning, and maximise community assets to support patients, carers and families. This was focused on optimising the quality and safety of care over a challenging winter period in the context of increased Covid driven by the Omicron variant.

The collaborative efforts resulted in significant progress on key areas of patient care and outcomes.

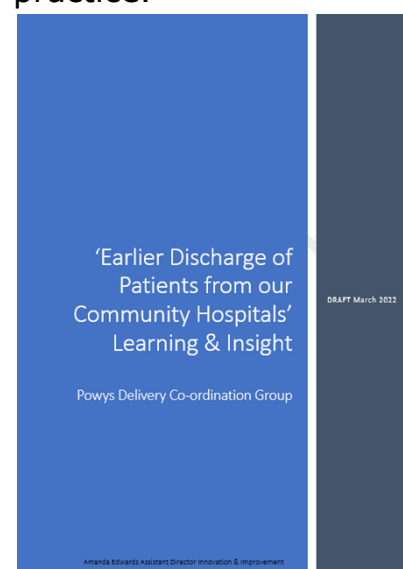
Headline results are shown below:

	2 <sup>nd</sup> November 2021	15 <sup>th</sup> February 2022	21 <sup>st</sup> March 2022
Number of patients in community hospital beds	139	135	141
Total number of bed days consumed	7,519	5,365	5264
Number of patients with a LoS of more than 120 days	20	6	4
	End November 2021	End February 2022	End March 2022
Average LoS	54 days	38 days	37.3 days

As a result of the changes there was a decrease in total bed days and the length of stay. The number of patients with a stay exceeding 120 days and the average stay was decreased significantly, promoting improved outcomes and reducing harm in line with evidence based clinical practice.

The improvement in patient flow and bed utilisation also meant that the health board had sufficient surge bed capacity in its own provided services and did not require external or field hospital capacity.

The health board has commenced a learning exercise to understand how patients and their families as well as staff experienced the changes. A number of key insights have been identified which will be used to build and sustain improvement and timely discharge. The findings have informed forward planning and will be taken into the next stage of work within the Regional Partnership Board.



## Regional (District General Hospital) and Specialist Care

Powys residents access care across multiple healthcare systems in both England and Wales and the health board is both a commissioner and a provider of care.



The health board has a key role in ensuring that cross border considerations are taken into account as part of the national commissioning arrangements to ensure equity for the resident population in this context.

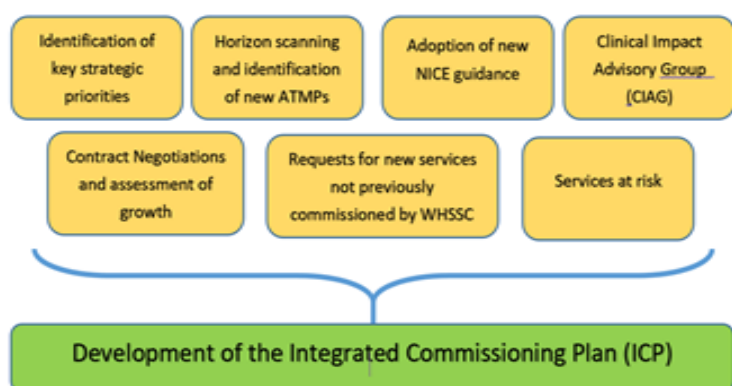
Work throughout the year has been increasingly aligned with the NHS Wales National Clinical Framework, Programmes for Renewal, Planned Care and Unscheduled Care, Outpatient Strategy and the NHS Wales Collaborative/ Regional Fora (inc. Endoscopy, Eye Care, Orthopaedics, Diagnostics, ophthalmology, theatre capacity and utilisation).

Nationally across both Wales and England, commissioning arrangements and contracting had been adapted to enable a flexible response during the pandemic. During this past year there has been a return to the agreement of Long Term Agreements / Service Level Agreements and preparations for these have involved complex provider and commissioner considerations and intention setting, acknowledging the ongoing uncertainty of the pandemic. Alignment and tracking of regional and provider plans has been prioritised based on risk, impact and benefits.

Participation in both Welsh Health Services Specialist Committee (WHSCC) and for Emergency Ambulance Services Committee (EASC) mechanisms has been focused on the development of sustainable models to deliver equity including those living in our rural communities.

This includes participating in the leadership and management arrangements for the Welsh Health Specialist Services Committee (WHSSC), which works on behalf of all 7 Health Boards in Wales to ensure equitable access to safe, effective and sustainable specialist services for the people of Wales.

The WHSSC Integrated Commissioning Plan (ICP) has been developed in the latter part of 2021 in response to NHS planning guidance and takes account of National and ministerial priorities.



The Integrated Commissioning Plan was developed during Winter 2021 and approved by Joint Committee on the 11<sup>th</sup> January 2022.

The plan outlines the commissioning priorities for the period 2022-2025.

The plan includes strategic priorities and a recovery profile for each of the main specialist services.

## Planned Care

The past two years has seen extra-ordinary changes in demand for healthcare due to the Covid-19 pandemic. There was both an increase in acute demand and system pressures but also a decrease and subsequent backlog in planned healthcare, with fluctuations in patterns of demand associated with the changing phases of the pandemic.

The Annual Plan for 2021/22 acknowledged this challenge, noting that it would not be met by existing approaches or existing resources; it would require radical solutions founded in a value based healthcare approach, nationally, regionally and locally. There are connections between and across recovery and transformation plans, in both NHS Wales and England, as these are developed and refined. Powys has a complex set of healthcare pathways and the planned care system is multi-dimensional, involving both directly managed and commissioned care.

The premise of the Annual Plan was that recovery and renewal would need to be grounded in an understanding of the experience and outcomes for those waiting and those at greatest risk. As well as the immediate work to reduce waiting times that are unprecedented opportunities for the health board to improve outcomes for patients by redesigning existing pathways across the system.

The health board has built an important Portfolio of work to achieve this Renewal, including a specific Programme to take forward as a core approach, Value Based Health Care.

Key priorities were set according to the evidence base on the harms and impact of the pandemic, as well as the underpinning Burden of Disease work that identified key clinical priorities in the health and care strategy.

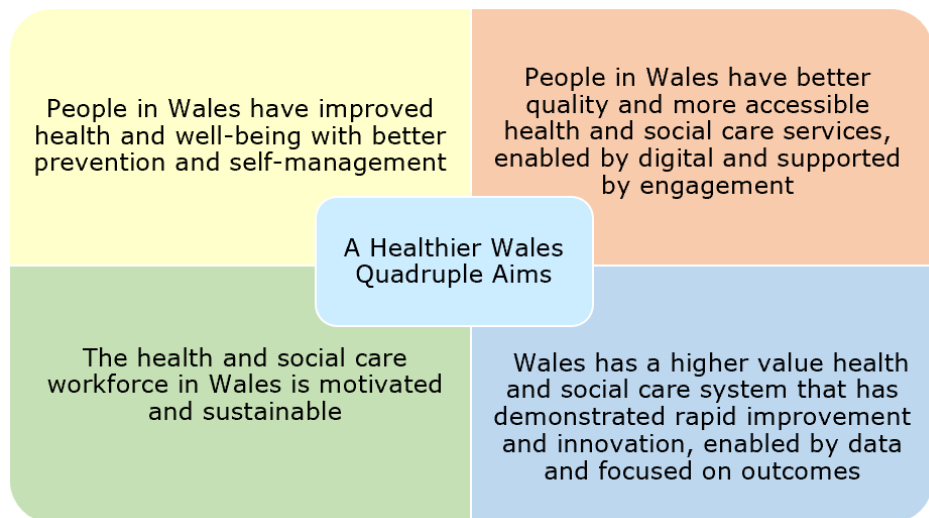
This Portfolio focused in the initial phase on the immediate actions to address access to services and waiting times, however it is longer term in its ambition to achieve strong outcomes, and patient/citizen/staff experience and reasonable costs through transforming pathways of care.

At the heart of the work is a transformation in the models of care for the population, to build sustainable services for the future. Partnership working and interdependencies with other flagship programmes are key to the success of this approach. There is a connectivity with the work being progressed via the Regional Partnership Board on Workforce Futures and the North Powys Well-being Programme, and the very long term inter-generational focus of the Public Services Board Wellbeing Plan.

Operational teams have already achieved significant improvements and have been successful in reducing waiting times for planned care throughout the year, as demonstrated on the following pages.

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The NHS Delivery framework was updated for 2021/22 and reports against delivery measures mapped to the Healthier Wales quadruple aims.



Performance against the measures has been a challenge with the ongoing impact of COVID-19, however very positive improvement has been achieved in directly provided services, for referral to treatment (RTT) and the diagnostic and therapy pathways. When nationally benchmarked against the All Wales picture, provider performance is predominately positive at year end (not all measures have available data for year-end).

The individual measures are noted overleaf for Aims 1 and 2 (Aims 3 and 4 noted in the sections on Workforce and Quality later in this report).

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

2021/22 NHS Outcome Framework Summary - Key Measures - Provider				Performance			Welsh Government Benchmarking ("in arrears")	
No.	Abbreviated Measure Name	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
1	Percentage of babies who are exclusively breastfed at 10 days old	Annual Improvement	2020/21	51.9%		52.0%	1st	36.8%
2	*6 in 1 vaccine by age 1	95%	Q3 21/22	95.8%	93.9%	96.1%	3rd	95.9%
3	2 doses of the MMR vaccine by age 5	95%	Q3 21/22	91.3%	91.5%	91.0%	4th	90.0%
4	Attempted to quit smoking - Cum	5%	Q3 21/22	2.00%	1.62%	2.43%	5th	2.99%
5	Standardised rate of alcohol attributed hospital admissions	4 quarter reduction trend	Q3 21/22	355.2	425.1	428.5	6th	378.6
6	Percentage of people who have been referred to health board services who have completed treatment for alcohol misuse	4 quarter improvement trend	Q3 21/22	64.0%	63.9%	61.8%	6th	69.0%
7a	Flu Vaccines - 65+	75%	2020/21	67.1%		73.5%	7th	76.5%
7b	Flu Vaccines - under 65 in risk groups	55%	2020/21	44.3%		52.2%	3rd	51.0%
7c	Flu Vaccines - Pregnant Women	75%	2020/21	93.3%		92.3%	2nd	81.5%
7d	Flu Vaccines - Health Care Workers	60%	2020/21	64.3%		56.5%	8th	65.6%
8a	Coverage of cancer screening for: bowel	60%	2019/20	56.4%		59.5%	1st	58.9%
8b	Coverage of cancer screening for: breast	70%	2018/19	73.7%		69.1%	7th	72.8%
8c	Coverage of cancer screening for: cervical	80%	2018/19			76.1%	1st	73.2%
9a	MHP Part 2 - % residents with CTP <18	90%	Mar-22	100.0%	93.9%	75.8%	1st*	82.0%
9b	MHP Part 2 - % residents with CTP 18+	90%	Mar-22	91.4%	69.4%	71.9%	7th*	80.8%
10	% People aged 64+ who are estimated to have dementia that are diagnosed by GP	Annual improvement	2019/20	44.7%		42.4%	7th	53.1%

Quadruple Aim 2: People in Wales have better quality and more accessible health and social care services, enabled by digital and supported by engagement:

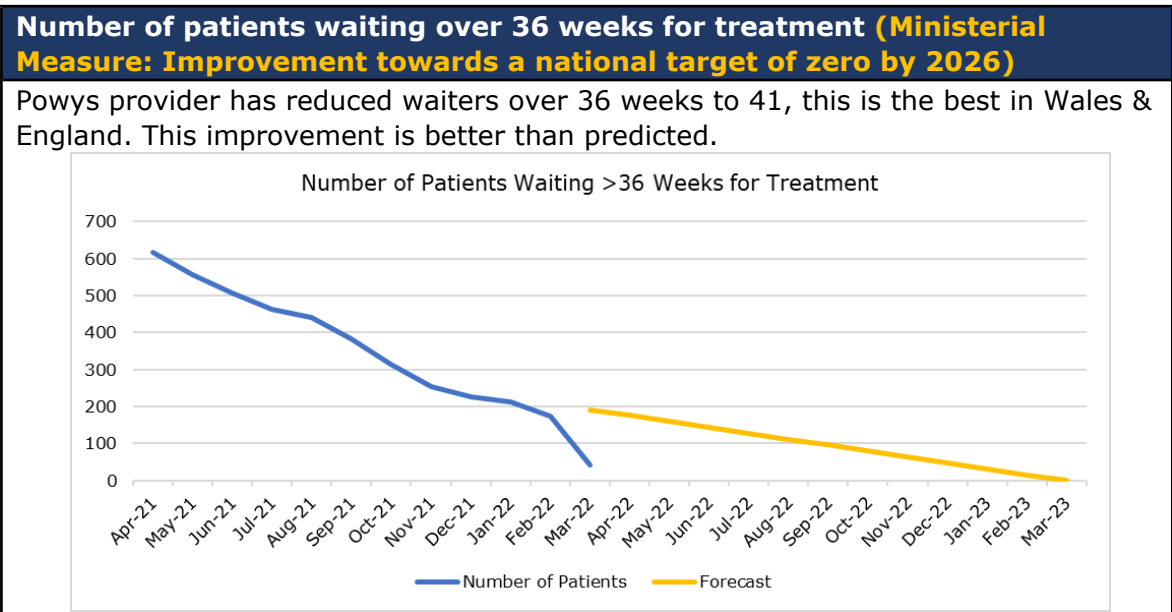
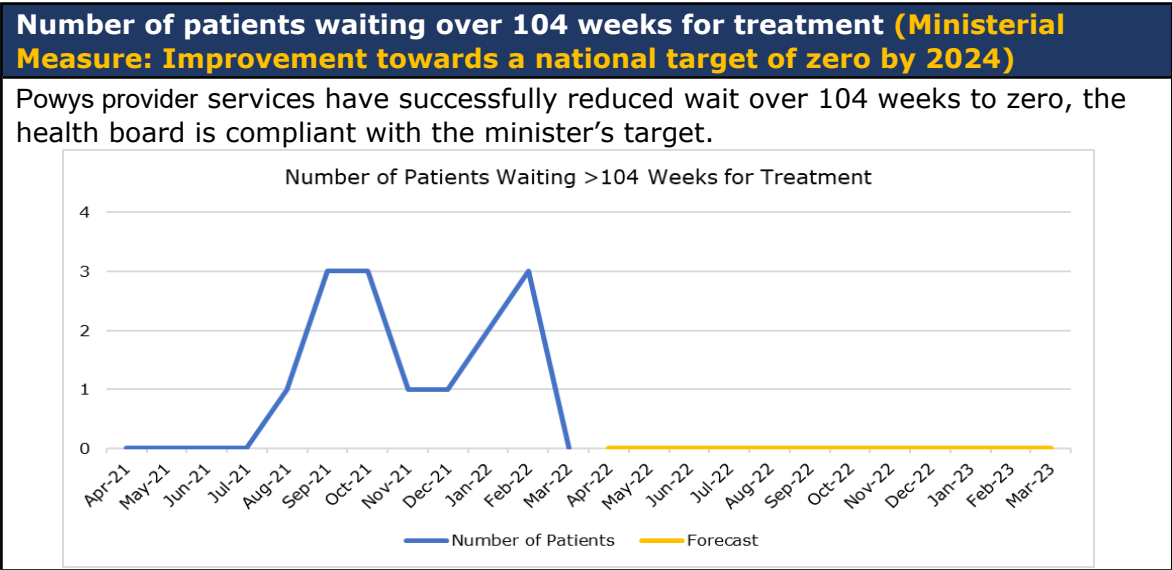
2021/22 NHS Outcome Framework Summary - Key Measures - Provider				Performance			Welsh Government Benchmarking (*in arrears)	
No.	Abbreviated Measure Name	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
15	% of GP practices that have achieved all standards set out in the National Access Standards for In-hours GMS	100%	2020/21	56.3%		93.8%	2nd	75.9%
16	Percentage of children regularly accessing NHS primary dental care within 24 months	4 quarter improvement trend	Q2 21/22	58.1%	50.6%	45.9%	5th	50.2%
17	Percentage of adults regularly accessing NHS primary dental care within 24 months	4 quarter improvement trend	Q2 21/22	48.1%	42.7%	38.4%	4th	38.2%
18	Percentage of Out of Hours (OoH)/111 patients prioritised as P1CHC that started their definitive clinical assessment within 1 hour of their initial call being completed	90%	Mar-22		88.0%	87.0%		
19	Percentage of emergency responses to red calls arriving within (up to and including) 8 minutes	65%	Mar-22	57.5%	52.9%	48.7%	3rd	51.1%
21	MIU % patients who waited <4hr	95%	Mar-22	100.0%	99.9%	100.0%	1st*	66.6%
22	MIU patients who waited +12hrs	0	Mar-22	0	0	0	1st*	9,150
32	Number of diagnostic breaches 8+ weeks	0	Mar-22	181	169	81	1st*	43,781
33	Number of therapy breaches 14+ weeks	0	Mar-22	30	33	49	1st*	13,323
34	RTT patients waiting less than 26 weeks	95%	Mar-22	81.4%	93.6%	96.0%	1st*	53.4%
35	RTT patients waiting over 36 weeks	0	Mar-22	701	174	41	1st*	251,647
38	Number of patients waiting for a follow-up outpatient appointment	<= 3,864	Performance not reportable (Data Quality)					
39	Number of patient follow-up outpatient appointment delayed by over 100%	<= 201						
40	Percentage of ophthalmology R1 patients who attended within their clinical target date (+25%)	95%	Mar-22	53.6%	56.3%	47.5%	6th*	59.9%
Local	Percentage of patient pathways without a HRF factor	<= 2.0%	Mar-22	0.6%	2.3%	1.3%		
41	Rate of hospital admissions with any mention of self-harm from children and young people per 1k	Annual Reduction	2020/21	5.06		2.42	2nd	3.54
42	CAMHS % waiting <28 days for first appointment	80%	Mar-22	93.8%	97.6%	91.3%	1st*	40.2%
43a	MH Part 1 - Assessments <28 days <18	80%	Mar-22	96.9%	100.0%	100.0%	1st*	51.9%
43b	MH Part 1 - Assessments <28 days 18+	80%	Mar-22	91.7%	92.6%	76.3%	4th*	75.2%
44a	MH Part 1 - Interventions <28 days <18	80%	Mar-22	100.0%	100.0%	97.8%	1st*	53.9%
44b	MH Part 1 - Interventions <28 days 18+	80%	Mar-22	78.5%	48.5%	58.9%	6th*	67.4%
45	Children/Young People neurodevelopmental waits	80%	Apr-22	59.6%	90.6%	86.2%	1st*	36.8%
46	Adult psychological therapy waiting < 26 weeks	80%	Apr-22	95.9%	90.4%	87.6%	2nd*	72.8%
47a	HCAI - E.coli per 100k pop cum	Local - Improvement	Mar-22			2.20	PTHB is not nationally benchmarked for infection rates	
47b	HCAI - S.aureus bacteraemia's (MRSA and MSSA) per 100k pop cum		Mar-22			0.00		
47c	HCAI - C.difficile per 100k pop cum		Mar-22			8.27		
48a	HCAI - Klebsiella sp cumulative number		Mar-22			0		
48b	HCAI - Aeruginosa per 100k cumulative number		Mar-22			0		

Detailed commentary of the issues, actions and mitigations taken in relation to each of the measures within the framework is included in the Integrated Performance Reports to PTHB Board. This information is available on the PTHB Website at <https://pthb.nhs.wales/about-us/health-board-performance/>

The key performance measures in relation to planned care are provided in more depth overleaf, noting the link to the new Ministerial measures introduced in January 2022 to track progress in key areas, in the context of

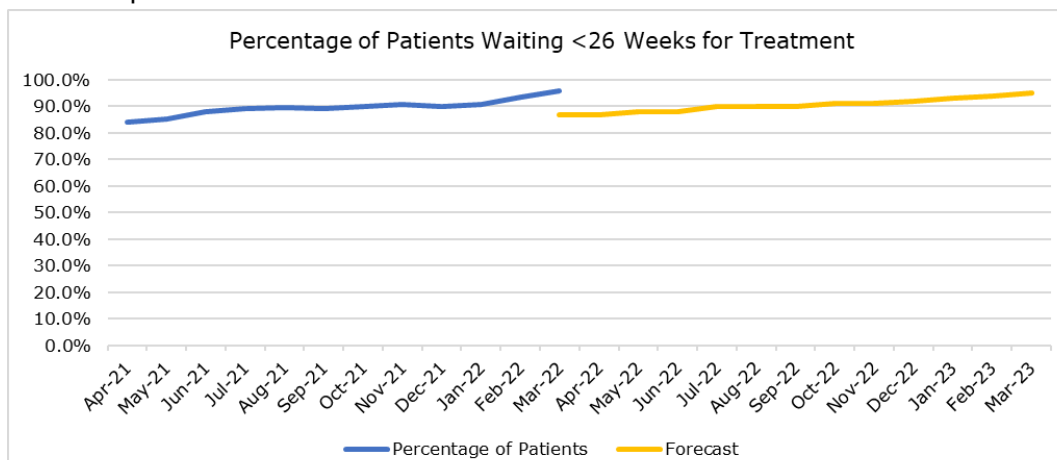
the impact of the pandemic and the work to recover healthcare across NHS Wales.

A set of Ministerial measures were introduced with Phase 1 starting from January 2022. The tables below show performance against the Phase 1 measures in relation to access targets, together with key measures from the NHS Outcomes Framework for the period of this report:

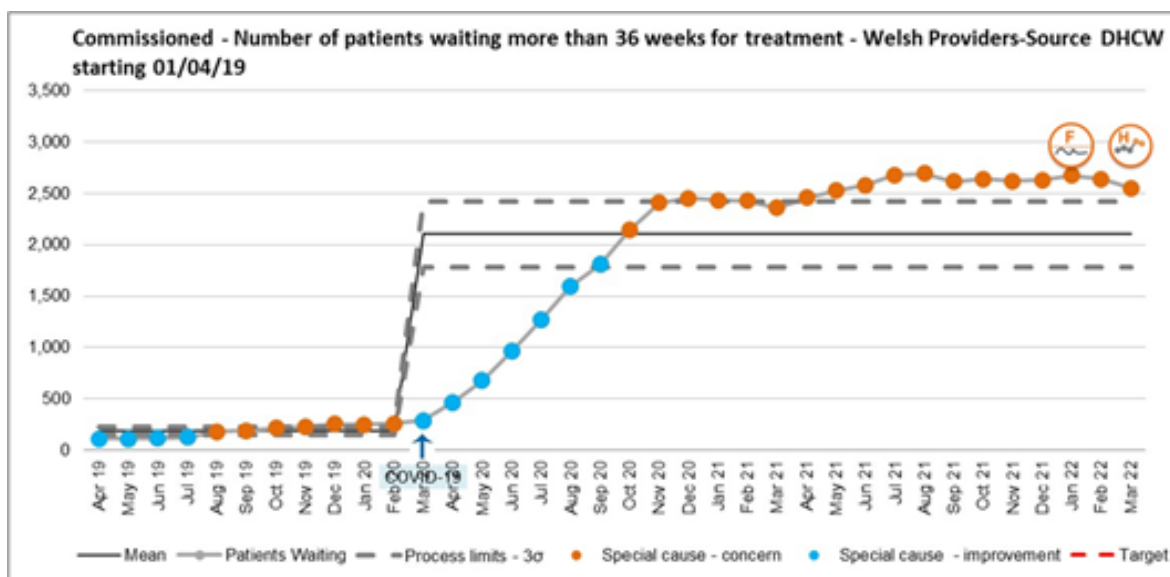


## Number of patients waiting under 26 weeks for treatment (Ministerial Measure: Improvement towards a national target of 95% by 2026)

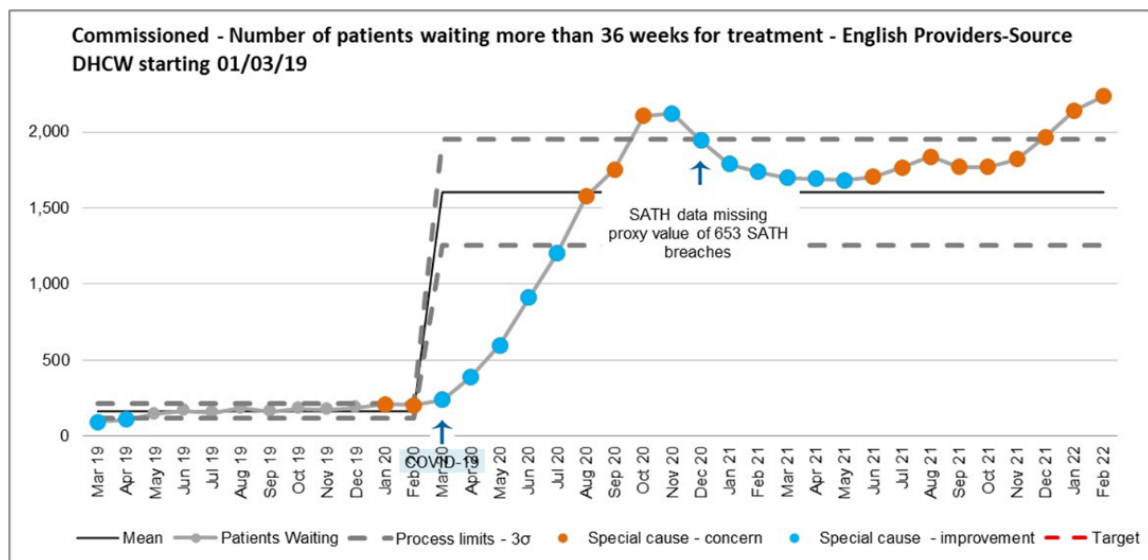
Planned care performance as a provider is very positive, at present the health board is 96% compliant, achieving the ministers target of 95%. This improvement is better than predicted.



The following tables provide an aggregated view of residents waiting over 36 weeks in Welsh & English commissioned planned care services, the position is challenging and recovery is expected to take a number of years:



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In relation to outpatients, diagnostics and therapies the position is either already compliant or has significantly improved for health board services:

**Number of patients waiting over 104 Weeks for a new outpatient appointment (Ministerial Measure: eliminating over 104 week waits by July 2022)**

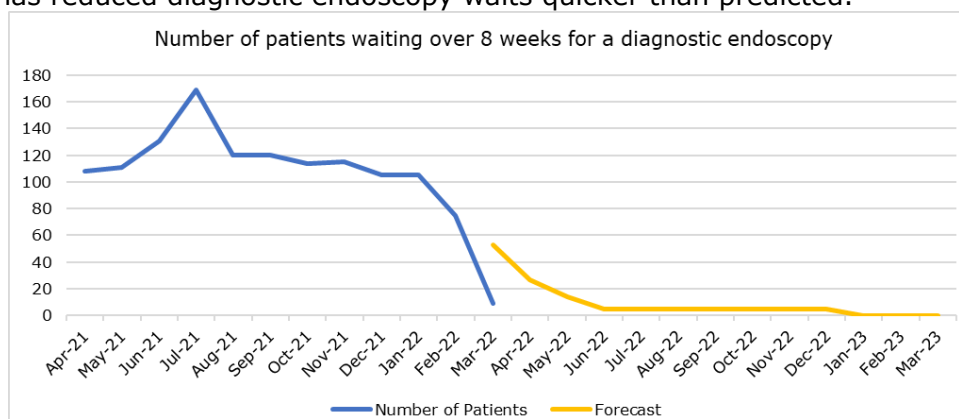
Powys as a provider has not had patients waiting over 104 weeks for a new outpatient appointment, the health board is already compliant with the minister's target.

**Number of patients waiting over 52 weeks for a new outpatient appointment (Ministerial Measure: eliminating over 52 week waits by October 2022)**

Provider services have successfully reduced waits over 52 weeks to zero, the health board is already compliant with the minister's target.

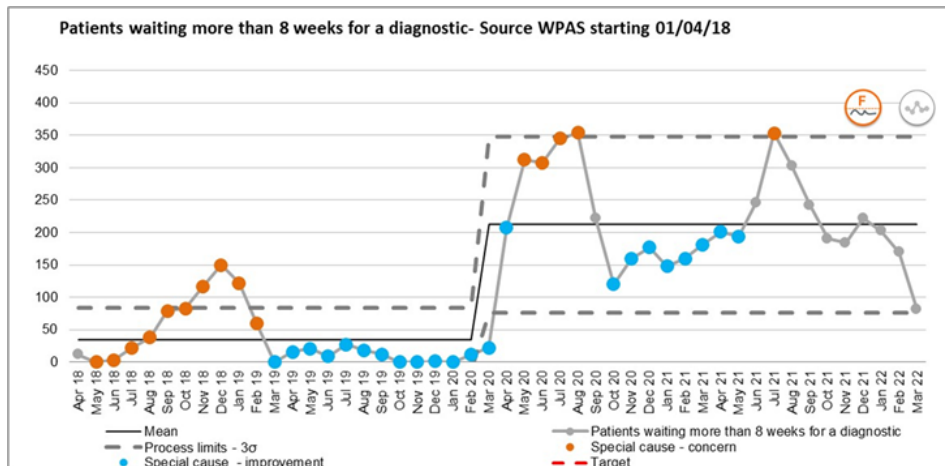
**Number of patients waiting over 8 weeks for diagnostic endoscopy (Ministerial Measure: Improvement trajectory to zero by March 2026)**

Powys performance has significantly improved, utilising insource capacity in March the provider has reduced diagnostic endoscopy waits quicker than predicted.



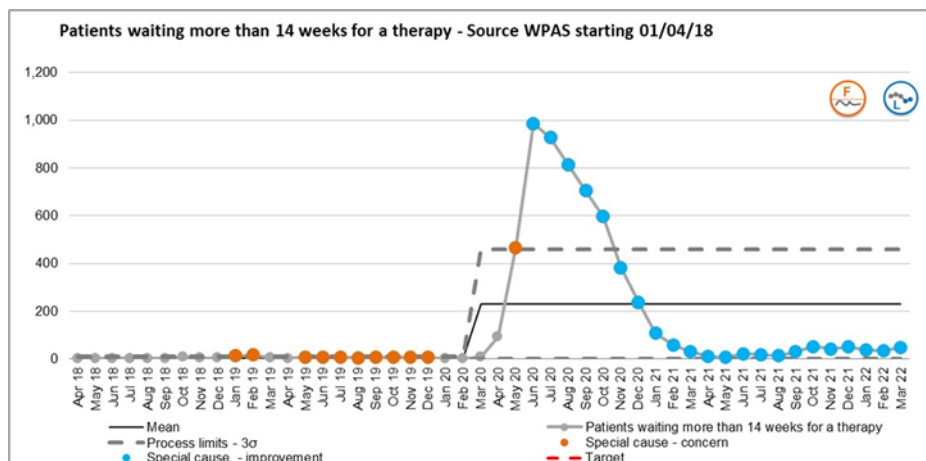
## Diagnostic breaches

Significant improvements throughout Q4. Powys Provider has the lowest breaches in Wales, although Powys residents breach the 8-week target within commissioned providers.



## Therapy breaches

Therapy performance was significantly impacted by suspension of services, with special cause improvement since 2020 the breach levels have recovered to near pre covid levels.

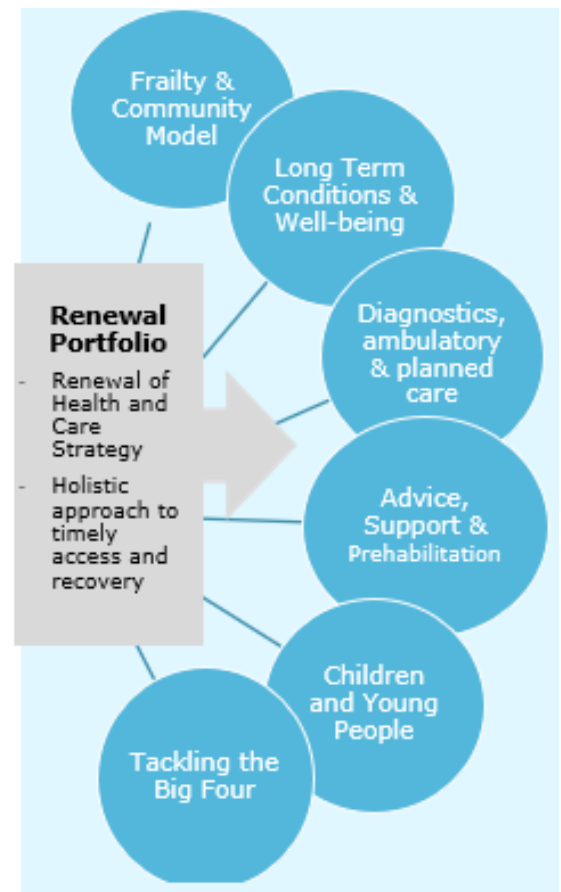




## Renewal

A portfolio of renewal work was set out in the Annual Plan 2021/22, emerging from the appraisal of the impact of the pandemic. The renewal priorities focus on the things which matter most and will work best to address the critical challenges ahead. The programmes are working at pace on recovery, but also recognise that transformation is a long term process. The scale of the challenge, and of the opportunity, requires new radical solutions using a value-based healthcare approach. The scope of the Portfolio is whole system and transformative, which may include redesign of current activity.

A summary is provided highlighting progress against plan in the first year, during 2021/22. However, it should be recognised that at times staff had to be diverted from Renewal Programmes to assist with the vaccination programme and pandemic response.



### Frailty & Community Model – Led by Medical Director

This programme was established to develop a revised Frailty & Community Model, using a Value-Based approach. Key points of progress:

- Programme initiation agreed in September 2021, and clinical leadership established, encompassing frailty assessment and scoring; complex geriatric assessment; and the development of the model including medical staffing and workforce.
- Strategic Demand and Capacity/Opportunity Analysis undertaken by the North Powys Well-being Programme and reported in Q3.
- Programme support arrangements in place from November 2021. A Programme board involving Primary Care, the Local Authority and the Welsh Ambulance NHS Trust established (although it was temporarily stood down at points over the winter period to support accelerated Covid vaccination and pandemic response).
- Elements that were not progressed in year such as the fast-tracking of the Frailty medical staffing solution have been carried forward into the Integrated Medium Term Plan for 2022-23.
- System resilience work has accelerated elements that will have an impact both in the short term and contribute to longer term work.

- Detailed analysis commenced in February 2022 to inform the model and workforce plan with development planned for April 2022.
- Partnership work in train with Improvement Cymru to support the delivery of the new frailty and community model.

- Approximately 10% of people aged over 65, 30% of those over 85 and 60% of those aged over 90 are living with frailty.
- In the UK, Wales has the highest proportion of centenarians.
- The evidence base identifies that the wellbeing of frail older people has been adversely affected by the impact of the pandemic further compounded by the reduction in non-COVID NHS provision.
- Lengths of stay need to be reduced to prevent harm to those suffering frailty through deconditioning.
- A Complex Geriatric Assessment should be carried out for those with a frailty score of 6 or above (Outcomes Cochrane review 2011) to reduce death or functional decline at 6 months and to help more people to live in their own home for longer.

### **Long Term Conditions and Well-being – Led by Director of Therapies and Health Science**

The focus in relation to Long Term Conditions was to expand services to support renewal, beginning with Long Covid; and to ensure a baseline of activity and improvement trajectories developed. Key points of progress:

- A Long Covid service is in place and PTHB has a key role in All Wales work in relation to recording for Long Covid.
- Recruitment difficulties in relation to advanced practitioner capacity, resulted in supervision duties being reallocated within the existing team and further discussions are underway to secure medicines optimisation pharmacy support.
- Services to support weight management for Powys patients waiting for treatment have been developed and expanded.
- Shared decision-making is being implemented and training undertaken in line with available funding.
- The cross-cutting rehabilitation workstream has been established to determine if generic elements of different condition based programmes can be combined to achieve better value.
- Expansion of E-learning and digital support is in development to support people receiving diagnosis and preparing for surgery, with a relaunch planned of Invest in Your Health with these new modules.
- The long term conditions priority is not a standalone programme and involves cross-cutting work within the Renewal programmes.

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## **Diagnostics, Ambulatory and Planned Care – Led by Director of Primary Care, Community and Mental Health**

This programme was established to reduce the Referral To Treatment (RTT) backlog; to support the National Endoscopy Programme; to improve performance against the eyecare measure; and ensure improvement and modernisation in Outpatient service specifically follow ups in line with National Planned Care Outpatient Strategy. Key points of progress:

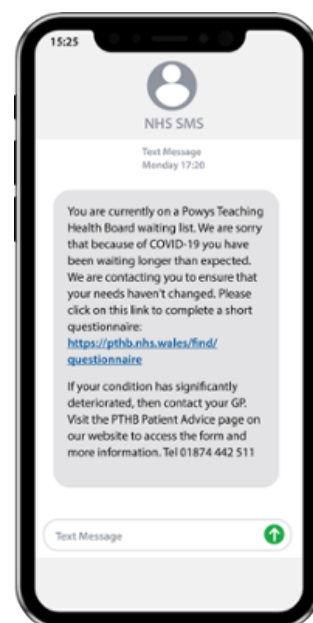
- Recruitment has proved challenging, although there have been some appointments to endoscopy and theatre posts.
- A temporary insourcing solution was mobilised, to reduce planned care waiting lists. This has been underway since February 2022, but the start date was deferred due to the pandemic response including the redeployment of staff. Just under 200 appointments, assessments and interventions have been provided so far.
- Additional equipment for ophthalmology and endoscopy has been provided including Water treatment units, Endoscope Washers and Pentax Scopes.
- Development of creative workforce model is carrying forward.
- Non recurrent funding secured for Eye care and Dermatology in November 2021 was impacted by the Covid response, however the Wet AMD Scheme (Age Related Macular Degeneration) has been delivered and the SLIT lamp and OCT Scanner are operational.
- The progress of the Dermatology Plan was affected by the mass vaccination and the COVID response (including redeployment), but the Telederm equipment was secured.
- Work on the Diagnostic Strategic Plan was initiated in February 2022 with the workstream to begin in April 2022.
- A reduction has been seen in the patients waiting longer than 52 weeks, however the overall waiting list is growing.
- The total number of patients waiting for 52 weeks and above was 2,654 in January 2022, compared to 3500 at the beginning of the Renewal portfolio.



## **Advice, Support and Prehabilitation – Led by Director of Planning and Performance**

This workstream is part of the programme above and was established to develop an Advice, Support & Prehabilitation Service; Patient Liaison Service; Clinical Referral Guidance service (including virtual MDT). The initial priority is to support people waiting for orthopaedic treatment. Key points of progress:

- Patient Liaison Service staff delivering support from Q3, although there was deployment due to mass vaccination in December 2022.
- Waiting list validation exercises carried out, involving contacting patients on PTHB managed waiting lists for more than 26 weeks to provide advice. 206/237 responses received with approximately 21% of patients stating treatment is no longer required; awaiting outcome of clinical validation for final figures.
- The Patient Liaison Service has also supported work in relation to children who missed vision screening during the pandemic.
- Website funding secured Q3 to improve access to wellbeing advice, Version 1 went live in year; with 913 views of the PTHB Advice and Support webpages; Version 2 in development.
- There have been difficulties with recruitment to a psychologist post however all four Assistant Psychologists due to be in post at year end with delivery into April 2022 onwards.
- Spinal consultant support secured for 12 months from Robert Jones and Agnes Hunt Orthopaedic Hospital for a spinal virtual MDT (Multi-disciplinary Team), with further virtual MDT scoping underway with Hywel Dda University Health Board.
- Working in partnership with commissioned services in relation to correspondence with Powys patients on external waiting lists to ensure consistent advice and signposting.
- Mapping and gapping exercise underway of prehabilitation offer to inform development of model.
- Work undertaken to ensure First Contact Practitioners in place.
- Timescales on the redesign of the orthopaedic pathway have been adjusted to ensure alignment with national work; GIRFT (Getting It Right First Time – National Programme) review visit took place February 2022 and the draft GIRFT orthopaedic review findings were received in March 2022 and will inform Phase 3 implementation from April 2022.
- Mapping against GIRFT clinical guidance completed and further mapping at sub-specialty due to commence.



**Children and Young People – Led by Director of Nursing**

This programme was established to focus on the recovery and renewal of healthcare for children and young people, spanning universal and targeted services. Key points of progress:

- Healthy Growth and Development: Workforce capacity for delivery of the Healthy Child Wales Programme has been impacted by the Covid response requirements however actions progressed in relation to baseline data exercises which are informing service improvement planning as well as data improvement requirements.
- There has been a focus on health visiting services and family based health in the context of the Covid response; work undertaken with dental services to ensure access to essential services.
- Start Well 'Voice of the Child' and Women and Children Services People's Experience Forum providing engagement and feedback; links established with PAVO Children Engagement Officer.
- Emotional Health and Wellbeing: links with Start Well workstream established; DBT (Dialectical Behavioural Training) undertaken; SilverCloud Anxiety module for Children and Families operational; school-in reach facing recruitment challenges; outcome measures training rolled out; trauma awareness training undertaken.
- Immunisation and Vaccination: Immunisation Co-ordinator appointed; flu action plan updated; a schools flu programme is under development; existing and new requirements are being scoped and a business case developed; and a review of standard operating procedures is in progress.
- Neurodevelopment: A review of the pathway and recruitment is in progress to offer additional capacity to address referral to treatment (RTT) first appointments, backlog has been significantly reduced. An action plan to sequentially address RTT is in place but the RTT waiting list will not be fully addressed by end March 2022 due to lack of capacity and pre-employment check requirements impacting on start dates. Additional funding has been provided to December 2022.
- Increased Access to Health Care for Looked After Children: links with Start well established; work undertaken on data and measures and improvement of information about looked after children placed in and out of county; progress in relation to Liberty Protection Safeguarding has not been as expected as the commencement date is not yet known.





- Complex Care: links established and maintained with the Start Well workstream; action complete to identify the data baseline, new datasets and measures.
- Progress on the model has been affected by capacity constraints; work on the “Was Not Brought” Policy has been completed and relaunched; recommendations from the Independent Review of the Community Children’s Nursing Service not yet progressed.
- Healthy Weight Care Pathway: A multiagency group is in place; a Welsh Government Peer Review meeting held to approve the PTHB Weight Management Strategic Development Plan for 2021-24; business case prepared. Work on communication and engagement will continue within the next financial year.

## Tackling the Big Four

### Breathe Well (Respiratory) – Led by Director of Therapies and Health Science

- Nationally, one person in twelve has a respiratory illness
- The COVID-19 pandemic was a respiratory pandemic and has exacerbated risk and poorer outcomes for people with respiratory conditions
- As for other long term conditions, there is a ‘syndemic’ impact of the pandemic, increasing health inequalities
- The pandemic also put respiratory services under greater pressure than ever before
- Throughout the pandemic, the health board has prioritised the transformation of respiratory services

This programme focussed on establishing Multidisciplinary (MDT) arrangements, a spirometry pilot evaluation and finalising longer term spirometry plans. Key points of progress:

- Drive through spirometry pilot completed to test the model and clear the Covid related backlog - estimated that over 6,500 patient miles were saved (average of over 40 miles per patient).
- Longer-term spirometry model agreed, with PTHB-staffed clinics planned throughout Powys to provide accurate respiratory diagnosis.



- Successful recruitment to most of the respiratory MDT posts, including nursing, physiotherapy, occupational therapy and healthcare support workers.
- Challenges in recruiting to the Respiratory Physiology post, which is to be re-banded. Also challenges in securing temporary medical input into the MDT with continuing exploration of options.
- As part of Winter Resilience Response, letters were distributed to 2,746 asthma and 885 COPD patients (Chronic Obstructive Pulmonary Disease) to support self-management of their condition.
- The Oxygen review project concluded at the end of March 2022 as planned, awaiting written evaluation, including financial evaluation.
- Sleep diagnostics and spirometry clinics have commenced. A major item of medical equipment was delivered in March 2022 which will expand the respiratory diagnostics available for full lung function testing within Powys.
- Clinical reviews of patients overdue for follow-up in North Powys are underway with a total of 139 patients reviewed between November 2021 and January 2022, with 73 patients discharged or transferred.
- Virtual pulmonary rehabilitation delivered, with 32 patients completing programmes and 18 of the 32 had an improved Medical Research Council Dyspnoea Scale score after the programme.
- Patient feedback included:  
*"I haven't had an ambulance since I started the course. I was scared of dying and now I can control it better, I'm not so scared."*  
*"[The staff] are brilliant at explaining the different breathing techniques and the exercises even though I cursed at first they really have improved my fitness levels and overall health so much. I am carrying on the exercises."*

## **Cancer – Led by Medical Director**

- Cancers are one of the most common causes of death in Wales and this is likely to remain so in the decades ahead due to the ageing nature of the population.
- The COVID-19 pandemic has had a significant impact on the provision and utilisation of cancer services including screening programmes, diagnosis and treatment; patients have been less likely to attend GP practices with worrying symptoms.
- Some risks associated with cancer have also increased during the pandemic such as the use of alcohol.
- Whilst there are major challenges there are also major opportunities for improvement and transformation.

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The Cancer programme was established to implement improvements in early diagnosis, treatment and outcomes for people with or suspected of having cancer. Key points of progress:

- Timescales for implementing the priorities in the Cancer Renewal Programme had to be readjusted in year however key posts were recruited in the latter part of 2021 and start of 2022.
- Cancer Clinical Lead, Transformation Programme Manager and Optimal Pathways Project Manager in post in Q3. Cancer Tracker in post Q4.
- Symptomatic Faecal Immunochemical Testing (FIT) available for all GPs across Powys for patients with suspected colorectal cancer.
- Access to vague symptom pathways / rapid diagnostic services for Powys patients with nonspecific suspected cancer symptoms mapped. Some access began in 2022, with other Powys access routes identified for implementation in 2022/23.
- Cancer Tracker appointed to support strengthened PTHB harm review approach with clinically led harm review panel established. Work underway on improving the IT platform needed for tracking.
- Designated Wales Cancer Network Project Manager secured for Powys to work on optimal pathway, with initial mapping of Upper and Lower Gastrointestinal pathways completed and initial findings identified.
- Virtual Protected Learning Time sessions for staff in primary care took place in March involving 148 clinical staff and 186 other staff.
- Separate tranches of non-recurrent funding received and implemented in year from Welsh Government including £300k for chemotherapy drugs to keep patients out of hospital.

### **Circulatory - Led by Director of Public Health**

- People with heart and circulatory diseases are at increased risk of complications and death when infected with COVID-19.
- Even in the context of COVID-19 the leading causes of death persist unabated, being dementia (including vascular dementia) and heart disease.
- There has been an impact on all parts of the clinical pathway during the pandemic response
- Access to urgent and emergency care, deferral of diagnostics procedures and therapeutic interventions, reduced access to specialist care in the community and identification and management of risk factors for heart and circulatory disease.

This programme covering stroke, diabetes and cardiac conditions was significantly affected as the Director of Public Health played a leading role in the pandemic response.



However, essential healthcare was maintained and a focus on urgent and emergency care was paramount throughout the pandemic.

In addition, with the assistance of the clinical leads within the Welsh Cardiac Network working with clinical Cluster representation and others in Powys a business case was developed and approved in principle for a community cardiology service and investment sources are being scoped.

**Mental Health – Led by Director of Primary Care, Community and Mental Health (interim arrangement December 2021 – March 2022 led by Director of Therapies & Health Science)**

- 'Together for Mental Health' is the strategic plan for improving the mental health and emotional well-being of the people of Powys.
- The 'Live Well Partnership: Mental Health' is responsible the implementation of the strategic plan through a detailed delivery plan.
- People who use Mental Health Services are central to identifying and delivering on shared priorities for mental health.

**Key points of progress:**

- Refreshed 'Hearts and Minds Together for Mental Health in Powys' strategy; approved by the Powys Mental Health Partnership Board and PTHB Executive Committee in December 2021.
- Successfully rolled out Silver Cloud Online Cognitive Behavioural Therapy Service for Young People receiving services through Child and Adolescent Mental Health Services.
- Evaluation of Silver Cloud Online CBT Service completed and used to inform business case development and submission to Welsh Government for continuation of pan Wales service. Funding agreed by Welsh Government until 31 December 2024.
- Crisis Care Service Improvement delivered and piloting of Single Point of Access for Mental Health Services commenced, working with NHS Wales 111 service in Powys.
- General Practitioner commenced post in April 2022 to support the eating disorder service following completion of local service mapping and gap analysis against The National Institute for Health and Care Excellence standards.
- Perinatal Mental Health Midwife in post from September 2021 following completion of service mapping against Royal College of Psychiatrists Perinatal Community Standards.

- Early Intervention in Psychosis service Clinical Lead in post following the successful award of funding by Welsh Government.
- Recruitment for two posts for the Specialist Child and Adolescent Mental Health Service is ongoing.

### **Value Based Health Care – Led by Director of Finance and Medical Director**

This programme was established to ensure a focus on improving outcomes by doing what matters and what works through embedding value based health care.

Key points of progress:

- The Executive Committee approved an approach for value based health care. A Programme board, with an approved programme initiation document and plan are in place.
- An “Opportunities subgroup” has been established and is operational with early clinical areas identified as eye care, cataracts, MSK (Muscular Skeletal - Orthopaedics), frailty and diabetes.
- Organisational expertise has been strengthened through a Costing Accountant in post from February 2022 and an Advanced Information Analyst starting at the beginning of April 2022.
- There have been recruitment challenges securing Medicines Optimisation Pharmacists and this is being reviewed and alternative approaches scoped.
- Work is underway to develop an organisational approach to Patient Reported Outcome Measures and Patient Reported Experience Measures.
- PTHB has made representations to national bodies to ensure national dashboards reflect the whole population of health boards, including cross-border flows.
- There is close regional working including in relation to Health Economics expertise. A Regional ‘Bringing Value to Life’ course held in March 2022 was attended by 14 PTHB staff, including clinicians.

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## Quality and Patient Experience

Quality is integral to all areas of the Annual Plan from the assessment of population and individual needs to the planning and delivery of care. In the context of a pandemic which has spanned across two years, there is a significant impact on community life and wellbeing which is noted throughout this report.

The PTHB Clinical Quality Framework has been updated in the context of the impact of the pandemic and the Health and Social Care (Quality and Engagement) Act 2020.



This reflects the six domains of care (safe, effective, patient-centred, timely, efficient and equitable care). An action plan is in place against each of the Goals (as detailed below).

### PTHB Clinical Quality Framework Goals

#### 1a Safety

- Putting things Right
- Serious incident management
- Learning
- communication and support systems to raise concerns
- safety alerts / notices

#### 1b Effectiveness

- Clinical audit
- Clinical guidelines
- Value based healthcare
- Health and Care Standards
- Peer review

#### 1c Experience

- Patient Experience Framework
- Systems for learning
- Intelligence
- Decision making
- Impact assessment

#### 2 Organisational culture

- Compassionate leadership
- Organisational development
- evaluation of multi-disciplinary risk assessment

#### 3 Clinical leadership

- Roles and accountability
- Sustainable approach
- Design, review and action of performance
- Intelligence; deep dive approach

#### 4 Improvement methodology

- QI skills, project work
- Training
- Partnerships

#### 5 Intelligence

- Monitoring & assurance
- Service level dashboards
- Benchmarking

The Patient Experience Framework has also been reconsidered in the context of the pandemic and the impacts on individuals, patients and carers and wider communities.

A whole system assurance approach is in place to enhance arrangements in key areas including maternity and commissioned services.

A Learning from Experience Group has been established and provides a clinically led forum to learn from mortality reviews and findings from clinical audits and further links will be made with the Health and Care Academy throughout the year

#### Incident Reporting

An incident is defined as “any unintended or unexpected incident which could have, or did, lead to harm for one or more people whilst in receipt of NHS-funded healthcare.” The health board reported 2845 incidents during 2021 – 2022 across all provided services.

Ensuring learning is identified to inform quality improvement and patient care is essential when investigating incidents, these themes are shared widely within teams and services enabling and supporting change.

Improvements have been made within the pressure area scrutiny forum process, standards of record keeping which have been supported with the implementation of the patient digital records and the robust discharge planning process in partnership with other agencies.

Nationally Reportable Incidents (NRI) (previously known as Serious Incidents) are where it is assessed or suspected that an action or inaction in the course of a service user’s treatment or care, in any healthcare setting, has, or is likely to have caused or contributed to their unexpected or avoidable death, or contributed to severe harm.

There are several specific areas which automatically meet the criteria:

- Suspected homicides where the alleged perpetrator has been under the care of the mental health service in the past 12 months.
- Inpatient suicide
- Maternal death
- Never events

- Incidents where the number affected is confirmed to be significant

During 2021-22, the health board reported 13 Nationally Reportable Incidents (NRI) that met the criteria.

The new Welsh Government National Patient Safety Incident Reporting Policy (the Policy, May 2021) aims to bring about several key changes to national incident reporting.

The health board has made significant effort to implement the changes required within this Policy; a review and update of the documents to investigate and learn from NRI's has been undertaken with an updated Framework being launched in 2022-2023.

The organisations performance in relation to serious incident management is scrutinised by the Chief Executive Officer weekly and by the Experience, Quality and Safety Committee.

### Concerns

The health board is focused on working with those wishing to raise a concern in a proactive and supportive manner, ensuring where possible concerns and enquiries are managed to a desired resolution.

All concerns, informal and formal, have a named point of contact within the Health Board and are acknowledged within two working days.

During 2021-2022, the Health Board received 275 formal concerns, 242 enquiries/early resolution these were mostly relating to access to services, communication, along with care and treatment challenges.

Compliance with the required 30day response rate as outlined in the Welsh Government, *Putting Things Right (PTR) NHS (concerns, complaints and redress arrangements) Regulations Wales (2011)*, will be a focus for 2021-2022 due to a reported overall compliance of 38% for 2021-2022.

The team have implemented a number of improvements in line with the PTR regulation in order to ensure responses are timely, robust and appropriate for those raising concerns.

This includes the implementation of updated policy to reflect the Putting Things Right Regulation, alongside associated operational delivery processes which will further strengthen compliance improvement.

Due to the way care is provided and commissioned, concerns can be complex in nature and require a response from several Trusts or Health Boards both within and outside of Wales. The co-ordination of these responses can be timely and can mean that the 30 working day target is not met, further work is being undertaken to reduce these delays.

It has been recognised that several concerns have been managed within the formal concern framework which could have been managed as an early resolution or enquiry. Further support has been provided for teams to proactively manage concerns at the earliest time to ensure an appropriate and timely resolution.

Evidence that these improvements are being successful can be seen in the trends with the number of Concerns managed as an early resolution doubling in Quarter 4, compared to Quarter 2 of last year.

If a patient remains dissatisfied with a response to a concern investigated by the health board, the complainant has the right to raise the matter with the Public Services Ombudsman for Wales who determines whether to pursue a full investigation.

During the period of April 2021 to March 2022, the health board have received 10 ombudsman enquiries, and responded to all of the recommendations made, with a further 3 enquiries notified that are not being investigated.

### Compliments

The health board receives and records compliments which are received in several formats including cards, letters, and verbal compliments. A total of 277 compliments were recorded in the year but it should be noted that this will not be the full picture as by their nature they are often informally received.

### Learning and Improvement

Opportunities to share lessons and promote wider learning are taken through a 'Learning from Experience Group', the Patient Experience Steering Group and shared via Powys announcements.

Root cause analysis training has been used to underpin 'what good looks like' in terms of professional inquiry, investigation, and analysis.

The focus on learning has increased throughout the year as demonstrated in reports generated for the Experience Quality and Safety Committee along with the plan for clinical audit.



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## Workforce Futures

Workforce futures remains an essential enabler to delivering the Health and Care Strategy for the population of Powys. Throughout the year, workforce planning and staff wellbeing have continued to be areas of significant focus in response to the pandemic, to build organisational resilience, support recovery and drive forward efforts for health and care renewal.



The Workforce Futures Strategic Framework has proven to be crucial in supporting collaboration in key areas of work such as the Health and Care Academy and the volunteering programme. It focuses on 5 themes:

- Designing, Planning and Attracting the Workforce;
- Leading the Workforce;
- Engagement and Wellbeing;
- Education, Training and Development; and
- Partnership and Citizenship.

Key areas of delivery have included the successful resourcing and deployment of the workforce across Test, Trace, Protect and Covid Vaccination programmes. Good progress has also been made to develop the capacity required for the recovery and renewal work. Collaborations have been key, with a significant programme of volunteering, partnership with Powys County Council, the Military, Mid Wales and West Fire and Rescue Service and others.

Engagement with the staff side of the organisation has been key to navigating the complex challenges of the past two years, with strong partnership with Trade Unions and collaboration on well-being initiatives. The Local Partnership Forum has provided a formal advisory group ensuring action is considered and taken in response to feedback. This has included health and safety matters and the development of priorities as part of the organisation's forward planning.

As a health board, we have continued to closely monitor our key workforce performance indicators throughout the year, as shown in this overview:

Indicator	Q1. 2021/22	Q2. 2021/22	Q3. 2021/22	Q4. 2021/22	Quarterly Direction
Staff in Post (WTE)	1869.76	1854.40	1864.12	1888.83	↑
Turnover (%)	10.98%	12.17%	13.13%	13.98%	↑
Bank & Agency Usage (WTE)	109.86	116.10	109.07	107.53	↓
Sickness Absence (Rolling %)	4.95%	5.21%	5.36%	5.56%	↑
PADR (%)	69%	70%	73%	74%	↑
Statutory & Mandatory Training (%)	79%	81%	81%	82%	↑



Overall, on average, there has been an increase of 111.22 whole time equivalent staff employed in 2021/22 when compared to 2020/21. However, staffing capacity in some areas has been affected by increased turnover, sickness absence and vacancy levels, particularly in clinical roles. This is reflective of national challenges across health and care.

An internal Staff Survey on wellbeing and Agile Working had a good response rate from 525 staff. This demonstrated an overall sense of wellbeing of 4.15 out of 6, which indicates space for improvement. Sickness absence has increased year and is higher than the previous three years, reflecting national trends in the context of the pandemic. A stable position has been achieved in relation to performance appraisal development reviews (PADR's) and statutory and mandatory training.

A number of actions have been taken, including stress management workshops for individuals and managers, direct access to the counselling service, wellbeing hubs and wellbeing breaks. Staff recognition has also been enhanced with universal approaches such as the Covid-19 pin badges and targeted Certificates of Appreciation.

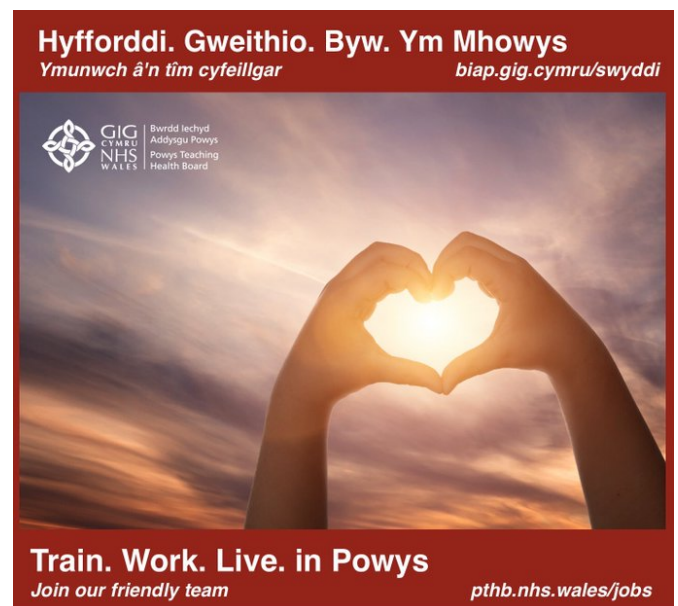
Digital innovations have enabled improvements in staff communications and resources such as the Stay Well pages available to all staff via SharePoint, which is more accessible across devices away from the standard workplace access points.

The healthy working relationships approach has been promoted, encouraging early resolution of any issues which arise, supported by a range of both formal and informal interventions, ranging from "cuppa conversations" to formal mediation.

Leadership development has been enhanced with Welsh Government funded Intensive Learning Academy (ILA) in Leading Digital Transformation, in partnership with the University of South Wales. This is part of the offer within the new Health and Care Academy.

Despite the success recruiting to a number of clinical roles, Registered Nurse and Medical recruitment continues to be challenging. Although there is a small increase in the number of Registered Nurse staff employed, vacancy levels within wards have increased, with an overall vacancy deficit (excluding absence) of 18% in March 2021, increasing to 29% as at March 2022. There has been an increase of 17% in Bank Staff capacity since 31<sup>st</sup> March 2021. In the short term, there is likely to be an ongoing reliance on temporary staffing in order to maintain safe staffing levels.

Other developments have been progressed to ensure that staffing capacity can be addressed in the medium to longer term:





- There is a new emphasis on creative employment pathways in the longer term, supporting more effective recruitment and retention as part of a long term 'grow our own' model.
- The launch of the Aspiring Nurse program, actively recruiting to newly created career progression posts; supporting 17 individuals through a clear career pathway from Health Care Support Worker to Registered Nurse.
- The successful roll out of the kick start program in Powys, providing opportunities 16-24 year olds to gain employment experience, training and mentoring, with acknowledgement through a national award submission. 26 placements have been offered of which a high proportion will assimilate into paid employment.
- Progress with the Healthcare Support Worker Apprentice scheme, with 7 out of 8 participants from year 1 and 2 gaining substantive roles and another 6 from year 3 on track for substantive roles by the summer of 2022.
- Successful recruitment to 51.5 whole time equivalent posts to support the delivery of the Annual Plan 2021/22 with a focus on recovery and renewal.
- Strong voluntary and community collaboration with over 500 volunteers registered to support the Covid Vaccination programme.
- Development of Volunteers to enhance patient experience, communications and support, including ward-based volunteers to provide additional support to inpatients, an extension of this approach is being explored with the care home sector for 2022.

**What our volunteers said:**

"It taught me we take a lot for granted; I am fortunate to have seen some of the largest smiles I have seen, that will stay with me forever. Making a difference to our community is a privilege and something to be so proud of"

"I enjoy my role as a vaccination Marshall as it gives me a chance to give back to our community. Guiding members of the public safely to receiving their vaccination is rewarding and gives vital support to the NHS"

"I really enjoy volunteering and have made some good friends whilst contributing to a good cause. Volunteering makes me feel happy"

"I volunteered as I wanted to help and be part of something that would make a difference to so many during such a difficult time. I've enjoyed every aspect of my volunteering role"

The **Health & Care Academy** has been established, with the first physical space developed on the campus at Bronllys.

This flagship development has been pioneered by the Powys Regional Partnership Board to increase local access to education, training and development across the health and social care sector.

It is a hub and spoke model that offers state of the art spaces for flexible, practical, academic and digital learning, a centre of excellence for research and an exemplar of rural professional and clinical education.

The Academy has focused to date on widening the access into the sector, including initiatives such as the Kickstart programme and Arwain programme, which aims to support the unemployed and those requiring support to access employability training.

The Academy has also acted as an activist for support of volunteers and carers. The Powys Balance programme, piloted during February – April 2022 aims to support unpaid carers with respite support through mindful living.

The Academy is developing a skills matrix approach for volunteers and carers that will support them to navigate paid and voluntary opportunities across the sector.

A second phase has been scoped for a pioneering 'Adaptive Simulated Living Space'. This will enable us to deliver training to our workforce including volunteers and carers in a home setting.

The Health & Care Academy in Powys has its own well established recognised brand and continues to work on the development of a digital platform that will showcase the Academy in county and on a national basis.



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Powys Health and Care Academy

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## Digital First

The acceleration of digital methods of delivering healthcare that took place in the first year of the pandemic was crucial in responding to covid and keeping Powys safe. It provided a platform for further development in 2021/22 in key areas as set out in the Annual Plan for the year.



The scale of adoption of new digital ways of working across health and care in the past two years has been extra-ordinary, with care being able to be brought much closer and, in many cases, right into people's homes. However, there have been challenges and a need to implement and improve systems to enable further developments in care.

The automation of processes to speed up ways of working and digitisation of record keeping and file sharing has been a key theme throughout the year and has required joint working across health and social care and third party organisations.

There are a number of complex dependencies which have been managed during the year such as the integration with secondary care services cross border and externally hosted systems.

There is evidence of the workforce growing confident and services have been enthusiastic and committed to progressing digital improvements.

More than 7000 online appointments have taken place in Powys over the last 12 months:

"It was such a relief to have physiotherapy in the comfort of my own home! It was so convenient. I did not anticipate it being this successful and I'm extremely grateful for the time and help I have been given."

"The use of virtual technology has probably fast-tracked our work as we have been able to provide bespoke online training. We have had a huge increase in referrals which is fantastic because there is more awareness of support that is available and we can deliver it to more people who need it."

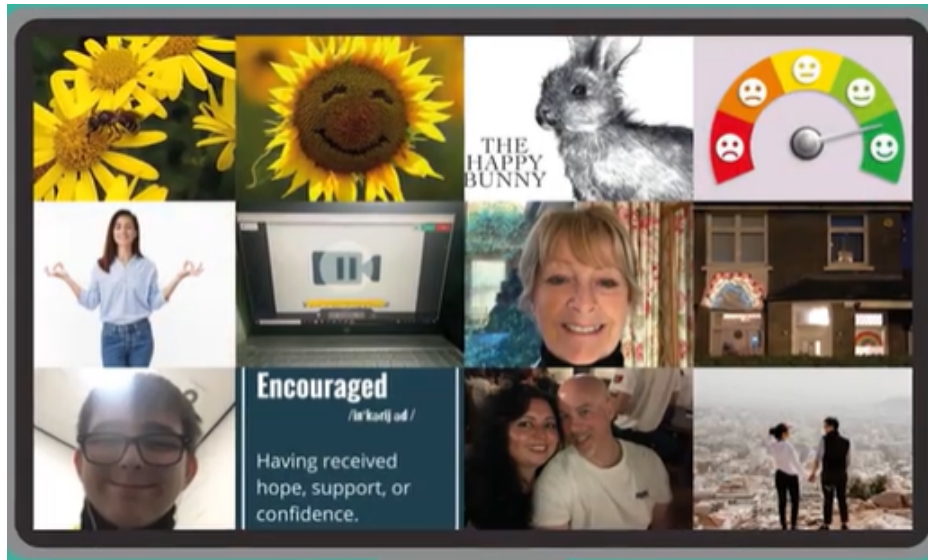
Virtual consultations help us to assess and support patients. We have offered virtual coaching and support. Much of what we do is also upskilling others such as teachers, parents and carers."

"We're offering greater choice to patients wherever they live in Powys."

"Pulmonary rehabilitation patients can now join an online exercise group, improving access for anyone living in Powys so more people can benefit from this excellent programme and it is hoped that in time waiting lists will be reduced."

There is a wealth of **learning** from the acceleration of the digital rollout which enabled care to continue to be delivered where otherwise it would not have been possible to do so.

Tec Cymru asked people to add an image to describe an emotion that shows how they felt about using Attend Anywhere over the last year. This is an example of what people shared – the full video is available on their channel on You Tube.



A significant programme of work has commenced to rationalise, stabilise, cyber secure and modernise the Digital platform. This is transforming the legacy platform and the way in which information is held and stored to improve business intelligence and agile working.

This has been underpinned by the Cross Border programme, interfacing multiple systems to be available to ensure the patient journey for Powys residents is fully encompassed within national, regional, and local requirements.

Key points of progress are noted below:

- The further rollout of Attend Anywhere (virtual consultations) and Consultant Connect (remote access to secondary care advice).
- Additional expertise was secured which enabled enhanced use of virtual meeting platforms and file sharing and further developed agile working.
- Roll out of the Welsh Nursing Care Record delivered on track with two sites successfully gone live in Brecon and Llandrindod Wells.
- Digitisation of Health Records experienced some delay due to prioritisation of deployment on Covid Vaccination however an independent review conducted and business case drafted and currently at review stage.
- Eye Care Digitisation Programme delivered to plan and progressed to implementation stage.
- Implementation of key programmes including WCCIS (Welsh Community Care Information System), Welsh Clinical Portal (WCP) and Welsh Clinical

Communication Gateway (WCCG) – with some challenges faced in the year in relation to connectivity and application issues being troubleshooted by Digital Health and Care Wales.

- Business cases delivered on track to improve diagnostics and referral capability and tracking cross border as well as in Wales, with developments in the Welsh Results Reporting Service (WRRS), Welsh Patient Referral Service, Welsh Imaging Archive Service and GP Record.
- Partnership work to support connectivity in rural Powys with alignment to the National Digital Health and Care Wales plan.
- Expertise provided to key transformation programmes, with infrastructure review completed to support design requirements of North Powys Wellbeing Programme.
- Review of telephony and managed print options completed.
- Once for Wales Concerns Management System successfully completed through to implementation phase.
- Building on nearly a decade of joint working IT teams from the Council and health board worked together on IT support and call handling for programmes including Test, Trace and Protect and Covid-19 Vaccination.
- SilverCloud online Cognitive Behavioural Therapy (CBT) offer for residents and staff to support mental health and wellbeing.
- Self-management apps available to support people with long term conditions, with packages including MyDiabetes and MyHeart available to patients on diabetes and cardiac specialist nurse caseloads to access rehabilitation / exercise / diet programmes.





## Innovative Environments

Innovative environments refers to the physical and the thinking space for healthcare. The focus over the past year in particular has been on sustaining and building momentum to ensure resilience and support renewal.



In this context, the issue of climate change and environmental sustainability is critical. Important commitments were made last year at the United Nations Climate Change Conference of the Parties 2021 (COP 26), building on existing national contributions within the 'Paris agreement' made by the United Nations in 2015 to mitigate climate change and strengthen resilience.

The health board made a landmark commitment at its Board Meeting in September 2021 to supporting the Welsh Government declaration of a Climate Change and Nature Emergency.

"Powys Teaching Health Board recognises its impacts on the environment and supports the Welsh Government's declaration of a Climate Change and Nature Emergency. The Board commits to prioritise the delivery of actions in the national NHS Wales Decarbonisation and Biodiversity Plans as a minimum and strives to go beyond these wherever possible."

This commitment sets a clear ambition and intention for delivery against the duties under the Future Generations (Wales) Act 2015 and Environment (Wales) Act 2016. This includes the two major targets set for the public sector to deliver zero waste to landfill by 2050 and decarbonisation by 2030.

It underpins the commitment to the delivery of local actions in the national NHS Wales Decarbonisation and Biodiversity Plans 2021-2030.

The health board recognises the value of sustainability as a central organising principle and recognises that there is an immediate need to tackle climate change by reducing CO<sub>2</sub>e emissions and ensuring measures are implemented to adapt to the changing environment.

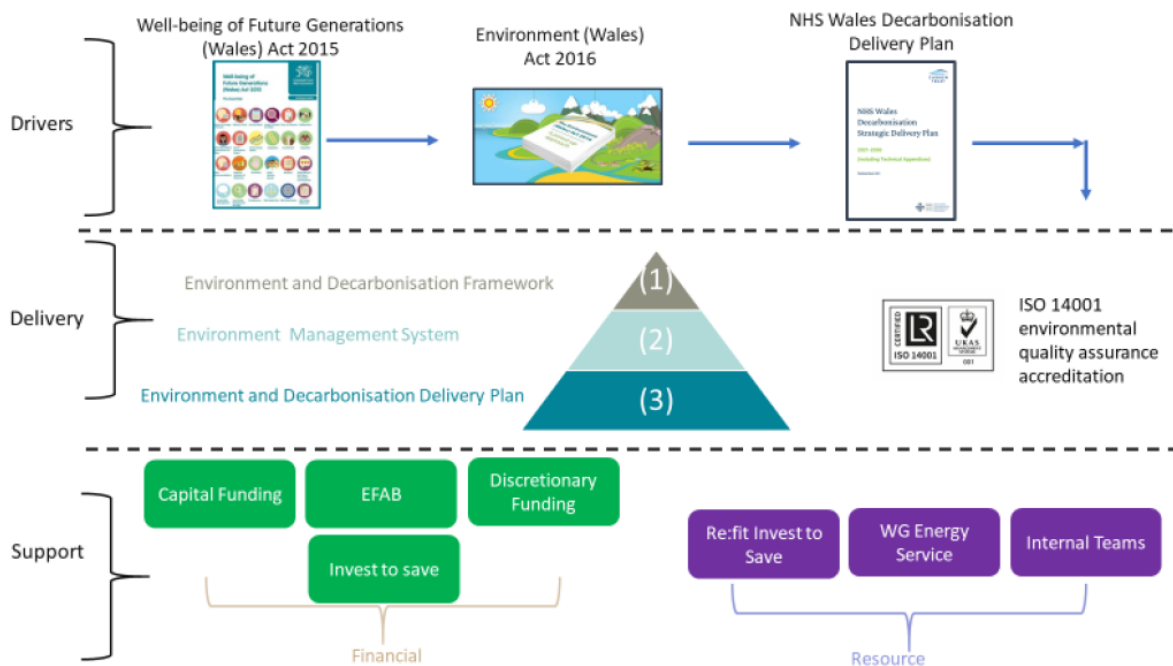
Environment and Sustainability has been driven through a multi-professional Environment and Sustainability Group (ESG) in 2021/22. 'Life cycle' principles, which consider environmental impacts of products and services, are used to support the decision-making processes. This ensures the health board is driving forward the principles of Sustainable Development (Environmental; Economic and Social).

The ESG provide strategic direction, consistency and transparency in management of environmental issues and a structured approach to sustainability. The group is working to reduce the health board's impact on the environment and comply with legislation by implementing the Environment Policy and Environment Management Systems (EMS).

The certified ISO14001 (2015) Environment Management System has been key to promoting benefit for patients, staff and the environment in relation

to carbon reduction and biodiversity improvements, in five areas of activity: Waste; Energy and Water; Travel; Procurement; Building Design and Biodiversity.

The ability to drive change has been supported by targeted Capital funding from Welsh Government and the health board has worked with the Welsh Government Energy Service and Refit Cymru to access further investment, as well as progressing the ambition for a partnership campus development as part of the North Powys Well-being Programme.



Key points of progress are noted below:

- The Research, Innovation and Improvement Co-ordination Hub (RIIC) has been progressed to provide facilitation, governance and measurement of improvement, with several research studies open and plans for further work with Health and Care Research Wales.
- A Draft Integrated Estates Strategy developed, incorporating learning and anticipating outcomes from agile working, describing how innovative environments support recovery and renewal through a holistic integrated model of care.
- Delivery of all pipeline work to time and cost within the Discretionary Capital Programme, to enhance clinical space and estates compliance.
- A risk based approach taken to prioritise estates maintenance, with new specialist contracts and performance and review measures.
- Helpdesk system delayed however criteria has been drafted to be agreed with stakeholders to inform forward plan.

All Estates Funding Advisory Board funded projects delivered on track to enhance fire compartmentalisation, estate infrastructure and

decarbonisation; re-evaluation of schemes underway in line with reduction in the available national funding for 2022/23.

- Five Year Capital Pipeline developed and endorsed in November 2021 and Capital Programme for 2022/24 initiated, informed by lessons learnt session with further work planned during Quarter 1 of 2022/23.
- Delivery of Major Capital programme – key achievements:
  - Machynlleth Well-being Project: Full Business Case approved for overall project value £15.2M, enabling works and land purchase for junction widening initiated; construction work commenced on site, project on track due to complete in December 2022.
  - Ligature Minimisation: Phase 1 work (£170K) completed and Phase 2 (£1M) to be completed with some time impact April 2022.
  - Bronllys Health and Care Academy: Phase 1 works and refurbishment completed; Phase 2 opportunities identified.
  - Brecon Car Park: £1.6M Welsh Government and charitable funds secured to improve patient access, completion due by end of 2022.
  - Llandrindod Wells Hospital: Programme Business Case submitted to Welsh Government and endorsed following further work on scrutiny grid and gateway assurance; next stage of work initiated.
  - North Powys Well-being Programme: Programme Business Case submitted to Welsh Government followed by further work to respond to scrutiny; Ministerial approval received March 2021; Strategic Outline Case due for submission April 2022.



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## Transforming in Partnership

There is a complex partnership landscape for health and care in Powys, which is considered a region given its geographical footprint, covering a quarter of the landmass of Wales, albeit with a relatively small population size.

The shared Health and Care Strategy 'A Healthy Caring Powys' agreed in 2017 was the first of its kind in Wales and remained the foundation stone during the past two years, with all partners committing to renewing efforts on this ambition.

The Powys Regional Partnership Board (RPB) Priorities for 2021/22 were refreshed in this context, taking into account the impact of the pandemic. Key points of progress are noted below:

- Delivery of Start Well Programme: programme arrangements re-established, structure revised and joint chairing agreed, agenda reset to reflect agreed core deliverables for families and children.
- Delivery of Live Well and Age Well Programmes: The arrangements were flexed in year with some suspension in meetings to enable the increased covid response requirements in Autumn/ Winter period, key elements maintained including agreement of the forward plan in the context of changes to national funding arrangements.
- Cross Cutting Resources and Oversight Group (CCROG): the leadership group focused on cross cutting matters was an important forum for considering the impact of the pandemic and the reset of the priorities in the context of national changes including funding.
- Population Assessment and Wellbeing Assessment: a joint approach was taken across the RPB and Public Services Board (PSB) to update the assessments of the Powys population and its wellbeing. This co-ordinated work ensured that the initial findings were available for consideration as part of forward planning. The full findings will be finalised ready for use as part of a mid-term review of the Health and Care Strategy due to take place in 2022.
- The Powys Public Services Board also progressively returned to its Well-being Plan and reconfirmed agreement to the 12 well-being steps 'Towards 2040' with a greater emphasis on three key steps: Digital infrastructure; Decarbonisation; Sustainable environments.
- Continuous Engagement: programme and issue led engagement has been restored where appropriate and viable; digital engagement has been enhanced and a soft launch has been delivered for the Engagement HQ platform at <https://www.haveyoursaypowys.wales>. Significant engagement has also been resumed on the North Powys Well-being Programme in line with the business case development process (further detail on this programme overleaf).



The North Powys Well-being Programme was reshaped against emerging evidence, with a Strategic Demand and Capacity analysis carried out to inform the ongoing business case development.



This Regional Partnership Board programme is a once in a generation scheme to transform the way health, care, community, wellbeing, library and education services are delivered in north Powys, with a new Rural Regional Treatment and Diagnostic Centre and Integrated Health and Care Centre as part of the ambition for a multi-agency campus in Newtown.

One of the key successes of 2021/ 22 was securing approval from Welsh Government for the 'Programme Business Case', enabling this important work to continue into the next stage of development.

This will take forward pathfinders and accelerated areas of change for children and young people, mental health and wellbeing and a social model of health. Key highlights of progress made on these, up to December 2021, is shown below, demonstrating the impacts already being achieved in relation to service delivery and outcomes for patients:

### Acceleration for Change

**Powys Together**  
69 sessions/activities delivered  
879 children  
341 adults  
Over 280 families supported

### Ophthalmology

Funding Ophthalmic Healthcare scientist (in post), Eye Care Nurse and Optometrist (recruiting).

**Bach a lach**  
Engaged with 234 teachers (Pre-school stage) & 404 teachers (Foundation stage)

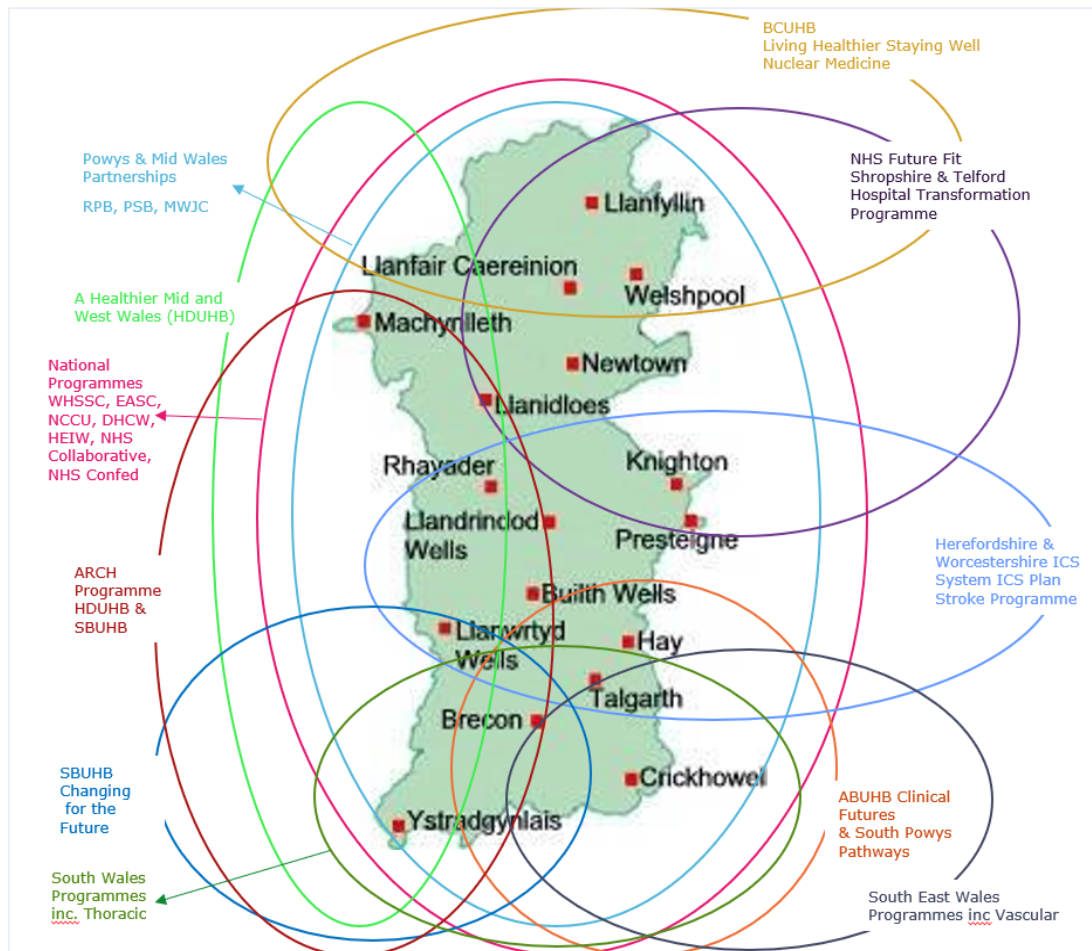
**Digital Facilitators**  
DNAs reduced from 18% to 4%

**Spirometry**  
Funding equipment (around £20,000) to improve services

Powys is also sub region within the wider Mid Wales footprint, with significant regional planning being carried out on the Powys footprint, as well as collaboration between health care organisations through the Mid Wales Joint Committee for Health and Care (formerly the Mid Wales Collaborative). This is recognised as a formal planning area by Welsh Government, in line with the regional arrangements for North Wales and South Wales (the latter divided further into East and South/West regions).

There are a number of strategic programmes at regional and national levels that relate to health and care provision and pathways for residents of

Powys, countywide or in particular geographies, depending on the programme and relevant provider's catchment areas as shown below.



A co-ordinated approach has been taken to manage the complexity and the delivery of healthcare in this context, taking into account recovery plans across Wales and England. The health board has taken a role to ensure that the needs of the Powys population has been incorporated into recovery and system plans, advocating a value-based approach to support shared decision making, patient outcomes and prevention.

Regular assessment of national and regional plans has been undertaken as part of the planning and commissioning cycle and links have been strengthened in key areas to align renewal and transformation priorities with the National Clinical Framework and Collaborative programmes / Clinical Networks across NHS Wales.

Long Term Agreement / Service Level Agreements have been revised in light of the pandemic and civil contingencies; with the progressive re-introduction of commissioning arrangements including the Commissioning Assurance Framework and maternity assurance in 2021/22.

The planning approach in the health board was similarly reset, acknowledging that a period of two years had passed during which shorter term plans were required in place of the suspended three year plan.

In returning to the Integrated Medium Term Plan, it was recognised that an in depth assessment of the external and internal context would be required to understand as fully as possible the environment in which the plan would be set. A comprehensive PTHB Planning Framework was developed in Autumn 2021 and refined through a process of internal and external engagement with stakeholders. This set out the key planning parameters, in a complex and evolving context.

A guided directorate planning process was also delivered in the Autumn 2021 to ensure a thorough assessment of the organisation's performance position, strategic risk and priorities. A schedule of Committee and Board development provided important governance and engagement touchpoints and culminated in the agreement of strategic priorities in early 2022. Some elements of directorate support were suspended during the heightened responses to the pandemic, including the Managers Training which included a module on planning and performance, however this was reestablished at year end and has been refreshed in light of the forward plan for the year ahead.

The way in which performance was measured was adapted in line with changes to the national framework in response to the Covid-19 pandemic. An integrated approach was maintained to deliver the intelligence and surveillance required by Strategic Gold Command as well as regular reporting on core elements of finance, workforce and service delivery.

This system of governance, reporting and review continued to provide the necessary assurance through to Committees of the Board and the Board on the quality and safety of services, access to care, improvement and delivery against the Annual Plan, in a complex and changing environment.

Regular communication has been maintained with key stakeholders including briefings with the Community Health Council and local politicians, cabinet members and partner organisations and enhanced information for the public including the patient services contact centre.

Increased use of social media has been utilised to provide updates on healthcare for non Covid health as well as Covid related support.

The Powys Regional Partnership Board, working with the Powys Association of Voluntary Organisations (PAVO) supported collaboration across community support through the second year of the pandemic.

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## Forward Look 2022 to 2025

The health board developed a Planning Framework as part of the forward look for 2022 to 2025 which provided a systematic analysis of the external and internal context as summarised below.

### The External Context – Key Factors

PESTLE Analysis High level summary of the key Political, Economic, Sociological, Technological, Legal and Environmental Factors			
Political	<p><i>Complex socio-political context</i></p> <ul style="list-style-type: none"> <li>- Pandemic response and impact</li> <li>- EU Exit impacts</li> <li>- New Government Programme / Priorities in Wales</li> <li>- Changes in political programme for health and care in England</li> <li>- Local Authority Elections 2022</li> </ul>	Technological	<p><i>Scale and pace of innovation</i></p> <ul style="list-style-type: none"> <li>- Significant digital innovation</li> <li>- Issues with infrastructure, equipment and inequality of connectivity / skills</li> <li>- New ways of working, complex task to safely identify and maintain these</li> <li>- New health technology</li> </ul>
Economic	<p><i>Uncertain fiscal outlook due to pandemic</i></p> <ul style="list-style-type: none"> <li>- The changing nature of work and employment landscape</li> <li>- Increasing rates of inflation</li> <li>- Aggregated impact on household income / disposable income</li> <li>- Pressure on public expenditure but also additional funding made available</li> <li>- EU Supply chain issues</li> </ul>	Legal	<p><i>Significant legislative developments:</i></p> <ul style="list-style-type: none"> <li>- Existing legislative requirements are significant in relation to health and care</li> <li>- New legislative instruments / bills this year / next year in Wales</li> <li>- Significant new Health and Care Bill planned in England</li> </ul>
Sociological	<p><i>Increasing inequalities is a key issue</i></p> <ul style="list-style-type: none"> <li>- Pandemic recovery historically linked with social change / civil movements</li> <li>- Loss of social connectivity and educational disruption</li> <li>- Emerging evidence of syndemic impact</li> <li>- NHS emerging as an 'Anchor institution'</li> </ul>	Environmental	<p><i>Growing urgency on climate change</i></p> <ul style="list-style-type: none"> <li>- Key area of focus in Wales and UK Wide / Internally with significant legislative changes</li> <li>- Challenging set of targets including decarbonisation by 2030</li> <li>- Wider sustainability and co-production approach</li> </ul>

### The Internal Context – Key Factors

SWOT Analysis High level summary of the key Organisational Strengths, Weaknesses, Opportunities and Threats/Challenges			
Strengths	<ul style="list-style-type: none"> <li>- Shared long term Health and Care strategy</li> <li>- Learning, ways of working, innovation</li> <li>- Workforce &amp; volunteers</li> <li>- Routine monitoring status</li> <li>- Current financially balanced plan</li> <li>- Maintained essential healthcare throughout pandemic, directly provided services</li> </ul>	Weaknesses	<ul style="list-style-type: none"> <li>- Workforce challenges</li> <li>- Continued pressure of pandemic response</li> <li>- Reduced capacity for forward planning</li> <li>- Restrictions on physical space due to covid</li> <li>- Complexity of planning landscape</li> <li>- Varied ownership and engagement in planning</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>- Acceleration in agile ways of working</li> <li>- Partnership and system opportunities</li> <li>- Growing workforce from community and volunteers</li> <li>- North Powys flagship transformation programme</li> <li>- Rural health and care academy</li> <li>- Renewal Programme</li> <li>- Alignment to Primary Care Clusters / Cluster Planning</li> </ul>	Threats/Challenges	<ul style="list-style-type: none"> <li>- Complex sovereign / partnership governance</li> <li>- Additional challenge of working across multiple footprints and cross border</li> <li>- System and capacity pressures</li> <li>- Service fragility</li> <li>- Staff well-being</li> <li>- Fiscal outlook and public spending implications</li> <li>- Infrastructural challenges for digital innovation and integrated clinical access / records</li> </ul>

There remains considerable uncertainty and complexity over the next three year planning horizon. There are a number of challenges and risks to be managed over the next year:

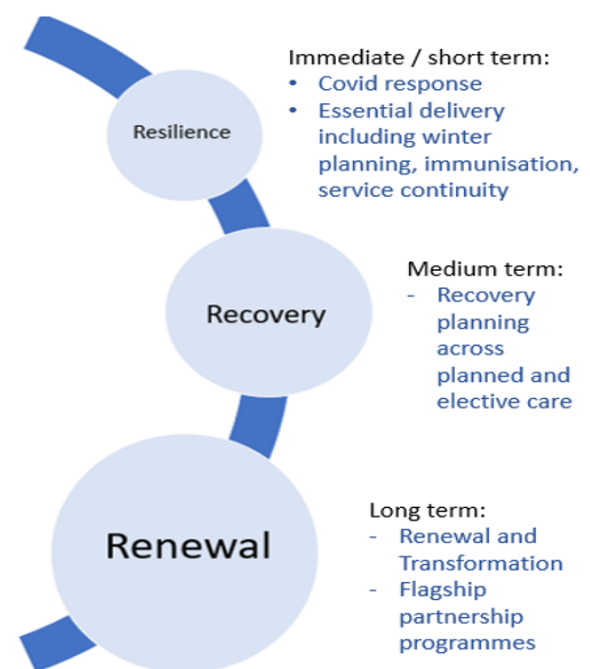


- Complexity and uncertainty in the external environment, impacting on population health need
- Continued need for an agile response which limits the ability to fully align resources to priorities
- Changing nature of the covid response particularly in relation to vaccination and testing / tracing programmes
- Changing requirements for infection prevention and control in line with national directives at UK and NHS Wales level
- Workforce challenges in relation to supply and sustainability, with the impact of the pandemic on staff wellbeing and ways of working
- The increased and sustained pressures on the system and the scale and pace required to deliver, lead and manage change effectively
- Variability and inequity of access to treatment for patients with complex commissioning arrangements and provider plans
- Equally complex partnership arrangements with the need to balance sovereign governance and accountability with integrated approaches

A responsive, phased and cyclical approach will continue to be necessary in this context.

The three Rs of 'Resilience, Recovery and Renewal' have been used in the Integrated Medium Term Plan 2022 – 2025 to review and reset priorities in line with contingency and local options planning:

- Resilience: continued response to Covid and specific service and wider organisational resilience
- Recovery: recovery planning and action in the short and medium term, that supports rather than undermines longer term renewal
- Renewal: working to drive tangible service change that delivers improved outcomes, experience and cost with longer term sustainable transformation



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## Strategic Priorities 2022 – 2025

Focus on Wellbeing	
1.	Take action to <b>reduce health inequalities and improve population health</b>
2.	Deliver <b>health improvement</b> priorities including weight management, smoking cessation, early years and family health and wellbeing
3.	Develop and implement a ‘business as usual’ model for <b>COVID-19 Prevention and Response and integrated, comprehensive vaccination</b>
Early Help and Support	
4.	Improve access to <b>high quality primary care</b>
5.	Develop and implement a progressive, whole system <b>diagnostic, ambulatory and planned care</b> model, delivering more care closer to home
6.	Improve access to high quality prevention and early intervention services for <b>children, young people and their families</b>
Tackling the Big Four	
7.	Implement improvements in early diagnosis, treatment and outcomes for people with or suspected of having <b>cancer</b>
8.	Implement improvements in outcomes, experience and value in <b>circulatory disease</b> (Stroke, Heart Disease, Diabetes)
9.	Implement the next stage of the <b>Breathe Well</b> Programme, specifically aimed at repatriating care closer to home and on Children and Young people’s Respiratory care
10.	Undertake a Strategic Review of <b>Mental Health</b> , to improve outcomes from high quality, sustainable services, including specialist mental health services
Joined Up Care	
11.	Design and deliver a <b>frailty and community model</b> enhancing outcomes, experience and value and the <b>six goals for urgent and emergency care</b>
12.	Support improved access to and outcomes from <b>Specialised Services</b> (including specialist mental health services and paediatrics, major trauma, neonates, PET, and recovery planning for bariatric surgery, cardiac surgery, plastic surgery, neurosurgery, paediatric surgery)

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Workforce Futures	
13.	Design and implement a comprehensive approach to <b>workforce planning</b> , focusing on attracting/securing workforce for targeted services (including internationally)
14.	Redesign and implement <b>leadership and team development</b> , enhancing clinical leadership and whole organisation focus on value.
15.	Deliver improvements to <b>staff wellbeing and engagement</b> , working closely with Trade Unions in Social Partnership on key joint priorities.
16.	Enhance access to high quality <b>education and training</b> across all disciplines, specifically focusing on 'grow our own'/apprenticeships.
17.	Enhance the health board's role in <b>partnership and citizenship</b> , including volunteering, and widening access to healthcare careers.
Digital First	
18.	Implement <b>clinical digital systems</b> that directly enable improved care, including cross border clinical records, service priorities (nursing, eye care, prescribing), and telecare.
19.	Implement key improvements to <b>digital infrastructure and intelligence</b> , undertaking a Digital Service Review for the medium/longer term, aligning to the Renewal Programmes and improving deployment of healthcare systems
Innovative Environments	
20.	Implement ambitious commitments to <b>carbon reduction, biodiversity enhancement and environmental wellbeing</b> .
21.	Implement <b>capital, estate and facilities improvements</b> that directly enhance the provision of services to patients/public and the wellbeing/experience of staff
Transforming in Partnership	
22.	Implement key actions to <b>improve quality</b> (safety, effectiveness and experience) across the whole system
23.	<b>Enhance integrated/partnership system working</b> , in Wales & England, improving regional approaches to planning and delivery of key services
24.	<b>Implement value-based healthcare</b> to deliver improved outcomes and experience, including effective deployment and management of resources
25.	Implement key <b>governance and organisational improvement</b> priorities including embedding risk management, effective policy framework; assurance; Board effectiveness and systems of accountability and organisational development



# At a Glance Summary – 'Plan on a Page' 2022 - 2025



To  
2027  
AND  
BEYOND...



1. Reduce Health Inequalities and Improve Population Health
2. Health Improvement
3. Covid Prevention and Response

4. High Quality Sustainable Primary Care
5. Diagnostics, Ambulatory and Planned Care
6. Children, Young People and their families

7. Cancer
8. Circulatory Disease
9. Breathe Well (Respiratory)
10. Mental Health

11. Frailty and Community Model including Urgent and Emergency Care
12. Specialised Services



13. Workforce Planning
14. Leadership and Team Development
15. Staff Wellbeing and Engagement
16. Education and Training
17. Partnership and Citizenship

18. Clinical Digital Systems
19. Digital Infrastructure & Intelligence

20. Carbon reduction, biodiversity & environmental wellbeing
21. Capital, Estates and Facilities Improvements

22. Quality across the whole system
23. Integrated Partnership Working
24. Value Based healthcare
25. Governance & Organisational Improvement



Partnership  
06/09/2022

## SECTION TWO: THE ACCOUNTABILITY REPORT

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GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

# THE ACCOUNTABILITY REPORT 2021-2022



SIGNED BY:

DATE: 15 JUNE 2022

CAROL SHILLABEER  
[CHIEF EXECUTIVE]

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## INTRODUCTION TO THE ACCOUNTABILITY REPORT

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

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

The requirements of the Companies Act 2006 have been adapted for the public sector context and only need to be followed by entities which are not companies, to the extent that they are incorporated into the Treasury's Government Financial Reporting Manual (FReM) and set out in the 2021-2022 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 2021-2022. It also explains how these governance arrangements supported the achievement of the health board's core and enabling well-being objectives.

The 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 Directorate of Finance and the Workforce and Organisational Development Directorate.

## 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.

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## PART A: CORPORATE GOVERNANCE REPORT

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2021-2022. It includes:

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

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## 1. THE DIRECTOR'S REPORT 2021-2022

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## THE COMPOSITION OF THE BOARD AND MEMBERSHIP

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

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

The members of the Board are collectively known as “the Board” or “Board members”; the officer and non-officer members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All members have full voting rights. In addition, the Director of Environment position created during the year is a non-voting Board level post.

In addition, 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 2021-2022

During 2021-2022, the following individuals were voting members of the Board of Powys Teaching Health Board:

<b>Independent Members (IM)</b>		
Vivienne Harpwood	Chair	Full Year
Melanie Davies	Vice-chair	To 26/12/2021
Kirsty Williams	Vice-Chair	From 10/01/2022
Anthony Thomas	IM (Finance)	Full Year
Matthew Dorrance	IM (Local Authority)	Full Year
Trish Buchan	IM (Third Sector)	Full Year
Frances Gerrard	IM (University)	Full Year
Ian Phillips	IM (ICT)	Full Year
Susan Newport	IM (Trade Union)	To 30/09/2021

Cathie Poynton	IM (Trade Union)	From 11/11/2021
Mark Taylor	IM (Capital & Estates)	Full Year
Rhobert Lewis	IM (General)	Full Year
Ronnie Alexander	IM (General)	From 21/06/2021
<b>Executive Directors</b>		
Carol Shillabeer	Chief Executive	Full Year
Julie Rowles	Executive Director of Workforce and OD (and Support Services to 30/11/2021)	Full Year
Pete Hopgood	Executive Director of Finance, Information and IT Services	Full Year
Hayley Thomas	Executive Director of Planning and Performance (and Deputy Chief Executive from 19/07/2021)	Full Year
Kate Wright	Executive Medical Director	Full Year
Stuart Bourne	Executive Director of Public Health	To 11/03/2022
Alison Davies	Executive Director of Nursing and Midwifery	To 14/03/2022
Claire Roche	Executive Director of Nursing and Midwifery	From 07/03/2022
Claire Madsen	Executive Director of Therapies and Health Sciences	Full Year
Jamie Marchant	Executive Director of Primary, Community and Mental Health	To 30/11/2021

During 2020/2021, vacancies in the Board consisted of:

Independent Member	Executive Director
<ul style="list-style-type: none"> <li>Independent Member (General) from 01/04/2021 to 21/06/2021</li> <li>Independent Member (Trade Union) from 30/09/2021 to 11/11/2021</li> <li>Independent Member Vice-Chair from 26/12/2021 to 10/01/2022</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director of Public Health from 12/03/2022</li> <li>Executive Director of Primary, Community and Mental Health from 30/11/2021 to 30/03/2022</li> </ul>

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.

Specifically, in relation to vacant post the Executive Director of Primary, Community and Mental Health between 01/12/2021 and 31/03/2022 the following formal cover arrangements were put in place:

Area	Covered by:
Women's and Children's Care	Executive Director of Nursing and Midwifery
Planned and Community Care	Executive Director of Planning and Performance
Primary Care	Executive Director of Finance, Information and IT
Mental Health	Executive Director of Therapies and Health Sciences

## **NON-VOTING MEMBERS OF THE BOARD DURING 2021-2022**

Jamie Marchant was appointed to the post of Director of Environment from 1 December 2021. This is a Director level role (a non-voting member of the Executive Team who is also an attendee at board meetings).

During 2021-2022, there were no Associate Members in post as non-voting members.

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

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06/09/2022 14:08:13

## AUDIT, RISK AND ASSURANCE COMMITTEE

During 2021-2022, the following individuals were members of the Audit, Risk and Assurance Committee:

<b>Independent Members (IM)</b>		
Anthony Thomas	Committee Chair – IM (Finance)	Full Year
Mark Taylor	Committee Vice-Chair – IM (Capital & Estates)	Full Year
Matthew Dorrance	IM (Local Authority)	Full Year
Ian Phillips	IM (ICT)	April 2021 – August 2022
Rhobert Lewis	IM (General)	September 2021- April 2022
Ronnie Alexander	IM (General)	September 2021- April 2022
<b>Executive Team Officers by Attendance Only</b>		
Carol Shillabeer	Chief Executive	Full Year
Pete Hopgood	Executive Director of Finance and IT	Full Year
Rani Mallison	Board Secretary	April 2021- November 2021
James Quance	Interim Board Secretary	January 2022 – April 2022

## DECLARATION OF INTERESTS

Details of company Executive Directorships and other significant interests held by members 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 Board Secretary on request.

## 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.

## ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

A statement regarding the health board's actions in relation to environmental

issues is provided on page 154 of the Accountability Report. Reference to social and community issues can be found on page 15 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: 15 JUNE 2022**

**CAROL SHILLABEER [CHIEF EXECUTIVE]**

Parry Stella  
06/09/2022 14:08:13

## **2. STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2021-2022**

Party Stella  
06/09/2022 14:08:13

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

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

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

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

I also confirm that:

- As far as I am aware, there is no relevant audit information of which Powys Teaching Health Board's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Powys Teaching Health Board's auditors are aware of that information.
- Powys Teaching Health Board's Annual Report and Accounts as a whole is fair, balanced, and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

**SIGNED BY:**

**DATE: 15 JUNE 2022**

**CAROL SHILLABEER [CHIEF EXECUTIVE]**

Parry Stella  
06/09/2022 14:08:13



### **3. STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2021-2022**

Party Stella  
06/09/2022 14:08:13

## **STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2021-2022**

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 2021-2022 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: 15 JUNE 2022**

**PROFESSOR VIVIENNE HARPWOOD [CHAIR]**

**SIGNED BY:**

**DATE: 15 JUNE 2022**

**CAROL SHILLABEER [CHIEF EXECUTIVE]**

**SIGNED BY:**

**DATE: 15 JUNE 2022**

**PETE HOPGOOD [EXECUTIVE DIRECTOR OF FINANCE, INFORMATION  
AND IT SERVICES]**

## 4. ANNUAL GOVERNANCE STATEMENT

Parry Stella  
06/09/2022 14:08:13

## Scope of Responsibility

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

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

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

During 2021-2022, the health board and the NHS in Wales continued to face unprecedented and substantial pressure in planning and responding to COVID-19 as well as planning to recover from the impacts of the pandemic. The organisation's response to COVID-19 in 2021-2022 forms a key part of the Performance Report section of the Annual Report.

As a result of the impacts of the pandemic the Board felt it necessary to agree modified arrangements at times of peak system pressure in order to ensure that the ability of the organisation to respond was balanced with maintaining good governance during 2021-2022. These arrangements included the introduction of concise agendas, focused only on essential matters, at Board Level Committee Meetings in December 2021 in order to enable the organisation to respond to intensive system resilience issues. In addition, COVID-19 Board Briefings were also introduced for this period to ensure Independent Members remained fully briefed outside of formal meetings. These arrangements ceased as of 31 March 2022. Further detail on maintaining good governance during 2021-2022 is provided within this Annual Governance Statement.

Parry Stella  
06/09/2022 14:08:13

## FUNCTIONS HOSTED BY POWYS TEACHING HEALTH BOARD

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

- **The seven Community Health Councils that operate across Wales and the Board of Community Health Councils in Wales:** The Community Health Councils operate across Wales and provide help and advice if citizens have problems with, or complaints about, NHS services. They ensure that citizens' views and needs influence the policies and plans put in place by health providers in their area. They monitor the quality of NHS services from a citizen's perspective and provide information about access to the NHS. The Board of Community Health Councils in Wales was established in April 2004 with the aim to advise, assist and monitor the Community Health Councils with respect to the performance of their functions, and to represent their collective views and interests to the Welsh Ministers. In 2015, the regulations were revised, and it was clearly stated that the Board had responsibility of setting standards and to monitor the performance of the Community Health Councils, the conduct of members and performance of officers as well as operating a Complaints Procedure.
- **Health and Care Research Wales (HCRW):** HCRW is a national, multi-faceted, virtual organisation funded and overseen by the Welsh Government's Division for Social Care and Health Research. It provides an infrastructure to support and increase capacity in research and development, runs a number of funding schemes, and manages the NHS research and development funding allocation in Wales. Its aim is to generate and support excellent research to improve the health and care of people in Wales across a range of conditions and settings.

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

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 and Workforce teams have been identified to provide support to the functions, as appropriate.

During 2021-2022 we continued to work with Welsh Government to strengthen the governance and accountability arrangements for the functions that we host.

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## OUR GOVERNANCE AND ASSURANCE FRAMEWORKS

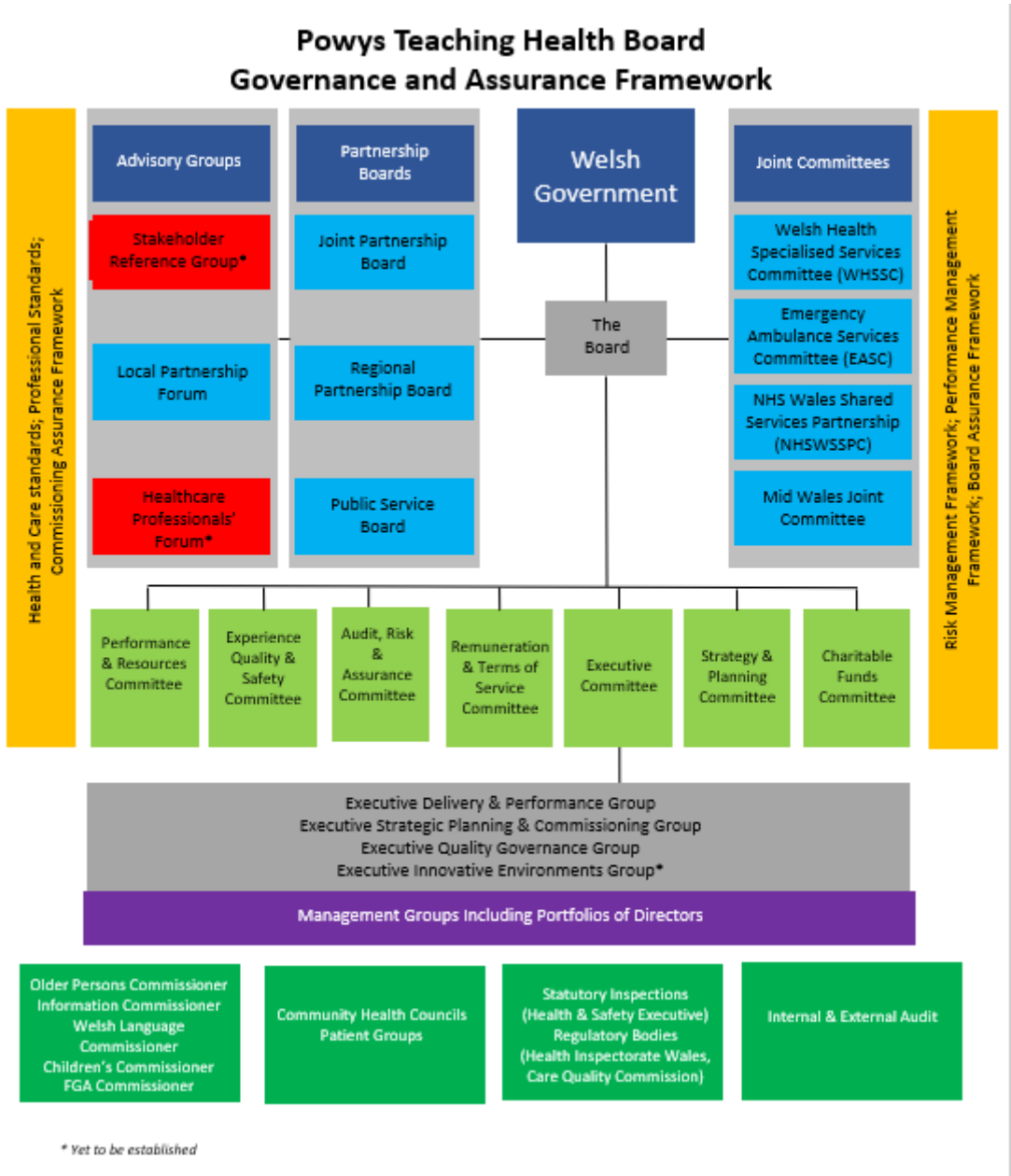
PTHB has a clear purpose from which its strategic aims and objectives have been developed. Our vision is to enable a 'Healthy Caring Powys'. The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its three year Integrated Medium Term Plan (IMTP) and related Annual Plan. A copy of our Integrated Medium-Term Plan for 2020-2021 to 2022-2023 and Annual Plan for 2021-2022 can be found on the health board [website](#).

The Board keeps its governance and assurance frameworks under review and implemented a revised Board committee structure from July 2021. The most notable change was the creation of a Workforce and Culture Committee to recognise the importance the Board places on the wellbeing and development of its most valuable asset and the risks to service delivery that workforce shortages present, in common with most NHS organisations.

**Figure 1** on the page that follows provides an overview of the governance frameworks that were in operation during 2021-2022:

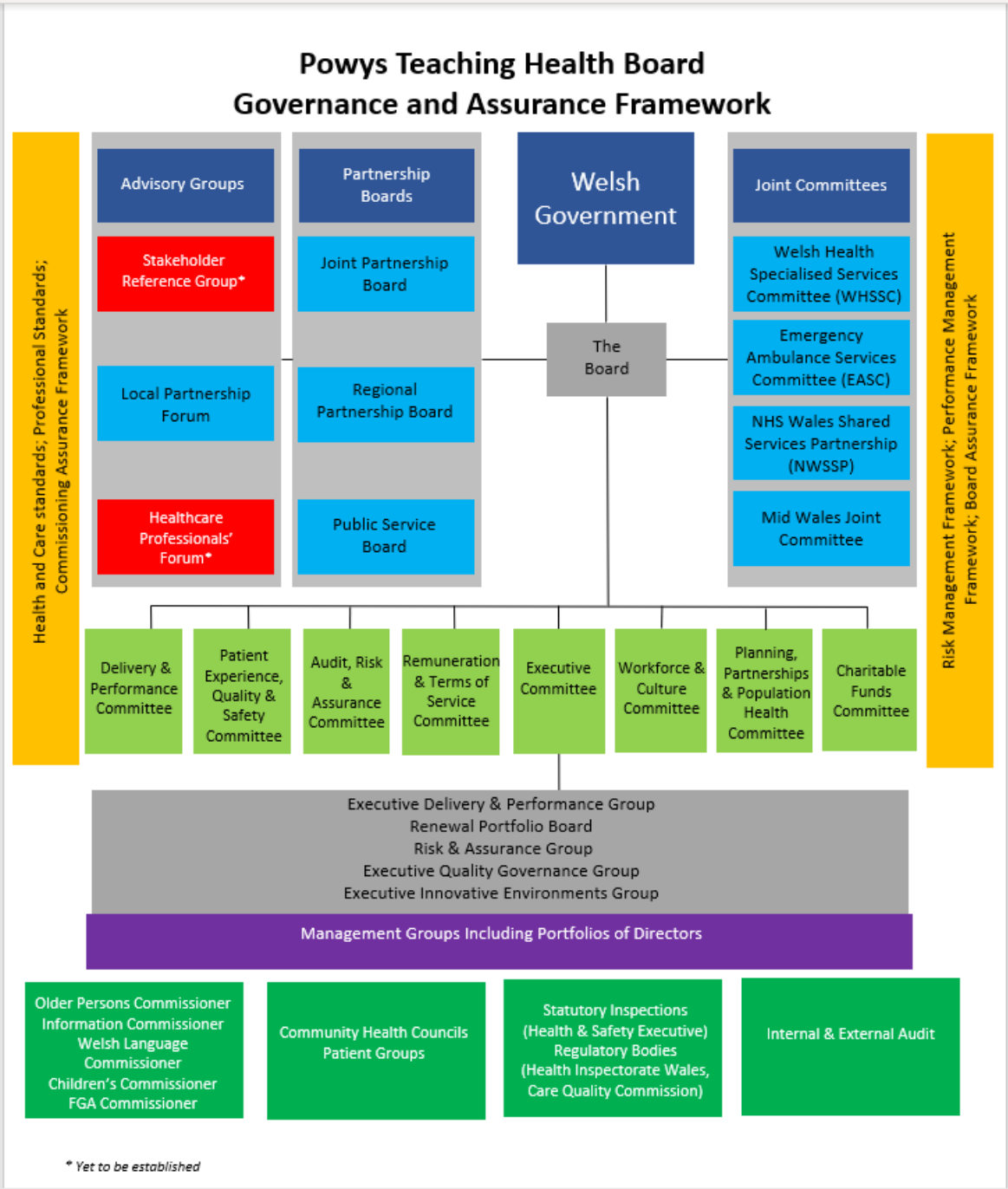
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FIGURE 1A: POWYS TEACHING HEALTH BOARD'S GOVERNANCE AND ASSURANCE FRAMEWORK APRIL 2021 – JULY 2021





**FIGURE 1B: POWYS TEACHING HEALTH BOARD'S GOVERNANCE AND ASSURANCE FRAMEWORK AUGUST 2021 – MARCH 2022**



## THE BOARD

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board. Details of those who sit on the Board are published on the health board [website](#). Further information is also provided within the Director's Report.

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

- sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales;
- establishes and maintains high standards of corporate governance;
- 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 BEHAVIOR

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 2021-2022 were adopted by the Board on 27 November 2019, with minor amendments adopted at Board on 28 July 2021, 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 so that 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. As noted above, a review of the Committee structure was undertaken during 2021-2022 with changes agreed at Board on 28 July 2021 and the revised Terms of Reference for the Committees confirmed at Board on 29 September 2021. The Committee structure is outlined in the following section and the documents, approved at Board on 28 July 2021 and 29 September 2021 are available on the Health board's [website](#).

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## COMMITTEES OF THE BOARD

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

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

The arrangement dating from this review remained in place and for April 2021 to July 2021 the following Committee structure was in place:

- Audit, Risk and Assurance Committee
- Charitable Funds Committee
- Executive Committee
- Experience, Quality and Safety Committee
- Performance and Resources Committee
- Remuneration and Terms of Service Committee
- Strategy and Planning Committee

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. From August 2021 to March 2022 the following Committee structure was 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 outcomes 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. This contributes to the Board's assessment of risk, level of assurance and scrutiny against the delivery of objectives. Annual reports have not been prepared for individual committees due to the change in their constitution part-way through the year. In preference to this, a review of Board and committee effectiveness has been undertaken in order to assess how the new structure is operating and to inform development of the Board and its committees further in 2022-2023.

The Board and Committee Effectiveness review was undertaken in a Board Development session which was not held in public. The review involved a survey of all Board members and the Board consider arrangements to be generally effective. 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.

It is acknowledged that in these unprecedented times, there are limitations on boards and committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public.

As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and it has not therefore been possible to allow the public to attend meetings of our board and committees from March 2020. However, 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.

The Board and its Committees meet throughout the year, and attendance is formally recorded within the minutes, detailing where apologies have been received and deputies have been nominated. All Board and public Committee meetings have met online. The following notice was posted online and, on each Board, and Committee agenda:

**MESSAGE TO THE PUBLIC:**

**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, in light of the current advice and guidance in relation to Coronavirus (COVID-19), the Board has agreed to run meetings by electronic / telephony means as opposed to in a physical location, for the foreseeable future. This will mean**

that members of the public will not be able attend in person or observe on-line.

**The Board has taken this decision in the best interests of protecting the public, our staff and Board members. The Board will publish a summary of meetings held on our website within a week of the meeting to promote openness and transparency.**

In addition, members of the public are invited to contact the Interim Board Secretary to request arrangements be made for an opportunity to observe Committee meetings which are not livestreamed. The following wording is included:

**The Board is expediting 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 Board Secretary in advance of the meeting in order that your request can be considered on an individual basis (please contact James Quance, Board Secretary, James.Quance2@wales.nhs.uk ).**

These arrangements have continued in relation to health board committee meetings throughout the year, with summaries made available online with exception of Board meetings which are Livestreamed and made available for on-demand viewing accessed via the [Board Meeting Calendar](#). It is acknowledged that Standing Orders have not been complied with in terms of access to meetings. However, the arrangements outlined above have been put in place to mitigate for this, approved by the Board and in accordance with guidance issued by Welsh Government.

As the pandemic has continued there have been a small number of changes to the originally agreed committee work programme for the year, with the following scheduled meetings cancelled as outlined below:

- Strategy and Planning Committee on 20 April 2021;
- Strategy and Planning Committee on 8 July 2021;
- Delivery and Performance Committee on 20 December 2021, and
- Charitable Funds Committee on 2 March 2022.

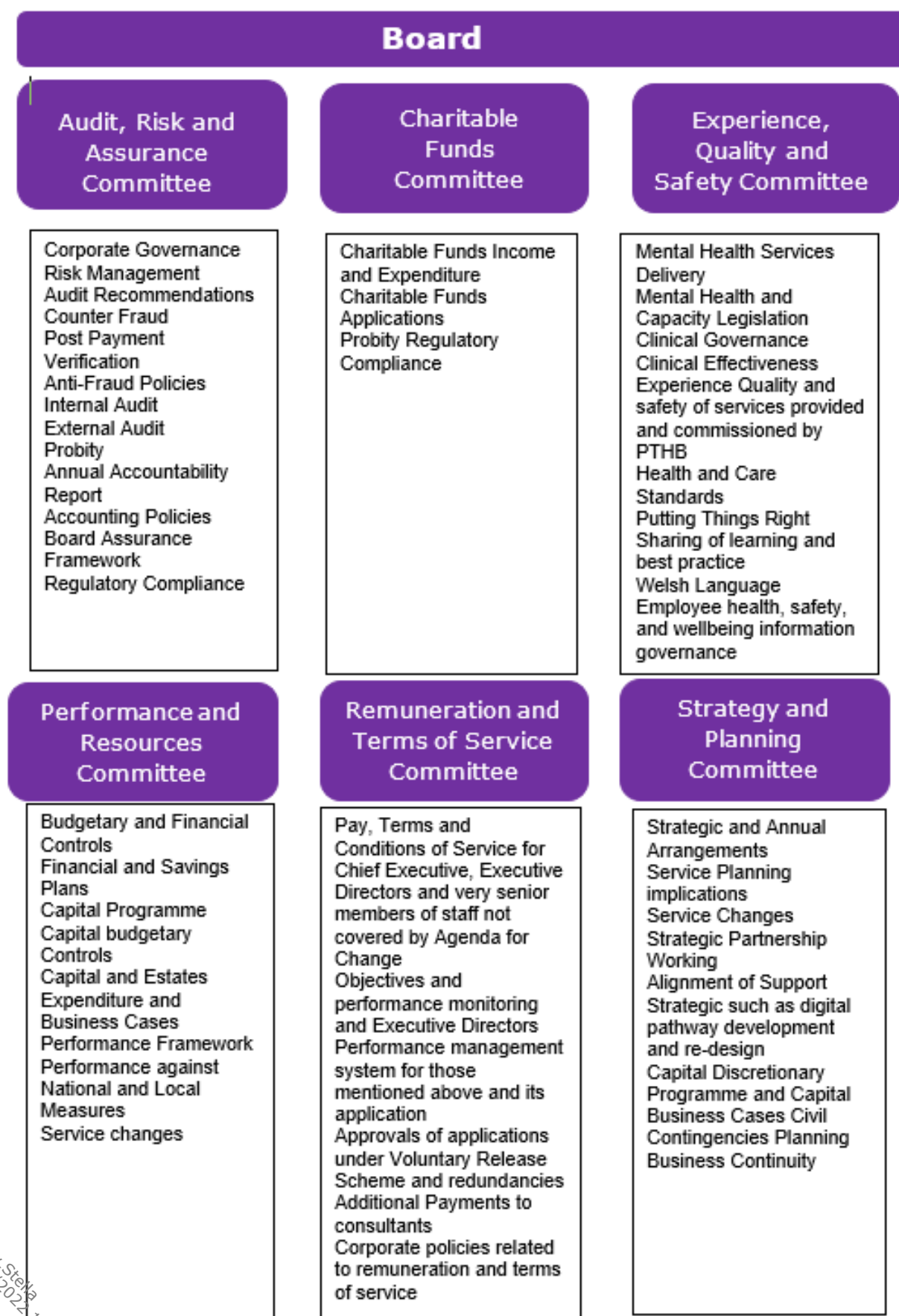
To ensure Independent Members were fully sighted with developments during the Omicron surge a series of COVID-19 Board Briefings were held on the following dates:

- 13 December 2021;
- 17 December 2021; and
- 5 January 2022.

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

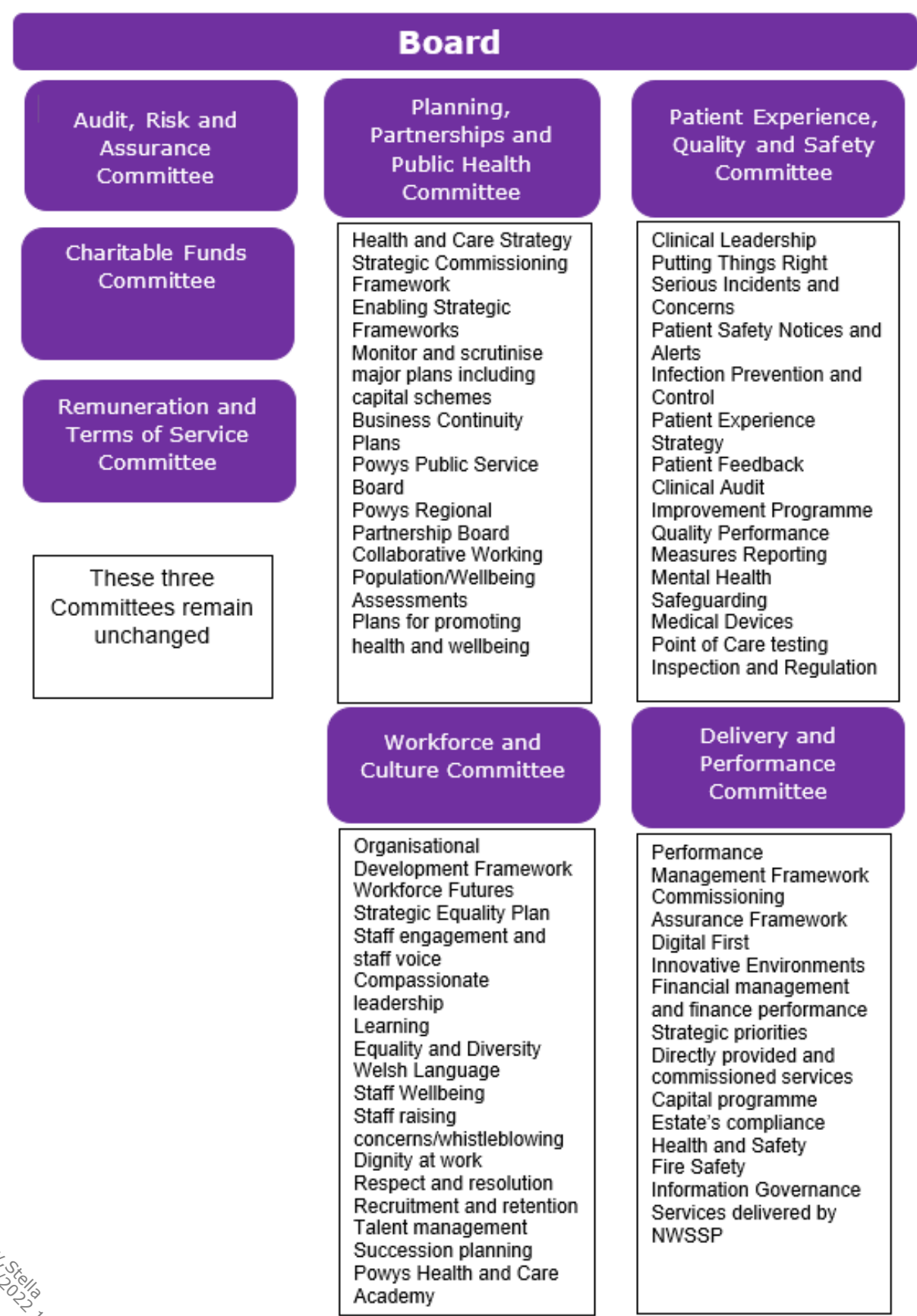
**Figure 3** below provides an overview of Board and Committee meetings held during 2021-2022.

**FIGURE 2A: ROLES AND RESPONSIBILITIES OF COMMITTEES OF THE BOARD FROM APRIL 2021 – JULY 2021**





**FIGURE 2B: ROLES AND RESPONSIBILITIES OF COMMITTEES OF THE BOARD FROM AUGUST 2021 – MARCH 2022**



**FIGURE 3: BOARD AND COMMITTEE MEETINGS HELD DURING 2021-2022**

Board/ Committee	Dates											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Board</b>		26	10 & 29	28		29		24		26		30
<b>Audit Risk and Assurance</b>	29		8	12		14		16		20		22
<b>Charitable Funds</b>			2 & 15			23			1			
<b>Delivery and Performance</b>						2		1			8	
<b>Experience Quality and Safety</b>	15		3	15								
<b>Patient Experience Quality and Safety</b>							7		2		3	24
<b>Performance and Resources</b>		6	24									
<b>Planning, Partnerships and Population Health</b>							12			18		
<b>Remuneration and Terms of service</b>			10	5			11	5 & 25	8 & 31	26		1 & 17 & 30
<b>Strategy and Planning</b>												
<b>Workforce and Culture</b>							5			28		15
<b>Covid – 19 Board Briefing</b>									13 & 17	5		

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

## ITEMS CONSIDERED BY THE BOARD IN 2021-2022

During 2021-2022 the Board held:

- eight meetings, all virtual, livestreamed and uploaded after the meeting;
- an Annual General Meeting;
- three Chair's Actions;
- five Board Briefings; and
- six development sessions.

All meetings of the Board held in 2021-2022 were appropriately constituted with the required quorum.

### COVID-19 Maintaining Good Governance

The Board continued to operate normal meeting arrangements from May 2021, although met virtually throughout the financial year. All amendments to governance arrangements at Board and committee level were approved by the Board through the receipt of regular reports from the Chief Executive and Board Secretary. The Chief Executive obtained Board approval for COVID-19 specific governance arrangements which included deployment of Gold, Silver and Bronze Group delegation arrangements.

### Annual Plan 2021-2022

In June 2021, the Board considered and approved the final version of the Annual Plan for submission to Welsh Government.

### Integrated Medium Term Plan 2022-2025

In March 2022 the Integrated Medium-Term Plan for 2022-2025 was approved for submission to Welsh Government.

### Planning Framework and 3-Year Strategic Priorities 2022-2023 to 2024-25

This plan was approved in November 2021.

### Civil Contingencies and Business Continuity Plans

The Civil Contingences Major Incidents and Emergency Response Plan and Corporate Business Continuity Plan was approved on 26 January 2022.

### Environment and Sustainability Strategic Plan

The Environment Policy Statement, key priorities in the Biodiversity Action Plan and Decarbonisation Plan were approved on 29 September 2021.

## Policies

The following policies were approved:

- Putting Things Right and Management of Concerns (May 2021)
- PTHB Fire Safety Policy (September 2021)
- PTHB Health and Safety Policy (November 2021)

During 2021-2022, the Board also considered and approved:

- **Reorganisation of localised Vascular Services into a 'Hub and Spoke' model Vascular Network for the South East Wales Region: A Report on Engagement 2021**  
The use of the engagement feedback to inform the implementation of the South East Wales Vascular Network was approved.
- **South Powys Programme: Consultant -led Maternity and Neonatal Care**  
To maintain the current pathways regarding South Powys Programme across Consultant-led Maternity and Neonatal Care was approved.
- **Business Case: Llanfair Caereinion Primary Care Centre**  
The Full Business Case for the Llanfair Caereinion Primary Care Centre Third Party Development was approved.
- **Strategic Outline Case at Morriston Hospital**  
The Strategic Outline Case to develop a new site option at the Morriston Hospital in Swansea was endorsed.
- **North Powys Wellbeing Programme Strategic Outline Case**  
The Strategic Outline Case for the North Powys Wellbeing Programme was approved.

In addition to the above, the Board:

- endorsed the Strategic Approach to System Resilience;
- approved the All-Wales PET/CT Programme Business case;
- approved the Equality Annual Monitoring Report;
- noted the Corporate Risk Register at each meeting and approved the proposed amendments;
- noted the Corporate Risk Register for March 2022;
- agreed the Audit of Financial Statements and Letter of Representation;
- approved the Annual Accountability Report 2020/2021;
- approved the Annual Accounts and the Remuneration and Staff Report;
- approved the Organisational Development Strategic Framework for 2021-2022;
- approved the Risk Management Framework and Risk Appetite Statement;

- approved the approach to maintaining Good Governance, COVID-19 Governance Framework via Chair's Action;
- approved temporary changes to Standing Orders in relation to the term of office of Independent Members and the deferral of the Annual General Meeting as a result of the pandemic;
- approved the Annual Work Plans for Board, Committee and Board Development, including Membership;
- approved the Annual Performance Report (via the ratification of a Chair's action);
- noted The Workforce Futures Strategic Framework;
- noted the Performance Overview and the Financial Performance Reports;
- noted The Annual Report for Nurse Staffing Levels;
- noted the Podiatry Services across Powys Report;
- approved the delegation of the commissioning responsibility for HPB services and the HCC MDT services with the required resource mapped to WHSSC;
- approved the Memorandum of Understanding for the North Powys Wellbeing Programme;
- approved that WHSSC develop a service specification for specialised paediatric Orthopaedic surgery;
- approved The Civil Contingences Major Incident and Emergency Response Plan and Corporate Business Continuity Plan;
- noted PTHB's response to Bronllys Wellbeing Park Community Land Trust's Vision Documents 'The Next Ten Years (2020-2030) Working Together for Wellbeing';
- noted the Executive Director of Therapies and Health Sciences – 'One Year On' Report;
- noted The Financial Performance Reports 2021/2022;
- noted the National Outcome Framework and Annual Plan 2021-2022;
- noted The Report of the Chief Office of the Community Health Council;
- noted the recommendations of the Audit, Risk and Assurance Committee;
- approved the Pharmaceutical Needs Assessment;
- approved the updated Environment Policy Statement;
- approved the Key priorities in the Biodiversity Action plan;
- approved the Decarbonisation Delivery Plan;
- approved the Radiology Informatics System Procurement Programme Outline Business Case;
- approved the Laboratory Information Network Cymru Programme Business Case;
- approved the Terms of Reference and Operating Arrangements for all Committee's;
- received the Audit of the Accounts Report for 2020/2021;
- approved the Board Committee Arrangements for 2022-2023 including Membership;

- routinely received Assurance reports of the Board's Partnerships and Joint Committee Arrangements;
- routinely received assurance reports from the Committees and Advisory Groups of the Board;
- approved the Discretionary Capital Programme 2022-2023 to 2023-2024; and
- routinely received reports from the Community Health Council.

## ITEMS CONSIDERED BY COMMITTEES OF THE BOARD

During 2021-2022, 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, COVID-19 Board Briefing sessions, attending partnership meetings, shadowing and a range of other internal and external meetings.

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

**Figure 4: Key Areas of Focus of Committees of the Board**

<b>Audit, Risk and Assurance Committee</b>	<ul style="list-style-type: none"> <li>▪ ratified approval of Single Tender Waivers</li> <li>▪ ratified the COVID-19 Financial Control Procedure and Budgetary Control Procedure</li> <li>▪ received the Internal Audit Annual Report and Opinion</li> <li>▪ received Internal and External Audit Reports and tracked implementation of audit recommendations</li> <li>▪ kept under review the health board's arrangements for risk management and assurance</li> <li>▪ reviewed and sought assurance on the accuracy of the Annual accounts and Annual accountability statement</li> <li>▪ reviewed and sought assurance on the accuracy of annual reports</li> </ul>
<b>Executive Committee</b>	<ul style="list-style-type: none"> <li>▪ took forward actions arising from the Integrated Performance Report and performance managing the delivery of those action plans</li> <li>▪ kept the operational effectiveness of policies and procedures under review.</li> <li>▪ 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</li> <li>▪ provided a strategic view of issues of concern ensuring co-ordination between Executive Directorates</li> <li>▪ 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</li> <li>▪ ensured staff are kept up to date on health board wide issues</li> <li>▪ acted as the forum in which Executive Directors and senior managers can formally raise concerns and issues for discussion, making decisions on these issues</li> </ul>
<b>Charitable Funds Committee</b>	<ul style="list-style-type: none"> <li>▪ scrutinised applications for charitable funds</li> </ul>



	<ul style="list-style-type: none"> <li>▪ kept an overview of charitable funds income and expenditure</li> </ul>
<b>Experience, Quality and Safety Committee (to July 2021)</b>	<ul style="list-style-type: none"> <li>▪ examined the support approach to assessing harm from COVID-19</li> <li>▪ monitored the health board's approach to complaints and concerns</li> <li>▪ oversaw the development of the Maternity Services assurance Framework and Improvement plans</li> <li>▪ received reports on matters such as Serious Incidents and Concerns, Inspections and Regulations, Medical Revalidation Progress and Prevention and Control report</li> <li>▪ sought assurance of the Clinical Audit Programme report</li> <li>▪ monitored the Mental Health Service Group Quality Governance reporting</li> <li>▪ sought assurance regarding financial management and financial performance</li> <li>▪ sought assurance regarding arrangements for the Medical Devices and Point of Care Testing Services and accountability of directly provided and commissioned services</li> <li>▪ monitored workforce and Organisational development frameworks and plans, and the monitoring of key workforce metrics</li> <li>▪ monitored GP access standards</li> <li>▪ examined and monitored Mortality reports on a regular cycle</li> <li>▪ monitored the effectiveness of arrangements in place to Putting Things Right, Compensation and Claims</li> <li>▪ sought assurance to support the Resuscitation Group</li> <li>▪ considered the safeguarding of information and associated governance arrangements</li> <li>▪ sought assurance on the implementation of Putting Things Right regulations and lessons learnt</li> <li>▪ approved the Age-Appropriate Beds, previously supported by the Executive Committee</li> <li>▪ approved the Mental Health Act Hospital Managers Power of Discharge Group Terms of Reference and Operating Arrangements.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ sought assurance of the Regulatory Inspections Report</li> <li>▪ scrutinised the Clinical Quality Framework, Implementation Plan update</li> </ul>
<b>Performance and Resources Committee (to July 2021)</b>	<ul style="list-style-type: none"> <li>▪ oversaw the Annual Performance Report 2020-2021 and provided feedback to inform final development</li> <li>▪ scrutinised the Integrated Performance Report 2021/2022</li> <li>▪ monitored progress on the Annual Plan minimum data set overview</li> <li>▪ received the Commissioning Assurance Framework</li> <li>▪ monitored the Nurse Staffing Levels Act</li> <li>▪ monitored the Workforce Performance metrics which has been impacted by COVID-19 to provide assurance in relation to performance recovery</li> <li>▪ sought assurance on the Health and Safety Report regarding Hand Arm Vibration at Work</li> <li>▪ sought assurance of the Commissioning Assurance Framework relating to Essential Services and Referral to treatment times.</li> <li>▪ monitored the Performance Overview against the NHS Delivery Framework as a result of the COVID-19 Pandemic</li> <li>▪ sought assurance of the status and approach to manage Estates Compliance for the Health board, to include how risks were captured, assessed, and managed; additionally, how the risk was reported at a corporate risk register level</li> <li>▪ oversaw the Support Services Performance and Associated Risks</li> <li>▪ monitored the Implementation of the Liberty Protection Safeguards</li> <li>▪ monitored Dental Service access across Powys during the COVID-19 Pandemic</li> <li>▪ sought assurance of the Digital First Transformation and Informatics delivery for the financial year</li> </ul>
<b>Strategy and Planning Committee (to July 2021)</b>	No meetings of the Strategy and Planning Committee took place during 2021-2022

<b>Delivery and Performance Committee (From August 2021)</b>	<ul style="list-style-type: none"> <li>▪ oversight of Capital Developments: Wellbeing Programme Gateway Review</li> <li>▪ sought assurance of the COVID-19 Vaccination Phase 3 plans</li> <li>▪ scrutinised performance of Welsh Ambulance Services NHS Trust services</li> <li>▪ receive all Financial Performance Reporting</li> <li>▪ sought assurance of the Integrated Medium-Term Plan, including Performance Trajectories and Financial plans</li> <li>▪ reviewed Performance overview: Commissioning Assurance and Performance Dashboard</li> <li>▪ sought assurance of Planned and Unscheduled Care reporting</li> <li>▪ reviewed Digital First Updates</li> <li>▪ reviewed Primary Care Assurance and Performance Report</li> <li>▪ reviewed funded Nursing Care and continuing Health Care reports</li> <li>▪ reviewed Capital and Estates Performance update, Elective Care, and Neurodevelopmental services</li> <li>▪ sought assurance on the Information Governance and Records Management Improvement plans</li> <li>▪ sought assurance on the Committee based Corporate Risk Register</li> </ul>
<b>Patient Experience, Quality and Safety Committee (From August 2021)</b>	<ul style="list-style-type: none"> <li>▪ scrutinise the Board's Clinical Quality Framework</li> <li>▪ scrutinise Quality Governance arrangements</li> <li>▪ monitor compliance with Mental Health legislation</li> <li>▪ provide assurance of the management of Strategic risks on the Committee Risk Register</li> <li>▪ scrutinise Integrated Quality Reports</li> <li>▪ scrutinise Commissioning Escalation Report</li> <li>▪ monitor Serious Incidents and Concerns</li> <li>▪ monitor Maternity Services Assurance reports</li> <li>▪ monitor the Inspections and External Bodies Report and Action Tracking</li> <li>▪ sought assurance on Infection, Prevention and Control including nosocomial updates</li> <li>▪ receive the Annual Reports of the Accountable Officer Controlled Drugs</li> </ul>

	<ul style="list-style-type: none"> <li>▪ receive Clinical Audit progress Report</li> <li>▪ scrutinised Safeguarding arrangements</li> <li>▪ monitor General Medical Access</li> </ul>
<b>Planning, Partnerships and Population Health Committee (From August 2021)</b>	<ul style="list-style-type: none"> <li>▪ review Strategic Planning of Performance and Key planning parameters</li> <li>▪ review PTHB Population Health Priorities and Key Priorities</li> <li>▪ sought assurance of the Regional Partnership Board Programmes reporting: North Powys Wellbeing Programme</li> <li>▪ review the Integrated Medium Term Plan updates</li> <li>▪ review the Strategic renewal portfolio priorities and arrangements</li> <li>▪ sought assurance on the Committee based Corporate Risk Register</li> </ul>
<b>Workforce and Culture Committee (From August 2021)</b>	<ul style="list-style-type: none"> <li>▪ scrutinised the Organisational Development Strategic Framework and Workforce Futures Strategic Framework</li> <li>▪ reviewed workforce planning and performance</li> <li>▪ received the Welsh Language Standards Annual Report 2020-2021</li> <li>▪ considered Staff Wellbeing including regulatory report and management response (Caring for the Carers)</li> <li>▪ received the Medical Job Planning Annual Report</li> <li>▪ received the Communications and Engagement Situation Report</li> <li>▪ sought assurance on the Committee based Corporate Risk Register</li> </ul>

## BOARD DEVELOPMENT

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

- Legal Implications of a COVID-19 Public Inquiry
- Board Responsibilities in respect of Staff Raising Concerns
- Board and Committee Effectiveness and Arrangements for 2021-2022
- Annual Plan and supporting frameworks
- Additional Learning Needs Code for Wales 2021
- Equality, Diversity, and Inclusion
- Healthy Working Relationships, Respect and Resolution Policy

- Partnership Arrangements and Priorities
- Joint Committee Arrangements and Priorities
- Health and Safety Executive Investigation into Hand Arm Vibration Syndrome
- Briefing on a Serious Incident
- System Pressures
- Discussion with the Emergency Ambulance Service Committee
- Primary Care Developments
- Suicide Prevention and Self Harm
- North Powys Well-being Strategic Outline Case
- Integrated Medium-Term Plan

The Board has scheduled its annual self-assessment and reflection to take place in April 2022 (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. 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 2021-22 to strengthen the Forum's operating arrangements and maximise its role in providing advice to the Board.

The first scheduled meeting of the LPF in 2021-22 was held as a COVID-19 briefing. Scheduled meetings re-commenced in May 2021 and further meetings were held in July 2021, September 2021 and January 2022. A meeting scheduled for November 2021 was cancelled due to staff side in-quoracy, in large part due to pressures of the pandemic. The meeting scheduled for March 2022 was postponed to April 2022 due to a COVID-19 surge.

There is a requirement for the health board to constitute a Stakeholder Reference Group and Healthcare Professionals Forum. Pandemic pressures have meant that progress was not made to constitute these groups during 2021/22.

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

It is now the intention to make arrangements in respect of the Healthcare Professional's Forum in 2022/23 as reported to the Board at its March 2022 meeting.

## **JOINT COMMITTEES**

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

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

The Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee are joint committees of Welsh Health, 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).

## **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 health board website. The Planning, Partnerships and Population Health Committee also has a key role in ensuring that the health board is working effectively with partners.

## **NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE (NWSSPC)**

An NHS Wales Shared Services Partnership Committee (NWSSPC) has been established under Velindre NHS Trust which is responsible for exercising

shared services functions including the management and provision of Shared Services to the NHS in Wales.

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

## **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, including: Mental Health services, services for people with learning disabilities, older people and children. Section 33 arrangements are overseen by a Joint Partnership Board which is outlined below.

## **Joint Partnership Board**

Powys has been made a region in its own right under Part 9 of the Social Services Wellbeing (Wales) Act 2014. In light of this and combined with the requirements of the Well-being of Future Generations Act (Wales) 2015 and the Social Services Wellbeing (Wales) Act 2014, and the collective drive towards increased integration between the health board and County Council, in February 2016, PTHB and Powys County Council established a Joint Partnership Board. This brings together nominated strategic leaders from Powys County Council and the health board to ensure 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.

## **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 the health and care strategy and the Integrated Medium-Term Plan. The PSB has set out its Well-being Plan 12 well-being steps that we will concentrate on to contribute achieving the four local objectives. These steps are those where the biggest difference can be made by developing solutions together.

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

## **Powys Public Service Board Scrutiny Committee**

The PSB Scrutiny Committee was set up in September 2018 as a joint committee with representatives of the organisations which sit on the Powys Public Service Board. This Committee met during the year scrutinising progress on steps 3, 4 and 8 of the Well-being Plan. Powys PSB Scrutiny Committee agendas and minutes can be found [here](#).

## **Powys Regional Partnership Board**

The Powys Regional Partnership Board (RPB) is the statutory legal body established in April 2016 by the Social Services and Well-being (SSWB) (Wales) Act 2014. Its main role is to identify 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 the health and care strategy 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.

Welsh Government has distributed an Integrated Care Fund across Wales to the seven Regional Partnership Boards (RPBs) in Wales. The aim of the fund is to drive and enable integrated working between social services, health, housing and the third sector and independent providers to develop sustainable services. Powys RPB is responsible for overseeing and managing the use of the fund in Powys.

## Mid Wales Joint Committee for Health and Social 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 Social 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 health and care services across Mid Wales.

### 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 is clear that it is complying with the main 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

As I have 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 2022 and up to the date of approval of the

annual report and accounts. Some elements of the system of internal control were, however, adapted or suspended during 2021-2022 with the approval of the Board to support the health board's response to COVID-19, specifically:

- adjustments to certain committee schedules as noted above;
- the re-prioritised approach to the implementation of audit recommendations adopted in 2020/2021, to enable focus on high-risk areas was maintained;
- five Internal Audit reviews were deferred to 2022-2023;
- the Risk and Assurance Group met less frequently (three times) during the year, although risk management remained the responsibility of managers as set out within the Risk Management Framework and enhanced COVID-19 risk management arrangements were put in place and reporting of the Corporate Risk Register to every Board meeting continued; and
- the Command and Control Model established in 2020-2021 to lead the planning and response to COVID-19 was re-established in the winter of 2021-2022 to respond to the Omicron surge. The system of internal control was continually reviewed and refined through each of the phases of the health board's response to COVID-19.

## Capacity to handle Risk and Key Aspects of the Control Framework

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, Experience, Quality and Safety Committee (April 2021 – July 2021) and Patient Experience, Quality and Safety Committee (July 2021 – April 2022).

Executive Committee meetings present an opportunity for Executive Directors to consider, evaluate and address risk, and actively engage with and report to the Board and its committees on the organisation's risk profile. In addition, the Risk and Assurance Group, constituted by Assistant Directors and Senior Managers to oversee operational risk management, reports into the Executive Committee.

The health board's lead for risk is the 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 Executive Directors to lead the organisational response. For example, patient safety risks fall within the responsibility of the Executive Medical Director, the Executive Director of Nursing and Midwifery and the Executive Director of Therapies and Health Science.

As of March 2020 there were two risks included on the Corporate Risk Register at a score of 20. These were CRR 001 (Once assessed residents of Powys may

receive poor quality of care) and CRR 007 (There are delays in accessing treatment in secondary and specialised care services in excess of 36 and 52 weeks). Further detail regarding these risks, including a number of controls and mitigating actions have been recorded within the Corporate Risk Register which can be accessed [here](#).

As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented.

Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer-term delivery of services by the organisation, although I am confident that all appropriate action is being taken. The latest iterations of the health board's Major Incident and Emergency Response Plans were approved by the Board on [26 January 2022](#).

The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery and renewal phases. It will be necessary to ensure 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 their strategic objectives.

## **The Risk Management Framework**

Robust risk management is seen by the Board as being integral to good management and the aim is to ensure it is integral to the health board's culture. It 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 Executive 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 Assurance Framework and Corporate Risk Register, Executive 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, whistle-blowing, human resources, consent, manual handling and security.

The Risk Management Framework is available on the health board's [website](#).

Risk Management training continued on an ad-hoc basis during 2021-22 due to the impact of COVID-19. This was delivered on the request of service groups and teams. During 2021-2022, work commenced on a risk management training needs analysis, to develop a robust training plan in relation to risk for the health board, this will be further developed and implemented in 2022-2023.

General Practitioners (GPs), Pharmacists, Dental Practitioners, Optometrists, Nursing Care Homes, Voluntary Organisations, and those where we have partnership relationships for service delivery, e.g., Local Authorities and other Health boards, are responsible for identifying and managing their own risks through the contractual processes in place.

Community Health Council representatives are present at Board meetings where risk is discussed. Where work is delivered in partnership with strategic partners, such as via the Public Services Board and Regional Partnership Board, risk management arrangements are led by the host organisation. These risk management arrangements dovetail with the health board's Risk Management Framework to feed respective Directorate Risk Registers and the Corporate Risk Register, where necessary.

## Management of Risks During 2021-2022

### 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.).

In light of the COVID-19 pandemic, the Board's approach to risk management during 2021-2022 was required to be balanced and proportionate to ensure effective risk management arrangements, whilst ensuring capacity was made available to plan and respond to COVID-19. The approach to releasing capacity and determining priorities (COVID-19 and 'business as usual') related during the year were determined by an assessment of risk.

During 2021-2022, the Board continued to review the existing Corporate Risk Register to:

- consider whether any existing risks may need to be updated to reflect the impact of COVID-19 on them which may reduce / increase the risk score in terms of likelihood and / or impact.
- consider whether there are new risks emerging from the impact of COVID-19 on the achievement of the board's strategic objectives; and
- assess and make recommendations to the Board regarding those risks where appetite and tolerance may need adjusting to recognize the impact of COVID-19 on the organisation.

### 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.

Whilst Internal Audit recognised the progress made at an Organisational and strategic level to set the framework by which risk will be identified and managed, Internal Audit made a number of recommendations by which improvements could be made in embedding risk into the operational management of the organisation.

In November 2021 the Board approved the revised Risk Management Framework (RMF) and supporting Risk Management Toolkit, which sought to develop a robust risk management culture across the health board and encourages appropriate risk taking, to continuously improve the quality of the services provided and commissioned by the health board.

In the first quarter of 2022-2023 work will be undertaken to reinvigorate the Risk and Assurance Group to enable coordination of the achievement of the Risk Management Framework's objectives through the organisation's Executive 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, Executive Directorate and corporate) and the Board's Assurance Framework (BAF).

## **Risk Appetite**

The Board's Risk Appetite Statement sets out the Board's strategic approach to risk -taking by defining its risk appetite thresholds. It is a 'live' document that will be regularly revised and modified, so that any changes to the organisation's strategies, objectives or its capacity to manage risk are properly reflected.

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.

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 Risk Appetite Statement confirms that the Board is not open to risks that materially impact on the quality or safety of services that the health board provides or commissions; or risks that could result in the organisation being



non-compliant with UK law, healthcare legislation, or any of the applicable regulatory frameworks in which we operate. The Board has the greatest appetite to pursue innovation and challenge current working practices; and, for financial risk in terms of willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment.

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

Risk Appetite Level	Risk Maturity	Risk Appetite Description
LOW (Risk Score 1-6)	Minimal	Preference for ultra-safe, well established / evidence-based delivery options that have a low degree of risk.
MODERATE (Risk Score 8-10)	Cautious	Preference for safe delivery options, also used by other organisations that have some degree of known risk outweighed by potential benefit.
HIGH (Risk Score 12-15)	Open	Willing to consider all potential delivery options, established and new, and make a choice which also provides an acceptable level of reward.
SIGNIFICANT (Risk Score 16-25)	Seek	Eager to be innovative and to choose options offering potentially higher rewards despite greater potential risk.
	Mature	Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust.

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

Risk Category	Description
<b>APPETITE FOR RISK: Low (Risk Score 1-6)</b>	
<b>Quality &amp; Safety of Services</b>	<p>The provision of high-quality services is of the utmost importance to the Health board, and we have a cautious appetite to risks that impact adversely on quality of care.</p> <p>We consider the safety of patients and staff to be paramount and core to our ability to operate and carry out the day-to-day activities of the organisation. We have a low appetite to risks that result in, or are the cause of, incidents of avoidable harm to our patients or staff.</p> <p>This means we are not open to risks that could result in poor quality care or clinical risk assessment, non-compliance with standards of clinical or professional practice, unintended outcomes or poor clinical interventions.</p>

Risk Category	Description
	We will not accept risks associated with unprofessional conduct, underperformance, bullying, or an individual's competence to perform roles or tasks safely and, nor any incidents or circumstances which may compromise the safety of any staff member or group.
<b>Regulation &amp; Compliance</b>	We will not accept risks that could result in the organisation being non-compliant with UK law or healthcare legislation, or any of the applicable regulatory frameworks in which we operate.
<b>APPETITE FOR RISK: Moderate (Risk Score 8-10)</b>	
<b>Reputation &amp; Public Confidence</b>	<p>We will maintain high standards of conduct, ethics and professionalism at all times, espousing our Values and Behaviors Framework, and will not accept risks or circumstances that could damage the public's confidence in the organisation.</p> <p>Our reputation for integrity and competence should not be compromised with the people of Powys, Partners, Stakeholders and Welsh Government.</p> <p>We have a moderate appetite for risks that may impact on the reputation of the health board when these arise as a result of the health board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory environment.</p>
<b>Finance</b>	<p>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.</p> <p>We will not accept risks that leave us open to fraud or breaches of our Standing Financial Instructions.</p>
<b>APPETITE FOR RISK: High (Risk Score 12-15)</b>	
<b>Innovation &amp; Strategic Change</b>	<p>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.</p> <p>We will consider risks associated with innovation, research, and development to enable the integration of care, development of new models of care and improvements in clinical practice that could support the delivery of our person</p>

Risk Category	Description
	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 2022 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](#). In response to the COVID-19 pandemic the health board paused the use of the Board Assurance Framework in March 2020. It is intended to reinstate the Board Assurance Framework in 2022-23.

**Figure 7: Strategic Risk Heat Map**

Impact	Catastrophic	5					
	Major	4		<ul style="list-style-type: none"> <li>The Health Board does not meet its statutory duty to achieve a breakeven position in 2021/22</li> </ul>	<ul style="list-style-type: none"> <li>The need to improve health equity is not adequately reflected in the priorities and resource allocation of the health board</li> <li>Potential adverse impact on business continuity and service delivery arising from a pandemic outbreak of an infectious disease (COVID-19)</li> </ul>	<ul style="list-style-type: none"> <li>The care provided in some areas is compromised due to the health board's estate being non-compliant and not fit for purpose</li> <li>The Health Board is unable to sustain an adequate workforce</li> <li>Fragmented and unsustainable service models as a result of population changing need and service reconfiguration of neighbouring NHS bodies and the response of multiple providers / systems to the Covid-19 pandemic</li> <li>There are delays in accessing treatment in for Primary and Community Care Services in excess of 36 and 52 weeks, and a reduction in levels of enhanced services provided by General Practices under the GMS Contract.</li> </ul>	<ul style="list-style-type: none"> <li>Once accessed, residents in Powys may receive poor quality of care</li> <li>There are delays in accessing treatment in Secondary and Specialised care services, in excess of 36 and 52 weeks</li> </ul>
					<ul style="list-style-type: none"> <li>There is ineffective partnership working and partnership governance</li> </ul>	<ul style="list-style-type: none"> <li>The Health Board has insufficient capacity to lead and manage change effectively</li> <li>The Health Board does not comply to the Welsh Language standards, as outlined in the compliance notice</li> </ul>	
	Moderate	3					
	Minor	2					
	Negligible	1					
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost Certain
			Likelihood				

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

**Figure 8: Key Risks and Controls**

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
Once accessed, residents in Powys may receive poor quality of care	<p><b>CONTROLS IN PLACE / ACTION TAKEN:</b></p> <ul style="list-style-type: none"> <li>▪ Cognisance and implementation of Welsh Government policy.</li> <li>▪ Staff wellbeing initiatives in place internally and within other organisations.</li> <li>▪ Escalated oversight and assurance arrangements in place related to patient flow, length of stay and community provision, in partnership with POWYS COUNTY COUNCIL and third sector.</li> <li>▪ Consideration of Local Options Framework where indicated.</li> <li>▪ Increased oversight and monitoring as part of escalated governance arrangements, in the form of the Delivery Coordination Group, reporting to Gold</li> <li>▪ Enhanced reporting to Welsh Government.</li> <li>▪ IMTP planning predicated on the impacts of COVID-19.</li> <li>▪ Recovery and renewal key focus of PTHB Annual Plan for 2021-2022 overseen by CEO led Portfolio Board.</li> <li>▪ Non-recurrent revenue and capital secured for first phase of priorities.</li> <li>▪ Risk-based implementation of the plan in relation to support infrastructure required, including procurement capacity; operational recruitment, particularly in relation to theatre staff; the availability of additional external clinical capacity; and unscheduled care pressures.</li> <li>▪ Progression of the North Powys Programme.</li> <li>▪ Continued implementation of the Strategic Commissioning Framework (for whole system commissioning) – partially restored at present.</li> <li>▪ Implementation of the Clinical Quality Governance Framework.</li> <li>▪ Implementation of the OD Framework.</li> <li>▪ Focus on whole patient pathway improvement inclusive of provided and commissioned services for maternity, neonates, CAMHs.</li> <li>▪ Refreshed approach to ensuring appropriate deployment of the workforce throughout the health board.</li> <li>▪ Embedding the Commissioning Assurance Framework (CAF) escalation process - partially restored at present.</li> <li>▪ Executive Committee Strategic Commissioning and Change Group (including consideration of fragile services – currently replaced by the DGH Log mapping pathway changes across multiple providers across England and Wales due to the COVID-19 pandemic).</li> <li>▪ Regular review at Delivery and Performance meetings.</li> <li>▪ Scrutiny by Performance and Resources Committee.</li> <li>▪ Scrutiny by Patient Experience, Quality and Safety Committee.</li> <li>▪ Internal Audit reviews relevant to the risk.</li> <li>▪ Contract Quality and Performance Review Meetings for the 15 NHS Providers and key private sector providers.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Individual Patient Funding Request Panel and Policy.</li> <li>▪ WHSCC Joint Committee and Management Group.</li> <li>▪ WHSSC ICP agreed within PTHB IMTP – and process underway for 2021-2022.</li> <li>▪ Emergency Ambulances Services Committee.</li> <li>▪ Shared Services Framework Agreements.</li> <li>▪ Section 33 Agreements.</li> <li>▪ Responsible Commissioner Regulations for Vulnerable Children Placed away from Home.</li> <li>▪ Specific Organisational Delivery Objectives set out in health board's Annual Plan for 2021-2022.</li> <li>▪ Development of a standard operating procedure re quality and safety in commissioned services</li> <li>▪ Participation in the Cross-Border Network Between England and Wales (Statement of Values and Principles between England and Wales).</li> <li>▪ Commissioning Intentions set out in IMTP (response to the pandemic currently being implemented not commissioning intentions).</li> <li>▪ NHS LTA and SLA Overview submitted to the Executive Committee (and approval process).</li> <li>▪ Executive Committee approved LTA and SLA narrative (updated each year).</li> <li>▪ CEO signed LTAs and SLAs for healthcare.</li> <li>▪ CAF developed for General Dental Services.</li> <li>▪ CAF developed for General Medical Services.</li> <li>▪ Recruitment of Public Health Consultant to help strengthen commissioning intelligence (currently transferred to COVID-19 related duties).</li> <li>▪ Prior approval policy in place (Following the EU exit the EEA policy has ceased to apply).</li> <li>▪ INNU policy in place.</li> <li>▪ Pooled fund manager for Section 33 Residential Care.</li> <li>▪ SATH Improvement Alliance with UHB in place.</li> <li>▪ Respiratory and Circulatory Transformation leads in place (but circulatory support was temporarily diverted to help manage changes to emergency flows). Temporary cancer post to help ensure appropriate pathways for patients with cancer.</li> <li>▪ DGH and Specialised Work-stream within PTHB's COVID-19 response plan.</li> <li>▪ PTHB CEO lead Programme Board involving 3 health boards and WAST.</li> <li>▪ Participation in cross-border command and control structures.</li> <li>▪ Essential Services Framework implementation underway.</li> <li>▪ PTHB Children's Home Group in response to the COVID-19 pandemic.</li> <li>▪ Scheduled peer meetings with clinical teams in commissioned services focused on addressing concerns and sharing improvements in services where poor care has been identified.</li> <li>▪ Review of policy and protocols within the health board to consider the whole patient pathway.</li> <li>▪ CEO escalation where required.</li> </ul>
	<p><b>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2022-2023:</b></p>

Parry Stella  
06/09/2022 14:08:13

	<ul style="list-style-type: none"> <li>▪ Embed whole system commissioning through the implementation of the Strategic Commissioning Framework</li> <li>▪ Embed and ensure implementation of the Commissioning Assurance Framework</li> <li>▪ Implement commissioning intentions for 2021-2022</li> <li>▪ Robustly identify and articulate performance of all providers of planned care services for the people of Powys through the Commissioning Assurance Framework</li> <li>▪ Programme of work to strengthen effective processes to develop and manage condition specific and service plans</li> <li>▪ Strengthening of commissioning intelligence in line with IMTP</li> <li>▪ Review Patient flows and activity into specialised services to ensure safe and appropriate pathways</li> <li>▪ Strengthen the organisation's capacity, capability, and governance processes for commissioning – including interface with specialised services</li> <li>▪ As a member of the Powys Regional Partnership Board, support delivery of the Powys Area Plan which includes commissioning appropriate, effective, and efficient accommodation options for older people, individual children and looked after children</li> <li>▪ Through the Joint Partnership Board, continue to develop opportunities for pooling Third Sector commissioning</li> <li>▪ Strengthen the whole system approach to the Big 4</li> <li>▪ Review of the health board's interface with SATH</li> <li>▪ Receive the Audit Wales quality governance review and identify key areas for improvement</li> <li>▪ Agree and establish monitoring of the health boards provision of care and treatment using the principles of the commissioning assurance framework</li> </ul>
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RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
The care provided in some areas is compromised due to the health board's estate being non-compliant and not fit for purpose	<b>CONTROLS IN PLACE / ACTION TAKEN:</b>
	<p><b><u>ESTATES</u></b></p> <ul style="list-style-type: none"> <li>▪ Specialist sub-groups for each compliance discipline</li> <li>▪ Risk-based improvement plans introduced</li> <li>▪ Specialist leads identified</li> <li>▪ Estates Compliance Group and Capital Control Group established</li> <li>▪ Medical Gases Group; Fire Safety Group; Water Safety Group; Health &amp; Safety Group in place. New Ventilation Safety Group set up.</li> <li>▪ Capital Programme developed for compliance and approved</li> <li>▪ Capital and Estates set as a specific Organisational Priority in the health board's Annual Plan</li> <li>▪ Address (on an ongoing basis) maintenance and compliance issues</li> <li>▪ Address maintenance and compliance improvements to ensure patient environment is safe, appropriate and in line with standards</li> </ul> <p><b><u>CAPITAL</u></b></p> <ul style="list-style-type: none"> <li>▪ Capital Procedures for project activity</li> <li>▪ Routine oversight / meetings with NWSSP Procurement</li> <li>▪ Specialist advice and support from NWSSP Specialist Estates Services</li> <li>▪ Audit reviews by NWSSP Audit and Assurance</li> <li>▪ Close liaison with Welsh Government, Capital Function</li> <li>▪ Reporting routinely to P&amp;R Committee</li> <li>▪ Capital Programme developed and approved</li> <li>▪ Detailed Strategic, Outline and Full Business Cases defining risk</li> <li>▪ Capital and Estates set as a specific Organisational Priority</li> </ul> <p><b><u>ENVIRONMENT</u></b></p> <ul style="list-style-type: none"> <li>▪ ISO 14001 routine external audit to retain accreditation</li> <li>▪ Environment &amp; Sustainability Group</li> <li>▪ NWSSP Specialist Estates Services (Environment) support and oversight</li> <li>▪ Welsh Government support and advice to identify and fund decarbonisation project initiatives</li> </ul>
	<p><b>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2022-2023</b></p> <ul style="list-style-type: none"> <li>▪ Implement the Capital Programme and develop the long-term capital programme</li> <li>▪ Continue to seek Welsh Government Capital pipeline programme funding continuity: seek alternative capital funding opportunities to mitigate funding reduction for 2022-2023 and develop projects in readiness for any capital slippage in latter part of financial year cycle.</li> <li>▪ Develop capacity and efficiency of the Estates and Capital function</li> <li>▪ Review current structure of capital and estates department – Estates Management and Senior Management Team structure enhancements in place. Second tier of structure review delayed due to operational pressures.</li> </ul>



RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
The Health board is unable to sustain an adequate workforce	<b>CONTROLS IN PLACE / ACTION TAKEN:</b>
	<p><b><u>BANK AND AGENCY</u></b></p> <ul style="list-style-type: none"> <li>▪ Ongoing recruitment and monitoring of demand to support the identification of supply requirements for the temporary staffing unit.</li> <li>▪ Weekly reports on temporary staffing are produced and shared with Community Service Managers and reviewed mid-week to ensure optimum cover options are explored.</li> <li>▪ The Health board temporarily implemented an enhanced rate for bank worker shifts for bank workers and substantive staff for the period December 2021 to 31 March 2022. This will now be reviewed in order to establish its effectiveness.</li> </ul> <p><b><u>OPERATIONAL DELIVERY</u></b></p> <ul style="list-style-type: none"> <li>▪ Ongoing recruitment and monitoring of demand to support the identification of supply requirements for the temporary staffing unit.</li> <li>▪ 8 Aspiring Nurse roles were advertised externally, and all 8 posts were recruited to. The new recruits will commence in January 2022.</li> <li>▪ All previous vacancies reported (3WTE) in Theatres have now been appointed to with 2WTE already commenced and 1WTE commencing on the 4<sup>th</sup> January 2022. Since the previous update, another 1WTE post become vacant, but the post was advertised, and an appointment made.</li> <li>▪ Radiology have secured funding for 'grow our own' Radiographer. Recruitment will commence in coming months and an appointed candidate will start academic training September 2022</li> <li>▪ We are currently exploring international overseas recruitment which is being co-ordinated on an All Wales basis and the health board has submitted 21 places in the first cohort due in early 2022</li> <li>▪ Ensure that recruitment timescales are minimised and that issues of delay are appropriately and proactively managed to ensure recruitment performance indicators are consistent with national targets.</li> <li>▪ Recruitment support has been identified for renewals post to provide input into all recruitment processes and support recruitment to the posts at pace.</li> <li>▪ Streamlined recruitment processes are in place for registered nurse roles which includes, open ended adverts and automatic invite to interview for registered nurses if they provide NMC registration.</li> <li>▪ Extensive recruitment activity is being managed internally to support the health board in managing vacancies related to mass vaccination and bank recruitment.</li> <li>▪ Health Care Support Worker Apprenticeship Programme in place and recruitment to the next cohort is underway.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The Health board is acting as a gateway employer on behalf of Powys Social Services department, PAVO and PTHB to roll out the Kick Start Programme. A partnership lead has been appointed to lead the programme of work across the three partners.</li> <li>▪ New volunteering approach has been developed including central coordination of all volunteering, acknowledgement of the memorandum of understanding between PAVO and PTHB and an introduction of an improved standard operating procedure for the deployment of volunteers in PTHB.</li> <li>▪ Agile ways of working have been developed to mitigate impact on recruitment due to COVID-19 work restrictions; this includes virtual interviews and online pre-employment checks. The new Agile Working policy has been approved.</li> </ul> <p><b><u>STRATEGIC ACTIVITY</u></b></p> <ul style="list-style-type: none"> <li>▪ Developmental roles have been explored due to a difficulty in recruiting to posts. Discussions continue to take place with services where appropriate to do so, this has included developmental roles under annex 21 of the agenda for change terms and conditions of service.</li> <li>▪ Work is progressing to look at developing creative and redesigning roles to meet the changing health needs of the local population. This includes working with the National Nurse Staffing Group to maximise the development of band 4 roles to encourage opportunities for growing and retaining our own staff within the Powys area. However, nationally, this work has been delayed as organisations have been responding to the COVID 19 pandemic.</li> </ul> <p><b>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2022-2023:</b></p> <ul style="list-style-type: none"> <li>▪ Develop a strong, distinctive employment offer that captures the uniqueness of Powys Teaching Health Board</li> <li>▪ Implement Standard Operating Procedures for internal operational workforce planning and work with Executive Directorates to develop their workforce plans</li> <li>▪ Implement an approach to succession planning: identify critical posts</li> <li>▪ To support temporary arrangements in response to the COVID-19 pandemic</li> </ul>
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 06/09/2022 14:08:13

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
There are delays in accessing treatment in Secondary and Specialised care services, in excess of 36 and 52 weeks	<b>CONTROLS IN PLACE / ACTION TAKEN:</b>
	<ul style="list-style-type: none"> <li>▪ Key priorities identified to deliver elective treatments within 52 weeks</li> <li>▪ Commissioning Assurance Framework (across 5 domains) incremental use with 15 NHS organisations, 2 private sector organisations, and embedded in third sector</li> <li>▪ CAF escalation process</li> <li>▪ Strategic Commissioning Framework</li> <li>▪ Fragile services log</li> <li>▪ Develop funding proposal to WG to support recovery of waiting times for Powys activity in English Providers.</li> <li>▪ Deliver the Renewal Portfolio to ensure planned care performance improvement improves, including establishing an Advice, Support and Prehabilitation service to actively support those awaiting treatment.</li> <li>▪ Seeking to mobilise additional capacity through insourcing, outsourcing, and exploring options via LTA &amp; SLA agreements</li> <li>▪ Developing better understanding of overall waiting list 'intelligence'.</li> </ul>
	<b>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2022-2023:</b>
	<ul style="list-style-type: none"> <li>▪ Secure performance improvement trajectories from providers. English providers waiting for H2 planning guidance.</li> <li>▪ Develop funding proposal for greater throughput within neighbouring providers in England subject to Welsh Government funding release. Insourcing and outsourcing options being considered (subject to capacity). All providers now expected to agree improvement trajectories in light of 2022/2023 guidance published for planned care recovery</li> <li>▪ Develop recovery relationships with revised CCGs &amp; STPs</li> <li>▪ Establish Advice, Support and Prehabilitation Service</li> <li>▪ Ensure Powys residents needs understood within Strategic Change Programmes</li> </ul>

Parry Stella  
 06/09/2022 14:08:13

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
Fragmented and unsustainable service models as a result of population changing need and service reconfiguration of neighbouring NHS bodies and the response of multiple providers / systems to the COVID-19 pandemic	<b>CONTROLS IN PLACE / ACTION TAKEN:</b>
	<ul style="list-style-type: none"> <li>▪ Briefings with CHC and updates provided to CHC Services Planning Committee, Full Committee and Local Committees as appropriate</li> <li>▪ All Wales Chief Executive and Executive Directors of Planning meetings provide horizon scanning and intelligence regarding neighbouring organisations planning intelligence and strategic change proposals</li> <li>▪ Integrated Medium Term Plan 2022 – 2025 in final stage of development and due for submission to PTHB Board March 2022 and Welsh Government by end of March 2022 – this process has included an appraisal of external and internal challenges and opportunities and the development of a PTHB Planning Framework to guide the development of Strategic Priorities</li> <li>▪ This returns to the shared long-term health and care strategy, 'A Healthy Caring Powys', which itself is set in the context of the Powys Wellbeing Plan, Towards 2040</li> <li>▪ The IMTP reflects the complex Partnership landscape for Powys and the NHS Wales Planning Framework continues to recognise the unique circumstances for this health board and the need for certain flexibilities</li> <li>▪ The IMTP responds to ministerial priorities / legislation, policy and investment opportunities and builds on the Annual Plan 2021-2022 and System Resilience Plan 2021-2022</li> <li>▪ NPWP 5-year plan developed (IMTP) setting out high level critical path activity.</li> <li>▪ Close liaison with Welsh Government following endorsement of PBC at Strategic Investment Board in November 2021.</li> <li>▪ NPWP Strategic Outline Cases (SOC) internal approvals underway from early Jan 2022– end March 2022 followed by Q1 submission to Welsh Government – pending endorsement of PBC.</li> <li>▪ Site survey work, concept site drawings developed to aid site master planning. Memorandum of Understanding approved PTHB Board and POWYS COUNTY COUNCIL EMT ready for submission with the SOC.</li> <li>▪ Phase one modelling has concluded, along with the financial modelling to support. This has been incorporated into the SOC. Some limitations around the financial analysis to be further progressed at OBC stage. Phase 2 modelling priorities agreed. Service Specifications reviewed and further strengthened in relation to transformation and underpinning evidence base.</li> <li>▪ Majority of short-term projects progressing well, some projects exceeding targets. Sustainability discussions taking place and business cases drafted for further funding post March 2022.</li> <li>▪ South Powys Programme Board in place. Scope revised in response to the accelerated opening of GUH as part of the response to the COVID-19 winter in November 2021.</li> </ul>

- The first phase of the PTHB programme managed changes to South Powys emergency flows to Prince Charles Hospital and was closed with lessons identified and reasonable assurance through audit; the second phase of the programme is in place in relation to consultant led maternity and neonatal services. No decision in relation to the timing of strategic pathway changes for existing flows has yet been made, but monitoring of existing pathways, assurance and readiness assessment continuing.
- The CEO led Renewal Strategic Portfolio Board is in place. Each of the programmes has an Executive lead, an approved PID, a Programme Board, a programme plan, a portfolio risk register and highlight reporting. An external audit review is underway. Programmes were suspended during December and January due to mass vaccination and Omicron with some staff redeployed during that period. In-sourcing underway. Work on the diagnostics strategy initiated. GIRTH Review undertaken, which will support orthopaedic pathway redesign. Patient Liaison Team in place with over 3,500 patients contacted and wellbeing information available. Analysis to support frailty and community model redesign underway. Cancer clinical lead in place. Cancer tracker and PTHB Harm Review Panel established. Access to FIT testing for patients with suspected bowel cancer in place. Respiratory backlogs reduced through a strengthened Powys MDT approach. Sleep Clinic pathway developed. Drive through spirometry pilot completed. Community cardiology business case developed. Value Based Health Care Programme in place.
- PTHB has re-established participation in the Hereford and Worcestershire Stroke Programme and updated the programme for Wales.
- Partnership mechanisms are in place in key areas of work including joint oversight and leadership of Test, Trace and Protect; Care Homes; and Unscheduled Care. The RPB and PSB are re-established and commenced recovery planning and a set of population assessments required during 2021-2022 are being co-ordinated as one programme of work across partners.
- Powys Consultation Plans and situation reports developed for each live consultation to ensure PTHB responses consider the impact on Powys residents.
- Strategic Change Stocktake process superseded by the processes developed during 2020 as part of the COVID-19 response; tracking of strategic plans will be resumed in March 2022
- Impact Assessment process in place for detailed analysis of live strategic change programmes.
- Participation in external Programme mechanisms as appropriate for key live programmes either as watching brief / receipt of information or as programme participant in the case of NHS Future Fit.

#### **IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2022-2023:**

- Provide robust management of and response to the system planning arrangements in Shropshire, Telford and Wrekin including the development of the ICS (Integrated Care System)

	<p>and the Future Fit Programme / Shrewsbury and Telford Hospital NHS Trust</p> <ul style="list-style-type: none"> <li>▪ Continuous monitoring of impact as Hywel Dda UHB's strategic plans are refreshed and reframed – the programme formerly called Transforming Clinical Services is now incorporated into engagement plans for 'Building a healthier future after COVID-19' with engagement planned for 2021</li> <li>▪ Provide robust management of engagement and response to the system planning arrangements in Herefordshire and Worcestershire including the development of the Integrated Care System (building on their Sustainability and Transformation Plan) and Stroke programme</li> <li>▪ Take forward Phase 2 of the South Powys Programme, including monitoring existing maternity and neonatal pathways until the timing of a strategic pathway change can be recommended to the PTHB Board.</li> <li>▪ Robustly manage the response and engagement with external service change programmes and developments as they arise during the year</li> <li>▪ As a member of the MWJC for Health and Care, support delivery of the agreed Action Plan</li> <li>▪ North Powys Programme: -             <ol style="list-style-type: none"> <li>1. Programme Business Case – achieve WG Ministerial approval</li> <li>2. Strategic Outline Cases – Approve final drafts, followed by internal and WG approval of (Q4 and Q1).</li> <li>3. Confirm governance arrangements for next phase of work including identified leads and ensure alignment to the portfolio of renewal priority programmes.</li> <li>4. Implement Plan for 2022-2023</li> <li>5. Secure funding via Regional Integration Fund Proposal and Approve AFC Business Cases</li> </ol> </li> <li>▪ Implement the Renewal Portfolio of Programmes including:             <ol style="list-style-type: none"> <li>a. Frailty and the Community Model</li> <li>b. Diagnostics, Ambulatory and Planned Care</li> <li>c. Children and Young People</li> <li>d. Breathe-Well (Respiratory)</li> <li>e. Cancer</li> <li>f. Circulatory</li> <li>g. Mental Health</li> </ol> </li> <li>▪ Ensure plan for the renewal priorities for the next three years embedded within the IMTP.</li> </ul>
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Parry Stella  
 06/09/2022 14:08:13

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
There are delays in accessing treatment in Primary and Community Care Services in excess of 36 and 52 weeks, and a reduction in levels of enhanced services provided by General Practices under the GMS Contract.	<b>CONTROLS IN PLACE / ACTION TAKEN:</b>
	<ul style="list-style-type: none"> <li>▪ Key priorities identified to deliver elective treatments within 52 weeks</li> <li>▪ Executive Committee Strategic Commissioning and Change Group</li> <li>▪ A renewal priority including planned care has developed a proposal for funding to recover waiting times to previous levels as a provider. Funding has been provided and this programme of work will develop delivery plans accordingly.</li> <li>▪ As part of the renewal priorities, scoping of the establishment and Advice, Support and Prehabilitation service to actively support those awaiting treatment.</li> <li>▪ LES and NES activity levels held at 75% of historical levels from January 2022 to March 2022 (extension of the 75% activity threshold in place until 31st December 2021).</li> <li>▪ LES specifications were temporarily amended to support delivery of enhanced services (in place until 31/03/2022) under the caveat of clinical judgement and responsibility of the clinician to prioritise and manage patient care.</li> <li>▪ GMS annual return used to gain assurance of continued performance in meeting contractual requirement.</li> <li>▪ Specific Enhanced Service audits (NPT, Anticoagulation and Diabetes).</li> <li>▪ Data provided by General Practice across a range of conditions and dialogue with practices and clusters active on next steps.</li> <li>▪ Renewal Priority "Diagnostics, Ambulatory and Planned Care" developing plan for waiting time recovery including recruitment. Programme Manager appointed to support this work, which is being monitored through the Renewal Programme Board.</li> <li>▪ Work is ongoing with clusters and practices to develop proposals for any recovery in line with national discussions with additional funding available to support.</li> <li>▪ Paper completed summarizing the approach taken by General Practice throughout the pandemic in identifying and prioritizing patients for enhanced services.</li> <li>▪ Review relaxation of LES and NES levels following national position on DES levels, Proposal for rest of the year agreed by Executive Committee.</li> </ul>
	<b>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2022-2023:</b>
	<ul style="list-style-type: none"> <li>▪ Establish Advice, Support and Prehabilitation Service</li> <li>▪ Market response to outsourcing provided no options. There remains potential for insourcing and this element of the market process is being progressed in line with procurement rules to confirm if this can be provided.</li> <li>▪ Seeking support from NHS Wales Delivery Unit for specific demand and capacity tools which can be used operationally to project, implement, and monitor activity on a weekly basis.</li> </ul>



	Work ongoing with DU to ensure this model reflects the specific issues of Powys delivery locations.
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The Board received and reviewed the Corporate Risk register at each meeting of the Board during 2021-2022. As a result of the reviews undertaken by the Board the risk scores for a number of risks changed during the year in the context of the pandemic, and other developments such as improvements made to the control process.

Following Board approval of the Integrated Medium-Term Plan for 2022-2025 (March 2022) a full review of the Corporate Risk Register will take place to ensure priorities are identified, assessed, and mitigating actions established.

### PLANNING ARRANGEMENTS

The organisation’s planning arrangements in 2021-2022 form a key part of the Performance Report section of the Annual Report. Further detail can be found throughout the Performance Report.

### KEY ASPECTS OF THE CONTROL FRAMEWORK

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

#### Quality Governance arrangements, including Clinical Risks and Clinical Audit Plan

Ensuring a sustained and measured focus was maintained within the quality governance framework during 2021-2022, albeit during the impact of the pandemic. There has been greater focus on quality and safety of the people receiving the services of the health board and staff providing them, recognizing the need to ensure their safety and mitigate risk during the COVID-19 pandemic.

The existing quality governance structure has been maintained. The Experience, Quality and Safety Committee continued to receive reports on assurance and escalated risks linked to patient experience, quality, and safety. The Quality Governance Group (as a sub-Group of Executive Committee) has maintained its focus on promoting robust governance, management systems and processes, reporting via the Executive Committee to the Experience, Quality and Safety Committee on matters of risk or escalation.

The key aspects of the quality governance arrangements in the health board are

- Commissioning Assurance Framework:

- Quality
  - Safety
  - Effectiveness
  - Experience
- Access
- Cost/Finance
- Governance & strategic change
- Putting Things Right (Concerns, Incident and Claims)
- Clinical Audit
- Data – CHKS, 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 2021-22:

- The Clinical Quality Framework has been refreshed to reflect the Welsh Government Quality and Safety Framework and learning from COVID-19.
- Recommendations from the Audit Wales Review of Quality Governance (Oct 2021). The Review was positive overall with helpful areas for improvement identified.
- Quality governance arrangements within service groups continue to embed, with focus on improving quality metric reporting. The full rollout of the 'provider' assurance framework is planned.
- Commissioning assurance frameworks have been re-established.
- The harm review process continually developing.
- Continued engagement in national nosocomial transmission approach: to inform our local approach.
- Safeguarding & public protection annual report presentation to the Patient Experience, Quality and Safety in December 2021.
- Specific maternity and neonatal governance arrangements in place including our Maternity Assurance Framework.
- Mortality reviews continuing for community hospital patients, taking place six monthly. The process is aligned to the planned Medical Examiner system.

The health board received positive feedback from Health Inspectorate Wales (HIW) within their annual report 2020-21 noting that engagement from all teams was positive and productive. There were three areas of positive actions noted and two areas of improvement relating to ensuring risk assessments were kept up to date and undertaken in a timely manner and considering how to meet different cognitive needs in one setting.

There has been continued focus on Health board's formal process, in line with the NHS (Concerns, Complaints and Redress Arrangements) (Wales)

Regulations 2011 also known as Putting Things Right, which aims to address concerns in a proactive, timely and open manner.

Organisational learning from concerns has continued to develop, taking account of the need to learn quickly and effectively during the pandemic period, and ensuring the health board listen and learn from patient and staff experiences.

The newly formed Learning from Experience Group has created the opportunity to discuss and triangulate quality issues and supports the organisation in expanding learning across all services. The refresh of the patient experience framework remains a key priority and has focused on understanding current activity to inform the strategic direction, retaining a strong focus on the provision of person centered, outcome focused care to help inform decision making in relation to service planning design, delivery, and evaluation.

The organisation's Quality Governance Arrangements in 2021-2022 forms a key part of the Performance Report section of the Annual Report. Further detail can be found on Page 49 of the Performance Report.

## **Health and Care Standards**

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

## **Health and Safety**

The health board has revised its Health and Safety Policy with a view to embedding a health and safety culture across the organisation. The Policy, approved by the Board in November 2021, sets out the responsibilities of health and safety risk management across all levels in the organisation and describes a structured health and safety risk management process.

Deployment of the Policy will be via a training plan for Executive Directors, Assistant Directors, and managers.

Enabling policies under the Health and Safety Policy have been revised and approved as follows:

- Management of Contractors
- First Aid at Work
- Security Protective Measures.

The Health and Safety department has supported PTHB's capital programme in 2020-2021, including Mass Vaccination services, by providing Health & Safety assessments and advice on capital projects. The team have progressed the Health and Safety audit programme and, in addition to measures taken in 2020, have supported the Covid 19 response through reviews of staff cases of Covid 19, and providing Face Fit testing for FFP3 masks.

The Health and Safety department has worked to support the "Obligatory responses to violence in healthcare" agreement with Welsh Government, and has provided support to:

- Help improve the reporting of violent incidents
- Strengthen the investigation process
- Improve victim and witness care and confidence

Action has been taken on two improvement notices issued by the Health & Safety executive regarding Hand Arm Vibration (HAVS).

The Health and Safety department have delivered training in Health & Safety risk assessments through Power Hour and management training sessions, manual handling training, and the management of violence & aggression.

The organisation's developments in respect of Health and Safety in 2021-2022 forms part of the Innovative Environments update within the Performance Report section of the Annual Report. Further detail can be found on Page 59 of the Performance Report.

## **Commissioning Developments and Assurance Frameworks**

The organisation's Commissioning Developments and Assurance Frameworks in 2021-2022 forms a key part of the Performance Report section of the Annual Report. Further detail can be found throughout the Performance Report.

## **Clinical Audit**

As in 2020-2021, the National Clinical Audit plan was mostly suspended due to the COVID-19 Pandemic. Nonetheless, the health board continued to participate in those National Audits which were still able to take place such as the National Primary Care Diabetes Audit.

Local clinical audits continued including those required by our Radiology service for its revalidation process. Other audits included studies undertaken by the Speech and Language Service and by the Minor Injury Service on the new ways of working that had been introduced as a response to the pandemic.

The Pain and Fatigue Management Service conducted an audit of the treatment given for lower back pain against NICE standards (NICE Guideline NG59). The service was compliant with 93% of the applicable standards. A

plan is now in place to address areas not fully compliant, and this includes the amendment of assessment paperwork and ensuring that NICE guidance was embedded into referral pathway for interventions.

All Powys GP surgeries reported their findings for three audits that they had undertaken. These audits covered services offered to citizens with diabetes, and the prescribing and safety monitoring of patients receiving either anti-coagulants or drugs which carry an inherently high risk of side effects. Despite the limitations of the pandemic, surgeries were able to report good results for the majority of the measures.

An update report detailing progress against the 2021-2022 local clinical audit plan, describing findings from the audit was reported to, and approved by, the May 2021 and the October 2021 meetings of the Experience, Quality and Safety Committee.

Complaints and Concerns Framework

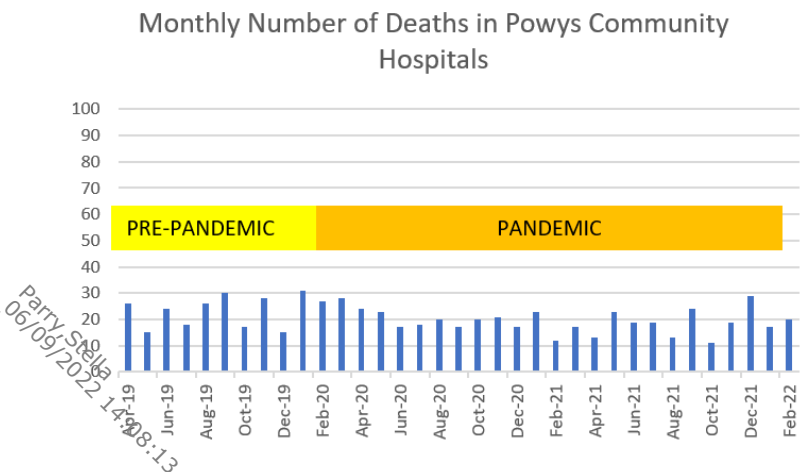
A continued focus on compliance with the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 has been maintained. This is extended to the way in which serious incidents are managed, through to investigation, learning and sharing of lessons. Investment in training during 2021-2022 has built on existing knowledge and experience across the health board.

Detail in relation to the organisation’s Complaints and Concerns Framework in 2021-2022 forms part of the Performance Report section of the Annual Report. This can be found on Page 50 of the Performance Report.

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

Mortality Reviews

Despite the on-going COVID-19 pandemic the number of monthly deaths in Powys Community Hospitals remains comparable with before the pandemic.



A team of senior clinicians including the Executive Medical Director, Assistant Medical Director, the Head of Nursing, and a Consultant Therapist have reviewed the majority of deaths that occurred on Powys wards and have also conducted a separate specific review of deaths specifically due to Covid 19 infection.

No major clinical concerns were identified but improvements both in the way care is documented, and in the preparations needed for the introduction of the Medical Examiner Service were identified as issues to be taken forward.

The findings of the Senior Clinicians Mortality Review Group were reported to the Patient Experience, Quality and Safety Group in June 2021 and March 2022.

## Learning from Experience Group

The Learning from Experience Group, comprising all Executive Clinical Executive Directors and the Head of Medicine Management has met on three occasions during 2021-2022.

The findings of the Senior Clinicians Mortality Review Group were discussed, and future actions agreed. Other issues discussed included the consideration of NICE guidance, provision of palliative care and the taking of patient consent to treatment. Workforce and fragility of services is a common theme.

The Learning from Experience Group also plans to hold an Annual Safety Event at the Healthcare Academy with all the Clinical Executives leading on a particular aspect of care, such as Sepsis, or Acute Kidney Injury. Whilst this group is in no way intended to replace any of the other governance arrangements of the organisation the strength of the Learning from Experience Group was considered to be its role as a forum for the sharing of clinical intelligence between Clinical Executive Directors and to promote and facilitate shared learning across the health board.

## EXECUTIVES PORTFOLIOS

In July 2021, 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. The Scheme of Delegation also supports the strengthening of clinical leadership. Minor changes were made to the portfolios in November 2021 and reported to the Remuneration and Terms of Service Committee. An overview of Executive Director portfolios is set out in **Figures 9a and b.**

**Figure 9a: Executive Portfolios – April 2021 – November 2021**



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**Figure 9b: Executive Portfolios – December 2021 - March 2021**

**Chief Executive**

**Executive Director of  
Primary, Community  
Care and Mental**

Vacant with the following Cover arrangements:  
-Executive Director of Nursing – Womens and Children's Services  
-Executive Director of Finance and Information Technology – Primary Care Services  
-Executive Director of Therapies and Health Science – Mental Health Services  
-Executive Director of Planning and Performance – Community Services

**Executive Medical  
Director**

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

**Executive Director  
of Nursing**

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

**Executive Director of  
Finance, Information  
& IT**

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

**Executive Director  
of Planning and  
Performance**

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

**Executive Director  
of Public Health**

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

**Executive Director of  
Workforce and  
Organisational  
Development**

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

**Executive Director  
of Therapies and  
Health Science**

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

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**Figure 9c: Director of Environment Portfolio – December 2021 - March 2021**



## Staff and Staff Engagement

The organisation's approach to Staff and Staff Engagement in 2021-2022 forms a key part of the Performance Report section of the Annual Report. Further detail can be found on Page 52 of the Performance Report.

## Communication and Engagement

During 2021-2022 the health board's engagement and communication has again continued to be heavily focused on response to the COVID-19 pandemic and the COVID-19 vaccination campaign.

Given the continued focus and context of the COVID-19 response, there has been limited formal engagement and consultation activity. The engagement that has taken place has been focused on:

- statutory 60-day consultation on our first draft Pharmaceutical Needs Assessment (PNA) which ended on 30 July 2021. The final PNA, (which covers the period from 1 October 2021 to 30 September 2026) was approved by the Board on 29 September 2021.
- The South East Wales Vascular Programme Board, which included PTHB and the other eight affect Health boards in Wales, ran an eight-week engagement from February to April 2021. The South East Wales Vascular Network Business Case was approved by the Board on 29 September 2021.

Informal stakeholder engagement activity was also completed for a number of other projects and programmes, including the updated Wellbeing Assessment (engagement closed on 31 July 2021), and the temporary closure of Parapwnton Ward at Knighton Hospital as part of the health board's response

to the COVID-19 pandemic.

Ongoing activity on behalf of the North Powys Wellbeing Programme has also been completed. This supported the development of the Strategic Outline Case which was approved by the health board and Powys County Council in March 2022 and subsequently submitted to Welsh Government for approval. Profile-raising work has also continued prior to the development of the next engagement stage, which will be delivered during 2022-2023, and will inform the Outline Business Case.

In addition, work to ensure that the voice of the people of Powys was heard as part of Swansea Bay University Health board's consultation on its future service model – which covered the reshaping of hospital services supported by the modernisation of community health and care services – was also concluded during the reporting period.

Communication activity has again focused principally on the ongoing requirements of the COVID-19 pandemic response, including ongoing prevention and response through Test Trace Protect, and the delivery of communications support for the COVID-19 vaccinations and booster programme throughout the county.

Alongside this activity a winter resilience communications plan has been developed and delivered. This involved regular engagement with key stakeholders including the Community Health Council, County Council, MSs and MPs, staff, public briefing sessions, PAVO and wider partners to help inform the health board's plans and to support and encourage everyone to play a part in Keeping Powys Safe.

The development of the health board's website has continued, including extensive development of the COVID-19 advice, testing and vaccination pages, and latterly the Keeping Well While You Wait patient advice pages. In addition, the new SharePoint intranet site went live in April 2022 following significant development work during the latter part of the reporting year. The benefits of the new intranet site will be fully realised during the next reporting year, with the system delivering universal access using any device, staff engagement and comment functionality, integration with Microsoft O365 applications, and removing the need for a VPN connection for access.

## Information Governance

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

During the COVID-19 pandemic, reliance on IG has significantly increased as the health board's services have continued to introduce new technologies to enable them to share information and communicate with patients and staff.

Some of these changes have taken place on a national level and IG Managers across Wales have been involved in ensuring the necessary assurances were in place to meet legislative requirements.

Responsibility for IG in the Health board rests with the Executive Director of Finance and Informatics, and the Head of Information Governance and Records is the health board's nominated Data Protection Officer (DPO) in line with the requirements of the UK General Data Protection Regulation (UK GDPR). The Executive Director of Finance, ICT and Information Services also acts as the Senior Information Risk Owner (SIRO), and the Executive Medical Director is the nominated Caldicott Guardian. Performance against IG-related legislation is captured and reported to our Delivery and Performance Committee.

Performance indicators against IG related legislation include the following:

### **Information Governance Training**

As of 31 March 2022, the health board achieved a rate of 90.34% for the mandatory Information Governance training for 2021-22. This is an increase from the previous year.

### **Personal Data Related Incidents (Breaches)**

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. During 2021/22, five personal data incidents were formally reported to the ICO. These included human error using the Datix Once for Wales Reporting system, misdirected emails, misdirected post and an ultrasound given to the wrong patient. The health board did not incur any financial penalties from the ICO because of those incidents reported. The health board has adopted the ICO recommendations and the actions in these areas and progress is tracked (as part of the audit recommendations tracker) until complete. The health board continues to take on board any lessons learned, or feedback received. Figures on the number of IG related breaches are reported to our Delivery and Performance Committee.

### **Freedom of Information Act**

The Freedom of Information Act 2000 (FOIA) gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. During the period 1 April 2021 to 31 March 2022 the health board received a total of 327 requests for information, with 227 of these answered within the 20-day timeframe. Eight requests for internal review were received and responded to with no further action being taken by the requestor. As a Health

board we are committed to complying with the FOIA by making information readily available via our Publication Scheme which can be found on the Health board's [website](#):

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

UK GDPR and AHRA give individuals and family members the right to access their own or someone else's personal data. This is commonly referred to as a Subject Access Request (SAR), and the organisation has a statutory timeframe in which to respond. During the period 1 April 2021 to 31 March 2022, the health board responded to 464 SARs, with 386 of those responded to within the statutory timeframe.

## **Welsh Information Governance (IG) Toolkit**

The Welsh IG Toolkit is the national self-assessment tool that enables organisations to measure their level of compliance against National Information Governance Standards and data protection legislation, to ascertain whether information is handled and protected appropriately. Work has taken place to evaluate the health board's position for 2021/22, and the outcome including areas for improvement and compliance are due to be reported to the Delivery and Performance Committee in May 2022. The report will be accessible from the Health board's [website](#).

Work will continue throughout 2022-23 to address the actions required to improve our score for the next submission.

## **Records Management**

Records Management is the process by which the health board manages all aspects of records, whether internally or externally generated and in any format or media type, from their creation through their lifecycle to their eventual disposal. Responsibility sits with the Head of Information Governance, Records and Data Protection Officer whose role includes the overall development and maintenance of records management practices within the organisation, and for ensuring that related policies and procedures conform to the latest legislation and standards.

Since the August 2019 Internal Audit Review (No Assurance) of records management and the adoption of the Records Management Improvement Plan, work has continued to address the requirements highlighted within the six recommendations made at the time of the audit. However, the impact of COVID-19, added additional demands on key operational staff to address the pressures of the pandemic, which resulted in progress being delayed in some areas. As we move in to 2022/23, it is expected that operational services will be able to support the implementation of those actions required to progress further improvement. In addition, a business case for the digitisation of records will be progressed.

## DISCLOSURE STATEMENTS

### Pensions Scheme

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

### Control Measures: Equality, Diversity and Inclusion

The organisation's approach to Equality, Diversity and Inclusion in 2021-2022 forms a key part of the Performance Report section of the Annual Report. The Equalities, Diversity and Inclusion Annual Report 2021-22 is due to be considered for approval at Board on 27 July 2022. The draft iteration of the report was considered at the Workforce and Culture Committee on 31 May 2022. The draft report is available within Workforce and Culture Committee papers which can be accessed [here](#).

### Risk Assessment and Carbon Reduction Delivery Plans re: Emergency

As part of the health board's legal duty under the Civil Contingencies Act 2004, the health board continues to work with multi-agency partners in the Dyfed Powys Local Resilience Forum and at an individual organisational level, to ensure preparedness in responding to the known impacts of climate change, as identified through the National Risk Assessment process.

The health board continues to support the wider principles of sustainability as a central organising theme demonstrated through its IMTP. The IMTP also supports the health board's endeavours to embed the principles of the Wellbeing of Future Generations Act and the *five ways of working* as well as recognising the biodiversity emergency which was declared in 2021 by the Senedd. Our biodiversity plans continue to be delivered throughout the health board with revised grounds maintenance plans and additional planting to support local wildlife.

To align with the public sectors carbon reporting, the Welsh Government has developed a Welsh Public Sector Net Zero reporting standard. For the 2020-21 reporting year the health board has committed data through the system which calculated the total emission for the organisation as **17.03kt CO2e**. This is based on budgetary spend and not detailed life cycle analysis so there are opportunities to improve accuracy and account for decarbonisation initiatives with more granular details. The health board continues to work



closely with stakeholders and partners to ensure this ambition is realised.

In September 2021 a revised Environment Policy Statement was approved and published. The publication of the Environment Policy Statement forms a core part of publicly articulating the Board's commitment to act to promote the environment and sustainability. It seeks to enable an action-focused approach with openness and transparency on progress. Time-bound initiatives now have owners and progress is monitored throughout the year. To help achieve government ambitions and to help drive sustainability throughout the health board, the organisation created the role of Director of Environment.

The health board has been acting to reduce its impacts on the environment and has already made a number of significant steps towards a more sustainable future. The focus moving forward is to accelerate the pace of change through continuing this critical work. Carbon reduction and biodiversity enhancements will be made throughout the organisation, utilising our certified ISO14001 (2015) Environment Management System, for the benefit of patients, staff and the environment.

Our Biodiversity Action Plan has been developed to protect and enhance the biodiversity of environments that they have control over. At the heart of the biodiversity action plan is the recognition that an organisation can have both a positive and negative impact and an ambition to tip the balance in nature's favour. The importance of biodiversity in our lives is sometimes overlooked or brushed aside. At a time when much of our attention is focused on climate change and the need to cut carbon emissions, it would be a grave error to overlook the role that biodiversity plays in climate management.

## **Compliance in Control Measures**

Detail in relation to the organisation's Compliance in Control Measures forms part of the Performance Report section of the Annual Report. This can be found on Page 65 of the Performance Report.

## **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 151 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.



# MINISTERIAL DIRECTIONS AND WELSH HEALTH CIRCULARS

Welsh Government has issued a number of Ministerial Directions in 2021-2022. A record of the Ministerial Directions given is available via the following link: <https://gov.wales/health-social-care>. A record of the Welsh Health Circulars is available via the following link: [Health circulars | GOV.WALES](#)

Receipt of Welsh Health Circulars are logged and a lead Executive Director identified to oversee the implementation of the required action or to develop the required response. The Audit, Risk and Assurance Committee received quarterly update reports on the implementation status of Welsh Health Circulars in 2021-2022. From this work it was evidenced that the health board was not impeded by any significant issues in implementing the actions required.

**Appendix C** provides an overview of Ministerial Directions and Welsh Health Circulars received during 2021-2022 and their implementation status as of March 2022.

## Post Payment Verification

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

## Review of Effectiveness

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

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

Due to the pandemic, the process for the 2020-2023 Integrated Medium Term

Plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-2021 and this continued into 2021-2022.

As a result, the extant planning duty for 2021-2022 remains the requirement to submit and have approved a 2019-2022 Integrated Medium Term Plan, as set out in the NHS Wales Planning Framework 2019-2022. The health board submitted a 2019-2022 integrated plan in accordance with the planning framework.

## **Planning, Delivery and Performance Framework**

The organisation's Planning, Delivery and Performance Framework 2021-2022 forms a key part of the Performance Report section of the Annual Report. Further detail can be found on Page 6 of the Performance Report.

## **Review of Effectiveness of System of Internal Control**

The Board has adopted a structured approach to risk management, whereby risks are identified, assessed, and controlled, and if appropriate, escalated or de-escalated through the governance mechanisms of the organisation.

The Audit, Risk and Assurance Committee has a key role in monitoring the effectiveness of internal control and the process for risk management. Work will continue in 2022-2023 to strengthen the reporting of risks to the Board's committees.

I will ensure that the work of all regulators, inspectors and assurance bodies is mapped and evidenced in our assurance framework so that the Board is fully aware of this activity and the level of assurance it provides. I will also prioritise work to support the recording and monitoring of recommendations arising from the work of regulators, inspectors, and other key assurance reviews.

## **Internal Audit**

Internal Audit provide me as Accountable Officer and the Board through the Audit 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 Committee and is focused on significant risk areas and local improvement priorities.


The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this 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.

The programme has been impacted by the need to respond to the COVID-19

pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

Head of Internal Audit’s Opinion for 2021-2022

The Head of Internal Audit Opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management, and control for 2021-22 is set out below:

Reasonable assurance		The Board can take <b>Reasonable Assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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The Head of Internal Audit gave the following statement:

*Due to the considerable impact of COVID-19 on the health board, the internal audit plan has needed to be agile and responsive to ensure that key developing risks 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. 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 2021/22 year was initially presented to the Committee in March 2021. 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.*

In reaching this opinion, the Head of Internal Audit has identified that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas as set out below:

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> <li>• Covid Recovery &amp; Rehabilitation Service</li> <li>• Budgetary Control</li> <li>• Concerns Tracking / Monitoring Assurance</li> <li>• Follow-up / Recommendation Tracking Process</li> </ul>	<ul style="list-style-type: none"> <li>• Access to Systems</li> <li>• Midwifery – Safeguarding Supervision</li> <li>• Medical Equipment &amp; Devices</li> <li>• Theatres Utilisation</li> <li>• Dementia Service – Dementia Home Treatment Teams</li> <li>• Waste Management</li> <li>• Job Matching &amp; Evaluation Process</li> <li>• Mortality Reviews</li> <li>• Machynlleth Hospital Reconfiguration Project</li> <li>• Network &amp; Information Systems (NIS) Directive</li> <li>• Risk Management &amp; Assurance (Fieldwork Complete)</li> <li>• Breathe Well Programme (Fieldwork Complete)</li> </ul>
Limited Assurance	Advisory & Non-Opinion
<ul style="list-style-type: none"> <li>• Control of Contractors</li> <li>• Occupational Health</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> </ul>
No Assurance	
N/A	

## Limited Assurance Rated Reviews – Summary of audit findings

### Control of Contractors

The Control of Contractors Audit was undertaken to evaluate the processes and procedures that support the management and control of contractors working for the health board, within Capital and Estates, and compliance with Health and Safety Executive (HSE) and other associated guidance and legislation. Limited Assurance was issued on this review which identified significant matters which required management attention.

The following improvement actions were recommended by Internal Audit and accepted by management:

- The new Management of Contractors policy should:
  - a. be finalised, approved and published as soon as possible.
  - b. specify the THB's minimum insurance requirements for contractors.
- Contractors should be periodically reminded of the health board's H&S requirements, via issue of the H&S Contract Rules & Guidance.
- Contractor competencies and H&S practices should be periodically rechecked, with formal records maintained to confirm when checks were last made and are next due for review, ensuring compliance with HSE requirements.
- The benefits of using a standard contractor accreditation service should be considered (where appropriate, noting the size of the contractor appointed by the health board).
- The approach to monitoring "low risk" contractors should be reviewed to ensure periodic checks are still undertaken in the following areas:
  - a. Evidencing of worker competencies (as appropriate to the nature of work being undertaken);
  - b. Application of the induction process; and
  - c. Use of the Contractor Job Form to record checks undertaken (should a specific check not be considered necessary (e.g. at low risk jobs), the form should be annotated accordingly).
- Management should review the controls applied to the 'estates' jobs managed by the Capital Team, and ensure best practice applied in the Estates team, including use of standard processes and proformas, is applied consistently across both teams for comparable / applicable works, to ensure compliance with HSE requirements.
- Job-related documentation such as RAMs, communication with contractors etc. should be filed centrally in accessible folders.
- Recognising the health board's current review of local site management responsibilities (in response to the 2020/21 Fire Safety audit), site access controls should be considered in tandem: to ensure all contractors sign in and out, in compliance with HSE requirements.
- A written record should be maintained of the issue / return of visitor passes to contractors.
- The health board should apply their existing procedures to demonstrate compliance with HSE guidance in the following areas:
  - a. Apply a consistent methodology for the monitoring of contractor working practices on site as defined in the Control of Contractors policy, and through retrospective compliance auditing, i.e. a percentage of jobs to be checked, the process for documentation of checks undertaken / observations made and recording of any follow up actions completed;

- b. Introduction of a formal contractor performance review, i.e. Key Performance Indicators to assess overall performance and assist future decision making; and
  - c. Periodic reporting of the above to the relevant Executive / Committee.
- All contractor-related incidents / accidents should be recorded on Datix, and appropriately coded to facilitate management review / reporting.

The Audit, Risk and Assurance Committee has considered the management action plan to respond to the weaknesses identified and will monitor progress in line with agreed timescales via the Audit Recommendations Tracker. The latest version of which was reported to the Audit, Risk and Assurance Committee on [26 April 2022](#).

### Occupational Health

The Occupational Health Audit was undertaken to evaluate and determine the adequacy of the systems and controls in place for the management of the Occupational Health service and to provide assurance on the effective completion of referrals, pre-employment checks and health surveillance. The Internal Audit Report is due to be considered by the Audit, Risk and Assurance Committee on 13 June 2022, further detail in relation to the outcome of the review will be included following the meeting.

## **Counter Fraud**

In line with the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) the Local Counter Fraud Specialist (LCFS) and Executive Director of Finance agreed a work plan for 2021-2022 at the beginning of the financial year. This was approved by the Audit, Risk and Assurance Committee in March 2021.

The work plan for 2021-2022 was completed and covered all the requirements under Welsh Government directions. The Counter Fraud Service provides regular reports and updates to members of the Executive Team and directly to the Audit, Risk and Assurance Committee.

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 2021-2022 NHS Wales introduced Government Functional Standards on Counter Fraud to replace NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)'.

Full compliance with the new standards is not to be enforced until 2023-2024 to allow organisations to adjust. A mapping process between new and former standards was undertaken by NHS CFA.

Areas that required particular development, have been identified and included in the 2021/2022 Counter Fraud work plan:

**Component 3** – Fraud bribery and corruption risk assessment. This is something that was worked on in 2020-2021 in preparation. This is a developing area across NHS Wales and England. Further guidance and assistance from NHS CFA on aligning this work to Government Counter Fraud Profession fraud risk assessment methodology is anticipated in 2021-2022 and subsequently be adopted and implemented within the health board.

**Component 6** – Outcome based metrics. Introduction of formal KPIs with targets set at beginning of year is completely new. Consistency across NHS Wales will be key for this. KPIs are useful for measuring performance and pushing for improvement becoming purely target driven may have a negative impact on work overall. A balance with consistent application will be key for this new standard.

**Component 8** – Reporting Identified Loss. A new case management system was introduced on 1st April 2021 assisting in meeting this new standard. Consistency across NHS Wales in the form of calculation formula has been agreed to identify and report losses.

Improvement activity for these areas was included and progressed within the 2021-2022 Counter Fraud Work Plan. Further detail can be found in the Counter Fraud Annual Report for 2021-2022, that will be presented to the [April 2022](#) Audit, Risk and Assurance Committee.

## EXTERNAL AUDIT: STRUCTURED ASSESSMENT FINDINGS

The Auditor General for Wales is the health board's statutory external auditor, and the Wales Audit Office undertakes audits on his behalf. Since 1 April 2020 the Auditor General for Wales and the Wales Audit Office are known collectively as Audit Wales.

The 2021 Structured Assessment considered how corporate governance and financial management arrangements have adapted over the last 12 months. The key focus of the work had been on the corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. External Audit also considered how business deferred in 2020 has been reinstated and how learning from the pandemic is shaping future arrangements for ensuring good governance and delivering value for money. The Structured Assessment also sought to gain an overview of the Board's scrutiny of the development and delivery of the health board's 2021-2022 Annual Plan.

Overall Audit Wales concluded the health board has generally effective Board and committee arrangements, although attention is needed to improve the timeliness of agenda papers, local induction training for independent members is required and there are three unfilled associate member posts. In addition, there were imminent gaps within the corporate governance team which was of concern. This has been addressed through recruitment to the corporate



governance team with an Interim Board Secretary and governance team in place.

Plans for responding to COVID-19 and transforming services to recover waiting times are in place and supported by good partnership working arrangements and effective scrutiny of delivery. Partnership working and engagement with commissioned providers will be key in delivering good outcomes for Powys residents. Work continues to strengthen risk management arrangements.

Audit Wales made three new recommendations based on the 2021 work, in respect of Independent Member induction arrangements, Associate Board Member appointments and Board and Committee agenda papers. These recommendations were accepted, and the required actions are being implemented with monitoring by the Audit, Risk and Assurance Committee.

The Audit Wales Structured Assessment 2021 can be viewed on the health board's [website](#).

## **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 our workers on zero hours' contracts.
- We have an Equality, Diversity and Human Rights Policy in place which ensures that no potential applicant, employee or worker engaged is in any way unduly disadvantaged in terms of pay, employment rights, employment or career opportunities.
- We also seek assurances from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. We are also require confirmation and assurances that they do not make use of blacklist/prohibited list information.
- In accordance with Transfer of Undertaking (Protection of Employment) Regulations any Health board staff member who may be required to transfer to a third party will retain their NHS Terms and Conditions of Service.
- We use the Modern Slavery Act (2015) compliance tracker by way of contracts procured by NHS Wales Shared Services Partnership (NWSSP) on behalf of the health board. NWSSP is equally committed to ensuring that procurement activity conducted on behalf of NHS Wales is undertaken in an ethical way. On our behalf, they ensure that workers within the supply chains through which they source our goods and services are treated fairly, in line with Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

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

## CONCLUSION

As indicated throughout this Statement and the Annual Report the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2022/23 and beyond. I will ensure our Governance Framework considers and responds to this need.

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 and its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place during the year a system of providing assurance aligned to corporate objectives to assist with identification and management of risk. I am pleased to note that as a result of our internal control arrangements, Powys Teaching Health Board continues to be on 'routine' monitoring as part of NHS Wales Escalation and Intervention arrangements.

During 2021-2022, 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 2022-2023 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will continue in 2022-2023 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 2022-2023.

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 and 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, 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: 15 JUNE 2022**

**CAROL SHILLABEER [CHIEF EXECUTIVE]**

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06/09/2022 14:08:13

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

Name	Position and Area of Expertise	Board and Board Committee Membership	Attendance 2021-22	Board Champion Role
Vivienne Harpwood	Chair	▪ Chair of the Board	7/7	
		▪ Chair of the Charitable Funds Committee	3/3	
		▪ Chair of the Remuneration and Terms of Service Committee	10/10	
Melanie Davies	Vice Chair (To 26 December 2021)	▪ Vice Chair of the Board	4/5	<ul style="list-style-type: none"> <li>• Mental Health</li> <li>• Children and Young People</li> </ul>
		▪ Chair of the Experience, Quality and Safety Committee (to July 2021)	2/3	
		▪ Chair of the Patient Experience, Quality and Safety Committee (From August 2021 to December 2021)	2/2	
		▪ Vice Chair of the Remuneration and Terms of Service Committee	4/6	
		▪ Member of the Performance and Resources Committee	2/2	
		▪ Member of the Planning, Partnerships and Population Health Committee (from August 2021 to December 2021)	1/1	
Kirsty Williams	Vice Chair (From 10 January 2022)	▪ Vice Chair of the Board	2/2	<ul style="list-style-type: none"> <li>• Infection Prevention and Control</li> <li>• Armed Forces and Veterans</li> <li>• Mental Health</li> <li>• Children and Young People</li> </ul>
		▪ Chair of the Patient Experience, Quality and Safety Committee (from March 2022)	2/2	
		▪ Vice Chair of the Remuneration and Terms of Service Committee	3/4	
		▪ Member of the Delivery and Performance Committee	1/1	
		▪ Member of the Planning, Partnerships and Population Health Committee	0/1	
Ian Phillips	Independent Member [Information Technology]	▪ Member of the Board	7/7	
		▪ Member of the Audit, Risk and Assurance Committee (to July 2021)	3/3	

		<ul style="list-style-type: none"> <li>Member of the Performance and Resources Committee (to July 2021)</li> </ul>	2/2	
		<ul style="list-style-type: none"> <li>Member of the Patient Experience, Quality and Safety (from August 2021)</li> </ul>	4/4	
		<ul style="list-style-type: none"> <li>Chair of the Workforce and Culture Committee (from August 2021)</li> </ul>	3/3	
		<ul style="list-style-type: none"> <li>Vice Chair of the Planning, Partnerships and Population Health Committee (from August 2021)</li> </ul>	2/2	
Trish Buchan	Independent Member [Third Sector]	<ul style="list-style-type: none"> <li>Member of the Board</li> </ul>	7/7	
		<ul style="list-style-type: none"> <li>Vice Chair of the Experience, Quality and Safety Committee (to July 2021)</li> </ul>	3/3	
		<ul style="list-style-type: none"> <li>Member of the Charitable Funds Committee</li> </ul>	3/3	
		<ul style="list-style-type: none"> <li>Member of the Patient Experience, Quality and Safety Committee (from December 2021 to March 2022)</li> </ul>	4/4	
		<ul style="list-style-type: none"> <li>Member of the Workforce and Culture Committee (from August 2021)</li> </ul>	3/3	
		<ul style="list-style-type: none"> <li>Chair of the Planning, Partnerships and Population Health Committee (from August 2021)</li> </ul>	2/2	
Matthew Dorrance	Independent Member [Local Authority]	<ul style="list-style-type: none"> <li>Member of the Board</li> </ul>	7/7	<ul style="list-style-type: none"> <li>Equality</li> </ul>
		<ul style="list-style-type: none"> <li>Member of the Audit, Risk and Assurance Committee</li> </ul>	2/7	
		<ul style="list-style-type: none"> <li>Vice Chair of the Workforce and Culture Committee (from August 2021)</li> </ul>	3/3	
Rhobert Lewis	Independent Member [General]	<ul style="list-style-type: none"> <li>Member of the Board</li> </ul>	7/7	
		<ul style="list-style-type: none"> <li>Vice Chair of the Charitable Funds Committee</li> </ul>	1/3	
		<ul style="list-style-type: none"> <li>Member of the Audit, Risk and Assurance Committee</li> </ul>	5/7	
		<ul style="list-style-type: none"> <li>Member of the Planning, Partnerships and Population Health Committee</li> </ul>	2/2	
		<ul style="list-style-type: none"> <li>Member of the Delivery and Performance Committee</li> </ul>	3/3	

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06/09/2022 14:08:13

Tony Thomas	Independent Member [Finance]	▪ Member of the Board	7/7	
		▪ Chair of the Audit, Risk and Assurance Committee	6/7	
		▪ Member of the Performance and Resources Committee (to July 2021)	1/2	
		▪ Member of the Remuneration and Terms of Service Committee	8/11	
		▪ Vice Chair of the Delivery and Performance Committee (from August 2021)	2/3	
Mark Taylor	Independent Member [Capital and Estates]	▪ Member of the Board	6/7	
		▪ Vice Chair of the Audit, Risk and Assurance Committee	7/7	
		▪ Vice Chair of the Performance & Resources Committee (to July 2021)	1/2	
		▪ Member of the Charitable Funds Committee (to July 2021)	2/3	
		▪ Member of the Remuneration and Terms of Service Committee	9/11	
		▪ Member of the Patient Experience, Quality and Safety Committee (from August 2021)	4/4	
		▪ Chair of the Delivery and Performance Committee (from August 2021)	3/3	
Susan Newport	Independent Member [Trade Union] (To 30 September 2021)	▪ Member of the Board	4/4	<ul style="list-style-type: none"> <li>• Infection Prevention and Control</li> <li>• Armed Forces</li> </ul>
		▪ Member of the Experience, Quality and Safety Committee	3/3	
		▪ Member of the Remuneration and Terms of Service Committee	1/2	
Frances Gerrard	Independent Member [University]	▪ Member of the Board	5/7	
		▪ Member of the Experience, Quality and Safety Committee (to July 2021)	3/3	
		▪ Member of the Charitable Funds Committee	1/3	
		▪ Member of the Patient Experience, Quality and Safety Committee (from August 2021)	3/4	
Ronnie Alexander	Independent Member [General] (From 21 June 2021)	▪ Member of the Board	5/6	
		▪ Member of the Audit, Risk and Assurance Committee	6/7	

		▪ Member of the Delivery and Performance Committee	2/3	
		▪ Member of the Planning, Partnerships and Population Health Committee	2/2	
Cathie Poynton	Independent Member [Trade Union] (From 11 November 2021)	▪ Member of the Board	2/3	
		▪ Member of the Workforce and Culture Committee	2/2	

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06/09/2022 14:08:13



## Appendix 2: Table of Quoracy

Board/Committee	Dates:											Quorate
Board	26 <sup>th</sup> May 2021	29 June 2021	28 July 2021	29 September 2021	24 November 2021	26 Jan 2022	30 March 2022					√
Charitable Funds	2 June 2021	15 June 2021	2 December 2021									√
Remuneration and Terms of Service	10 June 2021	5 July 2021	11 October 2021	5 November 2021	25 November 2021	8 December 2021	31 December 2021	26 January 2022	1 March 2022	17 March 2022	30 March 2022	√
Experience, Quality and Safety Committee	15 April 2021	3 June 2021	15 July 2021									√
Performance and Resources Committee	6 May 2021	24 June 2021										√
Planning, Partnerships and Population Health Committee	12 October 2021	18 January 2022										√
Patient Experience, Quality and Safety Committee	7 October 2021	2 December 2021	3 February 2022	24 March 2022								√
Delivery and Performance Committee	2 September 2021	1 November 2021	28 February 2022									√
Audit, Risk and Assurance Committee	29 April 2021	8 June 2021	12 July 2021	14 September 2021	16 November 2021	20 January 2022	22 March 2022					√
Workforce and Culture Committee	5 October 2021	28 January 2022	15 March 2022									√

## Appendix 3a: Welsh Health Circulars 2021-2022

Welsh Health Circular	Date/Year of Adoption	Action to Demonstrate Implementation/Response
2021-001 Guidelines for managing patients on the suspected cancer pathway	January 2021	As a provider we are fully compliant with Cancer waiting time rules September 2019, and report in line with nationally agreed requirements. PTHB carries out certain early access OP, diagnostic and palliative cancer care/support dependent on locality and specialty. Powys acute cancer care is carried out in Commissioned Services who adhere to either Welsh Cancer Waiting Time Rules or the English Equivalent.
2021-002 Board Champion Roles	March 2022	Board Champion role confirmed and approved at Board 20 <sup>th</sup> March 2022
2021-003 Senedd Election 2021	March 2021	WHC circulated within the health board.
2021-004 Ordering influenza vaccines for the 2021-2022 season	February 2021	WHC circulated within the health board.
2021-005 Cross border Directive Amendment Directions 2021	April 2021	Complete
2021-006 Senedd Election 2021 - Guidance for NHS Wales	March 2021	WHC circulated within the health board.
2021-007 The Healthy Child Wales Programme – The 6-week post-natal GP physical examination of child contact	April 2021	Confirmation of communication with GPs. With effect from April 1st, 2021, all 16 practices in Powys are undertaking this additional element of the GMS contract and monitoring of activity is in place.
2021-008 Revised National Steroid Treatment Card	March 2022	Complete
2021-009 School Entry Hearing Screening pathway	March 2021	Led by the PTHB Head of Audiology, in conjunction with School Nursing service with Powys, this has already progressed some key elements. Expectation of quarterly updates prior to full implementation no later than April 2022.

Parry Stella  
06/09/2022 14:08:13

2021-010 Amendments to Model Standing Orders, Reservation and Delegation of Powers and Model Standing Financial Instructions – NHS Wales	July 2021	Amendments to Model Standing Orders, Reservation and Delegation of Powers and Model Standing Financial Instructions – NHS Wales
2021-011 2021-22 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance	May 2022	Included in monthly monitoring return to Welsh Government.
2021-012 Implementing the Agreed Approach to Preventing Violence and Aggression towards NHS Staff in Wales	April 2021	Violence and Aggression (V&A) cases reported through DATIX and through to Health and Safety Group. Support and advice offered to staff through PTHB's V&A Advisor
2021-015 HS Pay Bonus for Primary Care	May 2021	Processed by Shared Services Partnership
2021-019 The National Influenza Immunisation Programme 2021-22	August 2021	Circular forwarded to all responsible parties, inc primary care. PTHB Influenza Vaccination Oversight Group meeting fortnightly to coordinate all elements of the vaccination programme set out in circular.
2021-021 Introduction of Shingrix® for Immunocompromised Individuals (From September 2021)	August 2021	Circular was sent to primary care by WG. Medicines Management have confirmed that PGD for Shingrix is in place. Awaiting confirmation from PTHB Primary Care that there are no changes required to existing service agreements with primary care. No further actions required. 25/03/2022: Primary care asked to contact practices to gain assurance that eligible patients are being called in for their vaccinations.
2021-023 Care Decisions for the Last Days of Life	October 2021	Cascaded to colleagues and asked that actions are considered. Principles and implications for practice to be tabled at the inaugural meeting of the revived PTHB End of Life Board chaired by

		<p>the Executive Medical Director.</p> <p>Lead area for roll out in PTHB is the specialist palliative care team.</p> <p>Already promulgated by specialist palliative care team and being embedded into practice. In addition, the letter will be put into the October Cancer Update letter which goes out to primary care for information for all clinicians.</p> <p>Patient's wishes also incorporated into Treatment Escalation Plan documents.</p>
2021-025 Carpal Tunnel Syndrome Pathway	March 2022	<p>Following submission of a development plan for this WHC, an implementation group was formed. Concerns were raised regarding the ability to embed the assessment measure advised within the WHC into primary care at such a busy time operationally and advice was sought from other HBs MSK leads to determine how this was being managed across Wales. Feedback was that there were concerns regarding the pathway and its implementation from most HBs and the AHP representative on the Welsh Orthopaedic Board agreed to take this back to the Board for discussion. Unfortunately, the meeting scheduled for February was postponed to March and has again been postponed to May meaning that it has not yet been discussed. Therefore, whilst we have a development plan in place for this WHC, implementation has been paused whilst we await discussion at the WOB in relation to the national feedback.</p>
2021-026 Overseas Visitors' eligibility to received free Primary Care	March 2022	<p>Circulated to all contractor professions and published on PTHB Intranet (Primary care page)</p>
2021-027 NHS Wales Blood Health Plan	March 2022	<p>The Blood Health Plan has been shared with Senior Nurse Clinical Leads within Planned Care. PTHB Planned Care do not undertake blood transfusions AS1 &amp; AS2 low complex day case surgery</p>

		<p>only within PTHB. Pre-screening is general any issues with blood health would be referred to DGH for treatment. There are no blood fridges within Planned Care in PTHB. Blood transfusions in PTHB are exceptionally rare as PTHB has no intrinsic Pathology Service and the logistics to support them are very complex. The principles laid out in WHC 2021/027 will be brought to the PTHB Policy Group for endorsement and incorporation in PTHB practice and process. The document has been shared with planned care to consider elements that may be applicable to practice.</p>
<p>2021-028 AMR HCAI Improvement Goals 2021-22</p>	<p>March 2022</p>	<p>Chief Pharmacist leading the work on optimising the use of antimicrobials.</p> <p>WHC (2021) Number 28 optimising the use of antimicrobials improvement goals discussed during Antimicrobial Stewardship Group meeting on 12th October 2021.</p> <p>Antimicrobial Improvement Plan updated to reflect the improvement goals</p> <p>Antimicrobial Stewardship Group highlight report (also attached), provided to the Infection Prevention and Control Group, documented that 5 improvement goals relating to antimicrobial stewardship were included in the WHC, providing further backing to the important role of antimicrobial stewardship pharmacists (PTHB does not have a dedicated pharmacist for this role and the risks associated with this have been escalated). The highlight report also evidenced that the Antimicrobial Improvement Plan had been updated to reflect the improvement goals in the WHC.</p> <p>Antimicrobial prescribing regularly monitored for primary care and</p>

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 06/09/2022 14:08:13

		<p>community services. Data being shared with primary care and discussed during practice meetings.</p> <p>Antimicrobial prescribing data now included in the primary care contract assurance framework.</p> <p>Where the health board holds SLAs with practices (e.g. Llanfyllin and Red Kite) specific antimicrobial improvement targets are being added to the SLAs – including documenting indication for treatment, performance against national KPIs and improvement plans (where appropriate).</p>
2021-032 Role and Provision of Dental Public Health in Wales	March 2022	This WHC is directed to PHW so there is no action for PTHB other than for information.
2021-033 Role and Provision of Oral Surgery in Wales	March 2022	recruited community and primary care-based consultant oral surgeon for North Powys supported by DwES/Senior Dental Officers in oral surgery to provide tier 2 oral surgery procedures.
2021-034 Health Board Allocation 2022-23	March 2022	<p>Draft financial plan completed as part of the 2022/2023 - 2024/2025 IMTP with a focus on recovery and renewal from the pandemic whilst meeting its statutory duty to breakeven over the 3-year period. The financial plan has been developed based on the Welsh Government confirmed funding allocations, risk assessed cost pressures and a realistic, but challenging view of the cost saving potential across the organisation.</p> <p>We continue to have ambitious goals. The Financial Plan sets out our financial strategy in three parts:</p> <ol style="list-style-type: none"> <li>1. Core Financial Plan: Delivering financial balance over the 3-year IMTP cycle</li> <li>2. Exceptional national cost pressures sitting outside of the core plan</li> <li>3. COVID response costs sitting</li> </ol>

Parry Stella  
06/09/2022 14:08:13

		<p>outside of the core plan</p> <p>The Health board recognises the risks in the plan and is taking appropriate actions in order to ensure that risks are appropriately managed and that financial opportunities to support mitigation are fully explored continuing to work closely with WG and FDU colleagues.</p>
2022-007 Recording of Dementia READ codes	February 2022	<p>Circular shared with General Practice. GP already familiar with the READ codes as need to be captured for QAIF. READ coded dementia registers in place.</p> <p>30.03.2022 The READ codes are included in the Dementia Care Pathway of Standards.</p> <p>The Dementia Lead is working with Improvement Cymru and PTHB MAS teams to ensure READ codes are captured on all correspondence to GP's and copy letters to families in order to capture Powys dementia diagnostic rates. This needs to be in place in order to reflect realistic diagnostic rates. Historically READ codes have not been used on the correspondence but currently work is underway with MAS admin, Nurses, and Consultants to ensure this does happen going forward.</p>
2022-005 Data Requirements for Value Based Health Care	March 2022	Implementation not yet due as of April 2022
2022-010 Reimbursable vaccines and eligible cohorts for the 2022/2023 NHS seasonal Influenza (flu) Vaccination Programme	March 2022	Implementation not yet due as of April 2022
2022-011 Patient Testing Framework	March 2022	Implementation not yet due as of April 2022

Parry Stella  
 06/09/2022 14:08:13



## Appendix 3b: Ministerial Directions 2021-22

<b>Ministerial Directions (MDs)</b>	<b>Date/Year of Adoption</b>	<b>Action to demonstrate implementation/response</b>
2021. No.41 – Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2021	April 2021	This Ministerial Direction has been enacted.
2021. No.59 – The Directions to Local Health Boards and NHS Trusts in Wales on the Delivery of Autism Services 2021	July 2021	<ul style="list-style-type: none"> <li>• Introduced refreshed and improved Assessment &amp; Diagnostic service</li> <li>• Reduced the waiting time from 18 months to just over 11 months (currently no mandatory target for waiting times for adult diagnosis)</li> <li>• Implemented a dedicated Assessment Team</li> <li>• Reduced waiting times for post-diagnostic support to three weeks</li> <li>• Piloting a new support model to help improve access</li> <li>• Delivered multi-agency/disciplinary training to increase partnership working for those affected by autism</li> <li>• Appointed an NHS Autism Champion</li> </ul>
2021. No.65 – The Primary Care (PfizerBioNTech Vaccine COVID-19 Immunisation Scheme) Directions 2021	July 2021	Implementation linked with supporting the health board Mass Vaccination Model
2021. No.70 – The Primary Care (Contracted Services: Immunisations) Directions 2021	August 2021	Implementation linked with supporting the health board Mass Vaccination Model
2021. No.75 – Directions to Local Health Boards as to the Statement of Financial Entitlements	September 2021	This Ministerial Direction has been enacted.

(Amendment) (No. 2) Directions 2021		
2021. No.77 – The National Health Service (General Medical Services – Recurring Premises Costs during the COVID-19 Pandemic) (Wales) (Revocation) Directions 2021	September 2021	The Directions revoked the financial assistance, for GP recurring premises costs during the COVID-19 pandemic if premises were closed. At the date of this revocation all Powys GP premises were open and therefore no action was required.
2021. No.83 – The Pharmaceutical Services (Fees for Applications) (Wales) Directions 2021	October 2021	New Directions implemented and managed by the Primary Care Contracts Team in NHS Wales Shared Services Partnership. Only one application for change of ownership received since publication. The applicant was charged in accordance with the 2021 Directions.
2021. No.84 – The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) Directions 2021	October 2021	Relevant payments adjusted by health board and NHS Wales Shared Services Partnership (NWSSP) finance teams
2021. No.85 – The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2021	October 2021	Payments reconciled and adjusted appropriately at year end 2021/2022
2021. No.88 – The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No. 3) Directions 2021	October 2021	Payments reconciled and adjusted appropriately at year end 2021/2022
2021. No.89 – The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No. 3) Directions 2021	October 2021	Payments reconciled and adjusted appropriately at year end 2021/2022
2021. No.90 – The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme)	November 2021	Updated requirements and expectations shared with general practice in readiness for

(Directed Enhanced Service) (Wales) (No. 2) (Amendment) Directions 2021		the 21/22 flu vaccination programme.
2021. No.93 – Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.3) Directions 2021	December 2021	This Ministerial Direction has been enacted.
2021. No.97 – The Primary Care (Contracted Services: Immunisations) (Amendment) Directions 2021	December 2021	Implementation linked with supporting the health board Mass Vaccination Model
2022. No.06 – The Pharmaceutical Services (Clinical Services) (Wales) Directions 2022	March 2022	The health board served notice (01/03/22) on the four enhanced services that became the Clinical Community Pharmacy Service (CCPS) and the existing independent prescribing service (to become the Pharmacist Independent Prescribing Service – PIPS). These will be retired 31/05/22. Local PGDs for ulipristal and levonorgestrel (for use in the emergency contraception service) updated until national PGDs are made available for CCPS. Pharmacy contractors guided through the CCPS / PIPS registration processes with NWSSP. 23/23 will be registered as of 01/06/22. Current “enhanced services” are undergoing review and will be rebranded as “additional clinical services” when renewed.
2022. No.13 – The Wales Infected Blood Support Scheme (Amendment) Directions 2022	March 2022	N/A- for action by Velindre University NHS Trust.

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06/09/2022 14:08:13

## PART B: REMUNERATION AND STAFF REPORT

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

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06/09/2022 14:08:13

## Background

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

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

This section of the Accountability Report meets these requirements.

## The Remuneration Terms of Service Committee

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

In 2021-2022, the Remuneration and Terms of Services Committee was chaired by the health board's Chair, Vivienne Harpwood, and the membership included the following Members:

- Melanie Davies, Vice Chair of the Board; (to 26 December 2021)
- Kirsty Williams, Vice Chair of the Board (from 10 January 2022)
- Tony Thomas, Chair of Audit, Risk and Assurance Committee;
- Susan Newport, Independent Member (Trade Union) (to 30 September 2021);
- Mark Taylor, Independent Member (Capital and Estates) (from 1 August 2021)

Meetings are minuted and decisions fully recorded.

## Independent Members' Remuneration

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

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06/09/2022 14:08:13

## Executive Directors' and Independent Members' Remuneration

Details of Directors' and Independent Members' remuneration for the 2021-22 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 2021-22, 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 Medical Director and Interim Board Secret

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06/09/2022 14:08:13

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

Name and title	2021 - 22						2020 - 21					
	Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000
<b>Executive directors</b>												
Carol Shillabeer - Chief Executive	175 - 180	0	0	61	235 - 240	0	170 - 175	0	0	48	215 - 220	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive ***	125 - 130	0	0	59	180 - 185	0	115 - 120	0	67	16	140 - 145	0
Pete Hopgood - Director of Finance, Information and IT Services ***	115 - 120	0	0	56	170 - 175	0	110 - 115	0	0	82	190 - 195	0
Julie Rowles - Director of Workforce and OD (and Support Services until 1st December 2021)	120 - 125	0	19	58	175 - 180	0	115 - 120	0	51	0	120 - 125	0
Kate Wright - Medical Director (From 15th February 2021)	140 - 145	0	0	109	250 - 255	0	15 - 20	0	0	3	15 - 20	0
Claire Madsen - Director of Therapies and Health Science***	100 - 105	0	0	34	135 - 140	0	95 - 100	0	0	148	245 - 250	0
Stuart Bourne - Director of Public Health (To 11th March 2022) *****	100 - 105	0	0	41	145 - 150	0	105 - 110	0	0	27	130 - 135	0
Alison Davies - Director of Nursing and Midwifery (To 14th March 2022) *****	110 - 115	0	0	41	155 - 160	0	110 - 115	0	0	300	410 - 415	0
Claire Roche - Director of Nursing and Midwifery (From 7th March 2022) *****	5 - 10	0	0	4	10 - 15	0	0	0	0	0	0	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021) - Director of Environment (From 1st December 2021) **	115 - 120	0	0	9	120 - 125	0	120 - 125	0	0	55	175 - 180	0
Rani Mallison - Board Secretary (To 27th November 2021) ** & **** & *****	60 - 65	0	0	21	85 - 90	0	90 - 95	0	0	56	145 - 150	0
James Quance - Board Secretary (From 4th January 2022) ** & *****	20 - 25	0	0	0	20 - 25	0	0	0	0	0	0	0
Wyn Parry - Medical Director (To 31st July 2020) *****	0	0	0	0	0	0	70 - 75	0	0	0	70 - 75	0
Paul Buss - Interim Medical Director (From 1st August 2020 to 31st January 2021)	0	0	0	0	0	0	40 - 45	0	0	0	40 - 45	0

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06/09/2022 14:08:13

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

Name and title	2021 - 22						2020 - 21					
	Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000
<b>Associate Members</b>												
Alison Bulman, Corporate Director (Children & Adults), Powys County Council (From 1st April 2020 to 18th September 2020)	0	0	0	0	0	0	0	0	0	0	0	0
Chair of Healthcare Professionals Forum (TBC)	0	0	0	0	0	0	0	0	0	0	0	0
Chair of Stakeholder Reference Group (TBC)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Officer Members</b>												
Professor Vivienne Harwood - Chair *	40 - 45	0	0	0	40 - 45	0	40 - 45	0	0	0	40 - 45	0
Melanie Davies - Vice Chair (to 26th December 2021) *****	25 - 30	0	0	0	25 - 30	0	30 - 35	0	0	0	30 - 35	0
Kirsty Williams - Vice Chair (from 10th January 2022) *****	5 - 10	0	0	0	5 - 10	0	0	0	0	0	0	0
Anthony Thomas - Independent Member (Finance)	5 - 10	0	0	0	5 - 10	0	5 - 10	0	0	0	5 - 10	0
Matthew Dorrance - Independent Member (Local Authority )	5 - 10	0	0	0	5 - 10	0	5 - 10	0	0	0	5 - 10	0
Patricia Buchan - Independent Member (Third Sector )	5 - 10	0	0	0	5 - 10	0	5 - 10	0	0	0	5 - 10	0
Francois Gerrard - Independent Member (University held post relating to health)	5 - 10	0	0	0	5 - 10	0	5 - 10	0	0	0	5 - 10	0
Ian Phillips - Independent Member (ICT)	5 - 10	0	0	0	5 - 10	0	5 - 10	0	0	0	5 - 10	0
Susan Newport - Independent Member (Trade Union to 30th September 2021)	0	0	0	0	0	0	0	0	0	0	0	0
Cathie Poynton - Independent Member (Trade Union from 11th November 2021)	0	0	0	0	0	0	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates)	5 - 10	0	0	0	5 - 10	0	5 - 10	0	0	0	5 - 10	0
Rhobert Lewis - Independent Member (General)	10 - 15	0	0	0	10 - 15	0	0 - 5	0	0	0	0 - 5	0
Ronnie Alexander - Independent Member (General from 21st June 2022)	5 - 10	0	0	0	5 - 10	0	0	0	0	0	0	0

Party Secretary  
06/09/2022 14:08:13



\* Please note that Professor Vivienne Harpwood was also Chair for the Welsh Health Specialised Services Committee (WHSSC) until 30th September 2020 and the costs of this role are paid by Powys THB and recharged to Cwm Taf University Health Board. These costs are excluded from the above calculations but Professor Harpwood received a banded salary for the WHSSC role of £10,000 to £15,000 in 2020/21 giving a total banding of £55,000 - £60,000

\*\* Please note that the salary for Jamie Marchant includes £10,000 sacrificed in relation to a leased car (in 2020-21 the figure was £11,000), the salary for Rani Mallison includes £4,000 sacrificed in relation to a leased car (in 2020/21 the figure was £1,000) and the salary for James Quance includes £1,000 in relation to a leased car

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

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

\*\*\*\*\* Please note that the recovery of a payment in lieu of notice made during 2020/21 is still being made

\*\*\*\*\* Please note that the full year equivalent salary banding, in bands of £5000, for starters and leavers during 2021/22 was as follows; Stuart Bourne £110,000-£115,000, Alison Davies £115,000-£120,000, Claire Roche £115,000-£120,000, Rani Mallison £95,000-£100,000 and James Quance £90,000-£95,000

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

The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff has not been included in the NHS Remuneration Report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

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

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

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

Parry Stella  
06/09/2022 14:08:13

## 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 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required

		2021-22	2021-22	2021-22		2020-21	2020-21	2020-21
		£000	£000	£000		£000	£000	£000
		Chief Executive	Employee	Ratio		Chief Executive	Employee	Ratio
<b>Total pay and benefits</b>								
	25th percentile pay ratio	177	22	8.0:1		172	23	7.5:1
	Median pay	177	32	5.5:1		172	30	5.7:1
	75th percentile pay ratio	177	41	4.3:1		172	39	4.4:1
<b>Salary component of total pay and benefits</b>								
	25th percentile pay ratio	177	22	8.0:1		172	23	7.5:1
	Median pay	177	32	5.5:1		172	30	5.7:1
	75th percentile pay ratio	177	41	4.3:1		172	39	4.4:1
		Highest Paid Director	Employee	Ratio		Highest Paid Director	Employee	Ratio
<b>Total pay and benefits</b>								
	25th percentile pay ratio	177	22	8.0:1		172	23	7.5:1
	Median pay	177	32	5.5:1		172	30	5.7:1
	75th percentile pay ratio	177	41	4.3:1		172	39	4.4:1
<b>Salary component of total pay and benefits</b>								
	25th percentile pay ratio	177	22	8.0:1		172	23	7.5:1
	Median pay	177	32	5.5:1		172	30	5.7:1
	75th percentile pay ratio	177	41	4.3:1		172	39	4.4:1

In 2021-22, 2 (2020-21, 3) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18,576 to £188,839 (2020-21, £18,185 to £192,939).

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

### Percentage Changes:

		2020-21 to 2021-22	2019-20 to 2020-21
% Change from previous financial year in respect of Chief Executive		%	%
	Salary and allowances	3	3
	Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director			
	Salary and allowances	3	3
	Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole			
	Salary and allowances	5	2
	Performance pay and bonuses	0	0

Table 2: Salary and Pension Disclosure table: Pension Benefits

	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 Mar 2022	Lump sum at age 60 related to accrued pension at 31st Mar 2022	Cash Equivalent transfer value at 31 Mar 2022	Cash Equivalent transfer value at 31 Mar 2021	Real increase in Cash Equivalent transfer value	Employer's contribution to stakeholder pension
Name and title	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	Restated £000	£000	£000
Carol Shillabeer - Chief Executive	2.5 - 5.0	0.0 - 2.5	65 - 70	150 - 155	1,253	1,161	61	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive	2.5 - 5.0	2.5 - 5.0	40 - 45	70 - 75	657	589	47	0
Pete Hopgood - Director of Finance, Information and IT Services	2.5 - 5.0	2.5 - 5.0	40 -45	95 - 100	804	731	53	0
Julie Rowles - Director of Workforce and OD (and Support Services to 1st December 2021)	2.5 - 5.0	2.5 - 5.0	60 - 65	145 - 150	1,307	1,213	71	0
Kate Wright - Medical Director	5.0 - 7.5	7.5 - 10	30 - 35	50 - 55	622	512	87	0
Claire Madsen - Director of Therapies and Health Science	0.0 - 2.5	5.0 - 7.5	35 - 40	105 - 110	792	724	50	0
Stuart Bourne - Director of Public Health (To 11th March 2022)	2.5 - 5.0	0.0 - 2.5	35 - 40	70 -75	691	633	38	0
Alison Davies - Director of Nursing and Midwifery (To 14th March 2022)	2.5 - 5.0	7.5 - 10.0	50 - 55	150 - 151	1,184	1,091	67	0
Clare Roche - Director of Nursing and Midwifery (From 7th March 2022)	0.0 - 2.5	0.0 - 2.5	40 - 45	110 - 115	890	810	4	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021); Director of Environment (From 1st December 2021)	0.0 - 2.5	(2.5) - (5.0)	30 - 35	50 - 55	556	533	7	0
Rani Mallison - Board Secretary (To 27th November 2021)	0.0 - 2.5	0.0 - (2.5)	15 - 20	30 - 35	255	228	11	0
James Quance - Board Secretary (From 4th January 2022)	0.0 - 2.5	0.0 - 2.5	5 - 10	0 - 5	85	66	3	0

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

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

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

Parry Stella  
06/09/2022 14:08:13

## 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

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 REPORT

### Number of Employed Staff

As at 31 March 2022, the total number staff employed by the Health Board stood at **1,900.54 Whole Time Equivalents** (WTE). The table below provides the average WTE of staff employed by the health board in 2020/21 and 2021/22 broken down by staffing group. This excludes hosted services such as the Board of Community Health Councils and Health and Care Research Wales.

Parry Stella  
06/09/2022 14:08:13

Staff Group	Average Weekly WTE 20/21	Average Weekly WTE 21/22
Add Prof Scientific and Technical	70.66	73.05
Additional Clinical Services	344.87	382.28
Administrative and Clerical	444.47	504.96
Allied Health Professionals	132.57	133.59
Estates and Ancillary	161.38	174.94
Healthcare Scientists	3.75	4.50
Medical and Dental	34.46	33.43
Nursing and Midwifery Registered	559.19	563.93
Students	8.10	0.00
<b>Grand Total</b>	<b>1759.46</b>	<b>1870.68</b>

Overall, on average, the health board has seen an increase of **111.22 WTE** in the number of staff employed by the health board in 2021/22 when compared to 2020/21. Despite this success, recruiting to a number of clinical roles, in particular Registered Nurse and Medical roles, continues to be challenging. Although there is a small increase overall 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 **18%** at March 2021, increasing to **29%** as at March 2022. To support the health board in responding to these staffing deficits, over the last 12 months, we have continued to increase our Bank Staff capacity, with a further increase of **17%** in Bank workers since 31<sup>st</sup> March 2021.

## Staffing Composition

As at 31 March 2022, the Health Board employed **2,349** substantive employees (excluding bank workers) which equated to **1,900.54 WTE**. The number (headcount) of female and male employees of the health board are as follows:

	Female	Male
<b>Headcount</b>	1999	350
<b>%</b>	85%	15%

Of this staffing composition, at 31 March 2022, the Executive Team consisted of 7 voting members of the Board\* (inclusive of the Chief Executive Officer). There is 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
<b>Headcount</b>	6	3
<b>%</b>	67%	33%

\*The health board had 2 vacancies for voting members of the Board at the time of this report.

## Sickness Absence Data

2020-2022 information on sickness absence is provided within the table below:

	2020/21	2020/22
WTE Days Lost Long Term	24,929.59	27,854.15
WTE Days Lost Short Term	6,825.33	11,048.08
<b>Total Days Lost</b>	<b>31,754.92</b>	<b>38,902.23</b>
<b>Total Staff Years (avg WTE staff absent)</b>	<b>87.00</b>	<b>106.58</b>
Average Working Days Lost	18.07	20.82
Total Staff Employed in Period (Headcount)	2344	2396
Total Staff Employed in Period with no absence (Headcount)	1329	1082
<b>Percentage of Staff with no Sick Leave</b>	<b>56.70%</b>	<b>45.16%</b>

The health board's overall rolling sickness absence rate for 21/22 is **5.70%**, compared to **4.95%** in 2020/21. The overall increase in staff absence is reflective of the difficult and challenging period of 2021-22 as the health board continued to respond to the impacts of the COVID-19 pandemic.

## 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 *Sickness Absence 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.

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06/09/2022 14:08:13

## Other Employee Matters

An update in relation to progress against the Developing Workforce Futures in 2021-2022 forms a key part of the Performance Report section of the Annual Report. Further detail in relation to this can be found on Page 52 of the Performance Report.

## Expenditure on Consultancy

As disclosed in note 3.3 (page 29) of its financial statements, the Health Board spent £0.505M on consultancy services during 2021-22 compared to £0.248M in 2020-21.

## Off Payroll Engagement

For all off-payroll engagements as of 31 March 2022, for more than £245 per day:

No. of existing engagements as of 31 March 2022	11
Of which, the number that have existed:	0
for less than one year at time of reporting.	0
for between one and two years at time of reporting.	1
for between two and three years at time of reporting.	2
for between three and four years at time of reporting.	2
for four or more years at time of reporting.	6

	Number
Number. of new engagements, between 1 April 2021 and 31 March 2022	0
Of which...	
No. assessed as caught by IR 35	0



<i>No. assessed as not caught by IR 35</i>	0
<i>No. engaged directly (via PSC contracted to department) and are on the departmental payroll.</i>	0
<i>No. of engagements reassessed for consistency / assurance purposes during the year</i>	0
<i>No. of engagements that saw a change to IR35 status following the consistency review</i>	0

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

There have been no-off payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2021 and 31 March 2022.

## 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.

	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures	Cost of other departures	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special element included in exit packages
	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£
less than £10,000	0	0	1	6,000	1	6,000	0	0
£10,000 to £25,000	0	0	0	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0	0	0	0
more than £200,000	0	0	0	0	0	0	0	0
Total	0	0	1	6,000	1	6,000	0	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.

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## **PART C: PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT**

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

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## PARLIAMENTARY ACCOUNTABILITY AND AUDIT 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.

### 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 2021-22 is £0.00m (2020-21 £0.01m) and is disclosed in note 21.2 of the Health Board's Annual Accounts

# Audit Certificate and Auditor General Wales Report (Draft)

## Opinion on financial statements

I certify that I have audited the financial statements of Powys Teaching Local Health Board for the year ended 31 March 2022 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Powys Teaching Local Health Board as at 31 March 2022 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

## Opinion on regularity

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

## Basis for qualified regularity opinion

I have qualified my opinion on the regularity of the Powys Teaching Local Health Board's financial statements because those statements include a provision of £47,000 relating to the Trust's estimated liability arising from the Ministerial Direction dated 18 December 2019 on senior clinicians' pensions. In my view, this expenditure is irregular and material by its nature.

Further detail is set out in my Report on pages 201 to 202.

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## Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other information

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

I have nothing to report in this regard.

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## Report on other requirements

### Opinion on other matters

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

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

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
- the information given in the Performance Report and the other unaudited parts of the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report, and the other unaudited parts of the Accountability Report have been prepared in accordance with Welsh Ministers' guidance.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, the Annual Governance Statement or other unaudited parts of the Accountability Report.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

## Responsibilities

### Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- enquiring of management and those charged with governance on matters concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in relation to management override, which is considered a significant risk at all audited bodies.
- obtaining an understanding of Powys Teaching Local Health Board's framework of authority as well as other legal and regulatory frameworks that Powys Teaching Local Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Powys Teaching Local Health Board.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit, Risk and Assurance Committee about potential non-compliance with laws and regulations;



- reading minutes of meetings of the Audit, Risk and Assurance Committee and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

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

## Report

Please see my Report on pages 201 to 202.

Adrian Crompton  
Auditor General for Wales  
15 June 2022

24 Cathedral Road  
Cardiff  
CF11 9LJ

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# Report of the Auditor General to the Senedd

## Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Powys Teaching Local Health Board's (the LHB's) financial statements. I am reporting on these financial statements for the year ended 31 March 2022 to draw attention to a key matter for my audit. This relates to the qualification of my 'regularity' opinion relating to expenditure recognised as a result of the ministerial direction on senior clinicians' pensions.

I have not qualified my 'true and fair' opinion in respect of any of this matter.

## Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the Annual Allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and/or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (ie settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HM Revenue and Customs to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in...tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that

the risk to the supply of clinical staff has been mitigated.

Powys Teaching Local Health Board has received sufficient information during the year to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result, £47,000 of expenditure has been recognised as a provision as shown in note 20 of the financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction.

However, in my opinion, the transactions included in Powys Teaching Local Health Board's financial statements to recognise this liability are irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off.

The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting. As a result, I have qualified my 'regularity' opinion for 2021-22.

Adrian Crompton  
Auditor General  
for Wales 15 June  
2022

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# 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

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.

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

### Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2021-22. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

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

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

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## Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Expenditure on Primary Healthcare Services	3.1	72,389	72,405
Expenditure on healthcare from other providers	3.2	194,502	175,974
Expenditure on Hospital and Community Health Services	3.3	132,034	120,723
		<b>398,925</b>	369,102
Less: Miscellaneous Income	4	(15,825)	(12,601)
<b>LHB net operating costs before interest and other gains and losses</b>		<b>383,100</b>	356,501
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(19)	0
Finance costs	7	(60)	(30)
<b>Net operating costs for the financial year</b>		<b>383,021</b>	<b>356,471</b>

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

The notes on pages 8 to 73 form part of these accounts.

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Other Comprehensive Net Expenditure

	2021-22 £000	2020-21 £000
Net (gain) / loss on revaluation of property, plant and equipment	(3,331)	(941)
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	(3,331)	(941)
<b>Total comprehensive net expenditure for the year</b>	<b>379,690</b>	<b>355,530</b>

The notes on pages 8 to 73 form part of these accounts.

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**Statement of Financial Position as at 31 March 2022**

		<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
	<b>Notes</b>		
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>93,331</b>	78,394
Intangible assets	12	<b>0</b>	0
Trade and other receivables	15	<b>16,085</b>	14,403
Other financial assets	16	<b>0</b>	0
<b>Total non-current assets</b>		<b>109,416</b>	92,797
<b>Current assets</b>			
Inventories	14	<b>143</b>	159
Trade and other receivables	15	<b>11,959</b>	12,179
Other financial assets	16	<b>0</b>	0
Cash and cash equivalents	17	<b>2,658</b>	2,627
		<b>14,760</b>	14,965
Non-current assets classified as "Held for Sale"	11	<b>0</b>	0
<b>Total current assets</b>		<b>14,760</b>	14,965
<b>Total assets</b>		<b>124,176</b>	107,762
<b>Current liabilities</b>			
Trade and other payables	18	<b>(59,256)</b>	(45,831)
Other financial liabilities	19	<b>0</b>	0
Provisions	20	<b>(1,301)</b>	(3,336)
<b>Total current liabilities</b>		<b>(60,557)</b>	(49,167)
<b>Net current assets/ (liabilities)</b>		<b>(45,797)</b>	(34,202)
<b>Non-current liabilities</b>			
Trade and other payables	18	<b>0</b>	0
Other financial liabilities	19	<b>0</b>	0
Provisions	20	<b>(17,085)</b>	(20,074)
<b>Total non-current liabilities</b>		<b>(17,085)</b>	(20,074)
<b>Total assets employed</b>		<b>46,534</b>	38,521
<b>Financed by :</b>			
<b>Taxpayers' equity</b>			
General Fund		<b>2,153</b>	(2,532)
Revaluation reserve		<b>44,381</b>	41,053
<b>Total taxpayers' equity</b>		<b>46,534</b>	38,521

The financial statements on pages 2 to 7 were approved by the Board on 14th June 2022 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date: 14th June 2022

The notes on pages 8 to 73 form part of these accounts.

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## Statement of Changes in Taxpayers' Equity

### For the year ended 31 March 2022

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

The notes on pages 8 to 73 form part of these accounts.

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## Statement of Changes in Taxpayers' Equity

### For the year ended 31 March 2021

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2020-21</b>			
<b>Balance at 1 April 2020</b>	768	40,113	<b>40,881</b>
Net operating cost for the year	(356,471)		<b>(356,471)</b>
Net gain/(loss) on revaluation of property, plant and equipment	0	941	<b>941</b>
Net gain/(loss) on revaluation of intangible assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of financial assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of assets held for sale	0	0	<b>0</b>
Impairments and reversals	0	0	<b>0</b>
Other reserve movement	0	0	<b>0</b>
Transfers between reserves	0	0	<b>0</b>
Release of reserves to SoCNE	1	(1)	<b>0</b>
Transfers to/from LHBs	0	0	<b>0</b>
<b>Total recognised income and expense for 2020-21</b>	<b>(356,470)</b>	<b>940</b>	<b>(355,530)</b>
Net Welsh Government funding	349,409		<b>349,409</b>
Notional Welsh Government Funding	3,761		<b>3,761</b>
<b>Balance at 31 March 2021</b>	<b>(2,532)</b>	<b>41,053</b>	<b>38,521</b>

The notes on pages 8 to 73 form part of these accounts.

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**Statement of Cash Flows for year ended 31 March 2022**

		<b>2021-22</b>	<b>2020-21</b>
		<b>£000</b>	<b>£000</b>
<b>Cash Flows from operating activities</b>	Notes		
Net operating cost for the financial year		<b>(383,021)</b>	<b>(356,471)</b>
Movements in Working Capital	27	<b>9,755</b>	8,238
Other cash flow adjustments	28	<b>12,864</b>	7,476
Provisions utilised	20	<b>(9,523)</b>	<b>(1,494)</b>
<b>Net cash outflow from operating activities</b>		<b>(369,925)</b>	<b>(342,251)</b>
<b>Cash Flows from investing activities</b>			
Purchase of property, plant and equipment		<b>(13,702)</b>	<b>(5,071)</b>
Proceeds from disposal of property, plant and equipment		<b>19</b>	0
Purchase of intangible assets		<b>0</b>	0
Proceeds from disposal of intangible assets		<b>0</b>	0
Payment for other financial assets		<b>0</b>	0
Proceeds from disposal of other financial assets		<b>0</b>	0
Payment for other assets		<b>0</b>	0
Proceeds from disposal of other assets		<b>0</b>	0
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(13,683)</b>	<b>(5,071)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>(383,608)</b>	<b>(347,322)</b>
<b>Cash Flows from financing activities</b>			
Welsh Government funding (including capital)		<b>383,639</b>	349,409
Capital receipts surrendered		<b>0</b>	0
Capital grants received		<b>0</b>	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		<b>0</b>	0
Cash transferred (to)/ from other NHS bodies		<b>0</b>	0
<b>Net financing</b>		<b>383,639</b>	349,409
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>31</b>	2,087
<b>Cash and cash equivalents (and bank overdrafts) at 1 April 2021</b>		<b>2,627</b>	540
<b>Cash and cash equivalents (and bank overdrafts) at 31 March 2022</b>		<b>2,658</b>	2,627

The notes on pages 8 to 73 form part of these accounts.

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## Notes to the Accounts

### 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2021-22 Manual for Accounts. The accounting policies contained in that manual follow the 2021-22 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except for IFRS 16 Leases, which is deferred until 1 April 2022; 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.

Re: Stella  
06/09/2022 14:08:13

### 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 2017-18 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.

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 therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

### 1.10 Non-current assets held for sale

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

P. J. Stella  
08/09/2022 14:08:13



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

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

#### 1.11.1. The NHS Wales organisation as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the SoCNE.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

#### 1.11.2. The NHS Wales organisation as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Wales organisation net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the NHS Wales organisation's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line 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 on a straight-line basis over the lease term.

### 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 2020-21 and 2019-20. The WRP is hosted by Velindre NHS 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.

06/09/2022 14:08:13  
City Stella

**1.17.1. Financial liabilities are initially recognised at fair value**

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

**1.17.2. Financial liabilities at fair value through the SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

**1.17.3. Other financial liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

**1.18. Value Added Tax (VAT)**

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**1.19. Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

**1.20. Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

**1.21. Losses and Special Payments**

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

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2022 14:08:13

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

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06/19/2022 14:08:13

claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

**1.24.1. Provisions**

The NHS Wales organisation provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

**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;

<b>Remote</b>	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability.
<b>Possible</b>	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision
	Contingent Liability for all other estimated expenditure.	
<b>Probable</b>	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
<b>Certain</b>	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

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06/09/2022 14:08:13

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

### **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.

Within the provisions note (Note 20) the amount relating to permanent injury benefits has been discounted using the PES (2021) Post Employment Benefit Liabilities Real discount rate of -1.30%

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06/09/2022 14:08:13



### 1.26 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

#### 1.26.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

#### 1.26.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

#### 1.26.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

Party Stella  
06/09/2022 14:08:13

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.

### **1.26.3. Lifecycle replacement**

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

### **1.26.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme**

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

### **1.26.5. Other assets contributed by the NHS Wales organisation to the operator**

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

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06/09/2022 14:08:13

**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 16 Leases is to be effective from 1st April 2022.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

**1.30. Accounting standards issued that have been adopted early**

During 2021-22 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

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06/09/2022 14:08:13

organisation has established that as it is the corporate trustee of the linked NHS Charity 'Powys Teaching Local Health Board Charitable Fund and other Related Charties', it is considered for accounting standards compliance to have control of the 'Powys Teaching Local Health Board Charitable Fund and other Related Charties' as a subsidiary and therefore is required to consolidate the results of the 'Powys Teaching Local Health Board Charitable Fund and other Related Charties' 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 'Powys Teaching Local Health Board Charitable Fund and other Related Charties' 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.

Party Stella  
06/09/2022 14:08:13

## 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			
	2019-20 £000	2020-21 £000	2021-22 £000	Total £000
<b>Net operating costs for the year</b>	324,531	356,471	383,021	1,064,023
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,855	1,851	1,355	5,061
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Total operating expenses	326,386	358,322	384,376	1,069,084
Revenue Resource Allocation	326,441	358,465	384,456	1,069,362
<b>Under /(over) spend against Allocation</b>	55	143	80	278

Powys LHB has met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2019-20 to 2021-22.

### 2.2 Capital Resource Performance

	2019-20 £000	2020-21 £000	2021-22 £000	Total £000
<b>Gross capital expenditure</b>	3,373	6,366	15,926	25,665
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	0	0	0	0
Less capital grants received	0	0	0	0
Less donations received	(176)	(13)	0	(189)
Charge against Capital Resource Allocation	3,197	6,353	15,926	25,476
Capital Resource Allocation	3,200	6,380	15,993	25,573
<b>(Over) / Underspend against Capital Resource Allocation</b>	3	27	67	97

Powys LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2019-20 to 2021-22.

Party Stella  
06/09/2022 14:08:13

2.3 Duty to prepare a 3 year integrated plan

Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 when temporary planning arrangements were implemented

As a result the extant planning duty for 2021-22 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

The Powys Teaching Health Board submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval

Status  
Date

Approved  
27/03/2019

The LHB **has** therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2021-22	2020-21
Total number of non-NHS bills paid	47,474	39,764
Total number of non-NHS bills paid within target	41,546	36,993
Percentage of non-NHS bills paid within target	87.5%	93.0%
The LHB <b>has not</b> met the target.		

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06/09/2022 14:08:13

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2021-22 Total £000	2020-21 Total £000
General Medical Services	39,418		39,418	38,623
Pharmaceutical Services	5,054	(2,433)	2,621	2,018
General Dental Services	8,214		8,214	7,782
General Ophthalmic Services	0	1,078	1,078	979
Other Primary Health Care expenditure	1,509		1,509	2,661
Prescribed drugs and appliances	19,549		19,549	20,342
<b>Total</b>	<b>73,744</b>	<b>(1,355)</b>	<b>72,389</b>	<b>72,405</b>

1. General Medical Services includes £636,329 (£515,348 2020/21) of staff related costs in respect of a Health Board managed GP Practice. 2. The negative non cash limited balance on Pharmaceutical services relate to prescriptions for Powys residents being dispensed in non Powys pharmacies. The effect of this is a net outflow for Powys LHB. 3. The decrease in Other Primary Health Care expenditure relates the write back of liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years.

#### 3.2 Expenditure on healthcare from other providers

	2021-22 £000	2020-21 £000
Goods and services from other NHS Wales Health Boards	44,598	40,326
Goods and services from other NHS Wales Trusts	3,592	3,521
Goods and services from Welsh Special Health Authorities	277	0
Goods and services from other non Welsh NHS bodies	67,874	63,330
Goods and services from WHSSC / EASC	44,608	41,429
Local Authorities	6,564	3,729
Voluntary organisations	2,152	2,320
NHS Funded Nursing Care	2,149	2,373
Continuing Care	20,837	15,055
Private providers	513	337
Specific projects funded by the Welsh Government	0	0
Other	1,338	3,554
<b>Total</b>	<b>194,502</b>	<b>175,974</b>

The 7 Health Boards in Wales have established the Welsh Health Specialised Services Commission (WHSSC) which, through the operational management of Cwm Taf Morgannwg University Health Board, secures the provision of highly specialised healthcare for the whole of Wales. These arrangements include funding of services operated through a risk sharing arrangement. The LHB payment for the WHSSC/EASC commissioning arrangements for the year ended 31st March 2022 is £44.608M.

The increase in goods and services from other non Welsh NHS bodies results from increased costs in relation to moving to block payments for contracts with English NHS providers. The most significant increases are Shrewsbury and Telford Hospitals NHS Trust £1.113M and Wye Valley NHS Trust £0.475M in comparison to 2020/21 expenditure. Robert Jones and Agnes Hunt NHS Foundation Trust also increased by £0.456M.

The increase in Local Authorities expenditure during 2021/22 is in relation to payments made to jointly deliver the county effort for the Test, Trace and Protect service for Covid 19 of £4.457M funded by Welsh Government as per Note 34.2.

The increase in Continuing Health Care expenditure during 2021/22 has resulted from an increase in the number of cases and cost per case compared to 2020/21. In addition the LHB made payments under the support for Adult Social Care guidance as instructed by Welsh Government and funded as per detail in Note 34.2.

Other Expenditure includes Integrated Care Fund expenditure of £4.147M (2020/21: £4.065M) 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 2021/22 value of write backs is much more than 2020/21.

**3.3 Expenditure on Hospital and Community Health Services**

	2021-22 £000	2020-21 £000
Directors' costs	1,560	1,486
Operational Staff costs	100,718	94,166
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	5,663	6,287
Supplies and services - general	1,409	1,882
Consultancy Services	505	248
Establishment	1,986	1,826
Transport	1,107	1,164
Premises	8,982	6,795
External Contractors	0	0
Depreciation	4,361	3,921
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	(41)	(334)
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	272	262
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	189	20
Research and Development	0	0
Other operating expenses	5,323	3,000
<b>Total</b>	<b>132,034</b>	<b>120,723</b>

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

	2021-22 £000	2020-21 £000
<b>Increase/(decrease) in provision for future payments:</b>		
Clinical negligence;		
Secondary care	1,938	(15)
Primary care	13	0
Redress Secondary Care	2	14
Redress Primary Care	0	0
Personal injury	695	1,304
All other losses and special payments	38	1
Defence legal fees and other administrative costs	71	116
Gross increase/(decrease) in provision for future payments	2,757	1,420
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	67	(78)
<b>Less: income received/due from Welsh Risk Pool</b>	<b>(2,635)</b>	<b>(1,322)</b>
<b>Total</b>	<b>189</b>	<b>20</b>

	2021-22 £	2020-21 £
Permanent injury included within personal injury £:	(36,697)	48,340

The main increases in staff costs relates to the 2% Pay rise for NHS staff during 2021/22 and the effect of the increase in employer pensions costs payable by 6.3% during the year of £4.064M in comparison to 2020/21 (£3.761M). Full details of the impact of these additional pension costs is provided in detail at note 34.1. The LHB has also incurred additional staff costs in relation to its response effort to Covid 19 pandemic through agency/bank, enhancements, excess hours and additional staff members employed mainly in relation to the Mass Vaccination programme.

Also included in staff costs is a provision for untaken Annual Leave by staff members totalling of £0.878M (£1.721M 2020/21) due to the impact of Covid 19.

Clinical Redress expenditure including defence fees during the year was £0.007M in respect of 28 cases (2020-21 £0.027M in respect of 28 cases). This relates to the movement on provision for claims currently in progress. These are expected to be fully reimbursed by the Welsh Risk Pool should payments be made in respect of the claims. This provision is included within Note 20 of the accounts.

The Movement on Clinical Negligence, Personal Injury and Defence fees links to Note 20 of the accounts and includes the arising in year amounts on these lines offset by the reversed unused amounts of the opening provision.

Decrease on line Supplies & Services - Clinical relates mainly to the accounting required for items received from NHS Wales Shared Services of £1.607M in 2020/21 not repeated in 2021/22 in relation to personal protective equipment, medical equipment and consumables in respect of the Covid 19 pandemic response. This decrease has been offset by an increase in LHB purchased clinical supplies spend in comparison to 2020/21 as covid recovery activities take place.

The increase on line Premises mainly relates to the increase of costs for providing mass vaccination facilities, increased digital related spend and increased energy costs in comparison to 2020/21.

The increase in other operating expenses includes an increase of provision relating to Ex Health Authority early retirement provision of £9.743M (£0.331M 2020/21). This provision has been fully discharged in 2021/22. This provision is included within Note 20 of the accounts. The increase also includes £0.259M increase in expenditure in comparison to 2020/21 linked to Covid, and a negative balance which relates to the write back of liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years.



#### 4. Miscellaneous Income

	2021-22 £000	2020-21 £000
Local Health Boards	2,027	2,114
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	51	57
NHS Wales trusts	67	67
Welsh Special Health Authorities	0	586
Foundation Trusts	0	0
Other NHS England bodies	312	136
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	4,797	4,306
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	996	466
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	68	114
Other income from activities	1,790	1,312
Patient transport services	34	34
Education, training and research	2,554	480
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	0	1,607
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	0	13
Receipt of Government granted assets	0	16
Non-patient care income generation schemes	0	0
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	743	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	71	60
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	101	91
Mortuary fees	16	22
Staff payments for use of cars	0	0
Business Unit	0	0
Scheme Pays Reimbursement Notional	47	0
Other	2,151	1,120
<b>Total</b>	<b>15,825</b>	<b>12,601</b>

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 £4.145M from an amount of £3.998M received in 20/21.

The increase in education, training and research income relates to research income received by the LHB hosted function of Health and Care Research Wales.

The decrease in receipt of NWSSP Covid centrally purchased assets relates to the accounting required for items received from NHS Wales Shared Services Partnership of £1.607M in relation to personal protective equipment, medical equipment and consumables in respect of the Covid 19 pandemic response during 2020/21. No items have been received during 2021/22

Dental fee income has increased in comparison to 2020/21 due to the an increase of volumes of patients treated via the General Dental Services contract in comparison to 2020/21.

**5. Investment Revenue**

	2021-22 £000	2020-21 £000
<b>Rental revenue :</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue :</b>		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**6. Other gains and losses**

	2021-22 £000	2020-21 £000
Gain/(loss) on disposal of property, plant and equipment	19	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
<b>Total</b>	<b>19</b>	<b>0</b>

**7. Finance costs**

	2021-22 £000	2020-21 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>0</b>	<b>0</b>
Provisions unwinding of discount	(60)	(30)
Other finance costs	0	0
<b>Total</b>	<b>(60)</b>	<b>(30)</b>

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## 8. Operating leases

### LHB as lessee

As at 31st March 2022 the LHB had 39 operating leases agreements in place for the leases of premises, 20 arrangement in respect of equipment and 113 in respect of vehicles, with 5 premises, 12 equipment and 14 vehicle leases having expired in year.

<b>Payments recognised as an expense</b>	<b>2021-22</b>	<b>2020-21</b>
	<b>£000</b>	<b>£000</b>
Minimum lease payments	1,035	1,030
Contingent rents	0	0
Sub-lease payments	0	0
<b>Total</b>	<b>1,035</b>	<b>1,030</b>

### **Total future minimum lease payments**

<b>Payable</b>	<b>£000</b>	<b>£000</b>
Not later than one year	786	882
Between one and five years	650	1,080
After 5 years	149	264
<b>Total</b>	<b>1,585</b>	<b>2,226</b>

### LHB as lessor

<b>Rental revenue</b>	<b>£000</b>	<b>£000</b>
Rent	51	346
Contingent rents	0	0
<b>Total revenue rental</b>	<b>51</b>	<b>346</b>

### **Total future minimum lease payments**

<b>Receivable</b>	<b>£000</b>	<b>£000</b>
Not later than one year	48	360
Between one and five years	43	55
After 5 years	48	38
<b>Total</b>	<b>139</b>	<b>453</b>

32/74  
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**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	2020-21
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	73,954	449	10,035	0	0	0	84,438	79,517
Social security costs	6,760	0	0	0	0	0	6,760	5,841
Employer contributions to NHS Pension Scheme	13,340	0	0	0	0	0	13,340	12,345
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
<b>Total</b>	<b>94,054</b>	<b>449</b>	<b>10,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,538</b>	<b>97,703</b>

Charged to capital	483	278
Charged to revenue	104,055	97,425
	<b>104,538</b>	<b>97,703</b>

Net movement in accrued employee benefits (untaken staff leave total accrual included in note above)

	0	0
The net movement in accrued employee benefits footnote above includes Covid 19 Net movement in accrued employee benefits	863	1,721

**9.2 Average number of employees**

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2020-21
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	644	5	3	0	0	0	652	584
Medical and dental	34	1	12	0	0	0	47	44
Nursing, midwifery registered	565	0	32	0	0	0	597	578
Professional, Scientific, and technical staff	73	0	9	0	0	0	82	76
Additional Clinical Services	383	0	19	0	0	0	402	355
Allied Health Professions	134	0	8	0	0	0	142	138
Healthcare Scientists	5	0	0	0	0	0	5	4
Estates and Ancillary	175	0	1	0	0	0	176	167
Students	0	0	0	0	0	0	0	9
<b>Total</b>	<b>2,013</b>	<b>6</b>	<b>84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,103</b>	<b>1,955</b>

**9.3. Retirements due to ill-health**

	2021-22	2020-21
Number	3	2
Estimated additional pension costs £	48,847	48,654

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

**9.4 Employee benefits**

The LHB does not have an employee benefit scheme.

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06/09/2022 14:08:13

## 9.5 Reporting of other compensation schemes - exit packages

	2021-22	2021-22	2021-22	2021-22	2020-21
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	1	1	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	1	1	0	0

	2021-22	2021-22	2021-22	2021-22	2020-21
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	6,000	6,000	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	6,000	6,000	0	0

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2021-22	2020-21
	£	£
Exit costs paid in year	6,000	0
Total	6,000	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Party: Stella  
06/09/2022 14:08:13

## 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. The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required.

	2021-22 £000 Chief Executive	2021-22 £000 Employee	2021-22 £000 Ratio	2020-21 £000 Chief Executive	2020-21 £000 Employee	2020-21 £000 Ratio
<b>Total pay and benefits</b>						
25th percentile pay ratio	177	22	8.0:1	172	23	7.5:1
Median pay	177	32	5.5:1	172	30	5.7:1
75th percentile pay ratio	177	41	4.3:1	172	39	4.4:1
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	177	22	8.0:1	172	23	7.5:1
Median pay	177	32	5.5:1	172	30	5.7:1
75th percentile pay ratio	177	41	4.3:1	172	39	4.4:1
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
<b>Total pay and benefits</b>						
25th percentile pay ratio	177	22	8.0:1	172	23	7.5:1
Median pay	177	32	5.5:1	172	30	5.7:1
75th percentile pay ratio	177	41	4.3:1	172	39	4.4:1
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	177	22	8.0:1	172	23	7.5:1
Median pay	177	32	5.5:1	172	30	5.7:1
75th percentile pay ratio	177	41	4.3:1	172	39	4.4:1

In 2021-22, 2 (2020-21, 3) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18,576 to £188,839 (2020-21, £18,185 to £192,939).

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	2020-21 to 2021-22 %	2019-20 to 2020-21 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	3	3
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	3	3
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	5	2
Performance pay and bonuses	0	0

Party Stella  
06/09/2022 14:08:13

## PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

Party: Stella  
06/09/2022 14:08:13

HMT published valuation directions dated 7 October 2021 (see [Amending Directions 2021](#)) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

### **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 £50,000 for the 2021-2022 tax year (2020-2021 £6,240 and £50,000).

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

Party Stella  
06/09/2022 14:08:13



## 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.

	2021-22 Number	2021-22 £000	2020-21 Number	2020-21 £000
<b>NHS</b>				
Total bills paid	1,684	164,059	2,279	153,467
Total bills paid within target	1,153	154,222	1,712	147,999
Percentage of bills paid within target	68.5%	94.0%	75.1%	96.4%
<b>Non-NHS</b>				
Total bills paid	47,474	105,864	39,764	84,810
Total bills paid within target	41,546	101,902	36,993	82,029
Percentage of bills paid within target	87.5%	96.3%	93.0%	96.7%
<b>Total</b>				
Total bills paid	49,158	269,923	42,043	238,277
Total bills paid within target	42,699	256,124	38,705	230,028
Percentage of bills paid within target	86.9%	94.9%	92.1%	96.5%

The LHB performance at 87.5% has not met the administrative target of payment 95% of the number of non-nhs creditors paid within 30 days.

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

	2021-22 £	2020-21 £
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
<b>Total</b>	<b>0</b>	<b>0</b>

Paul Stella  
08/09/2022 14:08:13

## 11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2021</b>	14,026	64,084	689	4,745	7,408	424	5,663	0	97,039
Indexation	283	2,454	33	0	0	0	0	0	2,770
Additions									
- purchased	68	3,162	0	9,452	1,414	0	1,830	0	15,926
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,532	0	(1,532)	0	0	0	0	0
Revaluations	0	(241)	0	0	0	0	0	0	(241)
Reversal of impairments	0	568	0	0	0	0	0	0	568
Impairments	0	(527)	0	0	0	0	0	0	(527)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(284)	0	0	0	(284)
<b>At 31 March 2022</b>	<b>14,377</b>	<b>71,032</b>	<b>722</b>	<b>12,665</b>	<b>8,538</b>	<b>424</b>	<b>7,493</b>	<b>0</b>	<b>115,251</b>
<b>Depreciation at 1 April 2021</b>	0	9,025	98	0	5,441	223	3,858	0	18,645
Indexation	0	426	5	0	0	0	0	0	431
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,233)	0	0	0	0	0	0	(1,233)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(284)	0	0	0	(284)
Provided during the year	0	2,886	29	0	748	61	637	0	4,361
<b>At 31 March 2022</b>	<b>0</b>	<b>11,104</b>	<b>132</b>	<b>0</b>	<b>5,905</b>	<b>284</b>	<b>4,495</b>	<b>0</b>	<b>21,920</b>
<b>Net book value at 1 April 2021</b>	<b>14,026</b>	<b>55,059</b>	<b>591</b>	<b>4,745</b>	<b>1,967</b>	<b>201</b>	<b>1,805</b>	<b>0</b>	<b>78,394</b>
<b>Net book value at 31 March 2022</b>	<b>14,377</b>	<b>59,928</b>	<b>590</b>	<b>12,665</b>	<b>2,633</b>	<b>140</b>	<b>2,998</b>	<b>0</b>	<b>93,331</b>
<b>Net book value at 31 March 2022 comprises :</b>									
Purchased	14,377	57,126	590	12,665	2,557	140	2,998	0	90,453
Donated	0	2,802	0	0	76	0	0	0	2,878
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2022</b>	<b>14,377</b>	<b>59,928</b>	<b>590</b>	<b>12,665</b>	<b>2,633</b>	<b>140</b>	<b>2,998</b>	<b>0</b>	<b>93,331</b>
<b>Asset financing :</b>									
Owned	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2022</b>	<b>14,377</b>	<b>59,928</b>	<b>590</b>	<b>12,665</b>	<b>2,633</b>	<b>140</b>	<b>2,998</b>	<b>0</b>	<b>93,331</b>

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000
Freehold	74,895
Long Leasehold	0
Short Leasehold	0
	<b>74,895</b>

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the 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.

Party: Stella  
06/09/2022 14:08:13

## 11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2020</b>	14,309	59,194	670	2,742	6,998	499	5,001	0	89,413
Indexation	(283)	1,390	19	0	0	0	0	0	1,126
Additions									
- purchased	0	3,041	0	2,128	522	0	662	0	6,353
- donated	0	0	0	0	13	0	0	0	13
- 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	125	0	(125)	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	334	0	0	0	0	0	0	334
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	(125)	(75)	0	0	(200)
<b>At 31 March 2021</b>	<b>14,026</b>	<b>64,084</b>	<b>689</b>	<b>4,745</b>	<b>7,408</b>	<b>424</b>	<b>5,663</b>	<b>0</b>	<b>97,039</b>
<b>Depreciation at 1 April 2020</b>	0	6,290	68	0	4,825	234	3,322	0	14,739
Indexation	0	183	2	0	0	0	0	0	185
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	0	0	0	(125)	(75)	0	0	(200)
Provided during the year	0	2,552	28	0	741	64	536	0	3,921
<b>At 31 March 2021</b>	<b>0</b>	<b>9,025</b>	<b>98</b>	<b>0</b>	<b>5,441</b>	<b>223</b>	<b>3,858</b>	<b>0</b>	<b>18,645</b>
<b>Net book value at 1 April 2020</b>	<b>14,309</b>	<b>52,904</b>	<b>602</b>	<b>2,742</b>	<b>2,173</b>	<b>265</b>	<b>1,679</b>	<b>0</b>	<b>74,674</b>
<b>Net book value at 31 March 2021</b>	<b>14,026</b>	<b>55,059</b>	<b>591</b>	<b>4,745</b>	<b>1,967</b>	<b>201</b>	<b>1,805</b>	<b>0</b>	<b>78,394</b>
<b>Net book value at 31 March 2021 comprises :</b>									
Purchased	14,026	52,255	591	4,745	1,858	201	1,805	0	75,481
Donated	0	2,804	0	0	109	0	0	0	2,913
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2021</b>	<b>14,026</b>	<b>55,059</b>	<b>591</b>	<b>4,745</b>	<b>1,967</b>	<b>201</b>	<b>1,805</b>	<b>0</b>	<b>78,394</b>
<b>Asset financing :</b>									
Owned	14,026	55,059	591	4,745	1,967	201	1,805	0	78,394
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2021</b>	<b>14,026</b>	<b>55,059</b>	<b>591</b>	<b>4,745</b>	<b>1,967</b>	<b>201</b>	<b>1,805</b>	<b>0</b>	<b>78,394</b>

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	69,676
Long Leasehold	0
Short Leasehold	0
	<b>69,676</b>

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the 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.

Party: Stella  
06/09/2022 14:08:13

**11. Property, plant and equipment (continued)****Disclosures:****i) Donated Assets**

Powys LHB has not received donated assets during the year.

**ii) Valuations**

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the 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.

**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.

vi) The LHB does not hold any property where the value is materially different from its open market value.

**vii) Assets Held for Sale or sold in the period.**

There are not assets held for sale or sold in the period.

Party Stella  
06/09/2022 14:08:13

**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
<b>Balance brought forward 1 April 2021</b>	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
<b>Balance carried forward 31 March 2022</b>	0	0	0	0	0	0
<b>Balance brought forward 1 April 2020</b>	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
<b>Balance carried forward 31 March 2021</b>	0	0	0	0	0	0

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 06/09/2022 14:08:13

## 12. Intangible non-current assets

### 2021-22

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2021</b>	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
<b>Gross cost at 31 March 2022</b>	0	0	0	0	0	0
<b>Amortisation at 1 April 2021</b>	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
<b>Amortisation at 31 March 2022</b>	0	0	0	0	0	0
<b>Net book value at 1 April 2021</b>	0	0	0	0	0	0
<b>Net book value at 31 March 2022</b>	0	0	0	0	0	0
<b>At 31 March 2022</b>						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
<b>Total at 31 March 2022</b>	0	0	0	0	0	0

Party: Stella  
 06/09/2022 14:08:13

## 12. Intangible non-current assets

### 2020-21

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2020</b>	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
<b>Gross cost at 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Amortisation at 1 April 2020</b>	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
<b>Amortisation at 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book value at 1 April 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book value at 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 31 March 2021</b>						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
<b>Total at 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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06/09/2022 14:08:13

**Additional Disclosures re Intangible Assets**

The LHB does not hold any Intangible Assets

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06/09/2022 14:08:13



**13 . Impairments**

	2021-22	2021-22	2020-21	2020-21
	Property, plant	Intangible	Property, plant	Intangible
	& equipment	assets	& equipment	assets
	£000	£000	£000	£000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Others (specify)	527	0	(334)	0
Reversal of Impairments	(568)	0	0	0
<b>Total of all impairments</b>	<b>(41)</b>	<b>0</b>	<b>(334)</b>	<b>0</b>

**Analysis of impairments charged to reserves in year :**

Charged to the Statement of Comprehensive Net Expenditure	(41)	0	(334)	0
Charged to Revaluation Reserve	0	0	0	0
	<b>(41)</b>	<b>0</b>	<b>(334)</b>	<b>0</b>

There is a reversal of impairment of £0.568M which has occurred as a result of an increase arising on revaluations due to indexation that reversed an impairment for the same assets previously recognised as impairments in expenditure. In this case it is credited to expenditure to the extent of the decrease previously charged there.

Within the healthcare segment of the LHB, there are two downward impairments in year totalling £0.527M charged to the statement of Comprehensive Net Expenditure. This is as a result of the initial valuation for the bringing into use the Health and Care Academy Phase 1 at Bronllys Hospital (0.525M) and a smaller impairment in relation to upgrade of roof works at Ystradgynlais Hospital on the donated element of the building (0.002M).

Impairment funding to cover adjustments required is provided to the LHB by Welsh Government on an annual basis

Parry Stella  
06/09/2022 14:08:13

14.1 Inventories

	31 March 2022 £000	31 March 2021 £000
Drugs	99	89
Consumables	24	52
Energy	2	4
Work in progress	0	0
Other	18	14
<b>Total</b>	<b>143</b>	<b>159</b>
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2022 £000	31 March 2021 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Parry Stella  
06/09/2022 14:08:13

**15. Trade and other Receivables**

<b>Current</b>	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
Welsh Government	6,860	3,235
WHSSC / EASC	539	493
Welsh Health Boards	365	212
Welsh NHS Trusts	612	441
Welsh Special Health Authorities	255	20
Non - Welsh Trusts	241	83
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	47	0
<b>Welsh Risk Pool Claim reimbursement</b>		
NHS Wales Secondary Health Sector	1,131	2,624
NHS Wales Primary Sector FLS Reimbursement	24	0
NHS Wales Redress	131	195
Other	0	0
Local Authorities	825	533
Capital debtors - Tangible	7	7
Capital debtors - Intangible	0	0
Other debtors	976	3,945
Provision for irrecoverable debts	(383)	(316)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	329	707
Other accrued income	0	0
<b>Sub total</b>	<b>11,959</b>	<b>12,179</b>
<b>Non-current</b>		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
<b>Welsh Risk Pool Claim reimbursement;</b>		
NHS Wales Secondary Health Sector	16,085	14,403
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
<b>Sub total</b>	<b>16,085</b>	<b>14,403</b>
<b>Total</b>	<b>28,044</b>	<b>26,582</b>

**15. Trade and other Receivables (continued)****Receivables past their due date but not impaired**

	31 March 2022 £000	31 March 2021 £000
By up to three months	128	90
By three to six months	81	43
By more than six months	364	220
	<b>573</b>	<b>353</b>

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

Balance at 1 April	(316)	(394)
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	67	168
(Increase) / decrease in receivables impaired	(134)	(90)
Bad debts recovered during year	0	0
Balance at 31 March	<b>(383)</b>	<b>(316)</b>

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	<b>0</b>	<b>0</b>

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06/09/2022 14:08:13

**16. Other Financial Assets**

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Financial assets</b>				
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)				
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**17. Cash and cash equivalents**

	2021-22	2020-21
	£000	£000
Balance at 1 April	2,627	540
Net change in cash and cash equivalent balances	31	2,087
Balance at 31 March	<b>2,658</b>	<b>2,627</b>
Made up of:		
Cash held at GBS	2,453	2,544
Commercial banks	202	79
Cash in hand	3	4
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>2,658</b>	<b>2,627</b>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>2,658</b>	<b>2,627</b>

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 06/09/2022 14:08:13

**18. Trade and other payables**

<b>Current</b>	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
Welsh Government	0	0
WHSSC / EASC	389	346
Welsh Health Boards	2,649	1,727
Welsh NHS Trusts	772	669
Welsh Special Health Authorities	96	0
Other NHS	2,115	4,126
Taxation and social security payable / refunds	108	647
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	963
Non-NHS payables - Revenue	3,803	3,305
Local Authorities	5,145	6,902
Capital payables- Tangible	4,720	2,496
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	7,826	1,261
Non NHS Accruals	29,635	22,646
Deferred Income:		
Deferred Income brought forward	743	0
Deferred Income Additions	1,997	743
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(743)	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>59,256</b>	<b>45,831</b>
<b>Non-current</b>		
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
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>59,256</b>	<b>45,831</b>

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 2022 £000	31 March 2021 £000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	<u>0</u>	<u>0</u>

**19. Other financial liabilities**

Financial liabilities	Current		Non-current	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £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
<b>Total</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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 06/09/2022 14:08:13

## 20. Provisions

	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	107	0	0	0	168	(72)	(80)	0	123
Primary care	0	0	0	0	13	(13)	0	0	0
Redress Secondary care	116	0	0	0	47	(40)	(45)	0	78
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,296	0	0	150	867	(2,196)	(111)	(10)	996
All other losses and special payments	0	0	0	0	38	(38)	0	0	0
Defence legal fees and other administration	126	0	0	9	86	(122)	(34)		65
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	627			0	0	(627)	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	64		0	0	20	(34)	(11)		39
<b>Total</b>	<b>3,336</b>	<b>0</b>	<b>0</b>	<b>159</b>	<b>1,239</b>	<b>(3,142)</b>	<b>(281)</b>	<b>(10)</b>	<b>1,301</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	14,259	0	0	0	1,850	(90)	0	0	16,019
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,132	0	0	(150)	0	0	(61)	0	921
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	90	0	0	(9)	37	(2)	(18)		98
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,593			0	1,885	(6,289)	(140)	(49)	0
2019-20 Scheme Pays - Reimbursement	0			0	47	0	0	0	47
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>20,074</b>	<b>0</b>	<b>0</b>	<b>(159)</b>	<b>3,819</b>	<b>(6,381)</b>	<b>(219)</b>	<b>(49)</b>	<b>17,085</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	14,366	0	0	0	2,018	(162)	(80)	0	16,142
Primary care	0	0	0	0	13	(13)	0	0	0
Redress Secondary care	116	0	0	0	47	(40)	(45)	0	78
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,428	0	0	0	867	(2,196)	(172)	(10)	1,917
All other losses and special payments	0	0	0	0	38	(38)	0	0	0
Defence legal fees and other administration	216	0	0	0	123	(124)	(52)		163
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	5,220			0	1,885	(6,916)	(140)	(49)	0
2019-20 Scheme Pays - Reimbursement	0			0	47	0	0	0	47
Restructuring	0			0	0	0	0	0	0
Other	64		0	0	20	(34)	(11)		39
<b>Total</b>	<b>23,410</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,058</b>	<b>(9,523)</b>	<b>(500)</b>	<b>(59)</b>	<b>18,386</b>

## Expected timing of cash flows:

	In year to 31 March 2023	Between 1 April 2023 31 March 2027	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	123	16,019	0	16,142
Primary care	0	0	0	0
Redress Secondary care	78	0	0	78
Redress Primary care	0	0	0	0
Personal injury	996	290	631	1,917
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	65	98	0	163
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	3	44	47
Restructuring	0	0	0	0
Other	39	0	0	39
<b>Total</b>	<b>1,301</b>	<b>16,410</b>	<b>675</b>	<b>18,386</b>

The LHB estimates that in 2022/23 it will receive £1.286M and in 2023-24 and beyond £16.085M from the Welsh Risk Pool in respect of Losses and Special Payments.

£15.297M (2020/21: £16.803M) 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.

Also included within 'other' at 31st March 2022 is £0.039M relating to retrospective continuing health care claims (2020/21 £0.064M).

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 2022 is £0.078M including defence costs (2020/21: £0.146M) and all payments are expected to be fully reimbursed from the Welsh Risk Pool.

During the year the LHB has discharged in full, the provision for pensions relating to other staff which was in respect of Ex Health Authority members of staff. The LHB receives funding from Welsh Government for this provision as required, therefore it is resource neutral to the THB.

A new provision during the year is an amount of £0.047M in respect of 2019-20 Scheme Pays - Reimbursement. The discharge of this provision will be funded by Welsh Government.



## 20. Provisions (continued)

	At 1 April 2020	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 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	477	0	0	168	17	(523)	(32)	0	107
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	107	0	0	0	49	(5)	(35)	0	116
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,087	0	0	(37)	1,605	(261)	(92)	(6)	2,296
All other losses and special payments	0	0	0	0	1	(1)	0	0	0
Defence legal fees and other administration	86	0	0	16	88	(52)	(12)		126
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	652			289	622	(621)	(291)	(24)	627
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	52		0	0	49	(31)	(6)		64
<b>Total</b>	<b>2,461</b>	<b>0</b>	<b>0</b>	<b>436</b>	<b>2,431</b>	<b>(1,494)</b>	<b>(468)</b>	<b>(30)</b>	<b>3,336</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	14,427	0	0	(168)	0	0	0	0	14,259
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,304	0	0	37	0	0	(209)	0	1,132
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	66	0	0	(16)	40	0	0		90
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,882			(289)	0	0	0	0	4,593
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>20,679</b>	<b>0</b>	<b>0</b>	<b>(436)</b>	<b>40</b>	<b>0</b>	<b>(209)</b>	<b>0</b>	<b>20,074</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	14,904	0	0	0	17	(523)	(32)	0	14,366
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	107	0	0	0	49	(5)	(35)	0	116
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,391	0	0	0	1,605	(261)	(301)	(6)	3,428
All other losses and special payments	0	0	0	0	1	(1)	0	0	0
Defence legal fees and other administration	152	0	0	0	128	(52)	(12)		216
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	5,534			0	622	(621)	(291)	(24)	5,220
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	52		0	0	49	(31)	(6)		64
<b>Total</b>	<b>23,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,471</b>	<b>(1,494)</b>	<b>(677)</b>	<b>(30)</b>	<b>23,410</b>

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06/09/2022 14:08:13

## 21. Contingencies

### 21.1 Contingent liabilities

	2021-22 £'000	2020-21 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	1,059	17,205
Primary care	252	0
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	1,311	17,205
Amounts (recovered) in the event of claims being successful	(884)	(16,971)
<b>Net contingent liability</b>	<b>427</b>	<b>234</b>

**Legal Claims for alleged medical or employer negligence:** £0.341M of the £1.311M 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). £0.718M of the £1.311M relates to Powys LHB cases. Legal advice has established that these claims are not likely to result in payments. In the unlikely event that amounts are payable, all payments over a threshold of £0.025M will be reimbursed to Powys LHB by the Welsh Risk Pool. There is one case relating to former Health Authorities in respect of Personal Injury that has been re-opened but there is no reliable estimate of future damages/probability of a successful claim at 31st March 2022.

**Employment Tribunal:** There is an ongoing Employment Tribunal that is due to be heard in July 2022 but at this stage there is no claim or basis for any financial provision or inclusion other than legal costs to date as included in the financial statements. Any potential financial impact of this claim cannot be estimated with certainty therefore no contingent liability amount is included in the figures above

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06/09/2022 14:08:13

**21.2 Remote Contingent liabilities**

	2021-22 £000	2020-21 £000
Guarantees	0	0
Indemnities	0	10
Letters of Comfort	0	0
<b>Total</b>	<b>0</b>	<b>10</b>

**21.3 Contingent assets**

	2021-22 £000	2020-21 £000
Please give details	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**22. Capital commitments****Contracted capital commitments at 31 March**

	2021-22 £000	2020-21 £000
Property, plant and equipment	8,283	653
Intangible assets	0	0
<b>Total</b>	<b>8,283</b>	<b>653</b>

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### 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are reorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

#### Gross loss to the Exchequer

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

	Amounts paid out during period to 31 March 2022	
	Number	£
Clinical negligence	67	259,858
Personal injury	57	2,203,431
All other losses and special payments	6	38,388
<b>Total</b>	<b>130</b>	<b>2,501,677</b>

#### Analysis of cases in excess of £300,000

	Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
		Number	£	Number	£
Cases in excess of £300,000:	CN			MN/030/0071/RG	14,701,900
	CN			MN/030/0623/GAK	384,128
	CN			MN/030/0644/ALF	2,221,366
	PI	PI/030/1419/AH	370,381	PI/030/1419/AH	375,441
	PI	PI/030/1435/AH	332,862	PI/030/1435/AH	332,912
	PI	PI/030/1377/AH	490,468	PI/030/1377/AH	494,198
	PI			PI/030/1447/AH	310,433

Sub-total	0	1,193,711	0	18,820,378
All other cases	0	1,307,966	0	1,384,829
<b>Total cases</b>	<b>0</b>	<b>2,501,677</b>	<b>0</b>	<b>20,205,207</b>

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**24. Finance leases****24.1 Finance leases obligations (as lessee)**

The Local Health Board has no finance leases receivable as a lessee.

**Amounts payable under finance leases:**

<b>Land</b>	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Minimum lease payments</b>		
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
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>
<b>Included in:</b>		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
<b>Included in:</b>		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

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06/09/2022 14:08:13

**24.1 Finance leases obligations (as lessee) continued****Amounts payable under finance leases:****Buildings**

	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Minimum lease payments</b>		
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
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

**Present value of minimum lease payments**

Within one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

**Other**

	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Minimum lease payments</b>		
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
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

**Present value of minimum lease payments**

Within one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

Party: Stella  
06/09/2022 14:08:13

**24.2 Finance leases obligations (as lessor) continued**

The Local Health Board has no finance leases receivable as a lessor.

**Amounts receivable under finance leases:**

	<b>31 March 2022 £000</b>	31 March 2021 £000
<b>Gross Investment in leases</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>

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06/09/2022 14:08:13

## 25. Private Finance Initiative contracts

### 25.1 PFI schemes off-Statement of Financial Position

The LHB has no PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts 31 March 2022 £000	Off-SoFP PFI contracts 31 March 2021 £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 LHB has no Private Finance Initiatives in operation

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

	On SoFP PFI Capital element 31 March 2022 £000	On SoFP PFI Imputed interest 31 March 2022 £000	On SoFP PFI Service charges 31 March 2022 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	0	0	0

	On SoFP PFI Capital element 31 March 2021 £000	On SoFP PFI Imputed interest 31 March 2021 £000	On SoFP PFI Service charges 31 March 2021 £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

31/03/2022  
£000  
0

Total present value of obligations for on-SoFP PFI contracts



**25.3 Charges to expenditure**

	<b>2021-22</b>	2020-21
	<b>£000</b>	£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	<u>0</u>	<u>0</u>

The LHB is committed to the following annual charges

**PFI scheme expiry date:**

	<b>£000</b>	£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
<b>Total</b>	<u>0</u>	<u>0</u>

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**

	<b>Number of on SoFP PFI contracts</b>	<b>Number of off SoFP PFI contracts</b>
Number of PFI contracts	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

**On / Off-  
statement  
of financial  
position**

**PFI Contract**

Number of PFI contracts which individually have a total commitment > £500m

0

**PFI Contract****25.5 The LHB has no Public Private Partnerships**

Party: Stella  
06/09/2022 14:08:13

**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.

Parry Stella  
06/09/2022 14:08:13

## 27. Movements in working capital

	2021-22 £000	2020-21 £000
(Increase)/decrease in inventories	16	(3)
(Increase)/decrease in trade and other receivables - non-current	(1,682)	388
(Increase)/decrease in trade and other receivables - current	220	(3,155)
Increase/(decrease) in trade and other payables - non-current	0	0
Increase/(decrease) in trade and other payables - current	13,425	10,667
<b>Total</b>	<b>11,979</b>	<b>7,897</b>
Adjustment for accrual movements in fixed assets - creditors	(2,224)	(1,076)
Adjustment for accrual movements in fixed assets - debtors	0	(206)
Other adjustments	0	1,623
	<b>9,755</b>	<b>8,238</b>

## 28. Other cash flow adjustments

	2021-22 £000	2020-21 £000
Depreciation	4,361	3,921
Amortisation	0	0
(Gains)/Loss on Disposal	(19)	0
Impairments and reversals	(41)	(334)
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	(1,607)
Donated assets received credited to revenue but non-cash	0	(13)
Government Grant assets received credited to revenue but non-cash	0	(16)
Non-cash movements in provisions	4,499	1,764
Other movements	4,064	3,761
<b>Total</b>	<b>12,864</b>	<b>7,476</b>

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06/09/2022 14:08:13

## 29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 15th June 2022, the date they were certified by the Auditor General for Wales.

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06/09/2022 14:08:13

### 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	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	5	390,998	2	6,860
Aneurin Bevan University Health Board	16,831	506	999	36
Betsi Cadwaladr University Health Board	5,519	489	722	76
Cardiff & Vale University Health Board	2,634	39	44	177
Cwm Taf Morgannwg University Health Board	3,424	20	260	7
Hywel Dda University Local Health Board	8,957	266	285	35
Swansea Bay University Health Board	9,963	1,282	339	34
Public Health Wales NHS Trust	480	871	137	181
Velindre University NHS Trust (inc. WRP)	3,358	780	610	602
Welsh Ambulance Services Trust	1,497	52	25	0
Welsh Health Specialised Services Committee	44,608	55	389	539
Health Education and Improvement Wales (HEIW)	0	696	0	38
Digital Health and Care Wales (DHCW)	1,369	516	96	217
Powys County Council	16,124	1,902	5,145	825
PAVO - Powys Association of Voluntary Organisations	1,119	0	0	0
NHS Confederation	40	0	0	0
Neath Port Talbot College Group	5	0	0	0

115,933	398,472	9,053	9,627
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Powys LHB has hosted the following functions on behalf of NHS Wales on which it receives income from the Welsh Government and other LHB's:

- Residual Clinical Negligence
- Community Health Councils
- Health and Care Research Wales (HCRW)

Powys LHB also has material transactions with English NHS Trusts with whom it commissions healthcare including:

- Shrewsbury and Telford NHS Trust
- Wye Valley NHS Trust
- The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

Powys LHB has also received items donated from the Powys LHB Charitable Fund, for which the Board is the Corporate Trustee.

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Interests
Professor Vivienne Harpwood	Chair	Chair of the Welsh NHS Confederation
Professor Vivienne Harpwood	Chair	Independent Member and Trustee of the Welsh NHS Confederation
Professor Vivienne Harpwood	Chair	Chair of the WHSSC IPFR Committee
Councillor Matthew Dorrance	Independent Member	Councillor, Powys County Council
Councillor Matthew Dorrance	Independent Member	Work at Welsh Parliament
Patricia Buchan	Independent Member	Ex Officio Trustee - Powys Association of Voluntary Organisations
Dr Kate Wright	Medical Director	Employee of Aneurin Bevan University Health Board (Until November 2021)
Ian Phillips	Independent Member	Independent Member, WHSSC Joint Committee
Ian Phillips	Independent Member	Independent Member, WHSSC Integrated Governance Committee
Rhobert Lewis	Independent Member	Governor, Corporation Board of Neath Port Talbot College Group
Rhobert Lewis	Independent Member	Welsh Government member of Powys Community Health Council

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06/09/2022 14:08:13

### 31. Third Party assets

The LHB held £200 cash at bank and in hand at 31 March 2022 (31st March 2021, £200) which relates to monies held by the LHB on behalf of patients. This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

None of this cash was held in Patients' Investment Accounts in either 2021-22 or 2020-21.

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06/09/2022 14:08:13

**32. Pooled budgets****A Funded Nursing Care**

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the Health Act 1999. The health related function which is subject to these arrangements is the provision of care by a registered nurse in care homes, which is a service provided by the NHS Body under section 2 of the National Health Service Act 1977. In accordance with the Social Care Act 2001 Section 49 care from a registered nurse is funded by the NHS regardless of the setting in which it is delivered. ( Circular 12/2003)

The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations. The partnership agreement operates in accordance with the Welsh Government Guidance NHS Funded Nursing Care 2004.

	Funding	Expenditure	Total
	£	£	£
<b>Gross Funding</b>			
Powys Teaching Health Board	2,108,424		2,108,424
<b>Total Funding</b>	2,108,424		2,108,424
<b>Expenditure</b>			
Monies spent in accordance with			
Pooled budget arrangement		1,960,007	1,960,007
<b>Total Expenditure</b>		1,960,007	1,960,007
<b>Net under/(over) spend</b>			148,417
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

**B Provision of Community Equipment**

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of community equipment in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. The purpose of the agreement is to facilitate the provision of a community equipment service and the development of this service in Powys. The service is provided from a pooled fund and is within the THB's and the Council's powers.

	Funding	Expenditure	Total
	£	£	£
<b>Gross Funding</b>			
Powys County Council	521,000		521,000
Powys Teaching Health Board	521,000		521,000
<b>Total Funding</b>	1,042,000		1,042,000
<b>Expenditure</b>			
Monies spent in accordance with			
Pooled budget arrangement		1,293,354	1,293,354
<b>Total Expenditure</b>		1,293,354	1,293,354
<b>Net under/(over) spend</b>			(251,354)
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

**C Provision of Section 33 Joint Agreement for the provision of IT Services**

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.

The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations.

Powys County Council is the lead commissioner and the host partner for the purposes of the regulations.

The purpose of the agreement is to facilitate the provision of ICT services within Powys.

	Funding	Net Expenditure	Total
	£	£	£
<b>Gross Funding</b>			
Powys County Council	1,234,010		1,234,010
Powys Teaching Health Board	828,850		828,850
<b>Total Funding</b>	2,062,860		2,062,860
<b>Net Expenditure</b>			
Monies spent in accordance with Pooled budget arrangement			
<b>Expenditure</b>		3,254,975	3,254,975
<b>Income</b>		(1,274,792)	(1,274,792)
<b>Total Expenditure</b>			1,980,183
<b>Net under/(over) spend</b>			82,677
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

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06/09/2022 14:08:13

**32. Pooled budgets****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 £
<b>Gross Funding</b>			
Powys County Council	413,380		413,380
Powys Teaching Health Board	827,987		827,987
<b>Total Funding</b>	<b>1,241,367</b>		<b>1,241,367</b>
<b>Expenditure</b>			
Monies spent in accordance with Pooled budget arrangement		1,241,536	1,241,536
<b>Total Expenditure</b>		<b>1,241,536</b>	<b>1,241,536</b>
<b>Net under/(over) spend</b>			<b>(169)</b>
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

**E Provision of Section 33 Joint Agreement for the provision of Tier 2/3 Psycho-social Treatment Services**

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations. The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations. The purpose of the agreement is to provide a Tier 2 and 3 service provision for drug and alcohol users and their concerned others.

	Funding £	Expenditure £	Total £
<b>Gross Funding</b>			
Powys County Council	669,912		669,912
Powys Teaching Health Board	121,864		121,864
<b>Total Funding</b>	<b>791,776</b>		<b>791,776</b>
<b>Expenditure</b>			
Monies spent in accordance with Joint Arrangement		791,776	791,776
<b>Total Expenditure</b>		<b>791,776</b>	<b>791,776</b>
<b>Net under/(over) spend</b>			<b>0</b>
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

**F Provision of Section 33 Joint Agreement for the provision of Personal Care at Glan Irfon Integrated Health and Social Care Unit, Builth Wells**

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement to enable the use of resources relating to the Inpatient Services at the Glan Irfon Health and Social Centre, Builth Wells. This agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.

The purpose of the agreement is to facilitate the provision of person centred care at Glan Irfon, for 12 residents within the short stay shared care reablement unit with in-reach clinical, nursing and reablement support (registered under CSSIW for Residential Care).

	Funding £	Expenditure £	Total £
<b>Gross Funding</b>			
Powys County Council	252,113		252,113
Powys Teaching Health Board	252,113		252,113
<b>Total Funding</b>	<b>504,226</b>		<b>504,226</b>
<b>Expenditure</b>			
Monies spent in accordance with Pooled budget arrangement		504,226	504,226
<b>Total Expenditure</b>		<b>504,226</b>	<b>504,226</b>
<b>Net under/(over) spend</b>			<b>0</b>
The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).			

Party: Stella  
06/09/2022 14:08:13



### 33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

		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
	<b>Note</b>						
Expenditure on Primary Healthcare Services	3.1	72,389	0	0	0	0	72,389
Expenditure on healthcare from other providers	3.2	191,784	0	0	2,718	0	194,502
Expenditure on Hospital and Community Health Services	3.3	122,592	25	4,562	4,855	(75)	131,959
		<b>386,765</b>	<b>25</b>	<b>4,562</b>	<b>7,573</b>	<b>(75)</b>	<b>398,850</b>
Less: Miscellaneous Income	4	8,461	0	0	7,364	(75)	15,750
<b>THB net operating costs before interest and other gains and losses</b>		<b>378,304</b>	<b>25</b>	<b>4,562</b>	<b>209</b>	<b>0</b>	<b>383,100</b>
Investment Income	5	0	0	0	0	0	0
Other (Gains) / Losses	6	(19)	0	0	0	0	(19)
Finance costs	7	(61)	0	1	0	0	(60)
<b>THB Net Operating Costs</b>		<b>378,224</b>	<b>25</b>	<b>4,563</b>	<b>209</b>	<b>0</b>	<b>383,021</b>
Add Non Discretionary Expenditure	3.1	1,355	0	0	0	0	1,355
Revenue Resource Limit	2.1	379,659	25	4,563	209	0	384,456
<b>Under / (over) spend against Revenue Resource Limit</b>		<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>

Party: Stella  
06/09/2022 14:08:13

**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 2021 to 31 March 2022. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2021 and February 2022 alongside Health Board/Trust/SHA data for March 2022.

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:

	<b>2021-22</b>
	<b>£000</b>
<b>Statement of Comprehensive Net Expenditure for the year ended 31 March 2022</b>	
Expenditure on Primary Healthcare Services	77
Expenditure on Hospital and Community Health Services	3,987

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

Net operating cost for the year	4,064
Notional Welsh Government Funding	4,064

**Statement of Cash Flows for year ended 31 March 2022**

Net operating cost for the financial year	4,064
Other cash flow adjustments	4,064

**2.1 Revenue Resource Performance**

Revenue Resource Allocation	4,064
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**3. Analysis of gross operating costs****3.1 Expenditure on Primary Healthcare Services**

General Medical Services	0
General Dental Services	43
Other Primary Healthcare Expenditure	34
Prescribed Drugs and Appliance	0

**3.3 Expenditure on Hospital and Community Health Services**

Directors' costs	58
Staff costs	3,929

**9.1 Employee costs****Permanent Staff**

Employer contributions to NHS Pension Scheme	4,064
Charged to capital	15
Charged to revenue	4,049

**18. Trade and other payables****Current**

Pensions: staff	0
-----------------	---

**28. Other cash flow adjustments**

Other movements	4,064
-----------------	-------

### 34. Other Information

#### 34.2 Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

	2021-22 £000	2020-21 £000	
<b>Capital</b>			
Capital Funding Field Hospitals		0	
Capital Funding Equipment & Works	1612	1990	
Capital Funding other (Specify)	0	0	
<b>Welsh Government Covid 19 Capital Funding</b>	<b>1,612</b>	<b>1,990</b>	
			<b>As previously reported in 2020-21</b>
<b>Revenue</b>			
Sustainability Funding			15,500
C-19 Pay Costs Q1 (Future Quarters covered by SF)			709
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)			0
Bonus Payment			2,474
Independent Health Sector			0
Stability Funding	13,984	18,683	
Covid Recovery	7,578	0	
Cleaning Standards	564	0	
PPE (including All Wales Equipment via NWSSP)	321	771	
Testing / TTP- Testing & Sampling - Pay & Non Pay	1,123	974	
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	5,150	1,668	
Extended Flu Vaccination / Vaccination - Extended Flu Programme	309	85	
Mass Covid-19 Vaccination / Vaccination - COVID-19	8,385	1,040	
Annual Leave Accrual - Increase due to Covid	0	2,847	
Urgent & Emergency Care	399	1,257	
Private Providers Adult Care / Support for Adult Social Care Providers	1,470	1,339	
Hospices	0	0	
Other Mental Health / Mental Health	1,642	1,290	
Other Primary Care	0	286	
Other	0	1,128	
<b>Welsh Government Covid 19 Revenue Funding</b>	<b>40,925</b>	<b>31,368</b>	

All expenditure incurred on Covid-19, supported by the funding above is included within the Income and Expenditure outlined in Notes 3.1-4.

Party Stella  
06/09/2022 14:08:13

### 34. Other Information

#### 34.3 Changes to accounting standards not yet effective - IFRS 16 Impact

IFRS 16 Leases supersedes IAS 17 Leases and is effective in the public sector from 1 April 2022. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise right-of-use assets and liabilities for leases with a term more than 12 months unless the underlying value is of low value. The FReM makes two public sector adaptations

- The definition of a contract is expanded to include intra UK government agreements that are not legally enforceable;
- The definition of a contract is expanded to included agreements that have nil consideration.

IFRS 16 gives a narrower definition of a lease than IAS 17 and IFRIC 4 by requiring that assets and liabilities will be recognised initially at the discounted value of minimum lease payments. After initial recognition, right of use assets will be depreciated on a straight line basis and interest recognised on the liabilities. Except where modified for revaluation where material, the cost model will be applied to assets other than peppercorn leases which will be measured on a depreciated replacement cost basis. The right of use asset in a peppercorn lease is accounted for similarly to a donated asset.

As required by the FReM IFRS 16 will be implemented using the accumulated catch up method.

The right of use assets and leasing obligation have been calculated and indicated that the total discounted value of right of use assets and liabilities under IFRS 16 is higher than the value of minimum lease commitments under IAS 17 mainly in relation to peppercorn leases. The impact of implementation is an

- increase in expenditure £0.069M
- increase in assets and liabilities of £0.606M.

These figures are calculated before intercompany eliminations are made, these will not have a material impact on the figures.

#### Right of Use (RoU) Assets Impact

		Property £000	Non Property £000	Total £000
<b>Statement of financial Position</b>				
<b>RoU Asset Recognition</b>				
+	Transitioning Adjust	2336	514	<b>2850</b>
+	As at 1 April 2022	2336	514	<b>2850</b>
+	Renewal / New RoU Assets 2022-23	0	107	<b>107</b>
-	Less (Depreciation)	-483	-260	<b>-743</b>
+	As at 31 March	1853	361	<b>2214</b>
<b>RoU Asset Liability</b>				
-	Transitioning Adjust	-1681	-514	<b>-2195</b>
-	As at 1 April 2022	-1681	-514	<b>-2195</b>
-	Renewal / New RoU Liability 2022-23	0	-107	<b>-107</b>
+	Working Capital	449	264	<b>713</b>
-	Interest	-15	-4	<b>-19</b>
-	As at 31 March	-1247	-361	<b>-1608</b>
<b>Charges</b>				
<b>Expenditure</b>				
	RoU Asset depreciation DEL <sup>(1)</sup>	428	260	<b>688</b>
	RoU Asset depreciation AME <sup>(1)</sup>	55	0	<b>55</b>
	Interest on obligations under RoU Asset leases <sup>(2)</sup>	15	4	<b>19</b>
		498	264	<b>762</b>

LHB

1 Expenditure on Hospital and Community Health Services  
2 Finance Costs

**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.

Party: Stella  
06/09/2022 14:08:13

**Vivienne Harpwood, Cadeirydd / Chair**  
Ffon / Phone: 01874 712502  
E-bost / Email: [Vivienne.Harpwood@wales.nhs.uk](mailto:Vivienne.Harpwood@wales.nhs.uk)

**Carol Shillabeer, Y Prif Weithredwr / Chief Executive**  
Ffon / Phone: 01874 712659  
E-bost / Email: [carol.shillabeer2@wales.nhs.uk](mailto:carol.shillabeer2@wales.nhs.uk)



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

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

## Final Letter of Representation

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

14<sup>th</sup> June 2022

## Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Powys Teaching Local Health Board for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- Preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
  - observe the accounts directions issued by Welsh Ministers, 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 Powys Teaching Local Health Board will continue in operation.
- Ensuring the regularity of any expenditure and other transactions incurred.
- The design, implementation and maintenance of internal control to prevent and detect error.

Pencadlys  
Tŷ Glasbury, Ysbyty Bronllys,  
Aberhonddu, Powys LD3 0LU  
Ffôn: 01874 711661



Headquarters  
Glasbury House, Bronllys Hospital  
Brecon, Powys LD3 0LU  
Tel: 01874 711661

Rydym yn croesawu gohebiaeth Gymraeg  
Bwrdd Iechyd Addysgu Powys yw enw gweithred Bwrdd Iechyd Lleol  
Addysgu Powys



We welcome correspondence in Welsh  
Powys Teaching Health Board is the operational name of  
Powys Teaching Local Health Board

## Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Powys Teaching Local Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.
- Our knowledge of all possible and actual instances of irregular transactions

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The Remuneration and Staff Report disclosures are accurate and complete.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

### Indexation of land and building assets (£999,000)

The Health Board has not applied the latest index rate (113) in the calculation of indexation within the financial statements, in line with all other Welsh NHS bodies and instruction from Welsh Government via Welsh Government Technical Update Note 7. This has resulted in this uncorrected misstatement.

Party: Stella  
06/09/2022 14:08:14

## Representations by the Board

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Board on 14 June 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:  
Carol Shillabeer  
Chief Executive  
14 June 2022

Signed by:  
Professor Vivienne Harpwood  
Chair  
14 June 2022

Party Stella  
06/09/2022 14:08:13



# Powys THB Finance Department

## Final Annual Accounts 2021/22

### Audit Committee

**FY 2021-22**

**Date Meeting: 13<sup>th</sup> June 2022**

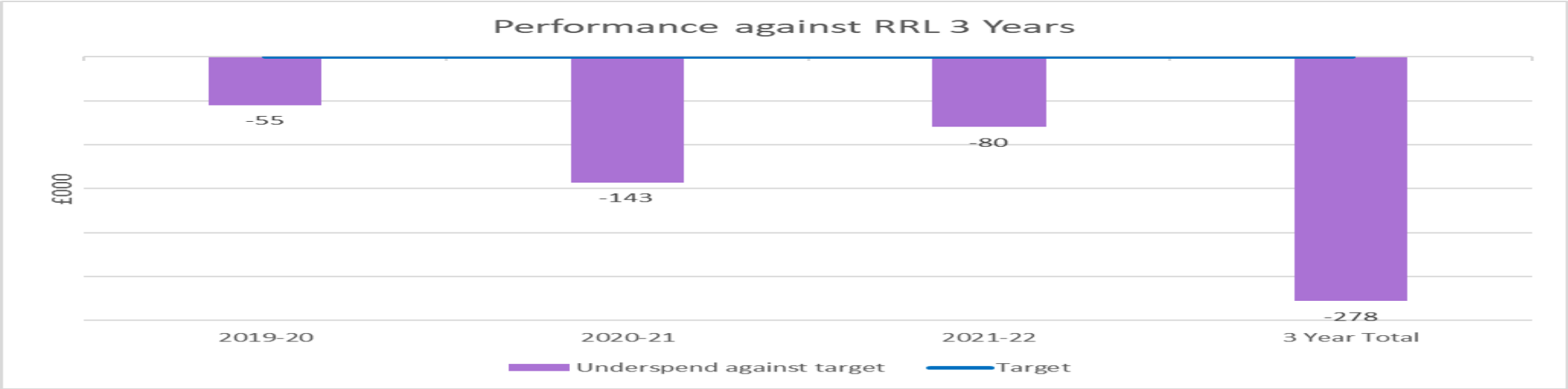
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Area	Financial KPI	Target	Delivery 2021-22	Further Details
Revenue	To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government	Variance Against Revenue Resource Limit Deficit / (Surplus)	(£80k)	P2
Capital	To ensure that costs do not exceed the capital resource limit set by Welsh Government	Variance Against Capital Resource Limit Deficit / (Surplus)	(£67k)	P3
PSPP	To pay a minimum of 95% of all non-NHS creditors within 30 days of receipt of goods or a valid invoice	Cumulative Year End % of Invoices Paid within 30 days	87.50%	P4

Parry Stella  
06/09/2022 11:08:13

- PtHB has a statutory duty to ensure that its expenditure does not exceed the aggregate funding (Revenue Resource Limit – RRL) allotted to it over the 3 year period.
- Subject to Audit, PtHB has achieved this requirements in 2021/22, and for the proceeding 2 years.



Accounts Extract Note 2.1 P. 26:

2.1 Revenue Resource Performance

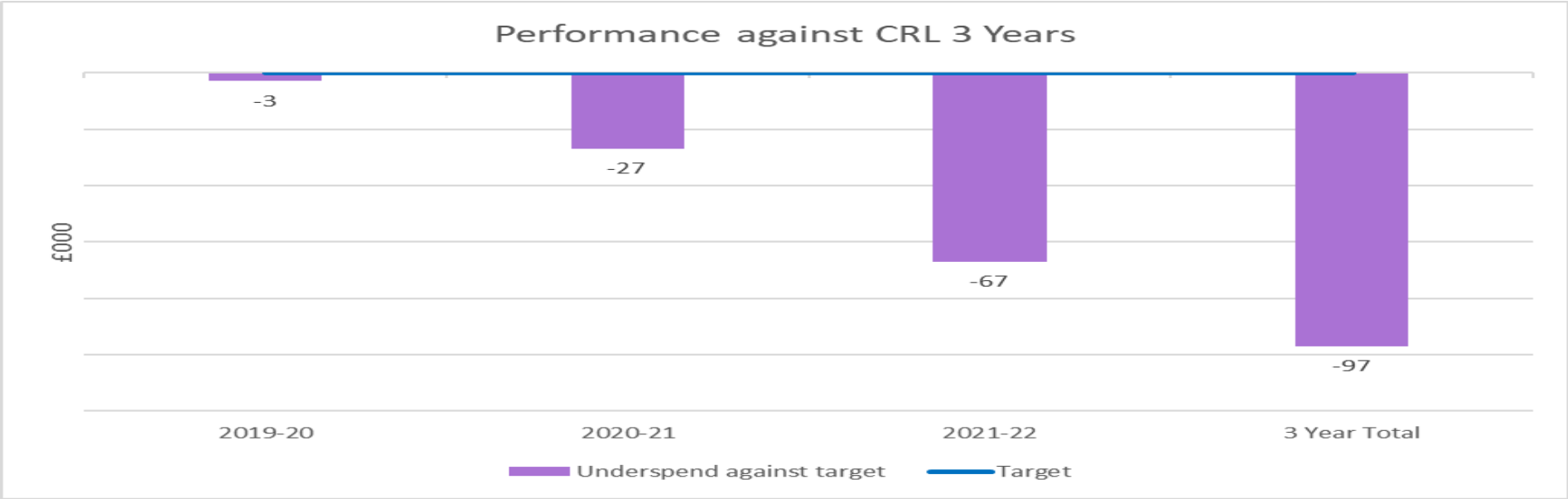
Net operating costs for the year

Less general ophthalmic services expenditure and other non-cash limited expenditure  
Less revenue consequences of bringing PFI schemes onto SoFP  
Total operating expenses  
Revenue Resource Allocation  
**Under /(over) spend against Allocation**

Annual financial performance

2019-20	2020-21	2021-22	Total
£000	£000	£000	£000
324,531	356,471	383,021	1,064,023
1,855	1,851	1,355	5,061
0	0	0	0
326,386	358,322	384,376	1,069,084
326,441	358,465	384,456	1,069,362
55	143	80	278

- PtHB has a statutory duty to ensure that its expenditure does not exceed the aggregate funding (Capital Resource Limit-CRL) allotted to it over the 3 year period.



Accounts Extract Note 2.2 P. 26:

2.2 Capital Resource Performance

	2019-20	2020-21	2021-22	Total
	£000	£000	£000	£000
Gross capital expenditure	3,373	6,366	15,926	25,665
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	0	0	0	0
Less capital grants received	0	0	0	0
Less donations received	(176)	(13)	0	(189)
Charge against Capital Resource Allocation	3,197	6,353	15,926	25,476
Capital Resource Allocation	3,200	6,380	15,993	25,573
(Over) / Underspend against Capital Resource Allocation	3	27	67	97

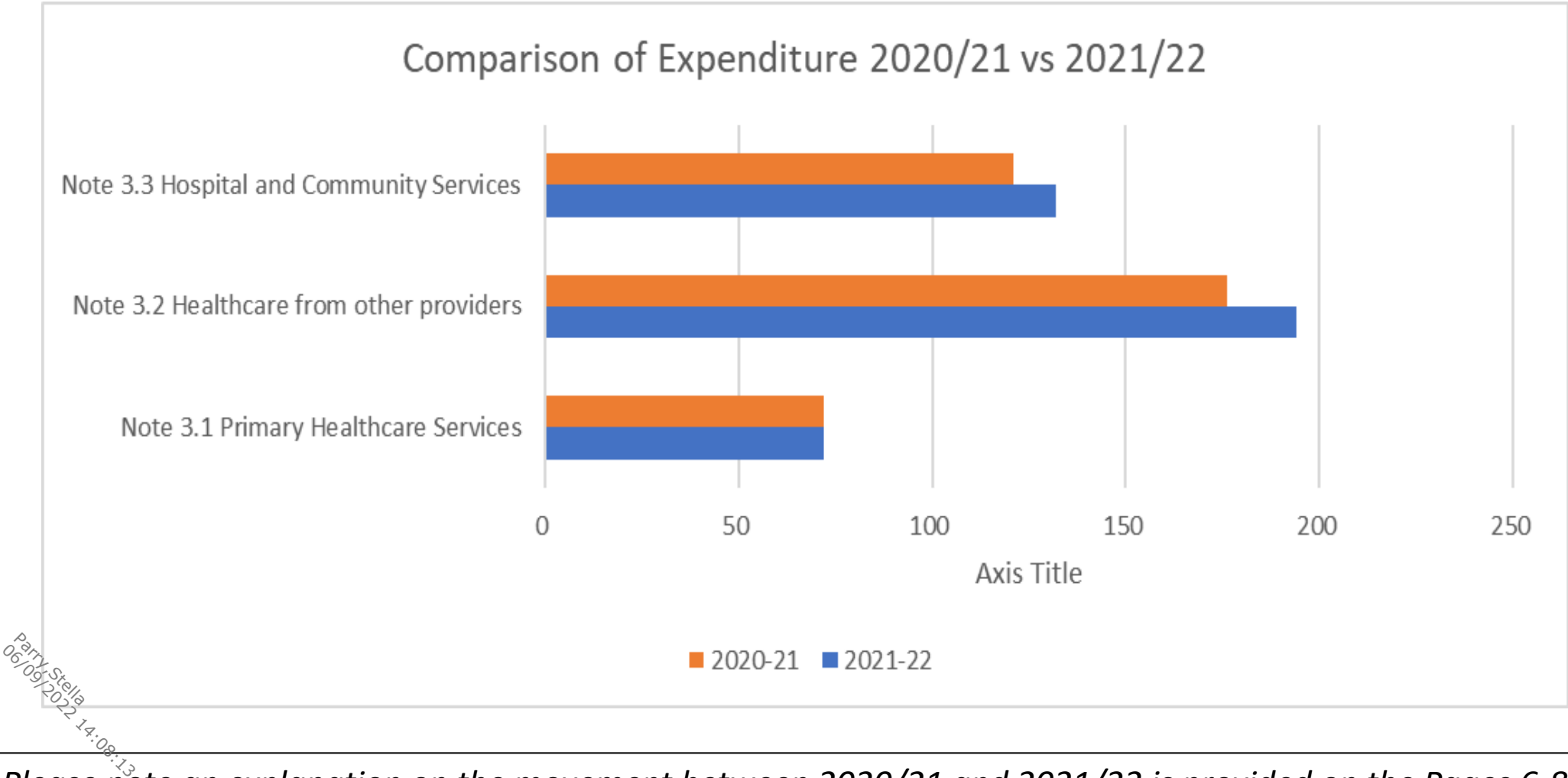
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06/09/2022 14:08:13

- Welsh Government requires that Health Boards pay their trade creditors in accordance with the CBI Prompt Payment Code (PSPP) and Government Accounting Rules. The financial Target is to pay 95% of these non NHS invoices (number not financial value) within 30 days of delivery.
- PtHB performance at 87.5% did not meet the target of 95% for the number of non NHS creditors paid within 30 days

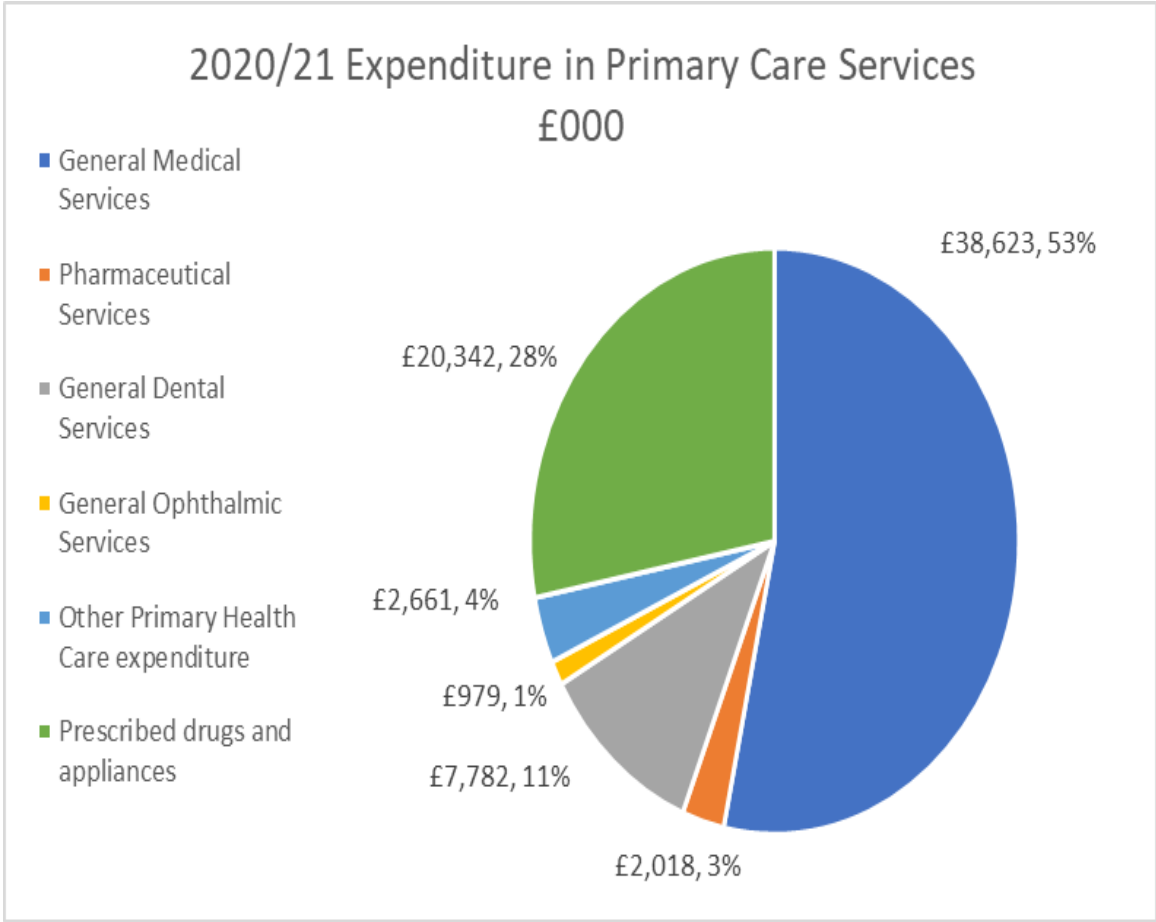
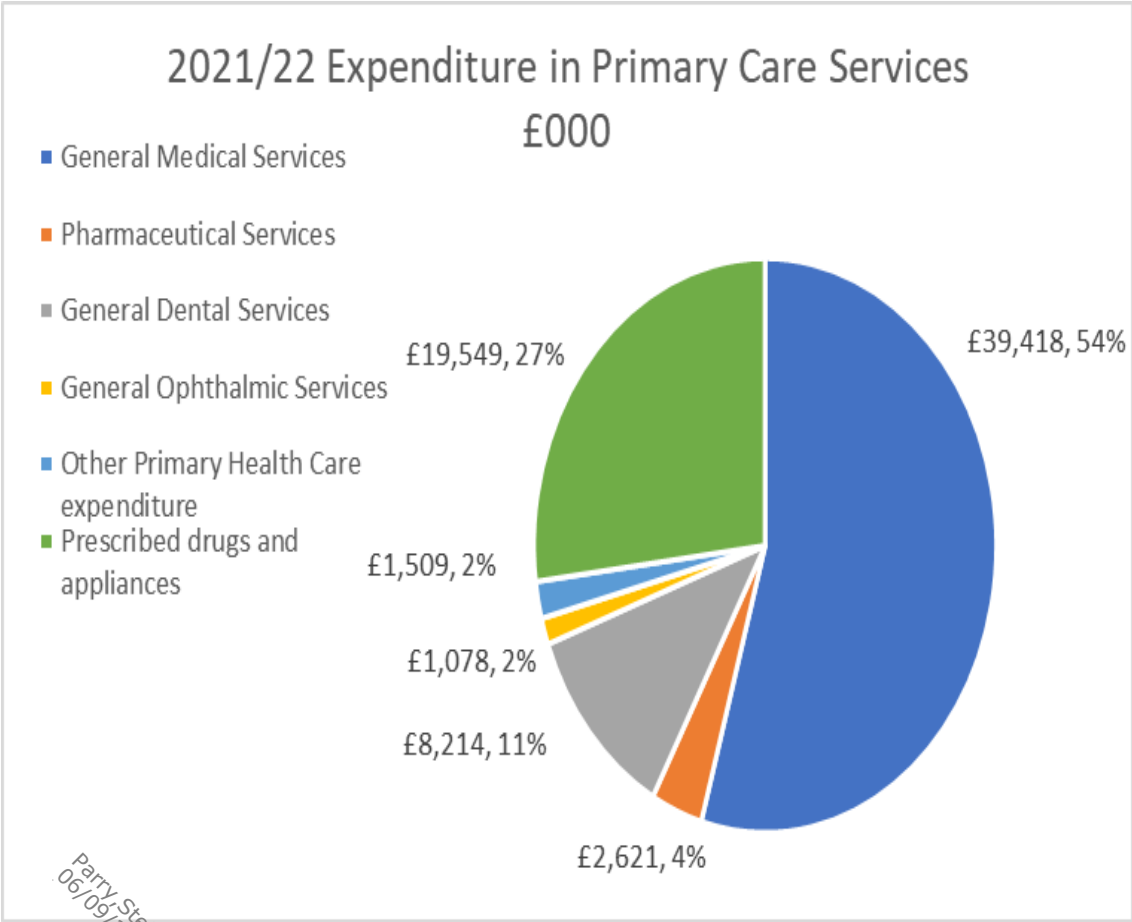
Accounts Extract Note 10.1 P. 38:

	2021-22	2021-22	2020-21	2020-21
	Number	£000	Number	£000
<b>NHS</b>				
Total bills paid	1,684	164,059	2,279	153,467
Total bills paid within target	1,153	154,222	1,712	147,999
Percentage of bills paid within target	68.5%	94.0%	75.1%	96.4%
<b>Non-NHS</b>				
Total bills paid	47,474	105,864	39,764	84,810
Total bills paid within target	41,546	101,902	36,993	82,029
Percentage of bills paid within target	87.5%	96.3%	93.0%	96.7%
<b>Total</b>				
Total bills paid	49,158	269,923	42,043	238,277
Total bills paid within target	42,699	256,124	38,705	230,028
Percentage of bills paid within target	86.9%	94.9%	92.1%	96.5%

Parry Stella  
06/09/2022 14:08:13

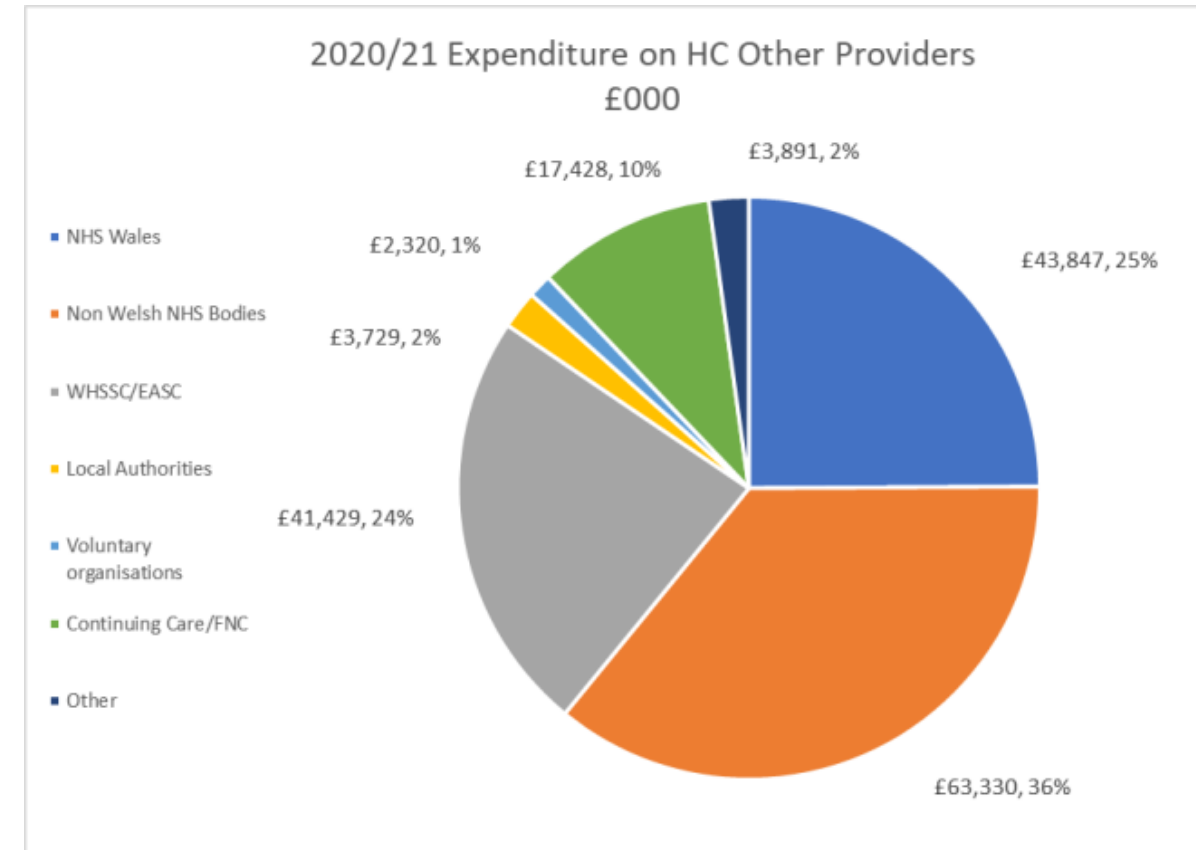
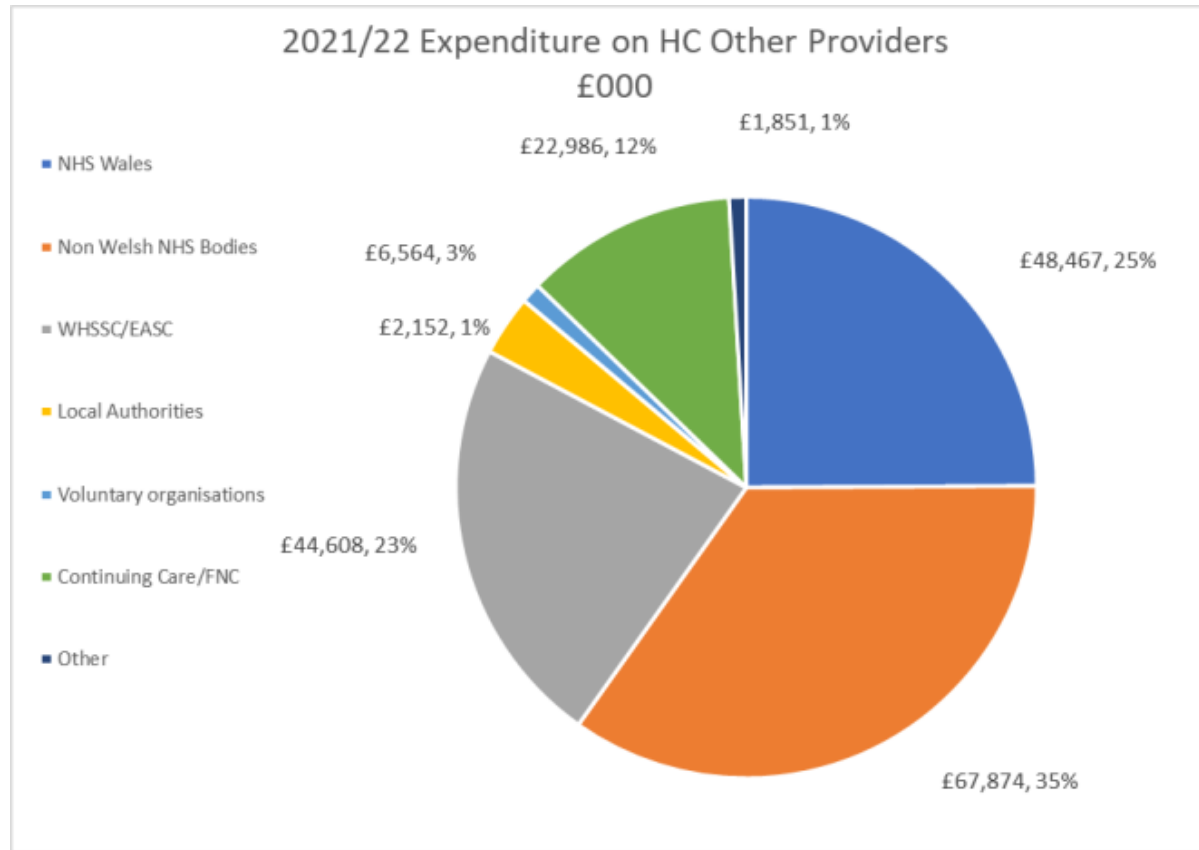


*Please note an explanation on the movement between 2020/21 and 2021/22 is provided on the Pages 6-8 of this report. These pages will focus in more detail on the specific areas of Note 3.1 – Note 3.3*



Comments:

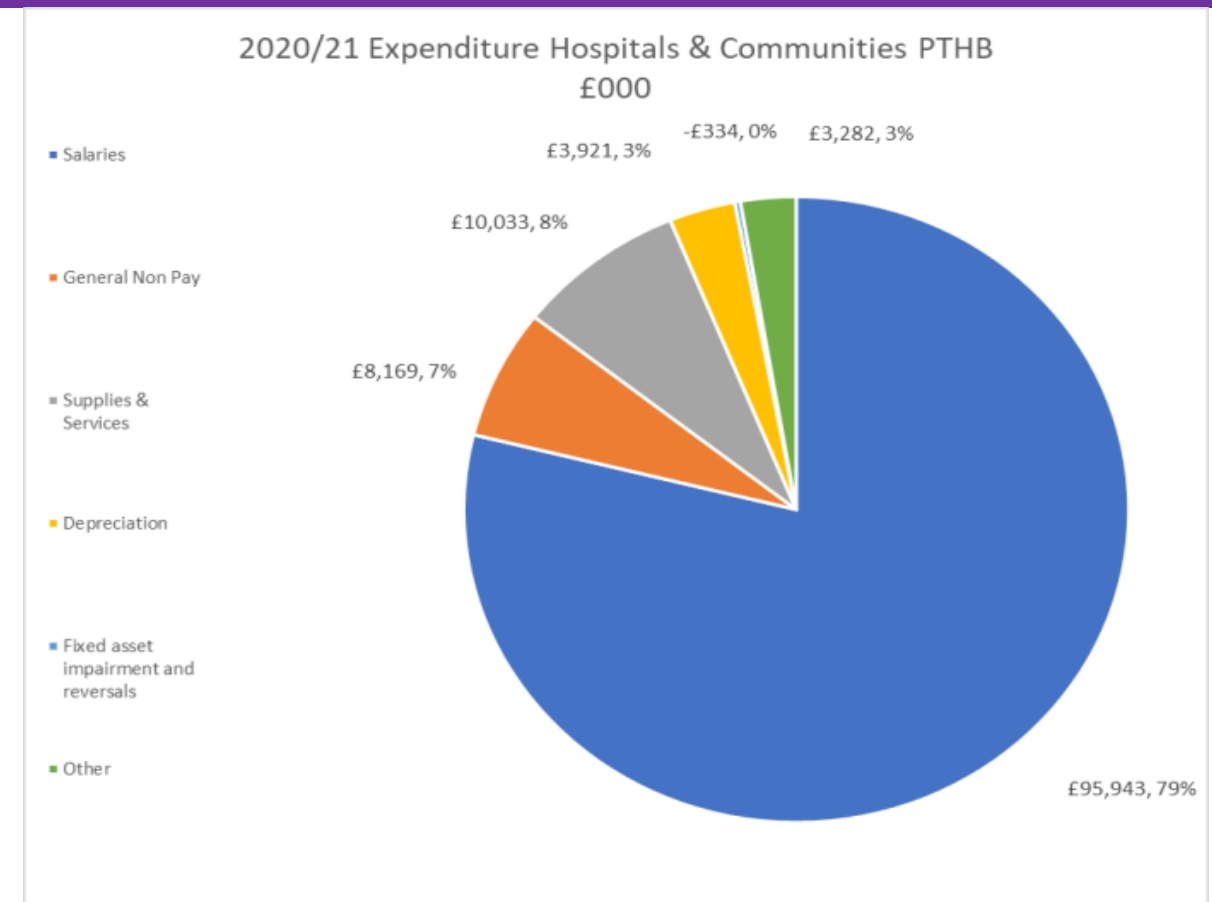
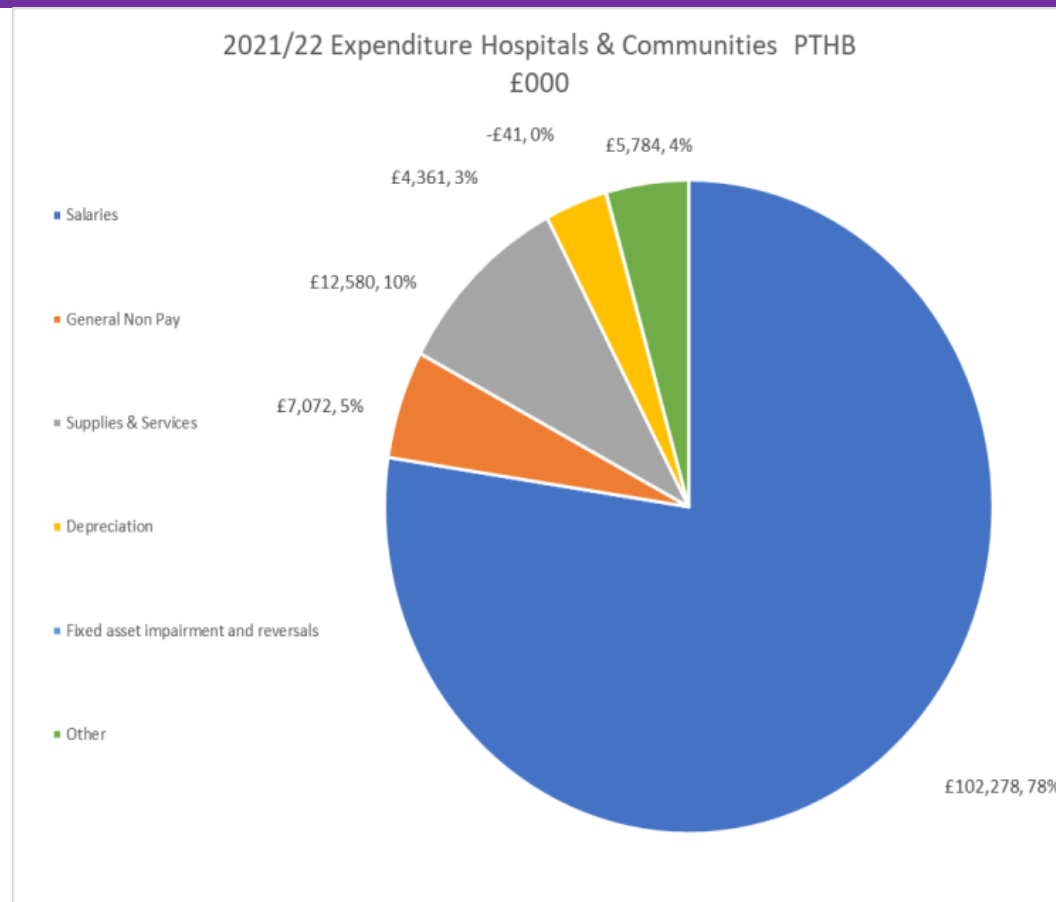
- *GMS increase mainly relates to COVID bonus payment for Primary Care Staff*



## Comments:

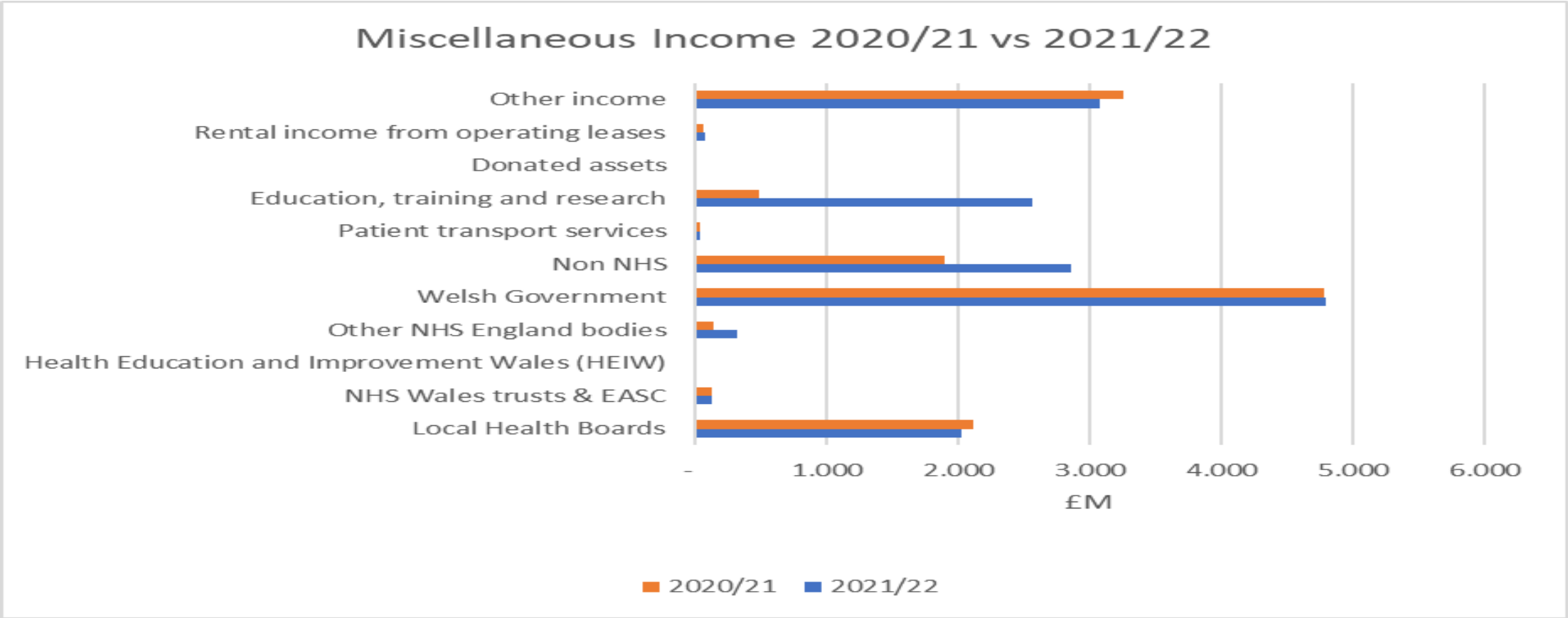
- Increase £4m with Non Welsh providers with SATH and Wye Valley representing the most significant increases linked to the Block arrangements
- Increase £5.7m on CHC, which is mainly due to increases in case numbers and package costs
- Increase £3m WHHSC/EASC linked with the IMTP increases highlighted as part of the 2021/22 planning process.
- Increase £2.7m Local Authority linked mainly to the funding of the Test Trace and Protect service





## Comments:

- *Staff Costs – have increase for number of reasons (1) annual pay award (2) additional 6.3% Employers Pension charge; (3) additional staffing in relation to response effort of COVID 19 mainly in relation to Mass Vaccinations*
- *Non Pay – impacted on Covid across number of lines (1) increase in premises costs for Mass vaccinations (2) digital related spend and (3) increased energy costs.*



Comments:

- Increase in Education Training and Research Income relates to research income received by the THB hosted function of Health and Care Research Wales.

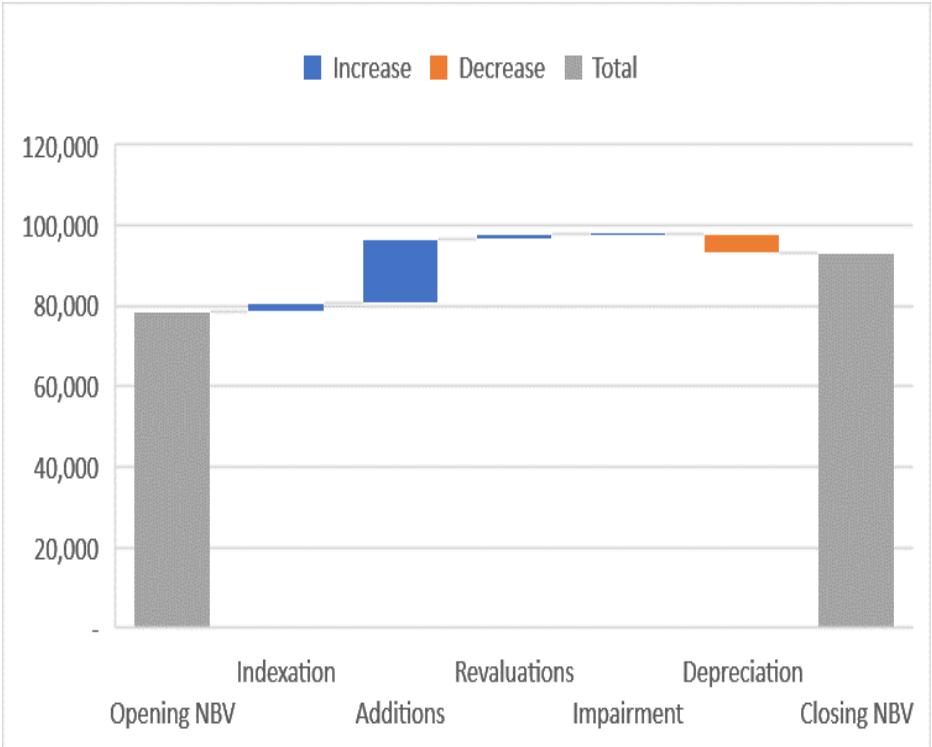
- There were two property purchases (Llanwrtyd Health Centre and Land Adjoining Machynlleth Hospital) and no property disposals during 2021/22
- The Capital Programme added £15.926m to the asset base during 2021/22
- Depreciation chargeable £4.061m in 2021/22 (2020/21 = £3.921m)

Asset Type @ 31<sup>st</sup> March 2022

Type	Value £000
Land	14,377
Buildings	60,518
Equipment	2,773
IT	2,998
Under Construction	12,665
Total	93,331

Movement in NBV in 2021/22

Type	Value £000
Opening NBV	78,394
Indexation	2,339
Additions	15,926
Revaluation	992
Impairment	41
Depreciation	- 4,361
Closing NBV	93,331



Capital Programme Expenditure	2021/22 Expenditure £m
Machynlleth Reconfiguration	6.425
EFAB Infrastructure, Fire and Decarbonisation	2.097
Digital	1.875
Covid Recovery	1.564
Anti Ligature	0.914
<b>Subtotal Top 5 Expenditure Areas</b>	<b>12.875</b>
<b>Total Capital Resource Expenditure</b>	<b>15.926</b>

## Provisions Balance @ 31<sup>st</sup> March

Type	2021/22 £000	2020/21 £000
Clinical negligence		
- Secondary Care	16142	14,366
- Primary Care	0	-
- Redress Secondary care	78	116
- Redress Primary Care	0	-
Personal Injury	1917	3,428
All other losses and special payments	0	-
Defence legal feeds and other administration	163	216
Pension relating to former directors	0	-
Pensions relating to other staff	0	5,220
2019-20 Scheme Pays	47	-
Other	39	64
<b>Total</b>	<b>18,386</b>	<b>23,410</b>

Clinical Negligence and Personal Injury provisions are included in Note 20. PtHB is reimbursed for its own cases over the threshold of £25k.

At 31<sup>st</sup> March 2022 £16m of the total provision related to probable liabilities of former Health Authority cases.

At 31<sup>st</sup> March 2022 the Pensions relating to other staff had been fully discharged with the support of Welsh Government.

A new provision in year was created for 2019-20 Scheme pays. Please see slide 15 for additional detail regarding this.

Any Contingent Liability is detailed separately in Note 21 of the Annual Accounts (P55)

PtHB can demonstrate that it continues to be a “Going Concern” by outlining the following mechanisms:

- The 3 year IMTP for 2019/20-2021/22 was approved by Welsh Government on 27<sup>th</sup> March 2019. The 2022/23 Annual Plan was submitted to Welsh Government on 31<sup>st</sup> March 2022 and the THB is expecting the outcome of approval status by 31<sup>st</sup> May 2022.
- The 2022/23 Welsh Government Allocation Letter has been received by the organisation.
- There continues to be a requirement for health services provision by the population of Powys
- There continues to be joint working and partnership with the Local Authority, including a joint Health & Wellbeing Strategy.

## Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;

Powys THB will then pay them a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to Powys THB.

**It is confirmed as part of the audit opinion provided by the Auditor General for Wales that the provision included within Powys THB accounts for the cost of Scheme Pays has led to a qualification of the health board's accounts, with the qualification being in respect of the regularity opinion. The view of the Auditor General for Wales is that any provision included within NHS Wales bodies accounts for the cost of Scheme Pays constitutes irregular expenditure. This has affected all NHS Wales Organisations with such provisions included within their Financial Statements including Powys THB.**

# Powys THB Finance Department

## Draft Annual Accounts 2021/22 - Appendices

**FY 2021/22**

Parry Stella  
06/09/2022 14:08:13





## Accounts Extract Statement of Comprehensive Net Expenditure (SOCNE) P. 2:

					2021-22		2020-21
				Note	£000		£000
Expenditure on Primary Healthcare Services			3.1		72,389		72,405
Expenditure on healthcare from other providers			3.2		194,502		175,974
Expenditure on Hospital and Community Health Services			3.3		132,034		120,723
					398,925		369,102
Less: Miscellaneous Income			4		(15,825)		(12,601)
<b>LHB net operating costs before interest and other gains and losses</b>					<b>383,100</b>		<b>356,501</b>
Investment Revenue			5		0		0
Other (Gains) / Losses			6		(19)		0
Finance costs			7		(60)		(30)
<b>Net operating costs for the financial year</b>					<b>383,021</b>		<b>356,471</b>

Parry Stella  
 06/09/2022 14:08:13

## Agenda item: 2.2

Audit, Risk and Assurance Committee		Date of Meeting: 13 <sup>th</sup> June 2022
<b>Subject :</b>	<b>SINGLE TENDER WAIVERS</b>	
<b>Approved and Presented by:</b>	Director of Finance and IT	
<b>Prepared by:</b>	Head of Financial Services	
<b>Other Committees and meetings considered at:</b>	None	

### PURPOSE:

To seek the Audit, Risk and Assurance Committee's RATIFICATION of Single Tender Waiver requests made between 1 April 2022 and 31 May 2022.

### RECOMMENDATION(S):

It is recommended that the Audit, Risk and Assurance Committee RATIFIES the use of Single Tender Waiver in respect of 5 items during the period of 1 April 2022 and 31 May 2022 and consider additional information provided regarding the individual single tender documents.

Ratification	Discussion	Information
✓		

Party: Stella  
06/06/2022 14:08:13

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

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

**EXECUTIVE SUMMARY:**

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

**DETAILED BACKGROUND AND ASSESSMENT:**

The previous report on single tender waiver use was received by the Audit Risk and Assurance Committee at its April 2022 meeting which covered the period from 1 March 2022 to 31 March 2022.

A summary of the use of Single Tender Action from 1 April 2022 and 31 May 2022 is as follows:

Single Tender Reference	Request to waive QUOTE or TENDER threshold	Name of Supplier	Item	Reason for Waiver	Date of Approval	Value £	Length of Contract	Prospective/ Retrospective	Appendix Ref
POW2122028	Quote	Network of Staff Supporters	Counselling Services for Staff	Extension of previously tendered contract as interim measure while formal procurement is undertaken	13/04/2022	£14,027	2 Months	Prospective	A1
POW2122027	Tender	Kaleidoscope	Substance Misuse Prescribing Services	Extension of existing contract whilst procurement process undertaken	13/04/2022	£133,595	5 months	Prospective	A2
POW2122025	Quote	My Dentist	Continuation of Emergency Out of Hours Dental Service for Newtown and Llandrindod areas	Extension of existing contract whilst procurement process undertaken	06/04/2022	£19,153	3 months	Prospective	A3
POW2122022	Tender	Brecon Mind	9 month Continuation out of hours service for Mental Health for South Powys	Sole Supplier continuation of previous pilot funded by PTHB	06/04/2022	£47,570	9 Months	Prospective	A4
POW2122021	Tender	Ponthafren Association	9 month Continuation out of hours service for Mental Health for North Powys	Sole Supplier continuation of previous pilot not funded by PTHB	06/04/2022	£18,319	9 Months	Prospective	A5

Full details including supporting documentation has been shared with Committee members under confidential cover, given the potential for commercially sensitive information to be included.

From 1st January 2019 a Dun and Bradstreet Report is being undertaken by NWSSP Procurement Services to provide a report on financial standing of the proposed supplier including Director details and associated companies. This has been introduced to further strengthen governance of the Single Tender Waiver process. This is referenced in the procurement section of the form and the full report is reviewed by the Head of Financial Services and provided to the Chief Executive with the Single Tender Waiver Form to aid the decision-making process.

#### **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.

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

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

## Agenda Item: 3.1

Audit Risk and Assurance Committee		Date of Meeting: 13 June 2022
<b>Subject:</b>	<b>Head of Internal Audit Opinion and Annual Report 2021/22</b>	
<b>Approved and Presented by:</b>	Board Secretary / Head of Internal Audit	
<b>Prepared by:</b>	<b>Head of Internal Audit</b>	
<b>Other Committees and Meetings considered at:</b>		

### PURPOSE:

To provide the Audit, Risk and Assurance Committee with the opportunity to review the Head of Internal Audit Opinion and Annual Report 2021/22.

### RECCOMENDATION(S):

The Audit, Risk and Assurance Committee is asked to consider the Head of Internal Audit Opinion and Annual Report 2021/22.

Ratification	Discussion	Information
	<b>X</b>	

Parry Stella  
06/09/2022 14:08:13

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

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

## EXECUTIVE SUMMARY:

The HIA Opinion for 21/22 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:

- 4 Substantial Assurance
- 12 Reasonable Assurance
- 2 Limited Assurance.
- 1 Assurance not Applicable

The Report also includes details of the 4 audits that have been deferred from the plan during 2021/22, as reported to previous meetings of the Committee. These audits and the reason for their deferment have been considered when compiling the draft HIA Opinion.

The HIA Opinion will need to be reflected within the Health Board's Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to the 2 Limited Assurance opinions issued during the year and the significance of the recommendations made.

### **BACKGROUND AND ASSESSMENT:**

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

This is achieved through delivery of an audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities. The 2021/22 plan was formally approved by the Audit, Risk and Assurance Committee at its March 21 meeting.

The 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:**

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# Head of Internal Audit Opinion & Annual Report 2021/2022

June 2022

Powys Teaching Health Board

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GIG  
CYMRU  
NHS  
WALES

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



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board



## Contents

1. EXECUTIVE SUMMARY .....	3
1.1 Purpose of this Report.....	3
1.2 Head of Internal Audit Opinion 2021-22 .....	3
1.3 Delivery of the Audit Plan .....	3
1.4 Summary of Audit Assignments .....	4
2. HEAD OF INTERNAL AUDIT OPINION .....	6
2.1 Roles and Responsibilities.....	6
2.2 Purpose of the Head of Internal Audit Opinion.....	7
2.3 Assurance Rating System for the Head of Internal Audit Opinion ...	7
2.4 Head of Internal Audit Opinion .....	8
2.5 Required Work .....	16
2.6 Statement of Conformance .....	16
2.7 Completion of the Annual Governance Statement .....	17
3. OTHER WORK RELEVANT TO THE HEALTH BOARD.....	18
4. DELIVERY OF THE INTERNAL AUDIT PLAN.....	21
4.1 Performance against the Audit Plan .....	21
4.2 Service Performance Indicators .....	21
5. RISK BASED AUDIT ASSIGNMENTS .....	22
5.1 Overall summary of results.....	22
5.2 Substantial Assurance (Green).....	23
5.3 Reasonable Assurance (Yellow) .....	23
5.4 Limited Assurance (Amber) .....	25
5.5 No Assurance (Red) .....	25
5.6 Assurance Not Applicable (Grey) .....	26
6. ACKNOWLEDGEMENT .....	26

Appendix A

Conformance with Internal Audit Standards

Appendix B

Audit Assurance Ratings

**Report status:**

Final

**Draft report issued:**

04 May 2022

**Final report issued:**

06 June 2022

**Author:**

Head of Internal Audit

**Executive Clearance:**

Interim Board Secretary

**Audit Committee:**

13 June 2022

**Disclaimer notice - please note**

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

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

## 1. EXECUTIVE SUMMARY

### 1.1 Purpose of this Report


Powys Health Board's (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.

As a result of the continued impact of COVID-19 our audit programme has been subject to change during the year. In this report we have set out how the programme has changed and the impact of those changes on the Head of Internal Audit opinion.

### 1.2 Head of Internal Audit Opinion 2021-22

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 2021/22 is that:

Reasonable assurance		The Board can take <b>Reasonable Assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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### 1.3 Delivery of the Audit Plan

Due to the considerable impact of COVID-19 on the Health Board, the internal audit plan has needed to be agile and responsive to ensure that key developing risks 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 2021/22 year was initially presented to the Committee in March 2021. 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 Internal Auditors (in 2018), and our own annual Quality Assurance and Improvement Programme (QAIP) have both confirmed that our internal audit work continues to 'generally conform' to the requirements of the Public Sector Internal Audit Standards for 2021/22. For this year, as in 2020/21, our QAIP has considered specifically the impact that COVID-19 has had on our audit approach and programmes. We are able to state that our service 'conforms to the IIA's professional standards and to PSIAS.'

## 1.4 Summary of Audit Assignments

This report summarises the outcomes from our work undertaken in the year. In some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations (again, see section 3).

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, we can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas in the table below.

Where we have given Limited Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

In addition, and in part reflecting the impact of COVID-19, we have undertaken advisory and non-opinion reviews where appropriate to support our overall opinion. A summary of the audits undertaken in the year and the results are summarised in table 1 below.

Table 1 – Summary of Audits 2021/22

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> <li>• Covid Recovery &amp; Rehabilitation Service</li> <li>• Budgetary Control</li> <li>• Concerns Tracking / Monitoring Assurance</li> <li>• Recommendation Tracking Process &amp; Follow-up Review</li> </ul>	<ul style="list-style-type: none"> <li>• Access to Systems</li> <li>• Midwifery – Safeguarding Supervision</li> <li>• Medical Equipment &amp; Devices</li> <li>• Theatres Utilisation</li> <li>• Dementia Service – Dementia Home Treatment Teams</li> <li>• Waste Management</li> <li>• Job Matching &amp; Evaluation Process</li> <li>• Mortality Reviews</li> <li>• Machynlleth Hospital Reconfiguration Project</li> <li>• Network &amp; Information Systems (NIS) Directive</li> <li>• Risk Management &amp; Assurance (Fieldwork Complete)</li> <li>• Breathe Well Programme (Fieldwork Complete)</li> </ul>
Limited Assurance	Advisory & Non-Opinion
<ul style="list-style-type: none"> <li>• Control of Contractors</li> <li>• Occupational Health (Draft)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> </ul>
No Assurance	
N/A	

Please note that our overall opinion has also taken into account both the number and significance of any audits that have been deferred during the course of the year (see section 5.7) and also other information obtained during the year that we deem to be relevant to our work (see section 2.4.2).

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## 2. HEAD OF INTERNAL AUDIT OPINION

### 2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is a statement made by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Standards; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Health Board's risk management process and system of assurance should bring together all of the evidence required to support the Annual Governance Statement.

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through an audit plan that has been focussed on key strategic and operational risk areas and known improvement opportunities, agreed with executive management and approved by the Committee, which should provide an appropriate level of assurance.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Health Board. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As such, it is a key component that the Board takes into account but is not intended to provide a comprehensive view.

The Board, through the 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

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picture on governance, risk management and control for completing its Governance Statement.

## 2.2 Purpose of the Head of Internal Audit Opinion

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Powys Teaching Health Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

This opinion will in turn assist the Board in the completion of its Annual Governance Statement and may also be taken into account by regulators including Healthcare Inspectorate Wales in assessing compliance with the Health & Care Standards in Wales, and by Audit Wales in the context of both their external audit and performance reviews.

The overall opinion by the Head of Internal Audit on governance, risk management and control results from the risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

## 2.3 Assurance Rating System for the Head of Internal Audit Opinion

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2021/22 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**.

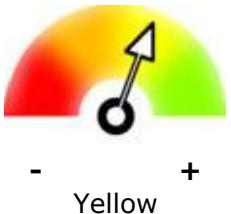
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The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational 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		<p>The Board can take <b>reasonable assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
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This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were two audits in 2021/22).

### 2.4.2 Basis for Forming the Opinion

The audit work undertaken during 2021/22 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).



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- The results of any audit work related to the Health & Care Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the Governance, Leadership and Accountability module.
  - 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, four were allocated Substantial Assurance, twelve were allocated Reasonable Assurance and two were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion. In addition, one advisory or non-opinion output was also delivered.

At the time of producing the final Annual Report, two audits were still work in progress and the reports had not been completed or issued. However, in each case the fieldwork was complete, and we were therefore able to reliably determine the assurance rating. These have been taken into account when determining the overall Opinion (See table 1).

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.

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**Corporate Governance, Risk Management and Regulatory Compliance**

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We have undertaken three reviews in this area.

**Recommendation Tracking Process & Follow-up Review** - We identified that the Health Board has robust arrangements in place for monitoring the implementation of recommendations and reporting into the Audit, Risk and Assurance Committee. Good progress has also been made with the implementation of the recommendations from the Limited Assurance reports that were issued in 2020/21. We have issued a **substantial** assurance opinion.

**Risk Management & Assurance** [Fieldwork complete] – The audit was on-going at the time of producing the Annual Report, but the fieldwork was complete, and we will be able to issue a **reasonable** assurance rating.

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.

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**Strategic Planning, Performance Management & Reporting**

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We have undertaken One review in this area.

**Breathe Well Programme** [Fieldwork complete] – The audit was on-going at the time of producing the Annual Report, but the fieldwork was complete, and we will be able to issue a **reasonable** assurance rating.

The planned work on Performance Management & Reporting was deferred to the 22/23 Plan due to the Covid-19 pressures faced by the Health Board. The Health Board's performance reporting framework has also been subject to ongoing update and implementation through the year. Rescheduling will therefore allow further time for the Framework to bed in before being audited.

The planned work on the North Powys Well-Being Programme was differed to the 22/23 Plan due to the Covid-19 pressures faced by the Health Board. It is however noted that the programme was subject to a number of other reviews which provided assurance to the Health Board. These included a Programme Assessment review by Welsh Government and a Finance audit by the Council.

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**Financial Governance and Management**

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We have undertaken one review in this area.

**Budgetary Control** – We identified that there was clear and concise guidance in place for budget holders, procedures were being adhered to and the Health Board's financial position was being reported internally and externally within agreed timescales. We identified just one matter requiring

management attention, and this concerned the recording of budget holder meetings. We have issued a **substantial** assurance opinion.

The audits of the payment systems provided by NWSSP, which we undertake each year to provide assurance to the Health Board all concluded with positive assurance. The four primary care contractor payment systems were given Reasonable or Substantial Assurance, with the audits of Payroll and Accounts Payable both receiving Reasonable Assurance.

### Quality & Safety

We have undertaken three reviews in this area.

**Midwifery Safeguarding Supervision** – We found that appropriate guidance was in place covering safeguarding supervision and midwifery staff were aware of their responsibilities and the sessions delivered were effectively undertaken and documented. We did however identify a number of areas for improvement including; implementation of the action plan to improve the low compliance rates for safeguarding supervision; and Enhancements to the safeguarding supervision data reported in the Safeguarding performance Report. We issued a **reasonable** assurance opinion.

**Mortality Reviews** – The Health Board has begun the process of preparing for the introduction of the Medical Examiners role. However, we identified the need to ensure that effective processes are implemented, and these are documented within an approved SOP, to ensure full compliance with all requirements. The current processes ensure that mortality reviews are being undertaken for all deaths and the outcomes are effectively reviewed, analysed and reported. We issued a **reasonable** assurance opinion.

**Concerns Tracking and Monitoring Assurance** – We found that the processes in place for review and monitoring of concerns and serious incidents were generally effective. We only identified two matters requiring attention, relating to the need to clear one historical incident and minor instances of incomplete supporting documentation. We issued a **substantial** assurance opinion.

### Information Governance & Security

We have undertaken two reviews in this area.

**Access to Systems** - The Health Board was clear over the users it has and the information that needs to be provided to different user groups based on role and location. However, the structures to allow cross border access to information between NHS Wales and NHS England had not been put in place. A business case had been developed to obtain resource in order to resolve this issue. We also identified the need to strengthen the processes for set-up and removal of users. We issued a **Reasonable** assurance opinion.

**Network & Information Systems (NIS) Directive** – An appropriate process was in place to complete the Cyber Assessment Framework (CAF) and cyber security improvement actions have been identified and progressed. We identified three issues, relating to; No retention of supporting information provided to the Cyber Resilience Unit as part of the self-assessment process; Absence of cyber security reporting metrics; and Cyber security risk not being included on the corporate risk register. We issued a **Reasonable** assurance opinion.

### Operational Service and Functional Management

We have undertaken four reviews in this area.

**Medical Equipment & Devices** – We identified that the Health Board had a policy and procedures in place for the management of medical devices and equipment, but improvements were required in a number of areas to ensure that controls were being consistently complied with. The key areas related to maintenance of the preferred equipment list, completeness of the inventory list and the lack of documentation of Internal Quality Checks and compliance self-audits relating to point of care testing. We issued a **reasonable** assurance opinion

**Theatres Utilisation** – The Health Board had processes in place for the proactive and timely co-ordination of theatre resources and effective governance and reporting arrangements were in place. However, the available theatre capacity was not being fully utilised due to the fragility of the staff resource and reliance on in-reach staff from neighbouring Health Boards. We issued a **reasonable** assurance opinion

**Covid Recovery & Rehabilitation Service** - The Health Board had set up a COVID Recovery and Rehabilitation Service that had appropriate staffing and was in line with Welsh Government guidance and NICE guidelines. The service had been effectively publicised, and individuals were being appropriately assessed and referred as required. We issued a substantial assurance opinion.

**Dementia Services, Dementia Home Treatment Teams** – Both the North and South Teams had processes in place to support patients in their place of residence to prevent them being admitted to a hospital setting. However, we identified significant differences in the structure of the two Teams and how services are delivered, meaning that there may have been a lack of equity in the services received by patients in the North and South of Powys. There was also a lack of clear policy and procedures for the teams. We issued a **reasonable** assurance opinion.

The planned audits of the Cancer Services and Looked After Children with Mental Ill Health was deferred to the 22/23 Plan due to the Covid-19 pressures faced by the Health Board.

Pam Stead  
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**Workforce Management**

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We have undertaken two reviews in this area.

**Job Matching and Evaluation Process** – The Health Board had a structured process with resources in place for the undertaking of Job Matching and Evaluation as well as providing training of staff. Going forward a greater focus was required on the type of staff being trained to ensure a wider representation from all areas of the Health Board. We issued a **reasonable** assurance opinion.

**Occupational Health Service** [Draft] – We identified a number of significant weaknesses within the Health Board's Occupational Health service relating to; Out of date Occupational Health policies; Employees not being seen within the required timescales following referral; Delays in the completion of pre-employment checks; and Health surveillance processes not being effectively embedded within the Health Board. We issued a draft **limited** assurance opinion.

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**Capital & Estates Management**

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We have undertaken three reviews in this area.

**Control of Contractors** - We issued a **limited** assurance opinion on this review. The significant matters identified were; Limited evidence that contactor health and safety practices, competencies and accreditations had been verified by the Health Board; Robust practices developed by Estates were not replicated at the jobs managed by the Capital team; Absence of signing in / out systems operating, suspended as part of the Covid restrictions; and Insufficient performance and compliance monitoring and reporting processes. These matters placed the Health Board at risk of HSE action in the event of adverse incidents occurring on site.

**Waste Management** - A number of areas of good practice were evidenced during the audit which reflect the efforts of the Support Services team in the management of waste at the Health Board, particularly in respect of the operational practice at the sites visited. The matters requiring management attention included; The need to review the content and formality of the Waste Process document; The sufficiency of attendances at the Waste & Recycling Group; The assessment and delivery of training; and the completion of a formal procurement exercise for general waste and recycling arrangements. We issued a **reasonable** assurance opinion.

**Machynlleth Hospital Reconfiguration Project** - Following discovery of unforeseen issues during the demolition works the project costs had risen significantly with a reported forecast overspend of £180k. Management stated that the associated reported delays would not adversely impact on service delivery. The significant matters arising at the project included; The need to ensure the timely completion of contract documentation at future projects; The ongoing review / development of the project risk register;

Procedures for signing of contract documentation needed to be developed; Evaluation of the sufficiency of the structural and condition surveys undertaken. We issued a **reasonable** assurance opinion.

The planned audit of Decarbonisation was deferred to the 2022/23 plan and replaced with the audit of Waste Management. This reflected the fact that the Health Board was not requirement to publish its Action Plan until March 2022, and the timing of expenditure of the initial capital allocations provided by Welsh Government.

### 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.

For the second year in a row, due to the impact of COVID-19, we are aware that it has been more difficult than usual for NHS organisations to implement recommendations to the timescales they had originally agreed. In addition, we also recognise that for new recommendations it may be more difficult to be precise on when exactly actions can be implemented by. However, it remains 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. Where appropriate, we have adjusted our approach to follow-up work to reflect these challenges.

Going forward, given that it is very likely that the number of outstanding recommendations will have grown during the course of the pandemic, audit committees will need to reflect on how best they will seek to address this position.

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.

Despite the on-going effects of the pandemic, the Corporate Governance team has continued to review all outstanding recommendations with management and the outcomes have been reported to each meeting of the Audit, Risk & Assurance Committee.

We undertook work towards the end of the year to review the tracking process and validate the stated position for a sample of recommendations. We were able to confirm the recorded position for all of the sampled recommendations and therefore provide the Audit Committee with additional assurance around the accuracy of the tracker.

We also utilised this work to establish the progress made towards implementation of the agreed management actions in relation to the following three limited assurance reports that were issued in 2020/21:

- Partnership Governance – Programme Interface
- Fires Safety; and
- Llandrindod Wells Project.

In all cases sufficient progress has been made to allow for an improvement in the reported assurance ratings.

#### **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 this year's (and to an extent last 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, or work that is sufficiently progressed to determine the assurance rating 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 2021/22 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 2021/22.

## 2.6 Statement of Conformance

The Welsh Government determined that the Public Sector Internal Audit Standards (PSIAS) would apply across the NHS in Wales from 2013/14.

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. The work of Internal Audit is also subject to an annual assessment by Audit Wales. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Internal Auditors (IIA) in February and March 2018. The IIA 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 conforms to the IIA's professional standards and to PSIAS.'

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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 2021/22.

Our conformance statement for 2021/22 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2021/22 which will be reported formally in the Summer of 2022; and
- the results of the work completed by Audit Wales.

We have set out, in **Appendix A**, the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2021/22 QAIP report. There are no significant matters arising that need to be reported in this document.

## 2.7 Completion of the Annual Governance Statement

While the overall Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement, the Accountable Officer and the Board need to take into account other assurances and risks when preparing their statement. These sources of assurances will have been identified within the Board's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability;
- internally assessed performance against the Health & Care Standards;
- results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management;
- reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period; and
- reviews completed by external regulation and inspection bodies including Audit Wales and Healthcare Inspectorate Wales.

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### 3. OTHER WORK RELEVANT TO THE HEALTH BOARD

As our internal audit work covers all NHS Wales organisations there are a number of audits that we undertake each year which, while undertaken formally as part of a particular health organisation's audit programme, will cover activities relating to other Health bodies. These are set out below, with relevant comments and opinions attached, and relate to work at:

- NHS Wales Shared Services Partnership;
- Digital Health & Care Wales;
- Welsh Health Specialised Services Committee; and
- Emergency Ambulance Services Committee.

#### 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	Outline Scope
Accounts Payable	Reasonable	The purpose of the audit review was to evaluate and determine the adequacy of the systems and controls in place over the management of the NWSSP Procure to Pay (P2P) service.
Payroll	Reasonable	The overall objective of this audit was to evaluate and determine the adequacy of the systems and controls in place for the management of Payroll Services.
Primary Care Services – Medical (GMS), Pharmaceutical (GPS), Dental (GDS), and Ophthalmic (GOS) Services	Substantial	The overall objective of the review was to evaluate and determine the adequacy of controls in place to administer timely and accurate payments to primary care contractors.

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.

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## 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	Outline Scope
<i>Welsh Radiology Information System</i>	Reasonable	To provide assurance over the adequacy of the processes in place in DHCW for the management of the WRIS and the data within it.
Data Centre Transition	Substantial	To evaluate and determine the adequacy of the processes in place in DHCW for the management of the Data Centre move and the current Data Centre Service.
Data Analytics	Reasonable	To provide assurance to DHCW that arrangements are in place to enable NHS Wales to maximise the use of analytics in an appropriate and secure manner.
System Development	Reasonable	To provide assurance over the adequacy of the processes in place in DHCW for securely developing and maintaining applications for NHS Wales.
GP System Procurement Project	Substantial	To provide assurance over the GP System Procurement project to ensure that appropriate project governance is in place, that stakeholders are fully engaged and that there is clarity over costs and benefits.

Please note that other audits of DHCW activities are undertaken as part of the overall DHCW internal audit programme. The overall Head of Internal Audit Opinion for DHCW is Reasonable Assurance.

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## Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC)

The work at both the Welsh Health Specialist Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) is undertaken as part of the Cwm Taf Morgannwg internal audit plan. These audits are listed below and derived the following opinion ratings:

Audit	Opinion	Outline Scope
WHSSC – Risk management	Reasonable	To evaluate and determine the adequacy of the systems and controls in place in relation to risk management.
WHSSC – Cancer and blood services	Substantial	To evaluate and determine the adequacy of the systems and controls in place for the Cancer and Blood Programme.
WHSSC – All Wales Positron Emission Tomography (PET) Service	Reasonable	To evaluate the oversight and delivery of the PET programme and to determine the adequacy of the systems and controls put in place by WHSSC. The audit also examined the arrangements in place at WHSSC to obtain assurances from the resulting projects.
EASC – Governance arrangements	Reasonable	To evaluate and determine the adequacy of the governance arrangements in place with a focus on the governance framework and the mechanisms of committees and groups.

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 the 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 2022/23 operational audit plan.

The audit plan approved by the Committee in March 2021 contained 23 planned reviews. Changes have been made to the plan with 1 review added and 5 audits deferred. All these changes have been reported to and approved by the Committee. As a result of these agreed changes, we have delivered 19 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 2021/22	<b>G</b>	April 2021	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2021/22	<b>G</b>	100% (19/19)	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	<b>G</b>	100%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	<b>R</b>	63%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	<b>G</b>	100%	80%	v>20%	10%<v<20%	v<10%

## 5. RISK BASED AUDIT ASSIGNMENTS

The overall opinion provided in Section 1 and our conclusions on individual assurance domains is limited to the scope and objectives of the reviews we have undertaken, detailed information on which has been provided within the individual audit reports.

### 5.1 Overall summary of results

In total 19 audit reviews were reported during the year. Figure 2 below presents the assurance ratings and the number of audits derived for each.

**Figure 2      Summary of audit ratings**

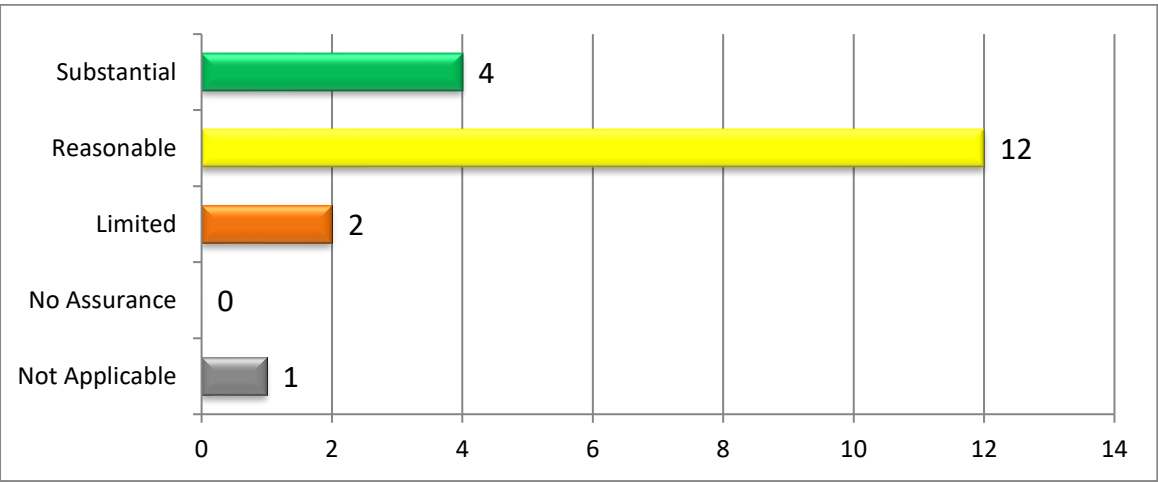


Figure 2 above does not include the audit ratings for the reviews undertaken at NWSSP and DHCW.

The assurance ratings and definitions used for reporting audit assignments are included in **Appendix B**.

In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management. In some cases, the impact of COVID-19 was the reason for the deferral or cancellation and in other cases, it was recognised that there was action required to address issues and/or risks already known to management and an 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.

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06/09/2022 14:08:13

## 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
Budgetary Control	To evaluate and determine the adequacy of the systems and controls in place for budgetary control.
Covid Recovery & Rehabilitation Service	To determine if the Health Board has effectively set up and is delivering a post covid-19 syndrome service in line with Welsh Government guidance and NICE guidelines.
Follow-up Action Tracker	To review the systems in place to monitor progress with the implementation of actions in response to internal audit reports.
Concerns Tracking and Monitoring Assurance	To assess the adequacy and effectiveness of the internal controls in operation for the tracking and monitoring of concerns and Patient Safety Incidents.

## 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
Midwifery Supervision Safeguarding	To establish if effective processes are in place to ensure that staff comply with safeguarding

Review Title	Objective
	supervision requirements and appropriate supervision sessions are provided.
Mortality Reviews	To establish the arrangements and preparedness within the Health Board for the introduction of the Medical Examiners Service. To evaluate the current systems and controls in place for the completion of mortality reviews.
Access to Systems	To evaluate and determine the adequacy of the systems and controls in place for Access to Systems at the Health Board
Network and Information Systems (NIS) Directive	To establish if the organisation is compliant with the NIS Regulations, has appropriate measures to protect, detect and respond to cyber incidents, and has accurately completed the self-assessment.
Medical Equipment & Devices	To evaluate and determine the adequacy of the systems and controls in place for the management of medical equipment & devices and point of care testing.
Theatres Utilisation	To provide an opinion on theatre efficiency, focusing on the in-reach services carried out within the health board's own theatres.
Dementia Services - Dementia Home Treatment Teams	To evaluate and determine the adequacy of the systems and controls in place within the Health Board for the management of Dementia Services focusing on the Dementia Home Treatment Teams.
Waste Management	To determine the adequacy of, and operational compliance with, the UHBs systems and procedures, taking account of relevant NHS and other supporting regulatory and procedural requirements.
Machynlleth Hospital Reconfiguration Project	To review the delivery and management arrangements in place to progress the project; and the performance, for the period March 2020 to December 2021, against its key delivery objectives i.e. time, cost and quality.
Job Matching and Evaluation Process	To evaluate and determine the adequacy of the systems and controls in place within the Health



Review Title	Objective
	Board for the management of The Job Matching and Evaluation Process
Risk Management & Assurance (Fieldwork Complete)	To evaluate and determine the adequacy of the systems and controls in place within the Health Board in relation to Risk Management and Assurance.
Breathe Well Programme (Fieldwork Complete)	To evaluate the governance arrangements in place to ensure effective monitoring and reporting of progress towards delivery of the Programme.

## 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
Control of Contractors	To evaluate the processes and procedures that support the management and control of contractors working for the Health Board, within Capital and Estates, and compliance with Health and Safety Executive (HSE) and other associated guidance and legislation.
Occupational Health Service (Draft)	To evaluate and determine the adequacy of the systems and controls in place for the management of the Occupational Health service. To provide assurance on the effective completion of referrals, pre-employment checks and health surveillance.

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06/09/2022 14:08:11

## 5.5 No Assurance (Red)



No reviews were assigned a 'no assurance' opinion.

## 5.6 Assurance Not Applicable (Grey)



The following reviews were undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for these reviews are deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance definitions are not appropriate but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Annual Governance Statement	Review the draft statement to establish if the content is consistent with our knowledge of the Health Board.

## 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
Performance Management & Reporting	Deferred to the 22/23 plan due to Covid related pressures on the Health Board.
North-Powys Wellbeing Programme	Deferred to the 22/23 plan due to Covid related pressures on the Health Board.
Cancer Services	Deferred to the 22/23 plan due to Covid related pressures on the Health Board.
Looked After Children with Mental Ill Health	Deferred to the 22/23 plan due to Covid related pressures on the Health Board.
Site Management (Advisory)	Deferred to the 22/23 plan due to Covid related pressures on the Health Board.

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## 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 2021/22 plan.

Ian Virgill

Head of Internal Audit

Audit and Assurance Services

NHS Wales Shared Services Partnership

June 2022

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06/09/2022 14:08:13

**Appendix A**

<b>ATTRIBUTE STANDARDS</b>	
<b>1000 Purpose, authority and responsibility</b>	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.
<b>1100 Independence and objectivity</b>	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.
<b>1200 Proficiency and due professional care</b>	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.
<b>1300 Quality assurance and improvement programme</b>	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. Audit Wales complete an annual assessment. An EQA was undertaken in 2018.
<b>PERFORMANCE STANDARDS</b>	
<b>2000 Managing the internal audit activity</b>	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

Parry Stella  
 06/09/2022 14:08:13

	<p>strategy and annual plan is approved by Audit Committee.</p> <p>Policies and procedures which guide the Internal Audit activity are set out in an Audit Quality Manual. There is structured liaison with Audit Wales, HIW and LCFS.</p>
<b>2100 Nature of work</b>	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.
<b>2200 Engagement planning</b>	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.
<b>2300 Performing the engagement</b>	The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.
<b>2400 Communicating results</b>	<p>Assignment reports are issued at draft and final stages. The report includes the assignment scope, objectives, conclusions and improvement actions agreed with management. An audit progress report is presented at each meeting of the Audit Committee.</p> <p>An annual report and opinion is produced for the Audit Committee giving assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p>
<b>2500 Monitoring progress</b>	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.

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**2600 Communicating the acceptance of risks**

If Internal Audit considers that a level of inappropriate risk is being accepted by management it would be discussed and will be escalated to Board level for resolution.

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## Appendix B - Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	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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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](#)

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# Concerns Tracking and Monitoring Assurance

## Final Internal Audit Report

May 2022

Powys Teaching Health Board



GIG  
CYMRU  
NHS  
WALES

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



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board



# Contents

Executive Summary .....	3
1. Introduction .....	4
2. Detailed Audit Findings .....	5
Appendix A: Management Action Plan .....	9
Appendix B: Assurance opinion and action plan risk rating .....	12

Review reference:	PTHB-2122-06
Report status:	Final
Fieldwork commencement:	17 January 2022
Fieldwork completion:	28 April 2022
Debrief meeting:	18 <sup>th</sup> May 2022
Draft report issued:	5 <sup>th</sup> May 2022
Management response received:	24 <sup>th</sup> May 2022
Final report issued:	25 <sup>th</sup> May 2022
Auditors:	Geoffrey Woolley, Principal Internal Auditor Jayne Gibbon, Internal Audit Manager
Executive sign-off:	Claire Roche, Executive Director of Nursing and Midwifery
Distribution:	Zoe Ashman, Assistant Director Quality & Safety Roseanne Lyles, Quality & Safety Commissioning Lead
Committee:	Audit, Risk & Assurance Committee



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

## Acknowledgement

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

## Disclaimer notice - please note

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

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

## Executive Summary

### Purpose

The internal audit assessed the adequacy and effectiveness of the internal controls in operation for the tracking and monitoring of concerns and Patient Safety Incidents.

### Overview


We have issued substantial assurance on this area.

The process is appropriately documented and subject to regular review and monitoring and review of concerns and serious incidents is generally effective.

We identified two key matters requiring management attention:

- The current Concerns team inherited a number of historical incidents, whilst significant work has been undertaken to clear these incidents, work still needs to be undertaken to clear the last remaining incident.
- We identified a number of occasions where supporting documentation was incomplete.

### Report Classification

Substantial	Few matters require attention and are compliance or advisory in manner.
	<b>Low impact</b> on residual risk exposure.

### Assurance summary<sup>1</sup>

Assurance objectives	Assurance
1 Process is adequately documented and subject to regular review.	Substantial
2 Effective monitoring and review, including communication with service users and providers.	Substantial
3 Prioritised action plans for improvement in place and monitored so that lessons are being learned to prevent or minimise recurrences.	Reasonable
4 Provider performance is monitored, reported and scrutinized to provide assurance that managed effectively, with issues escalated as appropriate.	Reasonable

<sup>1</sup>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

### Key Matters Arising

		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Incomplete Record Keeping.	3	Operation	Medium
2	Outstanding 'historical' incidents..	4	Operation	Medium

---

## 1. Introduction

- 1.1 The Concerns Tracking and Monitoring Assurance review was completed in line with Powys Teaching Health Board's ('the health board') 2021/22 Internal Audit Plan.
- 1.2 The systems and processes in operation throughout the NHS should be robust and empower the reporting of any concerns or Patient Safety Incidents (PSI's) where safety is compromised. Of equal importance is when such concerns or PSI's are raised, they are appropriately managed.
- 1.3 The health board is predominantly a commissioning organisation. As a highly rural area with no district general hospital, 90% of admitted care and 80% of secondary care outpatients is delivered beyond the borders of the Health Board. The Health Board commission services across 15 NHS organisations in England and Wales.
- 1.4 A Commissioning Assurance Framework (CAF) has been developed at the heart of which is the importance of developing a 'holistic' understanding of the services commissioned considering the patient experience, quality, safety, access, activity, finance, governance and strategic change. The Framework provides a mechanism to track and identify areas of poor performance and risk specific to use of service by Powys residents.
- 1.5 In January 2020, the Board approved the Clinical Quality Framework. The Framework aims to further improve and assure the quality of clinical services provided by the health board during the next three years and includes work to ensure that the CAF and associated monitoring arrangements are reviewed to ensure alignment.
- 1.6 The Lead Executive for this review is the Executive Director of Nursing and Midwifery.
- 1.7 The main risks considered in the review were:
  - concerns and serious patient safety incidents relating to Powys residents receiving treatment at other NHS providers are not captured or investigated resulting in an inability to put things right or limit further avoidable harm; and
  - the inability to learn lessons to prevent future occurrences putting patient safety at risk.

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## 2. Detailed Audit Findings

**Objective 1: The process for managing concerns and PSI's relating to Powys residents with other NHS providers is adequately documented (including management responsibilities, governance and reporting arrangements) and subject to regular review.**

- 2.1 The Health Board has a 'Putting Things Right' policy in place which is available to all staff on the Concerns, Claims and Patient Experience page on the Health Board's intranet.
- 2.2 It is a detailed and comprehensive document which covers all expected management responsibilities, governance arrangements and reporting arrangements and includes a series of useful supporting appendices which aid and standardise the processes.
- 2.3 Simplified documentation covering the 'Putting Things Right' policy has been developed for patients which addresses key areas including how to express concerns, how they are dealt with, learning lessons from mistakes and the role of the Public Services Ombudsman for Wales if a complaint cannot be resolved.
- 2.4 Training has been provided on the policy and all staff were adequately informed via Health Board Announcements and News Updates that it was available.

### Conclusion:

- 2.5 The process for managing concerns and PSI's relating to Powys residents with other NHS providers is adequately documented and is subject to regular review. (Substantial Assurance)

**Objective 2: There is effective monitoring and review of concerns and PSI's, including communication with the service user and provider as required.**

- 2.6 Detailed tracker spreadsheets are maintained to monitor and review concerns and PSI's which include expected key information such as:
  - a. case reference;
  - b. brief description of concern / incident;
  - c. service group concern / incident occurred;
  - d. allocated lead;
  - e. dates for key stages; and

Progress.
- 2.7 These tracker spreadsheets are live documents which are continually reviewed and updated to control and monitor concerns and PSI's. However, in addition to this,

weekly catch up meetings are also held for the whole Concerns team to regularly take stock and identify pressing issues which require urgent attention.

- 2.8 For 14 cases, we selected the most recent progress comments and confirmed that it was supported by relevant supporting evidence, confirming the reliability of the tracker spreadsheets and that appropriate action was being taken to chase up and progress the concerns and PSI's.
- 2.9 Information regarding timescales is included in the policy and discussion with staff and case testing confirmed that progress was chased in order to meet these deadlines.

#### Conclusion:

- 2.10 The tracker spreadsheets maintained provide an effective mechanism to monitor and review concerns and PSI's and sample cases tested confirm communication with the service user and provider as required. (Substantial Assurance)

### **Objective 3: Prioritised action plans for improvement are in place and monitored to demonstrate lessons are being learned to help prevent or minimise recurrences.**

- 2.11 The 'Putting Things Right' policy states that where there is a need for change, an action plan will be developed, and this is also reflected in the system flowchart.
- 2.12 The Serious Incident policy states that the Health Board is committed to learning from incidents and the wider sharing of lessons to prevent incidents being repeated or occurring elsewhere. To achieve this, learning from event reports are required on all serious incidents as part of an investigation which must be submitted to the Concerns Team on completion.

#### Concerns:

- 2.13 When a service group investigates a concern, it considers what lessons should be learnt and incorporates this as part of its response letter.
- 2.14 We reviewed three provider concerns:
- One case was satisfactory with lessons learnt being adequately addressed in the response letter.
  - One case was not upheld and so there were no relevant learning points. However, although the word version of the final response letter was retained, a signed copy of the response letter was not retained. Furthermore, it had not been recorded in the post log as having been sent. (Matter Arising 1 – Medium Priority).
  - For one case, confirmation was received from the provider organisation that the response letter had been sent to the claimant. However, although a copy was

requested by the Health Board's Quality & Safety Team, a copy was still not held a month after initially requesting it and it had not been chased up. However, it was also noted that the claimant had not come back to the Health Board. (Matter Arising 2 – Medium Priority).

2.15 We reviewed five Health Board concerns:

- Two cases were satisfactory with lessons learnt being adequately addressed in the response letters.
- One case was not upheld and so there were no relevant learning points.
- Two cases were broadly satisfactory with some reservations. For one case, evidence confirming that the response letter was sent to the service group was only recorded in the case log. A copy of the evidence was not retained. For the other case, the final signed copy of the response letter was not sent to the service group. (Matter Arising 1 – Medium Priority).

#### Serious Incidents:

2.16 Where an action plan is required, this is included with the investigation report.

2.17 We reviewed three serious incidents. Overall, all were satisfactory, although in one case the evidence file name was misleading. (Matter Arising 1 – Medium Priority).

#### Conclusion:

2.18 Our sample testing confirmed that prioritised action plans for improvement are in place to help prevent or minimise recurrences. However, our testing identified a number of instances where the process was not fully complied with. (Reasonable Assurance)

### **Objective 4: Provider performance is monitored, reported and scrutinized within the health board to provide assurance that concerns and PSI's are being managed effectively, with issues escalated as appropriate.**

2.19 Detailed update papers for concerns and PSI's are provided to the regular Patient Experience, Quality & Safety Committee which summarise the position for the latest period including concerns percentage response times within the target deadline and various useful graphs so that trends can be easily understood.

2.20 A weekly report is provided to the Exec Team which shows the numbers of concerns and PSI's for that week, for each of the previous weeks and includes explanations for the movements and points of interest.

2.21 Concerns and PSI's are covered as part of the meetings with providers under the Commissioning Assurance Framework.

2.22 Historical incidents were inherited from the previous Concerns team when new staff took over in January 2021. While significant work has been undertaken to

clear these incidents, work still needs to be undertaken to clear the last remaining incident. (Matter Arising 2 – Medium Priority).

**Conclusion:**

2.23 Concerns and PSI's are generally being managed effectively via the Patient Experience, Quality & Safety Committee, weekly reports to the Exec Team and meetings with providers under the Commissioning Assurance Framework. However, work still needs to be undertaken to clear the last remaining historical incident which was inherited from the previous Concerns team when new staff took over in January 2021. (Reasonable Assurance)

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## Appendix A: Management Action Plan

Matter Arising 1: Incomplete Records. (Operation)	Impact
<p>The following miscellaneous administrative matters were identified from sample testing of prioritised action plans.</p> <p>Provider concerns.</p> <ul style="list-style-type: none"><li>• In one case, although the Word version of the final response letter was retained, a signed copy of the response letter was not retained. Furthermore, it had not been recorded in the post log as having been sent.</li><li>• In one case, confirmation was received from the provider organisation that the response letter had been sent to the claimant. However, although a copy was requested by Health Board's Quality &amp; Safety Team, a copy was still not held a month after initially requesting it and it had not been chased up. However, it was also noted that the claimant had not come back to the Health Board.</li></ul> <p>Health Board concerns.</p> <ul style="list-style-type: none"><li>• In one case, evidence confirming that the response letter was sent to the service group was only recorded in the case log. A copy of the evidence was not retained.</li><li>• In one case, the final signed copy of the response letter was not sent to the service group.</li></ul> <p>Serious Incidents.</p> <ul style="list-style-type: none"><li>• In one case the evidence file name was misleading.</li></ul>	<p>Potential risk of inefficiency or error in connection with prioritised action plans.</p>

Recommendations		Priority
<p>Management should ensure that staff are reminded of the requirements of the policy regarding record keeping for actions plans and responses.</p> <p>Management may also wish to consider undertaking ad hoc reviews of cases to ensure that all necessary documentation has been retained and recorded as per the guidance in place.</p>		<b>Medium</b>
Agreed Management Action	Target Date	Responsible Officer
<p>Since the Audit the Concerns team have implemented the use of the RLDatix system to log all activity with regards to concerns management, within this system there is an option to audit compliance against the communication required in line with the Putting Things Right Regulation, this is reviewed on a monthly basis to ensure 100% compliance.</p> <p>There is also a requirement for all communication and documentation regarding concerns management to be saved and stored within the RLDatix and not within separate files.</p>	Completed April 2022	<b>Assistant Director of Quality &amp; Safety</b>

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Matter Arising 2: Outstanding historical incidents. (Operation)		Impact
A number of historical incidents were inherited from the previous Concerns team when new staff took over in January 2021. While significant work has been undertaken to clear these incidents, work still needs to be undertaken to clear the last remaining incident. The incident in question occurred in October 2020 and related to a patient's death. We understand that a draft response has been produced for review by the Assistant Director of Quality & Safety.		Potential risk of repeat incidents and adverse publicity for the Health Board.
Recommendations		Priority
Management should ensure that appropriate steps are undertaken to clear the last remaining incident as soon as possible.		Medium
Agreed Management Action	Target Date	Responsible Officer
This Concern has been closed	February 2022	Assistant Director of Quality & Safety

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# Appendix B: Assurance opinion and action plan risk rating

## Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	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.



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](#)

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# Recommendation Tracking Process & Follow-up Review

## Final Internal Audit Report

May 2022

Powys Teaching Health Board



GIG  
CYMRU  
NHS  
WALES

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



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board



Contents

Executive Summary ..... 3


1. Introduction ..... 4

2. Detailed Audit Findings ..... 5

Appendix A: Management Action Plan ..... 12

Appendix B: Assurance opinion and action plan risk rating ..... 15

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Auditors:	Ian Virgill, Head of Internal Audit
Executive sign-off:	James Quance, Interim Board Secretary
Distribution:	Stella Parry, Interim Corporate Governance Manager
Committee:	Audit, Risk & Assurance Committee



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

Acknowledgement

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

Disclaimer notice - please note

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

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## Executive Summary

### Purpose

The main objective of the review was to evaluate the Health Boards arrangements for monitoring and reporting progress towards the implementation of Internal Audit recommendations.

The review also sought to establish the progress made against the Limited Assurance reports issued in 2020/21.

### Overview

Our overall assurance rating reflects the fact that the Health Board has robust tracking arrangements in place and good progress has been made against the majority of limited assurance reports issued in 2020/21.


The key matter identified that requires management attention is:

- Ensure that the planned work to develop a Partnership Framework is completed, in order to address the two outstanding recommendations from the 2020/21 Limited Assurance Partnership Governance report.

This matter has been considered in determining the assurance rating for objective 3. However, no new recommendation is included within this report as the original recommendations are still in place and are being monitored through the Tracker.

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

### Report Classification

		Trend
	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.	N/A

### Assurance summary

Assurance objectives	Assurance
1 Effective processes are in place for monitoring and reporting the implementation of Internal Audit recommendations.	Substantial
2 The status of recommendations is accurately recorded within the Health Board's recommendation tracking report.	Substantial
3 Appropriate progress has been made in implementing the recommendations raised within the 2020/21 Limited Assurance reports.	Reasonable



## 1. Introduction

- 1.1 The audit of the Recommendation Tracking Process & Follow-up Review was undertaken and completed in line with the 2021/22 Internal Audit Plan for Powys Teaching Health Board ("The Health Board").
- 1.2 The relevant lead for the review was the Board Secretary.
- 1.3 Internal Audit plays an important role in providing the Board with assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 1.4 Provision of this assurance is primarily achieved through delivery of the individual audit reviews included within the agreed annual Internal Audit plan.
- 1.5 In addition, internal audit's findings and recommendations identified through the audit reviews are beneficial to management in securing improvement in the audited areas. It is therefore key that the identified recommendations are effectively implemented by management within agreed timescales.
- 1.6 The Audit, Risk and Assurance Committee ("The Committee") monitor the progress in implementing recommendations (this is wider than just Internal Audit recommendations) through the recommendation tracker process.
- 1.7 The purpose of this review was to evaluate the Health Board's recommendation tracking process and provide assurance that the status of recommendations recorded within the tracker is accurate.
- 1.8 We reviewed a sample of high and medium priority 2020/21 recommendations that had been recorded on the tracker as complete and requested evidence from management to support the completion.
- 1.9 We also sought to establish the progress made towards implementation of the agreed management actions in relation to the following three limited assurance reports that were issued during 2020/21:
  - Fire Safety;
  - Llandrindod Wells Hospital Reconfiguration Project; and
  - Partnership Governance – Programmes Interface

### Audit Risks

- 1.10 The potential risks considered in this review were as follows:
  - Recommendations are not implemented resulting in continued risk for the Health Board; and
  - Inaccurate reporting within the tracker leading to ineffective assurance.

## 2. Detailed Audit Findings

### **Objective 1: Effective processes are in place for monitoring and reporting the implementation of Internal Audit recommendations:**

- 2.1 The Interim Corporate Governance Manager coordinates the Health Board's Audit Recommendation Tracking Process, supported by the Corporate Governance Team.
- 2.2 A desk top procedure is in place describing the process undertaken by the Corporate Governance team, the key elements of which are as follows:
  - Recommendations are added to the tracker after the final Internal Audit reports have been presented to the Committee;
  - Updates on the implementation of all outstanding recommendations are requested from the respective Executive Directors in time to feed into reporting to each Committee meeting.
  - The updates received from the Executives are fed into the recommendation tracker and the status of the recommendations are updated accordingly.
  - The tracker is presented to a meeting of the Executive Team for review and oversight, prior to reporting to the Committee.
- 2.3 Following completion of the tracking process, the Interim Corporate Governance Manager produces an 'Implementation of Audit Recommendations' report for submission to each Committee meeting. The report covers recommendations made by Internal Audit, External Audit and Counter Fraud.
- 2.4 For Internal Audit, the report provides a summary of all overdue recommendations made for each year since 2017/18. During the pandemic, the timescales for implementation of outstanding Internal Audit recommendations were re-prioritised from the usual priority levels to Covid-19 priority levels 1 to 3, the deadlines for the 3 priority levels were as follows:
  - Priority 1 - 31st March 2021
  - Priority 2 - 30th September 2021
  - Priority 3 - 31st December 2021

This re-prioritisation process covered all outstanding recommendations from 2017/18, 2018/19 and 2019/20. As the Health Board came out of the pandemic, the timescales for the implementation of recommendations made during 2020/21 and 2021/22 were not re-prioritised and remained as per the timescales agreed as part of the final reports.
- 2.5 The appendices to the report provide comprehensive analysis of all the recommendations including the original narrative, management response, current progress towards implementation, any barriers to implementation and associated risks

- 2.6 There are separate appendices that provide details of those recommendations that remain outstanding, those implemented since the last meeting of the Committee and those that are not yet due. All of which provides the Committee with an appropriate level of detail on the status of the recommendations.
- 2.7 Our Attendance at each of the Committee meetings through 2021/22 confirmed that the tracker report is presented by the Board Secretary who explains the purpose of the report and summarises the current position. The Committee is also invited to raise any questions on the report or associated appendices. We noted that although the members have sight of the report prior to the meeting, the number of questions raised on the tracker are relatively low. There is scope for the level of scrutiny and challenge, particularly around overdue recommendations, to be increased. **(Matter arising 1)**
- 2.8 We reviewed the tracker reports submitted to the Committee meetings during 2021/22 and were able to confirm that all required 2020/21 recommendations had been included and the numbers recorded within each of the appendices were generally correct. We did identify one issue where a recommendation was wrongly recorded as outstanding within Appendix D when it was actually complete. This was highlighted to the Interim Corporate Governance Manager and was corrected for the report presented to the April 22 Committee. **(Matter arising 2)**

Conclusion:

- 2.9 The Health Board has a robust process in place for recording Internal Audit recommendations and tracking their completion. The reports provided to the Committee include a good level of detail and analysis, but there is further scope to enhance the level of scrutiny and challenge. We have provided Substantial assurance for this objective.

**Objective 2: The status of recommendations is accurately recorded within the Health Board's recommendation tracking report.**

- 2.10 An analysis was undertaken of all high and medium priority 2020/21 recommendations reported to each meeting of the Audit, Risk and Assurance Committee from April 21 to March 22.
- 2.11 This identified that a total of 31 high and medium priority recommendations were reported, with 22 of those reported as having been complete as of March 2022.
- 2.12 A sample of 14 (64%) of the recommendations recorded as completed was selected for review. These related to the 3 Limited assurance reports issued in 2021/22.
- 2.13 Evidence was then obtained from the relevant Executives and Managers, via the Interim Corporate Governance Manager, to support the stated completion for the sampled recommendations.
- 2.14 Review and evaluation of the provided evidence confirmed that all of the sampled recommendations had been appropriately recorded as complete within the tracker.

Conclusion:

2.15 The testing undertaken on a sample of recommendations confirms that the status recorded within the tracker is accurate. We have provided Substantial assurance for this objective.

Objective 3: Appropriate progress has been made in implementing the recommendations raised within the 2020/21 Limited Assurance reports.

2.16 As part of the work undertaken to validate the status of recommendations, we reviewed the progress made against the high and medium priority ratings from the three limited assurance reports issued during 2020/21. The outcomes for each of the reports are set out below.

Fire Safety

2.17 The original report was issued in October 20 and included two high priority and five medium priority recommendations.

2.18 All of the recommendations were reported as being complete on the Health Board's tracker as of April 22. Our testing, as detailed under objective 2 above, confirmed that all had been appropriately recorded as complete and evidence was provided to support this.

2.19 The status of the recommendations can therefore be confirmed as:

Priority rating	Number of recommendations	Complete	Outstanding	Not yet due
High	2	2	0	0
Medium	5	5	0	0
Total	7	7	0	0

2.20 The detailed position for each of the recommendations is as follows:

2.21 Recommendation 1, Medium Priority – Confirmed as complete.  
The Health Board's Fire Safety Policy has been updated and was approved in December 2021. The Policy now incorporates current Welsh Health Technical Memorandum (WHTM) guidance and includes details of the new Fire Safety Management structure.

2.22 Recommendation 2, High Priority - Confirmed as complete.  
The updated Fire Safety Policy clarifies the fire safety management structure including the roles and responsibilities of the Fire Safety Managers, Fire Incident Coordinators, Fire Safety Advisors and Fire Wardens. Site coordinator roles have also been developed and their responsibility in relation to fire safety is confirmed

within the Policy. The policy was approved by the Executive Committee and the Board.

- 2.23 *Recommendation 3, Medium Priority - Confirmed as complete.*  
The individual roles of the Fire Incident Coordinators, Fire Wardens and Site Coordinators have been documented in role profiles. They are also confirmed within the Fire Safety Policy along with the roles of the Directors, Fire Safety Managers and Fire Safety Advisor. A total of 531 nominated staff have been identified for the Fire Warden and Fire Incident Coordinator roles across the Health Board.
- 2.24 *Recommendation 4, Medium Priority - Confirmed as complete.*  
Updated fire plans for the Llandrindod site have been produced and are included within the site Fire Safety Manual. The plans are displayed next to the fire panel in the main entrance of the site.
- 2.25 *Recommendation 5, Medium Priority - Confirmed as Complete*  
As of April 2022, 408 of the 531 nominated staff have received fire support training. The training includes information on the completion of Fire Safety Folders.
- 2.26 *Recommendation 6, Medium Priority - Confirmed as Complete*  
Inspection sheets have been created for inclusion in all Fire Safety Management folders. The sheets are signed to verify that the required checks have been undertaken.
- 2.27 *Recommendation 7, High Priority - Confirmed as Complete*  
Fire Warden and Fire Incident Coordinator roles have been confirmed, as per the previously referenced role profiles. 531 nominated staff have been identified across all sites with sufficient numbers at each of the individual sites.

Llandrindod Wells Hospital Reconfiguration Project

- 2.28 The original report was issued in June 21 and included five medium priority recommendations.
- 2.29 All of the recommendations were reported as being complete on the Health Board's tracker as of April 22. Our testing, as detailed under objective 2 above, confirmed that they had been appropriately recorded as complete and evidence was provided to support this.
- 2.30 The status of the recommendations can therefore be confirmed as:

Priority rating	Number of recommendations	Complete	Outstanding	Not yet due
Medium	5	5	0	0
Total	5	5	0	0

- 2.31 The detailed position for each of the recommendations is as follows:
- 2.32 *Recommendation 2, Medium Priority - Confirmed as complete*  
The recommendation was noted for actioning as part of future projects. Our subsequent audit of the Machynlleth Hospital Reconfiguration Project (SSU\_PTHB\_2122\_01) was able to provide reasonable assurance around the project management arrangements.
- 2.33 *Recommendation 3, Medium Priority - Confirmed as complete*  
A Lessons Learnt Framework document has now been completed for the Llandrindod project and was presented to the Innovative Environment Group in August 2021. The Framework document includes identification of areas of best practice and areas for improvement across the stages of the project, along with an assessment of benefits realisation through delivery of the project.
- 2.34 *Recommendation 4, Medium Priority - Confirmed as complete*  
The recommendation has been shared with consultants to ensure that it is addressed for future schemes. Review of the Machynlleth project cost report confirmed that it includes a comparison of the value of changes against the agreed contingency / risk allocation.
- 2.35 *Recommendation 5, Medium Priority - Confirmed as Complete*  
The recommendation was noted for actioning as part of future projects. Review of the minutes of the Machynlleth Project Board confirmed that discussion was held around delayed damages. Professional advice was received not to include delayed damages. The decision was approved but it was also decided to include a retention sum.
- 2.36 *Recommendation 6 - Confirmed as Complete*  
Review of the example cost report provided for the Machynlleth project confirms that this issue has been addressed for future schemes.

### **Partnership Governance - Programmes Interface**

- 2.37 The original report was issued in January 21 and included three high and one medium priority recommendations.
- 2.38 One high and one medium priority recommendations were reported as being complete on the Health Board's tracker as of April 22. The remaining two high priority recommendations were recorded as overdue for implementation. Our testing, as detailed under objective 2 above, confirmed that the three recommendations had been appropriately recorded as complete and evidence was provided to support this. We also confirmed the stated position within the tracker in relation to the overdue recommendations.

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2.39 The current status of the recommendations can therefore be confirmed as:

Priority rating	Number of recommendations	Complete	Outstanding	Not yet due
High	3	1	2	0
Medium	1	1	0	0
<b>Total</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>

2.40 The detailed position for each of the recommendations is as follows:

2.41 *Recommendation 1, High Priority - Confirmed as Overdue.*

The development of a Partnership Governance Framework was delayed due to Covid but is being taken forward as part of the Annual Governance Programme. The update on the Annual Governance Programme presented at the March 22 Committee, confirmed the delay. An overview of partnership governance arrangements was presented to Board at the Strategic Planning Session.

2.42 *Recommendation 2, Medium Priority - Confirmed as complete.*

An updated version of the Together for Mental Health Plan has been produced. Review of the plan confirmed that responsible individuals are identified as leads for each of the actions. Each of the individual actions are also allocated to a responsible group / forum for monitoring.

2.43 *Recommendation 3, High Priority - Confirmed as complete.*

Terms of Reference are now in place for the Mental Health Officers Group (MHOG) which include confirmation that 'The MHOG exists to support and monitor operational delivery of the Together for Mental Health and Health and Care (Mental Health Priorities) Strategies for Powys and keep related documents and reports up to date in terms of performance, progress and outcomes'.

2.44 *Recommendation 5, High Priority - Confirmed as Overdue*

The reporting arrangements for the Live Well: Mental Health partnership are to be reviewed and clarified through the Partnership Governance Framework. As noted above, development of the Framework has been delayed.

### Conclusion:

2.45 Overall, significant progress has been made with the implementation of the recommendations from the 2020/21 Limited assurance reviews. We were able to confirm that all the recommendations have been completed for the Fire Safety and Landrindod audits, although on-going work is required to ensure that the actions are consistently applied in the future. Further work is also required to ensure that the remaining two high priority recommendations from the Partnership Governance audit are fully implemented. We have provided Reasonable assurance for this objective.

- 2.46 Completion of the two overdue recommendations is highlighted as a key matter arising within the Executive Summary and has informed the assurance rating for this objective. We have not however included a new matter arising or recommendation within the Management Action Plan of this report. The original recommendations are included within the Tracker and will continue to be monitored through that route.

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## Appendix A: Management Action Plan

Matter Arising 1: Committee scrutiny of the Recommendation Tracking Report (Operation)		Impact
<p>The 'Implementation of Audit Recommendations' report is presented to each meeting of the Committee by the Board Secretary who explains the purpose of the report and summarises the current position.</p> <p>The report provides comprehensive information on the detail and status of all Internal Audit recommendations.</p> <p>The Committee is invited to raise any questions on the report or associated appendices, but we have noted through our attendance at the Committee meetings that the number of questions and therefore the level of scrutiny and challenge is relatively low.</p>		<p>Potential risk that:</p> <p>Recommendations are not implemented and identified issues are not addressed.</p>
Recommendation 1		Priority
<p>Going forward, management should work with the Committee members to consider ways in which the level of scrutiny and challenge, particularly around overdue recommendations, can be increased.</p> <p>This could include requiring the relevant Executive leads to attend the Committee to provide further assurance around the plans in place to ensure implementation of overdue recommendations.</p>		Low
Agreed Management Action 1	Target Date	Responsible Officer
The Board Secretary will work with Committee members to encourage and increase the level of scrutiny and challenge in relation to audit recommendations, particularly those overdue. A review of long-standing overdue recommendations	July 2022	Board Secretary/Interim Corporate Governance Manger

is being undertaken and where considered appropriate Executive Leads will be invited to the relevant Committee to provide further assurance around progress and plans in place. As an example, an update on Records Management is to be reported to the next meeting of the Delivery of Performance Committee.

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Matter Arising 2: Accurate recording of recommendations (Operation)		Impact
<p>Analysis of the Recommendation Tracking reports, and associated Appendices submitted to each meeting of the Committee during 21/22, confirmed that all required 2020/21 recommendations had been included. We were also able to confirm that the number of recommendations reported as complete to each Committee meeting, corresponded to the total within the summary report provided to the March 22 Committee.</p> <p>One issue was however identified where a recommendation was wrongly recorded as outstanding within Appendix D when it was actually complete. This was highlighted to the Interim Corporate Governance Manager and was corrected for the report presented to the April 22 Committee.</p>		<p>Potential risk of:</p> <p>Inaccurate reporting within the tracker leading to ineffective assurance</p>
Recommendation 2		Priority
<p>Noting that the identified instance has been corrected, management should ensure that sufficient checks are undertaken on the Report and appendices so that all future recommendations are accurately recorded.</p>		<b>Low</b>
Agreed Management Action 2	Target Date	Responsible Officer
Checks are undertaken as part of the reporting cycle, but we note this oversight and will ensure that sufficient checks are undertaken to avoid future instances.	Immediate	Interim Corporate Governance Manager

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## Appendix B: Assurance opinion and action plan risk rating

### Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	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.



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](#)

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# Occupational Health Service Final Internal Audit Report

June 2022

Powys Teaching Health Board



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# Contents

Executive Summary ..... 3

1. Introduction ..... 5

2. Detailed Audit Findings ..... 6

Appendix A: Management Action Plan ..... 10

Appendix B: Assurance opinion and action plan risk rating ..... 19

Review reference:	PTUHB-2122-17
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Auditors:	Lucy Jugessur, Internal Audit Manager Jayne Gibbon, Internal Audit Manager
Executive sign-off:	Mark McIntyre, Deputy Director of Workforce & OD
Distribution:	Sarah Powell, Assistant Director of Workforce & OD
Committee:	Audit, Risk & Assurance Committee



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

## Acknowledgement

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

## Disclaimer notice - please note

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

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# Executive Summary

## Purpose

The objective of the review was to evaluate and determine the adequacy of the systems and controls in place for the management of the Occupational Health service, in order to provide assurance to the Health Board’s Audit, Risk & Assurance Committee that risks material to the achievement of system objectives are managed appropriately.

## Overview


We have issued limited assurance on this area. The significant matters which require management attention include:

- The Occupational Health policies are out of date.
- Employees are not being seen within an appropriate timescale following referral to the Occupational Health Service.
- Delays in pre-employment checks.
- Health surveillance is not well coordinated within the Health Board and is currently reactive.
- Enhance the Occupational Health dashboard.

Further matters arising concerning the areas for refinement and further development have also been noted (see Appendix A).

## Report Classification

Limited



More significant matters require management attention.

**Moderate impact** on residual risk exposure until resolved.

## Assurance summary<sup>1</sup>

Assurance objectives		Assurance
1	Formally documented policy and standard operating procedures in place.	Reasonable
2	Appropriate resources and processes in place.	Reasonable
3	Referrals are appropriately recorded and assessments undertaken.	Limited
4	Appropriate processes in place for the completion of pre-employment checks	Reasonable
5	Appropriate Health surveillance arrangements in place	Limited
6	Appropriate KPI’s are in place	Reasonable

<sup>1</sup>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

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Key Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Occupational Health Policies	1	Design	High
2	Occupational Health Recruitment	2	Operation	Medium
3.1	Timeliness between receipt of referrals and appointments	3	Operation	High
3.2	Incomplete referral forms	3	Operation	Medium
4	Timeliness of completion of pre-employment checks	4	Operation	Medium
5.1	Health Surveillance	5	Operation	High
5.2	Health Surveillance information	5	Operation	Medium
6	Occupational Health Dashboard	6	Design	Medium

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## 1. Introduction

- 1.1 The review of the Occupational Health Service was undertaken and completed in line with the 2021/22 Internal Audit Plan for Powys Teaching Health Board ("The Health Board").
- 1.2 Health and safety legislation in the UK places a statutory duty on employers to keep their employees healthy and safe whilst in work, and in particular to manage those risks in the workplace that are likely to give rise to work-related ill-health.
- 1.3 The Health Board values the health and welfare of its employees. The aim of the Occupational Health Service is to support the Health Board's quest to maintain and improve the health and wellbeing in the workplace for all its employees. It provides specialist advice and support on all aspects of workplace health.
- 1.4 The Occupational Health service is a confidential service which is available for all employees whether they are full-time, part-time, locum, bank, agency or students or within a hosted organisation. It is essential that the service operates in a confidential and impartial way, acting as adviser to both managers and employees, promoting the physical, psychological and social wellbeing of the Health Board's most valuable asset.

The team provides a range of services including:

- Pre-placement medical screening for all prospective employees;
  - Providing appropriate health surveillance in accordance with identified risk assessments;
  - Advising on employees' fitness for work and on any reasonable adjustments that are required;
  - Health assessments of fitness for employees to resume their duties on return to work after prolonged absence, or significant ill health, due to illness or injury;
  - Appropriate immunisations & screening for employees is maintained in relation to key workplace hazards;
  - Advice on contact with, or symptoms of infection; and
  - Providing additional support services e.g. confidential counselling to meet the needs of staff, and physiotherapy/podiatry self-referral schemes
- 1.5 The Lead Executive for this review is the Director of Workforce and Organisational Development.
  - 1.6 The potential risks considered in the review were as follows:
    - Inappropriate and / or inconsistent processes are undertaken;
    - Increased financial costs due to staff absences / recruitment delays;
    - Inappropriate and / or delayed staff recruitment; and
    - Poor service performance is not identified or addressed.

## 2. Detailed Audit Findings

### **Objective 1: The Health Board has a formally documented policy and standard operating procedures in place for the Occupational Health service and these are appropriately applied in practice**

- 2.1 The Health Board has a Sharepoint site which includes an Occupational Health and Wellbeing department section. The site includes detail on the team, who the service is available to and the services that Occupational Health offer. In addition, it details the process for referral to the Occupational Health department and how to access the Counselling Service.
- 2.2 There is an Occupational Health Policy and a Needlestick and Body Fluid Contamination Injuries Policy which are both out of date. We checked and both policies were available on the Health Board's Intranet site. (*Matter Arising 1 – High Priority*).

#### **Conclusion:**

- 2.3 The Occupational Health and Wellbeing department Sharepoint site is very detailed and provides information on the referral process. There are two policies within Occupational Health and both are out of date. Accordingly, we have provided Reasonable Assurance for this Objective.

### **Objective 2: Appropriate resources and processes are in place to ensure staff have timely access to the Occupational Health service for referrals (both self and line manager)**

- 2.4 It has been recognised by management that the Occupational Health service has had capacity issues due to increased demand since the Covid 19 pandemic. However, the staff have continued to work as best they can to deliver a service.
- 2.5 The Corporate risk register has a risk recognising that "the Health Board is unable to sustain an adequate workforce". The rationale for the score included that there were significant recruitment challenges within the Occupational Health team.
- 2.6 A review of the resources within the Occupational Health service was undertaken as part of the "Business Case for an increase in Occupational Health resources and an additional investment into the external counselling services provision" paper taken to the Investment Business Group requesting an increased investment within the service. The paper was approved and then taken to the Executive Committee which also received approval.
- 2.7 The paper highlighted the number of staff required to ensure that the service operated effectively and to enable staff within the Health Board to be supported adequately. The roles that are required for the updated structure need to be advertised in a timely manner to ensure that the positions are filled as soon as possible to enable the service to operate effectively and to support Health Board staff. (*Matter Arising 2 – Medium finding*)

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**Conclusion:**

- 2.8 The Occupational Health department has experienced capacity issues as a result of increased demand resulting from the Covid19 pandemic and ongoing vacancies. A business case requesting more resources has been approved and the Health Board need to ensure that the positions are advertised timely. Accordingly, we have provided Reasonable Assurance for this Objective, which reflects the fact that additional resources have been approved but improvements in the service will not be realised until the positions are filled.

**Objective 3: Referrals are appropriately recorded, assessments are undertaken, and managers are informed of the next steps required**

- 2.9 Staff are able to self-refer themselves and Managers are able to refer employees to the Occupational Health service. Appointments are held with the Clinical Nurses and for more complex cases the employees are seen by the Consultants. The process for when an individual should refer, and the referral forms are available on the Occupational Health sharepoint site.
- 2.10 The referral forms are sent to the Occupational Health service, but we were advised that the forms are not always completed appropriately and therefore it is difficult to identify what is required for the employee. *(Matter Arising 3 – Medium Finding)*
- 2.11 We reviewed a sample of employees that had been referred to the Occupational Health department to assess the length of time from the date the referral had been received to the date of the appointment. It was evidenced that there was a considerable amount of time between the date of receipt of referral and date of appointment for some cases reviewed. *(Matter Arising 3 – High Finding)*

**Conclusion:**

- 2.12 There is an adequate process for referring staff to Occupational Health, however, the forms are not always completed appropriately which can cause delays in arranging appointments. Accordingly, we have provided Limited Assurance for this Objective.

**Objective 4: Appropriate processes are in place for the completion of pre-employment checks for all prospective employees within agreed timescales following receipt from TRAC**

- 2.13 All prospective new starters complete an Occupational Health declaration form and Occupational Health review it to ensure that vaccinations are up to date etc. Following the review of the form, Occupational Health will advise NWSSP that everything is in order to allow them to continue with the recruitment of the individual. The prospective employee is contacted and an appointment is made if a health issue is declared on the form.
- 2.14 We selected a sample of new starters to review the length of time between the date the pre-employment questionnaire was received by the OH team to the date

that Occupational Health cleared the employee to be fit to work. It was evidenced that there were delays for some new employees from the date the pre-employment questionnaire was received to the date the employee was cleared to work. (*Matter Arising 4 – Medium Finding*)

#### Conclusion:

- 2.15 Occupational Health declaration forms are completed by all prospective employees and forwarded to Occupational Health for review and clearance. There were some delays in clearing the employees as fit to work. Accordingly, we have provided Reasonable Assurance for this objective.

### **Objective 5: Appropriate Health surveillance arrangements are in place within the Health Board**

- 2.16 The Health and Safety Executive confirm that “there are things you must do to make sure workers’ health is not adversely affected by their work and that workers are medically fit to carry out their work safely” including implementing health or medical surveillance when necessary.
- 2.17 Recruiting managers are responsible for ensuring that employees receive appropriate health surveillance in line with exposure to workplace hazards. The Hiring Manager has to record on the pre-employment checks form whether there are any specific requirements of the job which require health surveillance but action was not always undertaken. (*Matter Arising 5 – Medium Finding*)
- 2.18 The Occupational Health team has one Occupational Health Nurse who undertakes Tier 1-3 assessments, and the Occupational Health Consultant undertakes Tier 4 assessments. We reviewed a sample of four staff within Estates that would require Health Surveillance and two of the staff had outstanding actions that had not been undertaken. (*Matter Arising 5 – High Finding*)

#### Conclusion:

- 2.19 Health surveillance within the Health Board is not fully co ordinated as actions for staff were not always undertaken. There is no evidence of responsibilities in relation to the management of Health Surveillance. Accordingly, we have provided Limited Assurance for this objective.

### **Objective 6: Appropriate KPI’s are in place for the Occupational Health service which are effectively monitored and reported**

- 2.20 The Assistant Director of Workforce has developed a monthly Occupational Health dashboard. The dashboards provide data on clients seen through referrals, pre-employment checks etc. There is also data on Health Surveillance and numbers of individuals that have received counselling. The dashboards are taken to the Health and Safety Group. An update on Occupational Health and Wellbeing is also reported to the Health Board’s Workforce and Culture Committee.

- 2.21 We note that the dashboard detailed in 2.20 has only recently been introduced and whilst it includes information on patients seen and referred plus clinic waiting times it has limited performance information currently. (*Matter Arising 5 – Medium Finding*)

**Conclusion:**

- 2.22 Occupational Health dashboards have been developed which are taken to the Health and Safety Group. Accordingly, we have provided Reasonable Assurance for this objective.

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## Appendix A: Management Action Plan

Matter Arising 1: Occupational Health Policies (Design)		Impact
<p>The Occupational Health department has had capacity issues due to increased demand since Covid 19 pandemic and subsequently some tasks have not been undertaken including updating policies within the area.</p> <p>There is an Occupational Health Policy in place that was approved and issued in October 2017 and was due to be reviewed in October 2020. However, to date it has not been updated. In addition, there is a Needlestick &amp; Body Fluid Contamination Injuries Policy which was approved on 1st April 2015. We were advised that it is currently out of date but due to go to Executives imminently for review. We were able to evidence that both policies were available on the Health Board's Intranet site.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Inappropriate inconsistent and / or undertaken process are</li> </ul>
Recommendations		Priority
1.1 Management need to ensure that both the Occupational Health Policy and Needlestick & Body Fluid Contamination Injuries Policy are updated and approved in a timely manner.		<b>High</b>
Agreed Management Action	Target Date	Responsible Officer
1.1 a) The Policy for Needlestick and Body Fluid Contamination will be reviewed and presented for Executive approval	by end of June 2022	Assistant Director OD (with clinical input from the OH Physician)
1.1 b) The Occupational Health Policy will be reviewed and presented for Executive approval in Quarter 2 2022	In Q2 2022/23	Assistant Director OD (with clinical input from clinical Nurse team)

Matter Arising 2: Recruiting to the Occupational Health Department (Operation)		Impact
<p>It has been recognised by the Health Board that the current Occupational Health structure in place is not adequate and is unsustainable as the waiting list for referrals have increased. Management are aware of the issues with the current structure and have produced a Business Case detailing how they would like the department restructured. The Business Case was initially taken to the Investment Benefits Group (IBG) on the 25 January 2022 and to the Executive Committee on the 9 March 2022 where it was approved.</p> <p>The Business Case detailed the new structure and management need to ensure that the roles that have been approved are advertised in a timely manner and that the recruitment process is monitored to ensure that the roles are filled appropriately.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Increased financial costs due to staff absences / recruitment delays</li> </ul>
Recommendations		Priority
<p>2.1a Management need to ensure that the positions are advertised as soon as possible to enable the service to reach full establishment.</p> <p>2.1b Management need to ensure that if the roles are not recruited to that they have considered other arrangements for the provision of the Occupational Health service within the Health Board.</p>		<b>Medium</b>
Agreed Management Action	Target Date	Responsible Officer
2.1a.1 The post of OH Service Improvement Manager has been advertised and appointment to the role is underway.	End July 2022	Assistant Director OD
2.1a.2 Advertise the post of OH Consultant Nurse/Practitioner.	June 2022	Assistant Director OD



2.1b Alternative options for delivery will be reviewed, including development roles, secondment and Agency should we be unsuccessful recruiting to the OH Consultant Nurse/Practitioner post.	August 2022 - ongoing	Assistant Director OD
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Matter Arising 3: Timeliness between receipt of referrals and appointments (Operation)	Impact
<p>Staff can refer themselves or management can refer employees to the Occupational Health service. We were provided with a report detailing the date an employee was referred, date referral was received and the date of the appointment. We selected a sample of 30 employees that had been referred to the Occupational Health department to ascertain the time between the date the referral was received to the date of the appointment and below are our findings:</p> <ul style="list-style-type: none"> <li>• There were five employees that were seen within 10 days of the referral being received to the appointment.</li> <li>• There were seven employees that were seen between 11 days and 20 days of the referral being received to the appointment</li> <li>• There were eight employees that were seen within 21 days and 30 days of the referral being received to the appointment.</li> <li>• There were ten employees that were seen over 40 days of the referral being received to the appointment. The longest time between the date the referral was received to the appointment date was 128 days.</li> </ul> <p>Whilst there is no formal benchmark for referrals to be seen the above testing has evidenced that the majority of employees had to wait a significant time between when they had been referred to the actual date of appointment. As detailed in objective 2 there has been an issue with under resourcing within the Occupational Health service which could be one of the reasons that the employees have</p>	<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• Excessive staff absence due to delays in accessing Occupational Health Service.</li> </ul>

not always been seen timely. We reviewed the Occupational Health Policy and it did not confirm target timescales for when an employee is referred to the date when they have their appointment.

Furthermore, we were advised the referral form is not always completed accurately. Completing the referral form needs to be done correctly to ensure that Occupational Health are able to provide the correct support to the employee.

Recommendations		Priority
3.1 Management within the Occupational health service need to ensure that employees are seen on a timely basis to ensure that any medical conditions which are affecting an employee's ability to carry out their duties is addressed on a timely basis.		High
3.2 Management need to train staff on the completion of referral forms to ensure that the staff receive the appropriate support required or send them back requesting them to be completed correctly. Management may wish to consider drawing up guidance for the completion of the form or the use of a schedule of Frequently Asked Questions for staff to access.		Medium
Agreed Management Action	Target Date	Responsible Officer
3.1 The Occupational Health Team will develop a set of KPIs for timelines and monitor compliance relating to OH referrals and appointments ( <i>this will be developed once the additional resources are in place</i> )	September 2022	Assistant Director OD
3.2 Develop a 'manager's guide' and work with Workforce Business Partners to provide support and guidance for the completion of referrals.	September 2022	Assistant Director OD

Matter Arising 4: Timeliness of completion of pre-employment checks for prospective employees (Operation)	Impact
<p>All prospective employees are required to complete an Occupational Health declaration form to ensure that they are able to work and the forms are reviewed and cleared by the Occupational Health department. We selected a sample of 15 new starters within the last 6 months to check the time taken from when the pre-employment questionnaire was received to the date the employee was cleared. The findings are detailed below:</p> <ul style="list-style-type: none"><li>• Two employees were cleared the same date as the pre-employment questionnaire was received.</li><li>• Three employees were cleared one day after the pre-employment questionnaire was received.</li><li>• Four employees were cleared up to 10 days after the pre-employment questionnaire was received.</li><li>• Two employees were cleared 19 days after the pre-employment questionnaire was received.</li><li>• Two employees were cleared after 20 days after the pre-employment questionnaire was received.</li><li>• Two employees were cleared 30 days after the pre-employment questionnaire was received.</li></ul> <p>There were some delays in some staff being cleared by Occupational Health to work which could be due to the issue with the department not being up to full capacity. We also acknowledge that delays may also be a result of employees or other NHS bodies not providing required information.</p> <p>06/09/2022 14:08:13 parry.stella</p>	<p>Potential risk of:</p> <ul style="list-style-type: none"><li>• Inappropriate and / or delayed staff recruitment.</li></ul>

Recommendations		Priority
4.1 Management need to ensure that all prospective employees are cleared on a timely basis following receipt of the pre-employment questionnaires so that they can commence employment as soon as possible.		<b>Medium</b>
Agreed Management Action	Target Date	Responsible Officer
4.1 Develop a set of KIPs and implement monitoring of compliance against timelines relating to Occupational Health Pre-employment checks	October 2022	Assistant Director OD

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Matter Arising 5: Health Surveillance (Operation)	Impact
<p>The Health and Safety Executive confirms that "in health and safety law, there are things you must do to make sure workers' health is not adversely affected by their work and that workers are medically fit to carry out their work safely including implementing health or medical surveillance when necessary." Health surveillance is a scheme of repeated health checks to identify ill health caused by work and some of the health risks which require health surveillance include noise, vibration, substances hazardous to health, occupational diseases, COPD, occupational asthma, dermatitis and silicosis.</p> <p>The Health and Safety Executive undertook investigations into the Health Boards management of Hand Arm Vibration Syndrome (HAVS) and served the Health Board with an improvement notice and a cost recovery of HSE officer costs of £16,559 in relation to the management of HAVS. We were advised that currently the Health Surveillance work is reactive as it is only undertaken at the request of a manager. In addition, it was recognised that the pre-employment check form has a section on health surveillance that is required to be completed by the Hiring Manager which is an All Wales template.</p> <p>We selected a sample of four Estates staff to identify whether they have received Health Surveillance checks and below are our findings:</p> <ul style="list-style-type: none"> <li>• One employee had been seen by the Occupational Health Nurse on the 30 March 2021 and was not required to see the Consultant.</li> <li>• There were no issues for one employee and a questionnaire had been completed annually.</li> <li>• There were outstanding actions for two other employees that do not appear to have been addressed dating back several months.</li> </ul> <p>Parry Stella 06/09/2022 14:08:13</p>	<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• Failure to comply with legislation which could lead to a financial penalty.</li> </ul>

Recommendations		Priority
5.1 The Health Board need to ensure that Health Surveillance is embedded within the Health Board so that a review of all staff that require health surveillance is undertaken and those that require it are assessed as and when required in compliance with Health and Safety Executive requirements.		High
5.2 Management need to ensure that Hiring Managers are aware of the need to complete the Health Surveillance section on the pre-employment check form.		Medium
Agreed Management Action	Target Date	Responsible Officer
5.1 A 'task and finish' review of roles that require health surveillance will be commissioned through the Health & Safety Group, chaired by the Assistant Director for Support Services. Departmental and Service representatives will be asked to submit roles in their department that are subject to Health Surveillance for the risks identified in H&S regulations. The group will review Job Descriptions for the said roles to ensure that Health Surveillance requirements are reflected in the role, and to advise Occupational Health.	September 30 <sup>th</sup> 2022	Assistant Director: Support Services
5.2 Hiring managers will be reminded via a communication to be cascaded through the Deputy and Assistant Directors of the requirement to complete the Health Surveillance section of the Pre employment check form. Workforce Business Partners and Assistant Business Partners will also be asked to remind hiring managers of the importance of completing this section too.	June 2022	Assistant Director OD

Matter Arising 6: Occupational Health Dashboard (Design)		Impact
<p>The Assistant Director of Workforce has recently developed a monthly Occupational Health dashboard that is reported at a number of meetings within the Health Board such as the Health and Safety Group. Our review of the dashboard noted that it provides data on the number of referrals the departments receive, the number of clients seen as well as information on Health Surveillance.</p> <p>However, we did note that currently the dashboard does not include any performance information such as;</p> <ul style="list-style-type: none"> <li>• Timeliness of seeing patients</li> <li>• Timeliness of completing pre-employment checks</li> </ul>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• Delays in staff returning to work and recruitment.</li> </ul>
Recommendations		Priority
6.1 Management should consider developing the current dashboard to include any indicators around timeliness of services provided by Occupational Health.		<b>Medium</b>
Agreed Management Action	Target Date	Responsible Officer
<p>6.1 Occupation team will develop a set of KIPs to be included in the Occupational Health reporting dashboard for:</p> <ul style="list-style-type: none"> <li>• Timelines and compliance relating to OH referrals and appointments</li> <li>• Timelines and compliance relating to OH Pre employment checks</li> </ul>	October 2022	Assistant Director OD

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## Appendix B: Assurance opinion and action plan risk rating

### Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
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	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
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### 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*
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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](#)

Parry Stella  
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## Audit of Accounts Report – Powys Teaching Local Health Board

Audit year: 2021-22

Date issued: June 2022

Document reference: 3002A2022

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

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

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

Parry Stella  
06/09/2022 14:08:13

# Contents

We intend to issue an unqualified true and fair audit opinion on your accounts. However, we propose a qualified audit opinion in respect of the regularity of expenditure, as following a Ministerial Direction, the accounts include expenditure and funding in relation to clinicians' pension tax liabilities.

## Audit of Accounts Report

Introduction	4
Impact of COVID-19 on this year's audit	4
Proposed audit opinion	5
Significant issues arising from the audit	6
Recommendations	8

## Appendices

Appendix 1 – final letter of representation	9
Appendix 2 – proposed audit report	12
Appendix 3 – summary of corrections made	19
Appendix 4 – recommendations	22

Parry Stella  
06/09/2022 14:08:13

# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and accounts in this report.
- 2 We have already discussed these issues with the Director of Finance and ICT.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £3.989 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Executive Directors' and independent members' remuneration;
  - Executive Directors' and independent members' related party interests; and
  - Clinician's pension tax liabilities.
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Impact of COVID-19 on this year's audit

- 8 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Party Stella  
06/09/2022 14:08:13

## Exhibit 1 – impact of COVID-19 on this year’s audit

<b>Timetable</b>	<ul style="list-style-type: none"> <li>• We received the draft accounts on 29 April 2022, in accordance with the Welsh Government deadline.</li> <li>• We then received the Annual Report and Accountability Report on 6 May 2022, also in accordance with the Welsh Government deadline.</li> <li>• Our deadline for submitting audited accounts to the Welsh Government is 15 June 2022.</li> <li>• We expect your audit report to be signed on 15 June 2022.</li> </ul>
<b>Electronic signatures</b>	<p>The Chair, Chief Executive and Director of Finance and ICT will use electronic signatures to approve the accounts.</p> <p>The Auditor General will also use an electronic signature to certify the accounts.</p>
<b>Audit evidence</b>	<p>Due to social distancing measures, Audit Wales staff continue to work remotely from home or at Audit Wales offices. All audit evidence was shared with the audit team electronically.</p> <p>Officers provided electronic working papers in accordance with our agreed audit deliverables. ‘Inflo Collaborate’ software was used to facilitate the transfer of working papers and subsequent audit queries. We found this an efficient and effective audit tool.</p> <p>Our Analytics Assisted Audit application was also used during the audit for risk assessing journals, carrying out financial statement tests and sampling populations. This application uses general ledger data provided independently by the NHS Wales Shared Services Partnership (NWSSP) which provides additional assurance over the transactions within the financial statements.</p> <p>We continue to research new tools and products which could assist us in conducting an efficient and effective audit while adjusting to new ways of working going forward.</p>

## Proposed audit opinions

- 9 We provide an audit opinion on your accounts relating to two separate matters: the truth and fairness of income and expenditure, and the regularity of expenditure incurred in the year. We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 10 We intend to issue an unqualified audit opinion with regard to the truth and fairness of this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**. The Letter of Representation contains certain

confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.

- 11 However, we intend to issue a qualified audit opinion with regard to the regularity of 'Scheme Pays' expenditure for clinicians.
- 12 On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (ie settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.
- 13 The Ministerial Direction was required because this solution could be viewed by HM Revenue and Customs to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in...tax evasion, tax avoidance or tax planning'. A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the Direction.
- 14 As noted in our substantive audit reports from previous years, the Auditor General considers that expenditure on this matter is material by its nature, and as expenditure on this matter is now recognised in the 2021-22 accounts, we propose to qualify our regularity opinion. Similar opinions are likely for any local health board in Wales which has recognised these costs in their 2021-22 accounts.
- 15 Our proposed audit certificate and report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 16 We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them.

#### Indexation of land and building assets (£999,000)

- 17 Land and building assets on NHS bodies' balance sheets have full revaluations every five years and are subject to indexation (on both gross cost and accumulated depreciation) annually. The previous full revaluation exercise for land and buildings

was completed for the 2017-18 accounts, and such assets have been subject to annual indexation reviews since then.

- 18 The District Valuer (DV) issues its indexation reports on an all-Wales basis, and supplied its 2021-22 report in August 2021, stating that building asset values should be uprated by 5% for the year. However, in a further update provided in March 2022 to all NHS bodies in Wales, the DV confirmed that, given new information, it believed that building asset values should be uprated by 7% for the year.
- 19 As this new information was received late in March, the Health Board has not amended their accounts to adjust for this increased indexation. This treatment is in line with that being applied by other Welsh Health Boards this year in response to this issue. If the Health Board were to reflect indexation of 7% instead of 5%, this would result in an increase in the net book value of land and buildings of £999,000, with a corresponding increase in net expenditure of £44,000 (due to additional depreciation and reversals of impairments that would need to be entered into the Statement of Comprehensive Net Expenditure).
- 20 These impacts are not material to the accounts, and non-correction of this error therefore has no impact on our audit opinion. However, this matter is raised for your information.

Corrected misstatements

- 21 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 22 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year as shown in **Exhibit 2**:

Exhibit 2 – significant issues arising from the audit

<p><b>Non-NHS Accruals (Note 18)</b></p> <p>Parry Stella 06/09/2022 14:08:13</p>	<p>Our audit testing identified that the Health Board had accrued for three transactions (totalling £20,000) where goods or services had not been provided to the Health Board until 2022-23.</p> <p>The amount involved in these transactions is not material individually or in aggregate, and we have performed additional audit procedures to provide assurance that there is not a material issue in the remaining population.</p>	<p>See recommendation 1 (<b>Appendix 4</b>)</p>
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	However, this remains an area of risk for the Health Board going forward, and a recommendation is raised.	
<b>Provisions (Note 20)</b>	<p>The Health Board manages a number of 'residual' provisions for medical negligence and personal injury claims issued against the Welsh NHS prior to the creation of local health boards in 2003.</p> <p>Our audit identified one claim where a payment of £487,000 had been made by another Health Board but had not been notified to Powys tHB and so had not been accounted for.</p> <p>This payment is immaterial, and we have performed further audit procedures to provide assurance that there is not a material issue in the remaining population.</p> <p>However, this remains an area of risk for the Health Board going forward, and a recommendation is raised.</p>	See recommendation 2 ( <b>Appendix 4</b> ).
<b>Miscellaneous Income (Note 4)</b>	<p>Our audit testing of 2021-22 income identified two transactions relating to Health and Care Research Wales (HCRW) which should have been recorded in the 2020-21 accounts. The transactions totalled £992,000 and related to income due from clinical trials.</p> <p>We have performed further audit procedures to provide assurance that there are no material amounts of income relating to 2020-21 in the 2021-22 accounts, and we are satisfied this is the case.</p> <p>We have also performed further audit procedures to provide assurance that there are no material amounts of income relating to 2021-22 which are currently accounted for in the 2022-23 financial ledger, and we are satisfied this is also the case.</p> <p>However, a risk remains that in future years, material amounts of HCRW income could be recognised in the incorrect financial year. A recommendation is therefore raised.</p>	See recommendation 3 ( <b>Appendix 4</b> )

## Recommendations

- 23 The recommendations arising from our audit are set out in **Appendix 4**, and relate to the issues noted above. Management has responded to them and we will follow up progress against them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

Pam Jones  
06/09/2022  
14:08:13

# Appendix 1

## Final letter of representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

14 June 2022

## Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Powys Teaching Local Health Board for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and HM Treasury's Financial Reporting Manual. In preparing the financial statements, I am 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 Powys Teaching Local Health Board will continue in operation;
- ensuring the regularity of any expenditure and other transactions incurred;

- the design, implementation and maintenance of internal control to prevent and detect error.

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Powys Teaching Local Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;
- our knowledge of all possible and actual instances of irregular transactions.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

### **Indexation of land and building assets (£999,000)**

The Health Board has not applied the latest index rate (113) in the calculation of indexation within the financial statements, in line with all other Welsh NHS bodies and instruction from Welsh Government via Welsh Government Technical Update Note 7. This has resulted in this uncorrected misstatement.

## **Representations by the Board**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Board on 14 June 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

**Signed by:**

**Signed by:**

Carol Shillabeer  
Chief Executive

Date: 14 June 2022

Professor Vivenne Harpwood  
Chair

Date: 14 June 2022

# Appendix 2

## Proposed Audit Report

### The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

#### Opinion on financial statements

I certify that I have audited the financial statements of Powys Teaching Local Health Board for the year ended 31 March 2022 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Powys Teaching Local Health Board as at 31 March 2022 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

#### Opinion on regularity

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

#### Basis for qualified regularity opinion

I have qualified my opinion on the regularity of the Powys Teaching Local Health Board's financial statements because those statements include a provision of £47,000 relating to the Trust's estimated liability arising from the Ministerial Direction dated 18 December 2019 on senior clinicians' pensions. In my view, this expenditure is irregular and material by its nature.

Further detail is set out in my Report on pages xx to xx.

## Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other information

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

I have nothing to report in this regard.

Party Stella  
06/09/2022 14:08:13

## Report on other requirements

### Opinion on other matters

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

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

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
- the information given in the Performance Report and the other unaudited parts of the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report, and the other unaudited parts of the Accountability Report have been prepared in accordance with Welsh Ministers' guidance.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, the Annual Governance Statement or other unaudited parts of the Accountability Report.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

## Responsibilities

### Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the

Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- enquiring of management and those charged with governance on matters concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in relation to management override, which is considered a significant risk at all audited bodies.
- obtaining an understanding of Powys Teaching Local Health Board's framework of authority as well as other legal and regulatory frameworks that Powys Teaching Local Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Powys Teaching Local Health Board.

Pam Stella  
06/09/2022 14:08:13



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

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

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

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

## Report

Please see my Report on pages **xx to xx**.

Adrian Grompton  
Auditor General for Wales  
15 June 2022

24 Cathedral Road  
Cardiff  
CF11 9LJ

## Report of the Auditor General to the Senedd

### Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Powys Teaching Local Health Board's (the LHB's) financial statements. I am reporting on these financial statements for the year ended 31 March 2022 to draw attention to a key matter for my audit. This relates to the qualification of my 'regularity' opinion relating to expenditure recognised as a result of the ministerial direction on senior clinicians' pensions.

I have not qualified my 'true and fair' opinion in respect of any of this matter.

### Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the Annual Allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and/or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (ie settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HM Revenue and Customs to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in...tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For

the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that the risk to the supply of clinical staff has been mitigated.

Powys Teaching Local Health Board has received sufficient information during the year to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result, £47,000 of expenditure has been recognised as a provision as shown in note 20 of the financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction. However, in my opinion, the transactions included in Powys Teaching Local Health Board's financial statements to recognise this liability are irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off. The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting. As a result, I have qualified my 'regularity' opinion for 2021-22.

Adrian Crompton  
Auditor General for Wales  
15 June 2022

Parry Stella  
06/09/2022 14:08:13

# Appendix 3

## Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

No corrections above our trivial threshold have been made which affect the Health Board's overall three-year surplus of £278,000, as reported in the draft financial statements.

Exhibit 3: summary of corrections made

Area of correction	Nature of correction	Reason for correction
Remuneration Report	Amendments to disclosures to bring them in line with the requirements of the Manual for Accounts.	<p>Our audit identified a number of amendments throughout this note relating to senior officer remuneration, to ensure that disclosures complied with the requirements of the underlying accounting framework. These include:</p> <ul style="list-style-type: none"><li>• additional narrative disclosures to accurately outline developments arising in the year, as well as to disclose the annualised salaries for officers who left during the year;</li><li>• inclusion of full comparative disclosures for officers in their role during 2020-21; and</li><li>• some changes to figures within the tables, in particular the pension benefits table.</li></ul> <p>These amendments have been made and we are satisfied that these disclosures are appropriate.</p>
Remuneration Relationship (Note 9.6)	Amendment to the percentage change from the previous financial year for Chief Executive pay.	<p>This is a new disclosure for the 2021-22 accounts. On review of the comparative disclosure on the change in Chief Executive salary and allowances from 2019-20 to 2020-21, our audit identified that the initial calculations were incorrect.</p> <p>This disclosure has therefore been corrected from 2% to 3%.</p>

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06/09/2022 14:08:13

Area of correction	Nature of correction	Reason for correction
<b>Impairments (Note 13)</b>	Reflecting the gross movements in impairments in this disclosure.	Our audit identified that the Health Board had only reflected the net impact of impairments and reversal of previous impairments in this note, showing a net movement of £41,000. This has now been corrected, showing impairments of £527,000 arising, along with reversals of impairments of £568,000.
<b>Receivables (Note 15)</b>	Accurately reflecting advance payments for drugs between Notes 15 and 18.	Our audit identified that Note 15 includes a debtor of £2.06 million for advance payments made to pharmacies and dispensing GPs in respect of drugs costs. Note 18 (payables) then includes a separate balance payable for three months of drugs costs. Rather than be shown separately, they should net against each other to result in one net balance. This has now been corrected, with the net payable balance reflected in Note 18.
<b>Provisions (Note 20)</b>	Reduction in provisions, to accurately record all payments made in 2021-22.	Our audit identified one legal claim where a payment of £487,000 had been made by another Health Board during 2021-22, but had not been notified to Powys tHB and so had not been accounted for in the year. This has now been corrected by the Health Board, and we have performed further audit procedures to provide assurance that there is not a material issue in the remaining population. This correction does not affect the net expenditure of the Health Board as any decrease in provision is matched by a decrease in the debtor due from the Welsh Risk Pool.

Parry Stella  
06/09/2022 14:08:13

Area of correction	Nature of correction	Reason for correction
<b>Contingencies (Note 21.1)</b>	Amending this disclosure to ensure that all known potential contingencies are reflected.	<p>Our audit identified that:</p> <ul style="list-style-type: none"> <li>£252,000 of GP indemnity contingencies had not been included in the disclosure table; and</li> <li>no narrative disclosure had been made to disclose an employment tribunal case ongoing against the Health Board.</li> </ul> <p>These corrections have now been made in the final disclosure.</p>
<b>Losses and Special Payments (Note 23)</b>	Total amended to reflect all 'claims in excess of £300,000' listed.	<p>Our audit identified that the total of the 'cumulative claims in excess of £300,000' table was understated by £14.7 million, having missed out one case of that value in the list above.</p> <p>This has now been corrected in the final disclosure.</p>
<b>Related Parties (Note 30)</b>	Amendments to correct discrepancies in the disclosure note.	<p>Our audit identified discrepancies with disclosed amounts owed to Cardiff and Vale UHB (overstated by £19,000) and amounts due from Public Health Wales (overstated by £6,000).</p> <p>These amounts have now been corrected in the final disclosure.</p>
<b>Various:</b> Other presentational changes to supporting notes.	To ensure that all disclosures are accurately presented.	A number of other narrative, presentational and minor amendments were made to supporting notes throughout the final financial statements.

Parry Stella  
 06/09/2022 14:08:13

# Appendix 4

## Recommendations

We set out all the recommendations arising from our audit with management’s response to them. We will follow these up next year and include any outstanding issues in next year’s audit report.

**Exhibit 4: matter arising 1**

Matter arising 1 – non-NHS accruals cut-off	
Findings	<p>Our audit testing identified that the Health Board had included three non-NHS accruals (totalling £20,000) in the 2021-22 accounts where goods or services had not actually been provided to the Health Board until 2022-23. The accruals were therefore made in the incorrect financial year.</p> <p>The amount involved in these transactions is not material individually or in aggregate, and we have performed additional audit procedures to provide assurance that there is not a material issue in the remaining population of 2021-22 non-NHS accruals.</p> <p>However, there is a risk that in future years, the Health Board may record a material amount of non-NHS accruals in the incorrect financial year.</p>
Priority	High
Recommendation	The Health Board should ensure that a process is established to review year-end accruals.
Benefits of implementing the recommendation	Such a review should ensure that accruals are included in the correct financial year.
Accepted in full by management	Agreed.
Management response	Reinforcing through the Health Board Finance Senior Team/Accountant structure that goods and services are reported in accordance with IFRS requirements for income and expenditure recognition at the designated reporting date.

#### Matter arising 1 – non-NHS accruals cut-off

##### Implementation date

With immediate effect.

#### Matter arising 2 – management of ‘residual’ provisions

##### Findings

The Health Board manages a number of ‘residual’ provisions for medical negligence and personal injury claims issued against the Welsh NHS prior to the creation of Local Health Boards in 2003.

Our audit identified one such claim where a payment of £487,000 had been made by another Health Board but had not been notified to Powys tHB and so had not been accounted for in its 2021-22 financial statements.

This payment is immaterial, and we have performed further audit procedures to provide assurance that there is not a material issue in the remaining population. However, this remains an area of risk for the Health Board going forward.

##### Priority

Medium

##### Recommendation

The Health Board should ensure that it communicates with all other Health Boards at the year-end to ensure that details regarding ‘residual’ legal claims (such as payments or changes to provision values) are accurately recorded.

##### Benefits of implementing the recommendation

Such a process should ensure that all relevant amendments relating to ‘residual’ legal claims are recorded in future years.

##### Accepted in full by management

Agreed.

##### Management response

The THB to work with Welsh Risk Pool colleagues to introduce an enhanced verification of case payments made for all claims not managed by the THB.



### Matter arising 2 – management of ‘residual’ provisions

#### Implementation date

July 2022

### Matter arising 3 – Health and Care Research Wales income

#### Findings

Our audit testing of 2021-22 income identified two transactions relating to Health and Care Research Wales (HCRW) which should have been recorded in the 2020-21 accounts. The transactions totalled £992,000 and related to income due from clinical trials which took place in the 2020-21 financial year. They were not recorded until 2021-22, as there was no notification from HCRW to the Health Board that an invoice for this income needed to be issued.

We have performed further audit procedures to provide assurance that there are no material amounts of income relating to 2020-21 in the 2021-22 accounts, and we are satisfied this is the case.

We have also performed further audit procedures to provide assurance that there are no material amounts of income relating to 2021-22 which are currently accounted for in the 2022-23 financial ledger, and we are satisfied this is also the case.

However, a risk remains that in future years, material amounts of HCRW income could be recognised in the incorrect financial year.

#### Priority

Medium

#### Recommendation

The Health Board should review all potential HCRW income at the year-end to ensure that it is recorded in the correct financial year.

#### Benefits of implementing the recommendation

Such a process should ensure that all income related to HCRW is recorded in the correct year and should avoid the risk of future material issues arising in this regard.

#### Accepted in full by management

Agreed.

### Matter arising 3 – Health and Care Research Wales income

**Management  
response**

Work to be undertaken with HCRW Commercial Trials teams to address this point and ensure clarity of income recognition principles for commercial trials.

**Implementation  
date**

July 2022.

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06/09/2022 14:08:13



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

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## **AUDIT, RISK & ASSURANCE COMMITTEE PROGRAMME OF BUSINESS 2022-23**

The purpose of the Audit, Risk and Assurance Committee is to support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

This Annual Programme of Business has been developed with due regard to guidance set out in HM Treasury's Audit and Risk Assurance Committee Handbook (March 2016), to enable the Audit, Risk and Assurance Committee to: -

- fulfil its Terms of Reference as agreed by the Board;
- seek assurance and provide scrutiny on behalf of the Board, in relation to the delivery of the key elements of the health boards internal and external audit, counter fraud and PPV arrangements (second and third lines of defence);
- seek assurance that governance, risk and assurance arrangements are in place and working well;
- seek assurance in relation to the preparation and audit of the Annual Accounts;
- ensure compliance with key statutory, national and best practice audit and assurance requirements and reporting arrangements.

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06/09/2022 14:08:13

MATTER TO BE CONSIDERED BY COMMITTEE	EXEC LEAD	SCHEDULED COMMITTEE DATES 2022-2023						
		26 April	13 June	18 July	27 Sept	15 Nov	31 Jan	21 March
Governance & Assurance:								
Approach to 2022-23 Annual Accounts	DF&IT							✓
Annual Accountability Report 2021-22	BS	✓	✓					
Annual Accounts 2021-22, including Letter of Representation	DF&IT	✓	✓					
Annual Governance Programme Reporting	BS	✓		✓		✓		✓
Application of Single Tender Waiver	DF&IT	✓	✓	✓	✓	✓	✓	✓
Audit Recommendation Tracking	BS	✓		✓	✓	✓	✓	✓
Losses and Special Payments Annual Report 2021-22	DF&IT			✓				
Losses and Special Payments Update report	DF&IT			✓			✓	
Policies Delegated from the Board for Review and Approval	BS/ DF&IT	As and when identified						
Register of Interests	BS			✓				
WHC Tracking	BS	✓				✓		
Review of Standing Orders	BS	✓						
Internal & Capital Audit:								
Head of Internal Audit Opinion 2021-22	HoIA	✓	✓					
Internal Audit Progress Report 2022-23	HoIA	✓		✓	✓	✓	✓	✓
Internal Audit Review Reports	HoIA	In line with Internal Audit Plan 2022-23						
Internal Audit Plan 2023-24	HoIA							✓
External Audit:								
External Audit Annual Report 2022	EA						✓	
External Audit of Financial Statements 2021-22	EA		✓					
External Audit Plan 2022	EA							✓
External Audit Progress Report 2022-23	EA	✓		✓	✓	✓	✓	✓

MATTER TO BE CONSIDERED BY COMMITTEE	EXEC LEAD	SCHEDULED COMMITTEE DATES 2022-2023						
		26 April	13 June	18 July	27 Sept	15 Nov	31 Jan	21 March
External Audit Review Reports	EA	In line with External Audit Plan 2022-23						
External Audit Structured Assessment	EA					✓		
<b>Anti-Fraud Culture:</b>								
Bribery Policy	HoLCF			✓				
Counter Fraud Annual Report 2021-22	HoLCF	✓						
Counter Fraud Update	HoLCF			✓			✓	
Counter Fraud Workplan 2023-24	HoLCF							✓
Post Payment Verification Update	PPVO				✓			
Post Payment Verification Workplan 2023-24	PPVO							✓
<b>Committee Requirements as set out in Standing Orders</b>								
Annual Review of Committee Terms of Reference 2021-22	BS				✓			
Development of Committee Annual Programme of Business	BS	✓						
Review of Committee Programme of Business	BS		✓	✓	✓	✓	✓	✓
Annual Self-assessment of Committee effectiveness 2022-23	BS						✓	
Committee Annual Report 2022-23	BS							✓
<b>Audit, Risk and Assurance Committee Members to meet Independently with:</b>								
External Audit Team						✓		
Internal Audit Team					✓			✓
Local Counter Fraud Team				✓			✓	

MATTER TO BE CONSIDERED BY COMMITTEE	EXEC LEAD	SCHEDULED COMMITTEE DATES 2022-2023						
		26 April	13 June	18 July	27 Sept	15 Nov	31 Jan	21 March
Post Payment Verification Team			✓					

**KEY:**

BS: Board Secretary  
DF&IT: Director of Finance and IT  
HoIA: Head of Internal Audit  
HoLCF: Head of Local Counter Fraud  
EAO: External Audit Officer  
PPVO: Post Payment Verification Officer

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06/09/2022 14:08:13