Audit, Risk and Assurance Committee

03 November 2020, 13:30 to 15:30
Teams Meeting

Agenda

1. PRELIMINARY MATTERS

ARA_Agenda_03 November 2020_Final.pdf (2 pages)

1.1. Welcome and Apologies

1.2. Declarations of Interest

1.3. Minutes from the previous meeting held on 8 September 2020 for approval

Attached

Committee Chair

ARA_Item_1.3_Minutes_08 September 2020.pdf (11 pages)

1.4. Matters arising from previous meeting

1.5. Committee Action Log

Attached

Committee Chair

ARA_Item_1.5_Action Log_03 November 2020_v2.pdf (3 pages)

2. ITEMS FOR APPROVAL/RATIFICATIONS/DECISION

2.1. Application of Single Tender Waivers

Attached

Director of Finance & IT

ARA_Item_2.1_Application for Single Tender Waiver November 2020.pdf (8 pages)

3. ITEMS FOR DISCUSSION

3.1. Analysis of Single Tender Waivers 2017-2020

Attached

Director of Finance & IT

ARA_Item_3.1_Analysis of Single Tender Waiver 2017-2020.pdf (5 pages)

3.2. COVID-19 Governance Arrangements: Key Learning Areas

Attached

Board Secretary

ARA_Item_3.2_Internal Audit_COVID-19 Governance Review_Mgt Response.pdf (3 pages)

ARA_Item_3.2a_Appendix A_Covid-19 Governance Arrangements Advisory_Final Internal Audit Report.pdf (36 pages)

ARA_Item_3.2b_Appendix B_INTERNAL AUDIT REVIEW OF GOVERNANCE ARRANGEMENTS DURING COVID-19 (Phase 1).pdf (3 pages)

3.3. Re-prioritised approach to the implementation of Audit Recommendations

Attached

Board Secretary

ARA_Item_3.3_Audit_Recommendations.pdf (5 pages)

3.4. Charitable Funds Annual Report and Accounts 2019-20

Attached

Director of Finance & IT

ARA_Item_3.4_Draft CF Annual Report and Accounts AC Nov 20.pdf (3 pages)

ARA_Item_3.4a_Appendix 1_PTHB Charitable Funds Accounts 2019-20 DRAFT.pdf (32 pages)

3.5. Internal Audit Progress Update

Attached

Head of Internal Audit

ARA_Item_3.5_PTHB Audit & Assurance Progress Report.pdf (12 pages)

3.6. Internal Audit Reports, 2020-21:

Attached

Head of Internal Audit with Director of Workforce & OD in attendance for item 3.6a

ARA_Item_3.6a_Fire Safety_Final Report.pdf (24 pages)

ARA_Item_3.6b_H&S Follow Up_Final Internal Audit Report.pdf (45 pages)

ARA_Item_3.6c_AQS Final Internal Audit report.pdf (15 pages)

ARA_Item_3.6d_Advanced Practice Framework Final Internal Audit Briefing Document.pdf (11 pages)

3.7. External Audit Update, November 2020

Attached

External Audit

ARA_Item_3.7_Audit Wales update November 2020.pdf (12 pages)

3.8. Audit Wales Structured Assessment 2020

Attached

External Audit & Board Secretary

ARA_Item_3.8a_Structured_Assessment_2020_Eng.pdf (20 pages)

ARA_Item_3.8b_WAO Structured Assessment_Mgt Response.pdf (4 pages)

ARA_Item_3.8bi_App B_WAO Structured Assessment 2020_Areas for improvement.pdf (3 pages)

ARA_Item_3.8bii_App C_Structured Assessment 2019 Management response_Update_Nov20.pdf (9 pages)

ARA_Item_3.8biii_App D_Structured Assessment 2018 Management response_Update_Nov20.pdf (4 pages)

4. ITEMS FOR INFORMATION

4.1. Committee Workplan 2020/21

Attached

Board Secretary

ARA_Item_4.1_Committee Work Programme 2020-21_November20.pdf (4 pages)

5. OTHER MATTERS

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

5.2. **Any other urgent business**

5.3. **Date of next meeting: 26 January 2021, 10.00 am, Microsoft Teams**

POWYS TEACHING HEALTH BOARD
AUDIT, RISK & ASSURANCE COMMITTEE
TUESDAY 3 NOVEMBER 2020
1.30PM – 3.30PM
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 Meeting, held 8 September 2020	Attached	Chair
1.4	Matters Arising from the Previous Meeting, held 8 September 2020	Oral	Chair
1.5	Committee Action Log	Attached	Chair
2	**ITEMS FOR APPROVAL/RATIFICATION/DECISION**		
2.1	Application of Single Tender Waivers	Attached	Director of Finance & IT
3	**ITEMS FOR DISCUSSION**		
3.1	Analysis of Single Tender Waivers 2017-2020	Attached	Director of Finance & IT
3.2	COVID-19 Governance Arrangements: Key Learning Areas	Attached	Board Secretary
3.3	Re-prioritised approach to the implementation of Audit Recommendations	Attached	Board Secretary
3.4	Charitable Funds Annual Report and Accounts 2019-20	Attached	Director of Finance & IT
3.5	Internal Audit Progress Update	Attached	Head of Internal Audit
3.6	Internal Audit Reports, 2020-21: <u>Limited Assurance</u> a) Fire Safety <u>Reasonable Assurance</u> b) Health & Safety <u>Not Rated</u> c) Annual Quality Statement d) Advanced Practice Framework	Attached	Head of Internal Audit Director of Workforce & OD in attendance for item 3.6a

3.7	External Audit Update, November 2020	Attached	External Audit
3.8	a) Audit Wales Structured Assessment 2020 b) PTHB Management Response	Attached	External Audit & Board Secretary
4	**ITEMS FOR INFORMATION**		
4.1	Committee Workplan 2020/21	Attached	Board Secretary
5	**OTHER MATTERS**		
5.1	Items to be Brought to the Attention of the Board and Other Committees	Oral	Chair
5.2	Any Other Urgent Business	Oral	Chair
5.3	Date of the Next Meeting: • 26 January 2021, 10.00 am, Microsoft Teams		

Key:

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

AUDIT, RISK & ASSURANCE COMMITTEE

UNCONFIRMED

MINUTES OF THE MEETING HELD ON TUESDAY 8 SEPTEMBER 2020 VIA MICROSOFT TEAMS MEETING

Present:

Tony Thomas	Independent Member – Finance (Committee Chair)
Mark Taylor	Independent Member – Capital and Estates
Ian Phillips	Independent Member – ICT
Mel Davies	Independent Member – Vice Chair

In Attendance:

Pete Hopgood	Director of Finance, Information and IT
Sarah Pritchard	Head of Financial Services
Helen Higgs	Head of Internal Audit
Rani Mallison	Board Secretary
Elaine Matthews	External Audit (Audit Wales)
Rebecca Collier	Healthcare Inspectorate Wales
Dave Thomas	External Audit (Audit Wales)
Felicity Quance	Internal Audit
Osian Lloyd	Internal Audit
Amanda Legge	Post-Payment Verfication
Sue Tillman	Post-Payment Verfication

Committee Support

Caroline Evans	Head of Risk and Assurance

Apologies for absence:

Anthea Wilson	CHC
Carol Shillabeer	Chief Executive
Matthew Evans	Head of Local Counter Fraud Services

ARA/20/51	**WELCOME AND APOLOGIES** The Committee Chair welcomed everyone to the meeting and confirmed that a quorum was present. Apologies for absence were noted as recorded above.
ARA/20/52	**DECLARATIONS OF INTERESTS** The Committee Chair INVITED Members to declare any interests in relation to the items on the Committee agenda. None were declared.
ARA/20/53	**MINUTES FROM THE PREVIOUS MEETING FOR RATIFICATION** The minutes of the meeting held on 20 July 2020 were RECEIVED and AGREED as being a true and accurate record.
ARA/20/54	**MATTERS ARISING FROM PREVIOUS MEETINGS** There were no matters arising from the previous meeting.
ARA/20/55	**COMMITTEE ACTION LOG** The Committee received the action log and the following updates were provided. ARA/19/68: The Serious Incident Policy was approved by the Board 25 May 2020. A list of designated Investigating Officers is being developed. The Internal Audit Plan for 2020/21 includes a review of the health board's Grievance Policy and other related policies. This review will include the list of Investigating Officers. ARA/19/115e: Timeliness of signing of contract documentation will be brought to a future meeting. ARA/19/115e: The lessons learned from the Machynlleth Hospital Primary & Community Care Project will be brought to a future meeting. ARA/20/42: This action is complete. ARA/20/47: This action is complete.
ARA/20/56	**APPLICATION OF SINGLE TENDER WAIVERS (STWs)** Sarah Pritchard presented the STW requests made between 1 July 2020 and 31 July 2020 and signed by the Chief Executive, detailing one 'Prospective' STW as follows: -

	1. System Maintenance (Maintenance of Audiology System – Sole Supplier [£7,840]). Ian Phillips stated that it is a continual issue where the healthboard is reliant on a supplier to provide support on a specific IT system. Rani Mallison suggested that a summary of STWs over a period of time is presented to the next meeting, to identify trends and themes where there is a greater use of STWs in a particular area. **Action: Director of Finance, Information and IT / Head of Financial Services** The Committee RATIFIED the approval of the STW.
ARA/20/57	**COVID-19: DECISION MAKING & FINANCIAL GOVERNANCE – FCP #5** **a) INTERIM FCP** Pete Hopgood presented the previously circulated paper that provides an updated 'FCP Interim Covid-19 Decision Making & Financial Governance', highlighting the changes from the document approved on 20th July 2020. Pete Hopgood advised that following the publication of the WG guidance on 30th March an initial draft of the FCP was submitted for approval at Gold (version #1). The pace of the pandemic resulted in updated guidance and direction being published on a regular basis. To ensure the Interim FCP remains 'live' and relevant it was agreed the FCP would be updated as required. The health board is now on version #5 of the interim FCP. Ian Phillips questioned whether the revisions to the FCP suggests that we were operating at greater risk with the previous versions. Pete Hopgood stated that the enhancements reflect strengthening of the FCP and the ongoing response to the pandemic. Rani Mallison stated that this will link with the Internal Audit review of COVID-19 Governance Arrangements, which provides a level of assurance to the health board on the appropriatness of the FCP. Tony Thomas questioned when we can expect a position statement from Welsh Government in respect of the settlement for 2021/22. Pete Hopgood stated that an indication of the allocation is expected later this month. The Committee APPROVED version (#5) of the Interim FCP.

ARA/20/58

AUDIT RECOMMENDATION TRACKING:

Caroline Evans presented the previously circulate paper that provides an overview of the current position relating to the implementation of Audit Recommendations, arising from reviews undertaken by Internal Audit and External Audit (Audit Wales).

Caroline Evans advised that based on original agreed deadlines, the overall summary position reported to Audit, Risk and Assurance Committee at 31/07/2020 in respect of overdue internal audit recommendations classified as Priority Levels 1 and 2 is: -

Overdue Internal Audit Recommendations						
	2017/18		2018/19		2019/20	TOTAL OUTSTANDING
	Number	Progress since last meeting	Number	Progress since last meeting	Number	
High	0	→	1	→	9	10
Medium	4	↓	1	↓	13	21
Low	4	→	0	→	7	11
TOTAL	8		2		32	42

Based on original agreed deadlines, the overall summary position reported to Committee at 31/07/2020 in respect of overdue external audit recommendations classified as Priority Levels 1 and 2 is: -

Overdue External Audit Recommendations		
	Number	Progress since last meeting
2018/19	7	→
2019/20	1	
TOTAL	8	

Key:
↑ - Number Increased
↓ - Number Decreased
→ - Number stayed the same

Dave Thomas questioned why the tracker reports from 2017/18 for Internal Audit, and 2018/19 for External Audit.

Rani Mallison stated that discussions were held with Elaine Matthews to confirm that all External Audits were closed down prior to 2018/19, and that Audit Wales was content with the recommendations that were carried forward into the tracker.

Mark Taylor questioned the revised implementation date of 31st August 2020 on page 2 of Appendix 1.

	Rani Mallison stated that this will be followed up outside of the meeting. **Action: Head of Risk & Assurance** Rani Mallison stated that previously the health board took a blanket approach in response to COVID-19 when re-prioritising outstanding audit recommendations. Following discussions with Internal Audit in the earlier pre-meeting, and recognising the challenges that the health board is still facing due to COVID-19, we need to work with services, managers and teams to understand which actions require implementation to help to respond to COVID-19, and which actions could be de-prioritised to free up capacity. This approach will be raised with the Risk & Assurance Group. **Action: Board Secretary** The Committee RECEIVED and NOTED the Audit Recommendation Tracking update, and APPROVED the revised deadlines for implementation outlined in Appendix 1.
ARA/20/59	**LOSSES AND SPECIAL PAYMENTS ANNUAL REPORT 2019-20** Pete Hopgood presented the previous circulated paper which provides the Annual Report of Losses and Special Payments for the period 1st April 2019 to 31st March 2020. Pete Hopgood advised that losses and special payments are items that the Welsh Government would not have contemplated when they passed legislation or agreed funds for the NHS; such payments would also include any ex gratia payments made by the THB. By their nature they are items which should be avoidable and should not arise. They are subject therefore to special control procedures and are included within a separate note in the THB's annual accounts. Mel Davies asked if we know our position against other health boards, stating it is difficult to understand the health board's position without a benchmark. Pete Hopgood stated that we could look at previous reports in addition to other health boards to provide a benchmark and measure our position against that benchmark. **Action: Director of Finance** Rani Mallison stated that the report only shows part of the position. The Experience, Quality and Safety Committee receives information on claims, Putting Things Right, Personal Inury. Going forward we would provide this information to present a more rounded report. Ian Phillips welcomed Rani's comments. **Action: Director of Finance** The Committee NOTED the Annual Report on Losses and Special payments covering the period 1st April 2019 to 31st March 2020.

ARA/20/60	**INTERNAL AUDIT UPDATE** Helen Higgs presented the previously circulated report which provides progress with the 2020/21 Internal Audit Plan as recorded at September 2020. Helen Higgs advised that progress against the Plan is as follows: Number of audits finalised: 3 Number of audits issued at draft: 1 Number of audits in progress: 8 Number of audits not started: 10 Year-end reporting: 2 **Total number of audits in 2020/21 plan: 24** The Committee RECEIVED and NOTED the Internal Audit Update.
ARA/20/61	**INTERNAL AUDIT REPORTS, 2020-21:** **a) COVID-19 Governance Arrangements – Advisory** This rapid advisory review was requested by the All Wales Finance Directors Group to assess the adjusted financial and overall governance arrangements that were put in place to enable Powys Teaching Health Board ('the health board') to maintain appropriate governance whilst enabling its senior leadership team to respond to the rapidly developing emergency. The Chair stated it is a comprehensive report which is generally very positive. Pete Hopgood stated that in terms of the key priority learning areas identified, most of those actions have been taken forward by the respective areas. Rani Mallison stated that the health board is in the process of preparing it's quarter 3 / 4 plan, and the key areas of learning will be included within the plan. It will be helpful to bring to the next Committee a summary of those key learning areas and to continue to monitor progress of the health board's response to them. **Action: Board Secretary** Mel Davies stated that some of those key learning areas will be presented through the Experience, Quality and Safety Committee. Rani Mallison stated this piece of work was merely a desktop exercise and thanked Internal Audit. Pete Hopgood stated that it was a really helpful exercise. Helen Higgs thanked the health board for its staff engagement. Helen Higgs stated that whilst the audit plan has been reduced for this year, the governance review covers a significant number of areas. **b) Environmental Sustainability Reporting – Not Rated**

	Osian Lloyd presented the findings of the review, which sought to provide assurance that operational procedure is compliant with Welsh Government minimum reporting requirements. HM Treasury released a document: 'Public Sector Annual Reports: Sustainability Reporting Guidance 2019-20', which stipulates the importance of all organisations possessing relevant audit or scrutiny arrangements, to ensure that the correct procedures are in place to produce robust data on performance. The report identified one medium priority level recommendation. The Committee RECEIVED and NOTED the update.
ARA/20/62	**COUNTER FRAUD UPDATE** Pete Hopgood presented the previously circulated report, which provides an update on key areas of work undertaken by the Health Board Local Counter Fraud Specialists since the last meeting. Pete Hopgood advised that Counter Fraud resource was utilised in line with the four Strategic Areas aligned to NHS Counter Fraud Standards as presented below: -

Strategic Area	Resource Allocated	Resource Used
Strategic Governance	**25**	**3.5**
Inform and Involve	**40**	**4.5**
Prevent and Deter	**57**	**5**
Hold to Account	**106**	**9**
TOTAL	**228**	**22**

The Committee Chair stated that this area of work has improved substantially over the last couple of years.
Mark Taylor stated that the update provided in Appendix 2 is helpful as it provides a much more succinct position in terms of open cases, and extended his thanks to Matthew Evans for this.
Mel Davies agreed that it is a positive report.

The Committee RECEIVED and NOTED the update.

ARA/20/63	**EXTERNAL AUDIT UPDATE** Elaine Matthews presented the previously circulated report, which provides the an update on current and planned Audit Wales work. Accounts and performance audit work are considered, and information is also provided on the Auditor General's wider programme of national value-for-money examinations and the work of our Good Practice Exchange (GPX).

Elaine Matthews advised on the following audit work that is currently underway: -

Topic and relevant Executive Lead	**Focus of the work**
Structured Assessment 2020 Executive Lead – Chief Executive	Our annual structured assessment is one of the main ways in which the AGW discharges his statutory requirement to examine the arrangements NHS bodies have in place to secure efficiency, effectiveness and economy in the use of their resources. In the context of Covid-19, this work will examine governance arrangements, managing financial resources and operational planning.
Orthopaedic services – follow up Executive Lead – Medical Director	This review will examine the progress made in response to our 2015 recommendations. The findings from this work will inform the recovery planning discussions that are starting to take place locally and help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges.
Follow-up of operating theatres Executive Lead – Medical Director	We have previously reviewed operating theatres in 2011 and again in 2013. Although our work had highlighted progress, we identified that there had not been a focus on improving service quality and addressing problems with staff engagement. We also made some additional recommendations. This work will follow up progress against these recommendations.
Review of WHSSC Executive Lead – Chief Executive Officer	This work will use aspects of our structured assessment methodology to examine the governance arrangements of WHSSC. Our findings will be summarised into a single national report.
Test, Track and Protect Executive Lead – Director of Public Health	In response to the Covid-19 pandemic, this work will take the form of an overview of the whole system governance arrangements for Test, Track and Protect, and of the Local Covid-19 Prevention and Response Plans for each part of Wales.

Dave Thomas stated that Grant Thornton has one piece of work to complete in respect of funds held on trust which will be completed in the Autumn. After this period, all audit work will be undertaken by Audit Wales.

Elaine Matthews advised that the Structured Assessment work is progressing, and that the collaborative work with Internal Audit went well. Some interviews were undertaken jointly, and this has helped to inform the findings of the review.
Dave Thomas stated that this approach mirrors what has been undertaken across the whole of Wales, to provide the Committee with assurance that this work is fully joined up.

The Committee RECEIVED and NOTED the External Audit Update.

ARA/20/64

POST PAYMENT VERIFICATION ANNUAL REPORT 2019/20
Amanda Legge presented the previously circulated report, which provides a summary of PPV work undertaken in 2019/20.

	Amanda Legge advised that PPV work was stood down due to COVID-19, but that this work is to be reinstated on 1st October 2020. Rani Mallison stated that it would be helpful for PPV to attend a pre-meeting of the Committee, to provide a broader understanding of the purpose of the PPV service, and to advise how they can give assurance to the Committee of an anti-fraud culture. Ian Phillips agreed that this would be really helpful. **Action: Director of Finance / Board Secretary** The Committee RECEIVED and NOTED the Post Payment Verification Annual Report 2019-20.
ARA/20/65	**EXTERNAL AUDIT REPORTS:** **a) Effectiveness of Counter-Fraud Arrangements, PTHB & Management Response** Elaine Matthews presented the previously circulated report, which provides detail of the review undertaken of Counter-Fraud Arrangements in the Welsh Public Sector: An Overview for the Public Accounts Committee. Elaine Matthews advised that three areas for improvement were identified within the review: **Counter-fraud training** I1 Implement mandatory counter-fraud training for some or all staff groups. **Counter-fraud staff capacity** I2 Consider the Local Counter-Fraud Specialist capacity required to resource required levels of proactive and investigative work, including staff training, and build in resilience to the team. **Recording and monitoring of economic fraud risk** I3 Implement consistency in the recording and monitoring of economic fraud risk in line with the Health Board's risk management policy and strategy. Mark Taylor questioned whether recommendation 2 should recommend that we employ more staff. Dave Thomas stated that it should be kept under review, and that Powys is reasonably well-staffed at the moment. Pete Hopgood stated there is a typo in the Management Response for recommendation I2, which reads that the health board does not accept the recommendation. Pete advised this is incorrect, and the health board does accept this recommendation. Rani Mallison stated that the recommendations and management responses will feed into the Audit Recommendation Tracker. **b) 'Raising Our Game' Tackling Fraud in Wales Report of the Auditor General Wales** Dave Thomas presented the previously circulated report, which provides detail of the review that focused on 'Ensuring that the arrangements for preventing and detecting fraud in the Welsh public

	sector are effective'. The report examines seven 'key themes' that all public bodies need to focus on in raising their game to tackle fraud more effectively: • leadership and culture; • risk management and control frameworks; • policies and training; • capacity and expertise; • tools and data; • collaboration; and • reporting and scrutiny. Dave Thomas advised that the report includes a total of 15 recommendations for improvement which are addressed to all public bodies in Wales within the Auditor General's remit. The Committee RECEIVED and NOTED the External Audit Reports.
ARA/20/66	**FRAUD THREATS TO THE NHS FROM COVID-19** Pete Hopgood presented the previously circulated report, which states that the impact of COVID-19 on fraud within the NHS has already been highlighted in the NHSCFAs *Intelligence Report: Fraud threats to the NHS from COVID-19 April 2020 and multiple other previous updates*. However, the landscape of fraud changes so rapidly that additional updates have been quickly commissioned to highlight further emerging threats, vulnerabilities and enablers of fraud. Pete Hopgood advised that: • £1.21 Billion of the NHS budget was lost to fraud last year • 12,964,809 cases of COVID-19 globally • £342 Billion public sector funding increase in response to COVID-19 Rani Mallison stated that herself and Pete Hopgood discussed this with Len Cozens prior to him leaving post as Head of Local Counter Fraud Services. It was agreed to bring any fraud alerts to the attention of the Committee. Ian Phillips stated that it is helpful to be sighted on this. The Committee RECEIVED and NOTED the report.
ARA/20/67	**COMMITTEE WORK PROGRAMME 2020-21** Rani Mallison advised that the work programme has been developed in-line with respective terms of reference, the Board's Assurance Framework and Corporate Risk Register. The work programme will be reviewed routinely at each meeting. The Committee RECEIVED and NOTED the Committee Work Programme.
ARA/20/68	**ITEMS TO BE BROUGHT TO THE ATTENTION OF THE BOARD AND OTHER COMMITTEES** • COVID-19 Governance Review

ARA/20/69	**ANY OTHER URGENT BUSINESS** There was no other urgent business for discussion, and the Chair declared the meeting closed at 11.32 am.
ARA/20/70	**DATE OF NEXT MEETING** 03 November 2020, 1:30 pm, Microsoft Teams

Key:

Completed
Not yet due
Due
Overdue
Transferred

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

AUDIT, RISK AND ASSURANCE COMMITTEE ACTION LOG
(November 2020)

Minute	Date	Action	Responsible	Progress	Status
ARA/19/68	11 November 2019	Health Board to hold a designated list of investigative officers (IOs)in order to improve training and skills.	Chief Executive	Policy approved by Board 25 May 2020. List of IOs to be developed. Proposal to develop a pool of IOs recently approved by Executive Committee. Action not identified as a priority in responding to COVID-19.	
ARA/19/115e	9 March 2020	The management response in respect of the timeliness of signing of contract documentation will be picked up with the Director of Planning & Performance.	Board Secretary	Action not identified as a priority in responding to COVID-19.	
ARA/19/115e	9 March 2020	The Machynlleth Hospital Primary & Community Care Project	Board Secretary	Action not identified as a priority in responding to COVID-19.	

		recommendation 6 (lessons learnt) would be shared with the Committee, once available.			
ARA/20/56	8 September 2020	Provide a summary of STWs, which identifies trends and themes indicating greater use of STWs in specific areas	Director of Finance, Information and IT	Action complete. Summary report included at agenda, item 3.1.	
ARA/20/58	8 September 2020	Re-prioritise outstanding Audit Recommendations for implementation	Board Secretary	Re-prioritisation of audit recommendations is outlined within the report on agenda item 3.3, which seeks Committee approval of the new approach. Subject to approval, audit recommendations will be re-prioritised and presented to the Committee in January.	
ARA/20/59	8 September 2020	Losses and Special Payments – benchmark position against previous years and against other health boards	Director of Finance, Information and IT	The health board has approached NWSSP Legal and Risk to assist with this request. NWSSP Legal and Risk are currently finalising a review of all NHS Wales cases and Lessons Learnt and will be reporting on this shortly. Therefore, the findings of this NWSSP L&R review will be analysed and incorporated into the January 2021 interim update on Losses and Special Payments to provide a response to the committee's request.	
ARA/20/61	8 September 2020	Provide a summary of key learning areas identified in the	Board Secretary	Action complete. Report included at agenda, item 3.2.	

		national review of COVID-19 Governance Arrangements, and monitor progress of the health board's response to those key learning areas			
ARA/20/64	8 September 2020	PPV to attend a pre-meet of the Committee, to provide a broader understanding of the PPV service, and to advise how they can give assurance to the Committee of an anti-fraud culture.	Director of Finance, Information and IT / Board Secretary	To be arranged for 2021.	

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 2.1

AUDIT, RISK & ASSURANCE COMMITTEE	**DATE OF MEETING: 03 November 2020**
Subject:	**SINGLE TENDER WAIVERS**
Approved and Presented by:	Director of Finance, Information and IT
Prepared by:	Head of Financial Services
Other Committees and meetings considered at:	None

PURPOSE:
To seek the Audit, Risk and Assurance Committee RATIFICATION of Single Tender Waiver requests made between 1 August 2020 and 30 September 2020.
RECOMMENDATION(S):
It is recommended that the Audit Risk and Assurance Committee RATIFIES the use of Single Tender Waiver in respect of 1 item during the period of 1 Aug 2020 and 30 Sep 2020 and consider additional information provided regarding the individual single tender documents.

Ratification	**Discussion**	**Information**
✓		

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):		
Strategic Objectives:	1. Focus on Wellbeing	×
	2. Provide Early Help and Support	×
	3. Tackle the Big Four	×
	4. Enable Joined up Care	✓
	5. Develop Workforce Futures	×
	6. Promote Innovative Environments	×
	7. Put Digital First	×
	8. Transforming in Partnership	×
Health and Care Standards:	1. Staying Healthy	×
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	×
	5. Timely Care	✓
	6. Individual Care	×
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

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

DETAILED BACKGROUND AND ASSESSMENT:

The previous report on single tender waiver use was received by the Audit Risk and Assurance Committee at its September 2020 meeting which covered the period from 1 July 2020 to 31 July 2020.

A summary of the use of Single Tender Action from 1 Aug 2020 and 30 Sep 2020 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
POW2021007	Tender	BAPTT Shopfitters	Construction Works	Urgency of Work due to Pandemic requirements	24/09/2020	£30,000 (inc VAT)	1 Month	Prospective	A1

Full details including supporting documentation is attached at Appendix A1.

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.

Appendix A1

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

SINGLE QUOTATION/TENDER REQUEST FORM

REFERENCE NUMBER: POW2021007

(Applicable to expenditure in excess of £5,000)

Request to Waive Standing Financial Instructions:

Single quote/tender action shall only be undertaken following the approval of this application in **advance** of procurement activity commencing and only in **exceptional circumstances**.

Approval to waive the requirement to seek competitive tenders (purchases between £25,000 & £122,976) & Quotations (purchases between £5,000 and £24,999). In relation to waiver requests over the OJEU threshold, a VEAT notice will also need to be published via Sell2Wales.

It is important that the form is completed **IN FULL** in order to satisfy the Health Board's Standing Orders which require competitive quotations/tenders to be obtained (to prove value of money) unless there are compelling reasons for single sourcing.

Consideration must be given to the Welsh Audit Office Guidance available from the Procurement Team.

Please Note: all requests to waive Standing Financial Instructions will be formally reported to the next Audit Committee for retrospective approval.

***Please complete all mandatory sections. Failure to complete will result in the form being returned to originator**

****To be completed by the Requesting Officer ****

Section 1

Request to Waive *Please tick as appropriate*	**Single Quotation**	**Single Tender**
***Supplier:**	"BAPTT Shopfitters. Unit 9, Kingsway Business Centre Swansea West Business Park Fforestfach, Swansea, SA5 4DL"	

The granting of this application for a single firm or contractor of a special character is required or a proprietary item or service may be assessed as appropriate:

- **the service/good/works is follow-up work where a provider has already undertaken initial work in the same area (and where the initial work was awarded from open competition);**
- **there is a compatibility issue which needs to be met e.g. specific equipment required, or compliance with a warranty cover clause;**
- **there is genuinely only one provider;**
- **there is a need to retain a particular contractor for real business continuity issues (not just preferences).**

NB: Evidence of all contact with potential alternative suppliers should be retained. Where no other supplier has been approached justification must also be included to ensure the application process is not delayed

***Please provide detail of Goods/Services/Works required:**	Upgrade of Bronllys Vaccine Storage and Preparation room, to current legislative standards.

If Services, is this for Consultancy/Individual?	Yes/ No	**If 'yes', has an IR35 assessment been completed**	**Yes/ No or not applicable**
Does this requirement have an implication under GDPR?	Yes/ No	**If 'yes', has the IG Department been consulted**	**Yes/ No or not applicable**
Proposed agreement period including start and end dates and any extension provision required. *NB: Approval cannot be granted retrospectively. Should this be the case, please seek advice from the Procurement department.*	One off appointment for 3 weeks work		
***Unit Cost/Annual Cost:**	The budget price supplied at the moment is £25,000 + VAT		
***Total Cost** *(inc delivery & VAT):*	Total Cost £30,000. (Based on a budget price of £25,000.)		
***Whole Life Costs:** *(Please state all additional goods/services/works that may be required during the life of the goods/service/works being requested here. E.g. Maintenance, Consumables etc.)*	Once complete, the only life costs would be the ongoing energy cost of running the fridges and Temperature Control systems. (not part of this project)		
***New or Replacement Equipment/Service:** *(Please state)*	One off contract		
***Life Expectancy of equipment**			
***Is this a Recurring Procurement?**	Yes / No		
***Source of Funding:** *(Revenue/Capital/Charity etc.)*	CV19 Fund	***Please provide Financial Code:**	
Breakdown of estimated capital and on-going revenue charges per annum. *NB: Please ensure your Finance Team are consulted before*	No on going charges except utilities costs		
Have any revenue consequences (particularly staffing or maintenance implications), been agreed?	**Yes / No** **If yes give details**		
Any other financial consideration to be declared e.g. risks to ongoing funding, savings: cash releasing, cost avoidance, cost pressure, VFM impact.	N/A		
***Background: Reason for single supplier & details of any alternatives considered & reasons for their rejection (supplier(s) details required)**	**"Pandemic Room: we have been asked to bring the room to an operational standard by 19 October – circa £30K with direction from Chief Pharmacist and supported by WG meeting yesterday. The HB need a compliant Vaccine Storage & Preparation area. The current space allocated for such use is non compliant in a number of ways:** **No Temperature control or ventilation** **IPC risks** **Insufficient lighting levels** **Insufficient electrical outlets"**		

***Explicit Reasons as to How Value for Money will be achieved when services are provided by a Single Supplier.** *Sufficient detail should be provided in this section or the request will be returned.*	**The supplier has consistently been one of the lowest bidders on recent contracts that have gone through the multiquote process.** **These being:** MultiQuote RA286248 - Ty Cloc Door Replacement- Bronllys Hospital MultiQuote RA278022- Refurbishment Works at Welshpool Dental Clinic		
***Have any Trials / Evaluations been undertaken within the Health Board?** NB: Appropriate advice should be sought from Procurement in advance of trials being undertaken	**Yes/ No**	If Yes, please state the evaluation reference number:	
If Yes, please give full details of evaluation. including whether or not any relevant Groups have been made aware of this evaluation (please state).			
***Consequence & Impact if not approved:**	**If this work is not approved, the doses of vaccine that are being delivered mid October will be stored incorrectly and risk becoming spoiled and ineffective**		
***Is this an Essential or Non-Essential requirement?**	**Essential – to meet Mass Vaccination timescale.**		
If Yes, please give details (How many years etc)			
***Name:**	Julian Appleby		
***Title:**	Capital Project Manager		
***Ward/Department:**	Works & Estates		
***Contact No:**	07773 640 958		
***Budget Holder:**	Wayne Tannahill		
***Requisition Created?**	Yes/ No	**If Yes, please state requisition number:**	95656
I have delegated responsibility for the non-pay expenditure budget specified above. I confirm that sufficient funding is available within the budget code specified, and authorise the expenditure to be coded accordingly.			
***Signature of requestor (please also print name & position):**	J.S.Appleby	***Signature of budgetary approver (please also print name & position):**	Wayne Tannahill Assistant Director of Estates & Property
Date of Request:	15/9/2020	**Date of Approval :**	19/9/2020
Statement of Support by Approver:	See Supporting Email from Wayne Tannahill		

****Requesting Officer to Complete****

Section 2

Declaration of Interest

The Health Board is obliged to ensure that all procurement processes are carried out in accordance with the public procurement rules and NHS Wales's guidance. Where an employee is engaged in a procurement exercise a formal declaration is required to confirm that there is no potential interest which may give rise to a conflict.

Please confirm the following statements are correct:

		✓ x
1.	Neither I, my family, friends, acquaintances or work colleagues involved in this process, will receive any benefit or gain (financial or otherwise, directly or indirectly) if the contract is awarded to any of the bidders involved in the process as they become known.	✓
2a.	I have no material interest in whether the contract is awarded or not.	✓
2b.	I am not in possession of any Additional Information in respect of the procurement process. (Save for the information in the 'Additional Information box below)	✓
3.	I currently do not benefit in any way, financially or otherwise, including (but not limited to) the receipt of a grant or outside funding, that could influence my decision in respect of the procurement or any of the bidders involved in this process .	✓
4.	I have not received hospitality (other than of a nominal value or that declared in the register of gifts and hospitality maintained by Corporate Management) or any material gifts, as outlined in the Health Boards Standards of Behaviour Framework Policy http://howis.wales.nhs.uk/sitesplus/972/page/51681 from any of the bidders involved in the process.	✓
5.	I have read, understood and will abide by the NHS Guidance entitled "Standards of Business Conduct for NHS Staff" (DGM (93)84) and the Trust Standards of Behaviour Framework Policy. http://howis.wales.nhs.uk/sitesplus/972/page/51681	✓
6.	By signing this declaration I understand that it is my responsibility that should my circumstance change or a new relationship be established in relation to any bidding organisation, I will consult with the Lead Procurement contact and am aware that I may be required to complete a new Declaration of Interest or be required to withdraw my participation.	✓
7.	I will keep the identities of the bidders, the content of the bids and procurement documents confidential.	✓

I hereby certify that, to the best of my knowledge and belief, the statements set out above are correct. I understand that any failure on my part to declare an interest in a contract or otherwise to breach the rules and instructions mentioned above is a serious matter and could result in further legal or professional action being taken against me, including (but not limited to):

- Exclusion from the current procurement exercise and future procurement activities
- For Trust employees, it could result in disciplinary proceedings being initiated.
- For non-employees of the Trust we reserve the right to report the matter to their relevant employing organisation and professional body as potential professional misconduct
- Should the matter involve issues that are of a criminal nature e.g. fraud, bribery or corruption then the Trust will notify the appropriate authority to take any necessary action which may include prosecution.

Signature:

Signature:
Print Name: Julian Appleby
Position: Capital Project Manager
Date: 15/9/2020

Evans,Caroline
10/29/2020 09:30:21

Authorisation – EXECUTIVE DIRECTOR

Section 3

Designation	Signature	Date
Executive Director/Director	H Thomas	17/9/20.
Comments:	Single tender essential to meet delivery timescale for mass vaccination. Covid 19 related expenditure	

Please note Single Tender/Quotation Action requests cannot be processed unless supported by the above signatures, electronic signatures will NOT be accepted, unless accompanied by an e-mail trail to prove that the authorisation has been completed correctly.

Please now forward to Procurement Department

**** For Procurement Department Completion Only****

Section 4

Procurement Advice *(Delete or cross through as appropriate)*	• **Yes, the SQA or STA is an appropriate course** • ~~**No, an alternative option can be pursued**~~ • **No Option**		
Procurement Advice or Rejection Comments: *(including any conditions/future actions):*	Following Waiver is an appropriate course of action due to the special nature of the work. A full tender exercise would result in delay and increase the risk of the service becoming non-compliant. Supplier has on previous occasions bid for work required by Powys Teaching Health Board and provided competitive cost whilst being the best value for money option available. Procurement accept that these are unprecedented times and the Health Board does not have time to run a competitive process for this requirement. Regulation 32(2)(c) of the Public Contract Regulations allows the direct award of a contract due to extreme urgency insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority. It is acknowledged that the Health Board needs to respond to the possibility of a second COVID-19 wave and the likely consequences immediately because of public health risks.		
Endorsed	Yes/No		
Head of Procurement Signature:	S Rees	**Date:**	23/9/2020.

**** Chief Executive Approval****

Section 5

Request Supported?	Yes/No		
Supporting or Rejection Comments: *(including any conditions/future actions):*	Advice of procurement noted. Risk reduction measure of payment of final completion noted.		
Signed:	C Sullivan.	**Date:**	24/09/2020
Please Print Name &Position:	Carol Shillabeer		

Evans, Carolyn
10/29/2020 09:30:21

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.1

AUDIT, RISK & ASSURANCE COMMITTEE	**DATE OF MEETING: 03 November 2020**
Subject :	**ANALYSIS OF SINGLE TENDER WAIVERS 2017 TO 2020**
Approved and Presented by:	Director of Finance, Information and IT
Prepared by:	Head of Financial Services
Other Committees and meetings considered at:	None

PURPOSE:
The Audit, Risk and Assurance Committee is requested to NOTE the analysis of Single Tender Waiver requests made between 1 April 2017 and 30 September 2020.
RECOMMENDATION(S):
It is recommended that the Audit Risk and Assurance Committee NOTES the report.

Ratification	**Discussion**	**Information**
	✓	

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):		
Strategic Objectives:	1. Focus on Wellbeing	×
	2. Provide Early Help and Support	×
	3. Tackle the Big Four	×
	4. Enable Joined up Care	✓
	5. Develop Workforce Futures	×
	6. Promote Innovative Environments	×
	7. Put Digital First	×
	8. Transforming in Partnership	×
Health and Care Standards:	1. Staying Healthy	×
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	×
	5. Timely Care	✓
	6. Individual Care	×
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

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

DETAILED BACKGROUND AND ASSESSMENT:

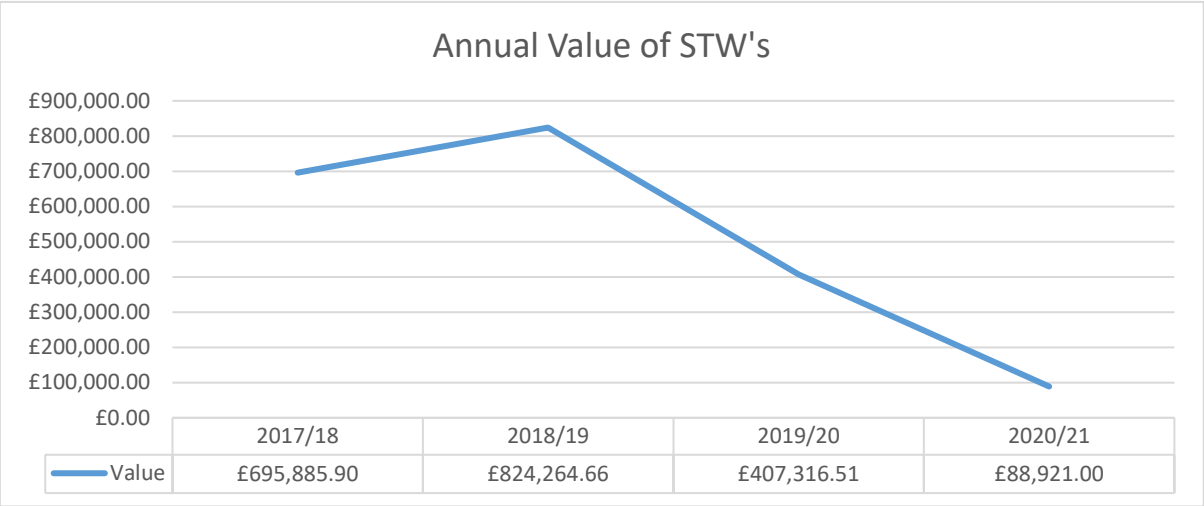
At the September 2020 Audit Risk and Assurance Committee it was requested that a summary of STWs over a period of time is presented to the next meeting, to identify trends and themes where there is a greater use of STWs in a particular area.

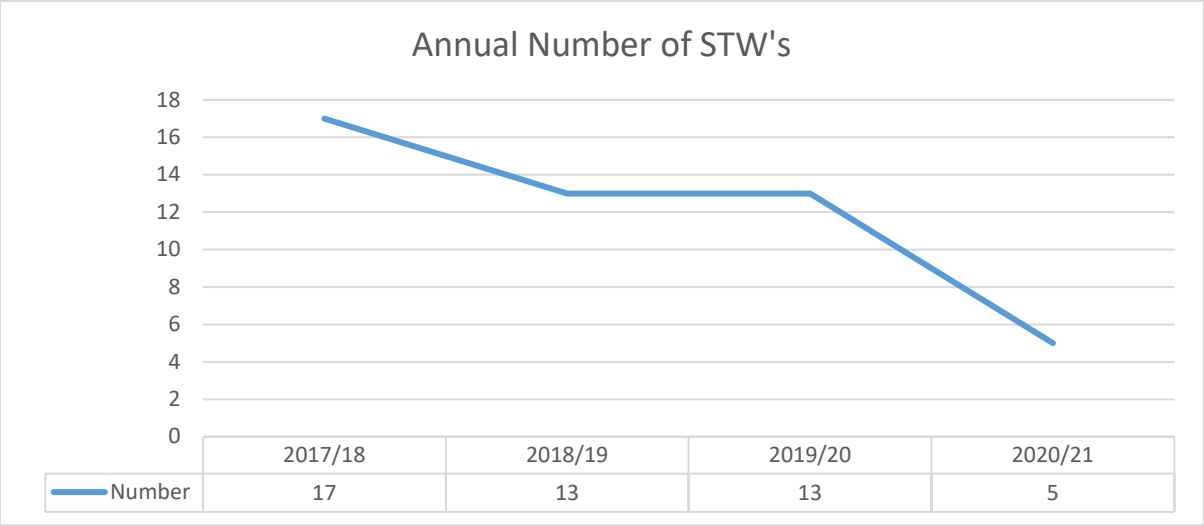
An analysis of approved Single Tender documents covering the period 1st April 2017 to 30th September 2020 has been undertaken by the Head of Financial Services. It should be noted that the 2020/21 financial year metrics only includes 6 months data.

The findings of this analysis are as follows:

Annual Value and Numbers of STW's

The trend can be seen that after a slight increase in annual value during 2018/19 the amounts per year are decreasing. The numbers per year are also seeing a decreasing trend.

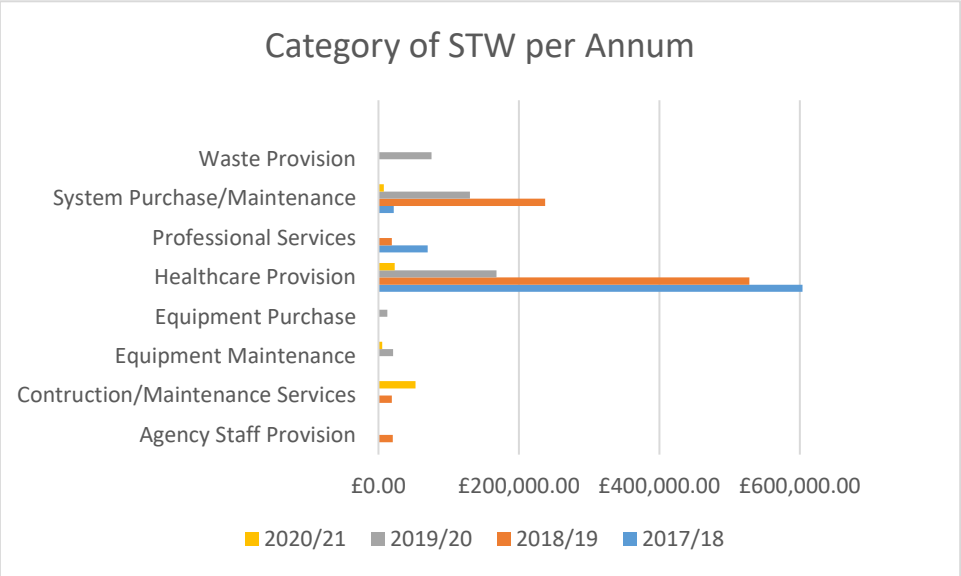


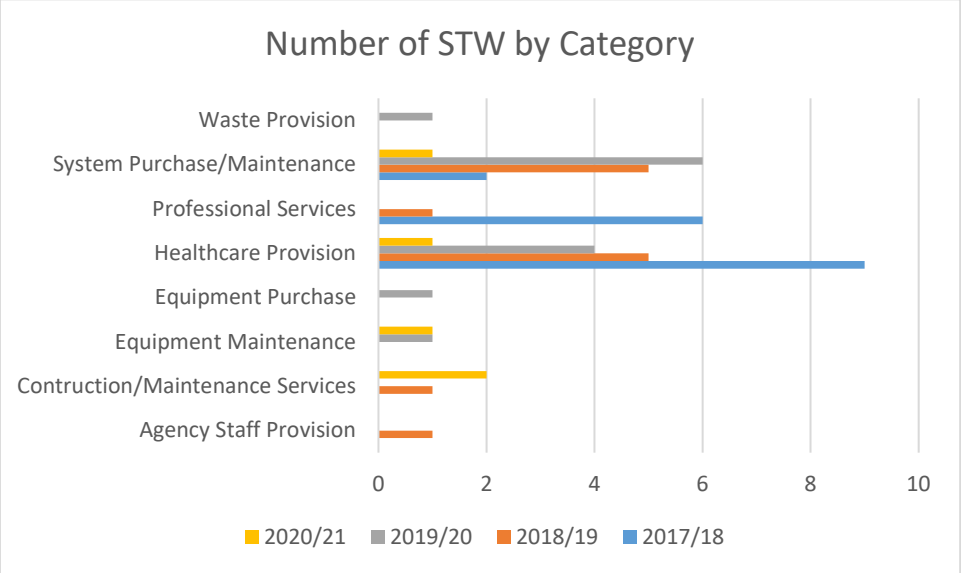


Category of Single Tender Waiver

It can be seen by the chart below that the majority of Single Tender Waiver usage relates to Healthcare provision but this is reducing over the period analysed. The main reason for Healthcare Provision usage is due to the inability to secure NHS Capacity to undertake necessary services or treatments for the population of Powys.

System purchase/Maintenance is the next highest category of usage and this is mainly due to sole suppliers of systems in use within the Health Board and the resulting requirement for maintenance contracts that only that supplier can carry out.





Numbers of Single Tender Waivers by Directorate

Detail of Usage per Directorate is as follows with the majority being undertaken by the Directorate of Primary and Community Care and Mental Health and the Directorate of Planning and Performance (includes Estates and Commissioning)

Financial Year Approved	Directorate of Finance & ICT	Directorate of Nursing and Therapies	Directorate of Planning and Performance	Directorate of Primary Care, Community Services and Mental Health	Directorate of Public Health	Directorate of Workforce and Facilities	Grand Total
2017/18	1	3	4	7		2	17
2018/19			2	9		2	13
2019/20			3	8	1	1	13
2020/21			2	3			5
Grand Total	**1**	**3**	**11**	**27**	**1**	**5**	**48**

NEXT STEPS:

None required as a result of this paper

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

AGENDA ITEM: 3.2

AUDIT, RISK & ASSURANCE COMMITTEE	**DATE OF MEETING: 03 November 2020**
Subject :	**Internal Audit Review of Governance Arrangements During Covid-19 Pandemic – Management Response**
Approved and Presented by:	Board Secretary
Prepared by:	Board Secretary
Considered by Executive Committee on:	Executive Committee, 04 October 2020
Other Committees and meetings considered at:	Audit, Risk & Assurance Committee, 08 September 2020

PURPOSE:
The purpose of this paper is to present to the Audit, Risk & Assurance Committee the health board's response to Internal Audit's review of governance arrangements during the COVID-19 pandemic.
RECOMMENDATION(S):
It is recommended that the Audit, Risk & Assurance Committee considers the health board's Response to Internal Audit's review, as presented to the Committee in September 2020.

Approval/Ratification/Decision	**Discussion**	**Information**
	✓	

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):		
Strategic Objectives:	1. Provide Early Help and Support	
	2. Tackle the Big Four	
	3. Enable Joined up Care	
	4. Develop Workforce Futures	
	5. Promote Innovative Environments	
	6. Put Digital First	
	7. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	
	2. Safe Care	
	3. Effective Care	
	4. Dignified Care	
	5. Timely Care	
	6. Individual Care	
	7. Staff and Resources	
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

At its meeting on 08 September 2020, the Audit, Risk and Assurance Committee received a report of Internal Audit which outlined the findings of a review of the health board's governance arrangements during the COVID-19 pandemic. The review was undertaken in an advisory capacity and therefore no assurance rating applied.

The review assessed the adequacy and effectiveness of internal controls in operation during the COVID-19 outbreak, with particular regard to the principles set out by the Welsh Government regarding maintaining financial governance. This review therefore focused on: governance and risk management; delegation and escalation; and departures from existing policies and processes.

Main findings of the review confirmed that the health board's temporary governance arrangements operated effectively during the period covered by the review (March to July 2020) and that the health board complied with the guidance and the principles issued by Welsh Government. The full report is attached at **Appendix A**.

Internal Audit did not assign priority ratings to opportunities for improvement, however a number of points were made for managements consideration as a priority. Management has considered the improvement opportunities identified and accepts these as required improvements with actions that are either underway or planned for implementation in the

coming months. **Appendix B** provides a summary of these for ease of reference.

Ongoing oversight of the delivery of these actions will be undertaken by the Audit, Risk and Assurance Committee via Audit Recommendations Tracking. Management oversight of progress will be undertaken by the Executive Committee

APPENDICES:	
APPENDIX A	ARA_Item_3.4a_PTHB _2020-21_Covid-19 G

Governance Arrangements During Covid-19 Pandemic

Advisory Review Report

2020/21

Powys Teaching Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

Contents

Review reference:	PTHB2021-33
Report status:	Final
Fieldwork commencement:	22nd June 2020
Fieldwork completion:	30th July 2020
Discussed with management	3rd August 2020
Draft report issued:	6th August 2020
Final report issued:	28th August 2020
Auditors:	Helen Higgs, Head of Internal Audit Osian Lloyd, Deputy Head of Internal Audit Emma Rees, Audit Manager
Executive sign off:	Pete Hopgood, Director of Finance, Information & IT Services Rani Mallison, Board Secretary
Distribution:	Executive Committee (Gold Group)
Committee:	Audit, Risk & Assurance Committee

ACKNOWLEDGEMENTS

We would like to acknowledge the time and co-operation given by staff during the course of this review and to thank Executive Directors and Independent Members for their engagement during this challenging period.

1. INTRODUCTION

The NHS in Wales continues to face unprecedented pressure in planning and providing services to meet the needs of those who are affected by Covid-19 and other essential services.

At the time of this report, the number of cases of Covid-19 in Wales is in decline and there is an opportunity for NHS Wales organisations to take stock following the initial peak of cases experienced between March and May 2020.

This rapid advisory review was requested by the All Wales Finance Directors Group to assess the adjusted financial and overall governance arrangements that were put in place to enable Powys Teaching Health Board ('the health board') to maintain appropriate governance whilst enabling its senior leadership team to respond to the rapidly developing emergency.

The Powys county area experienced a relatively low number of Covid-19 cases, with the first peak occurring in mid-late April 2020. The health board planned, prepared and implemented its response plan, but plans to increase beds for surge capacity were not activated due to the low Covid-19 numbers coupled with the fact the health board is predominantly a commissioning organisation with no District General Hospitals or Intensive Care Units. The health board continues to plan and prepare for anticipated future peaks. It is against this backdrop that we have assessed the effectiveness of those arrangements and whether the arrangements were in compliance with Welsh Government guidance. The key objective of the review is to provide independent, timely feedback to enable changes to be made to temporary governance arrangements if they are to be used in the future.

This rapid review was completed during late June and July 2020 and involved interviewing key members of the health board and reviewing associated documentation supplied. We have completed some detailed discussions and walkthroughs of arrangements in place and actions undertaken to manage the pandemic within the health board. However, whilst we have assessed this information against Welsh Government and other guidance, we have not undertaken detailed operational testing of the arrangements in place. We worked closely with Audit Wales to avoid unnecessary duplication with their work, sharing information where relevant and undertaking a number of interviews together.

Further detail regarding the scope of the review, the guidance used as the basis of the assessment and the work undertaken are included in the appendices to this report.

2. EXECUTIVE SUMMARY

Main Observations

The health board's temporary governance arrangements operated effectively during the period covered by our review (March to July 2020). The health board complied with the guidance and the principles issued by Welsh Government.

Board, Audit, Risk & Assurance Committee (ARAC) and Experience, Quality & Safety Committee meetings continued during April and May 2020. On the whole, the business of those meetings was appropriate, balanced with regular informal briefings with Independent Members.

Virtual meetings using Skype and Teams have developed over time, leading to the creation of a virtual meeting etiquette document. All planned meetings have gone ahead.

The Command Structure operated effectively and enabled the organisation to make decisions in an agile way. Financial governance was maintained, although improvements can be made to simplify and increase clarity over audit trails in order to clearly demonstrate the rationale and justification to support decision-making and the appropriate approval of expenditure.

There were no changes to the Scheme of Delegation. Covid-19 related expenditure is being separately identified and reviewed through dedicated cost centres.

Covid-19 specific risk management arrangements were put in place.

The health board continues to assess the ongoing applicability of the temporary arrangements and is looking ahead to securing some of the benefits from working in an agile way and re-focussing governance arrangements.

Partnership working with the Local Authority and involvement of the Community Health Council was effective, and communication with other partners undertaken as required.

Temporary arrangements in place over Long Term Agreements (LTAs) – mandated by the Department of Health and Welsh Government – present a longer term financial risk to the health board. The health board is engaged in national discussions on this matter.

Feedback from the Health Board Chair, Chief Executive and Chairs of the ARAC and EQSC on the health board's Covid-19 response approach was positive. In particular:

- Once the Governance Framework was set up and Clinical Response Model developed, the Chair and Independent Members felt well informed and involved.
- Revised governance and assurance frameworks, including risk management, operated effectively and sufficient information was available to allow individuals to discharge their duties.
- With the learning from the Phase 1 response, the health board is now better placed to deliver services in a Covid-19 environment and to respond to any future Covid-19 peaks.
- The move towards greater use of digital technology has been positively received by most and there is a desire to further embrace this throughout the organisation.

Matters for future consideration arising from this feedback included:

- The health board was able to identify the staff needed to resource the response plan implemented. However, it was felt that there were certain areas where the health board's workforce would need to be more agile and flexible (for example, working in different locations or areas) should the surge capacity plans require activating in the future.
- The health board was able to make decisions in an agile manner. Part way through the initial response, some local decision-making was achieved through pop-up workshops, which were attended by the Chief Executive. It was felt that this process worked well and that, in future, the health board would benefit from adopting this approach from the outset.

Further responses from these interviews have been incorporated into our findings throughout the report.

Priority Considerations for the Future

We have not assigned priority ratings to considerations, but we consider the following to be key priorities:

- Reviewing the decisions and supporting justification / information to simplify and increase clarity over audit trails. This may vary between different types, values and levels of decisions, but decisions should be justifiable post-event.
- Ensuring the Gold decision log is kept up to date.
- Developing a protocol pack for future events that require similar arrangements to swiftly implement the required measures – this could be implicit within the Board's Pandemic Framework.

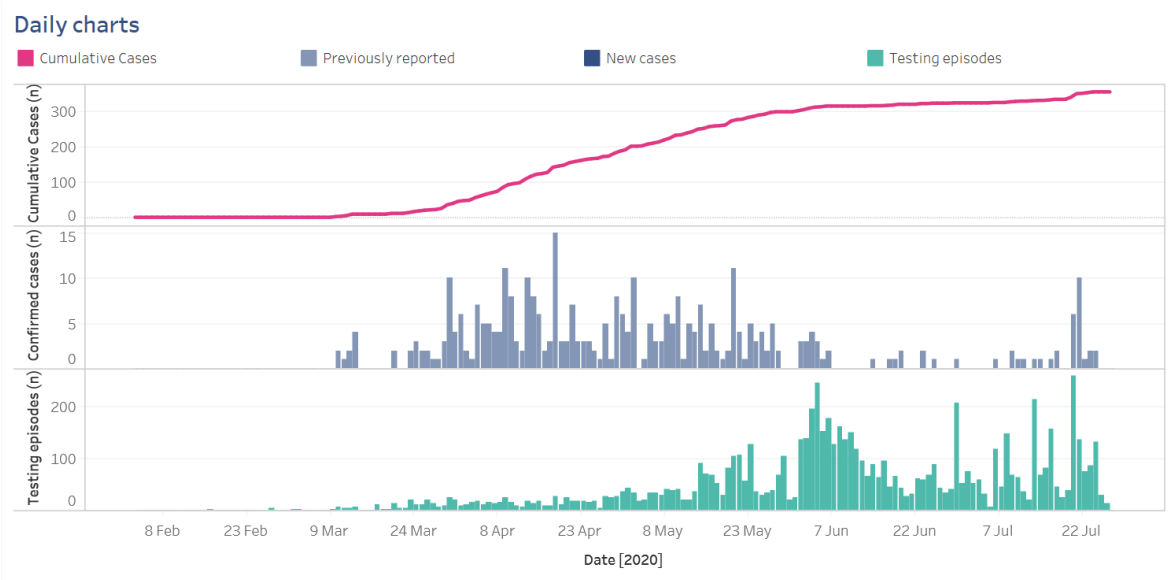
- Ensuring that risks (Covid-19 and, as appropriate, non-Covid-19) are regularly reported to the Committees.
- Ensuring the work around staff training for Covid-19 is progressed and that relevant staff receive appropriate training to support delivery of services during the Covid-19 pandemic.
- Continuing the work around quantifying the potential impact of temporary LTA arrangements to aid further discussions at a national level, receiving assurances from Welsh Government on how the related costs will be funded and ensuring that learning and agreed actions from these discussions are reflected in the health board's response plans going forward.
- Refreshing business continuity plans throughout the health board to ensure lessons / experiences from the pandemic can be incorporated as appropriate.
- Publishing meeting summaries as soon as possible after Board and Committee meetings.
- Taking a report to ARAC on contract awards and value for money / appropriate use of public money assessment during the Covid-19 period.

3. DETAILED REPORT

Overview of the impact of the pandemic on the health board

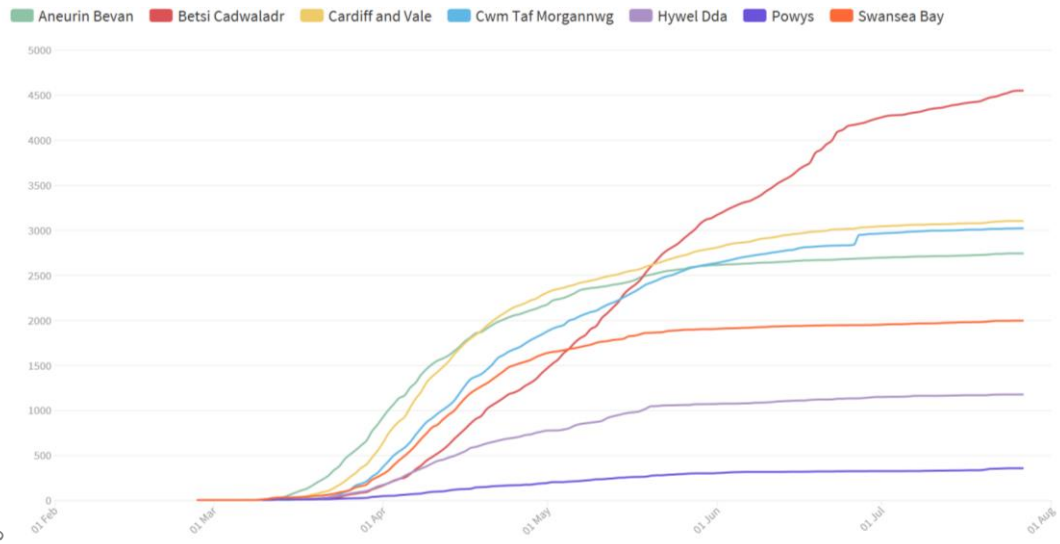
The Powys county area experienced a relatively low number of Covid-19 cases, with the first peak occurring in mid-April 2020. The graphs below illustrate the acceleration of the cases of Covid-19 within the health board's region.

Powys Teaching Health Board Daily Covid-19 Case Reports



Source: Public Health Wales Coronavirus (Covid-19) data dashboard (28th July 2020)

Cumulative Number of Covid-19 Cases by Health Board



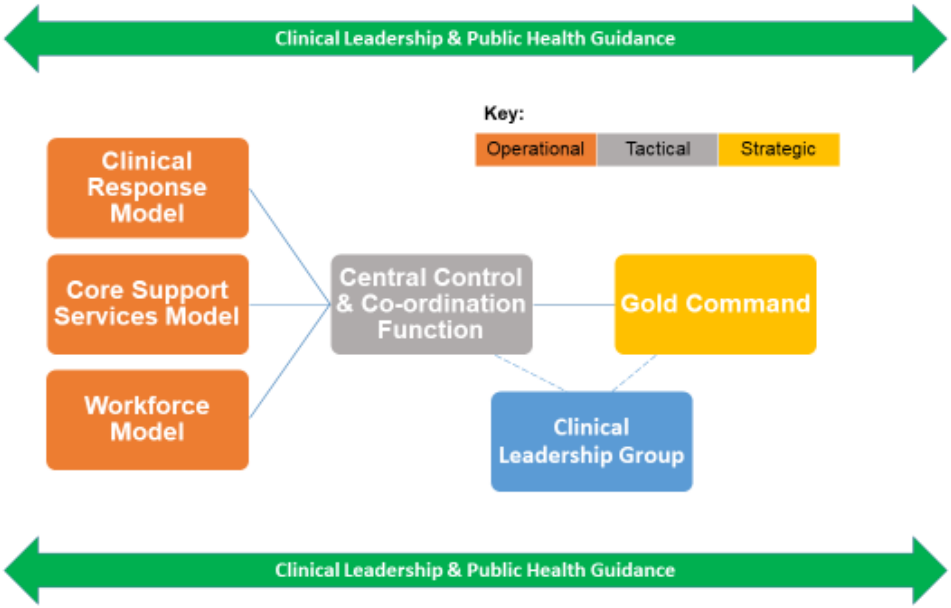
Source: Graphs | CoronavirusCymru (28th July 2020)

The rurality of Powys, nature of its population and the population's adherence to social-distancing measures all played a part in ensuring the level of Covid-19 cases remained relatively low in comparison to the rest of Wales. As at 28th July, Powys had 266.5 cases per 100,000 population compared to the All Wales figure of 540.9 cases per 100,000 population (source: Public Health Wales Coronavirus (Covid-19) data dashboard).

As a result of the low case numbers and new daily cases starting to decline from mid-April 2020, the health board planned, prepared and implemented its response plan, but plans to increase beds for surge capacity were not activated.

Command and Control Structure

The health board rapidly established a temporary hierarchy of command to progress actions / decisions during the initial phase of the pandemic (March to June 2020):



The command structure operated as follows:

- Strategic (Gold) Group (Gold Group) – chaired by the Chief Executive, responsible for determining the coordinated strategy and policy for the overall management of the health board's response to COVID-19.
- Central Control and Coordination Function (the CCF) – led by the Director of Planning & Performance, responsible for coordinating

actions taken by the organisation to limit the impact on any business continuity disruption and manage the key stages of response.

- Programme Workstreams – the Gold Group established three programme Workstreams, led by nominated Executive Directors, to provide planning and operational management support in response to implementing the tactical plan: Clinical Response Model, Core Support Services Model and the Workforce Model.

The Clinical Leadership Group provided advice on the clinical guidance issued with regard to Covid-19.

Clinical Response Model

The Clinical Response Model (CRM) formed the health board's overarching framework for its response to the Covid-19 pandemic.

Underneath the CRM, we understand that national modelling – tailored to a local level – formed the basis for the health board's surge plans: surge 1 a 199 bed model; surge 2 a 250 bed model; and surge 3 requiring external capacity in a field hospital at the Royal Welsh Showground and additional beds within a Powys nursing home. The health board developed establishment plans for each surge which, having taken into account redeployment, identified the deficit in staff numbers for each surge.

The Core Services Support Model identified essential services required to support the CRM (including facilities, finance, governance, workforce, etc) and the staff required to support those services.

Adjusted Governance Arrangements

In addition to the Command and Control structure, the health board implemented a range of temporary measures to facilitate new ways of working including:

- streamlining of the Board and Committee structure including the suspension of committees of the Board, excepting the 'Audit, Risk & Assurance' and 'Experience, Quality & Safety' Committees;
- the introduction of virtual meetings with the available video conferencing facilities and changes to the public's access to meetings and records; and
- revised financial governance arrangements which were captured through the Interim Covid-19 Financial Control Procedures and remained flexible for adjustments.

The conclusions and considerations for the future in this report take into account the rapid onset of the pandemic at the beginning of its spread through Wales and England and the consequent impact on the health board, its providers and Powys residents. Considered in this context, the health board quickly established governance arrangements and continued to strengthen measures to manage the pandemic as more guidance became available.

4. DETAILED FINDINGS

This section sets out the detailed findings of the review, under the headings of Strategic Governance, Financial Governance and Other Areas of Governance.

Strategic Governance

1. Board and Committee Meetings
2. Scheme of Reservation and Delegation (SoRD) and Decision-Making Arrangements
3. Risk Management

Financial Governance

4. Annual Accounts and Reporting
5. Financial Systems and Processes
6. Covid-19 Expenditure (Revenue and Capital)
7. Workforce
8. Budget and Savings

Other Governance Areas

9. Long Term Agreements
10. Partnership Arrangements
11. Charitable Funds
12. Information Governance

Each section provides commentary on the adjusted governance arrangements put in place and considerations for the health board to take into account as it plans for potential further Covid-19 peaks in the future.

Where we consider it appropriate we have suggested areas which should be given greater priority.

Further considerations from our work across NHS Wales will be reported upon conclusion of these reviews.

Strategic Governance

Board and Committee Meetings

What we found

Our review identified the following:

- The Board Secretary, Chair and Chief Executive acted quickly to review and streamline the Committees and agendas to focus on Covid-19 and key non-Covid-19 risks. This was communicated to Independent Members and Executive Directors, who showed a great deal of flexibility during this period and are now in a position to reflect on the last few months so that learning opportunities identified are not lost.
- The Board, ARAC, EQSC and Remuneration & Terms of Service Committee continued to operate, with all other committees suspended during Phase 1.
- Assurance and escalation of issues was set out in the agreed approach. We understand that all items that required escalation were taken to Board meetings during this time. The health board also held fortnightly informal briefings for Independent Members on its Covid-19 response and the Chair and Chief Executive were in frequent contact. This was important to keep members informed and give the opportunity to ask questions.
- Performance reporting was directed through to the Board. Whilst the standard performance measures were stood down by Welsh Government, the health board continued to monitor financial performance.
- Quoracy requirements and the standing orders remained unchanged (except for the requirements of Welsh Health Circular 2020/11), where committees still operated.
- All Committees were stood up from June 2020, with temporary changes to the meeting frequency of the Performance & Resources and Executive Committees. This approach was formalised and approved by the Board during May 2020. The 2020/21 Board and Committee Work plans were also taken to the July 2020 Board meeting. We understand the Board is to keep the temporary arrangements under review at each meeting. There may be questions of practicality in adopting a more streamlined approach to meetings on a long term basis.
- From April 2020 onwards, the health board held virtual meetings in order to comply with social distancing and other Welsh Government (WG) guidance. To support these meetings, a virtual meeting

etiquette document was developed, which includes submitting questions on papers in advance of meetings.

- Independent Members have generally seen the move to virtual meetings as a positive experience and are keen for the health board to further embrace digital technology.
- During April-July 2020, members of the public were not able to attend meetings in light of the guidance in relation to Covid-19. The 29th July Board meeting was recorded and uploaded to the health board's website. We understand future meetings will also be recorded and published until the health board is in a position to livestream meetings.
- The health board committed to publishing meeting summaries within seven days, which has proved challenging. Going forward, the health board has amended this commitment to publishing summaries within ten days of the meeting. We understand all summaries are now published.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Publishing meeting summaries as soon as possible after Board and Committee meetings.
- Developing a protocol pack for future events that require similar arrangements to swiftly implement the necessary measures – this could be implicit within the Board's Pandemic Framework. For example:
    - Formally identifying Committees to be suspended or operated on reduced agendas/frequencies and the revised assurance/escalation arrangements to support this;
    - Formally establishing meeting etiquette, membership, platform to use, meeting arrangements, etc;
    - Clarifying records required and decision log requirements (see considerations in the 'Scheme of Reservation and Delegation (SoRD) and Decision-Making Arrangements' section).

Furthermore, we suggest the following considerations as the organisation looks forward:

- Continuing to apply a risk based approach to key business as usual matters in the streamlined agendas and keeping this under review as the pandemic progresses.
- We concur with the health board's intentions to livestream its Board and Committee meetings – this should be made available to the public

as soon as possible. In doing so, the health board should continue to utilise suitable technology (maintaining privacy and security requirements) that is user friendly and accessible to all members and readily available for members of the public.

- Offer Freephone dial-in numbers for members of the public who may not have access to suitable technology.
- Continue to ensure that all members / participants are suitably trained / offered training to use the conference software available.
- Consider a separate meeting host of the Board and Committees in addition to the Chair to support technical arrangements.
- Continue to review and refresh the virtual meeting etiquette document based on learning from ongoing virtual meetings.

Scheme of Reservation and Delegation (SoRD) and Decision-Making Arrangements

What we found

Our review identified the following:

- The health board did not amend its SoRD during the Phase 1 response and does not plan to do so unless staff sickness levels require changes to be made. Similarly, there were no changes to delegated limits or authorised signatories. These arrangements are being kept under review.
- The health board has set out its Covid-19 command and control structure and decision-making arrangements in its Covid-19 Governance Framework (the Framework), which operates in line with the existing SoRD. The initial Framework was based on the health board's Pandemic Flu Framework and was subsequently refined to address the needs of the health board's Covid-19 response.
- We found that financial decisions were processed quickly via the Gold Group for scrutiny and then subsequently reported to the ARAC for ratification / information as appropriate.
- Minutes and actions were maintained for the Gold Group and CCF. We reviewed a sample of four actions, three of which had been followed through. One relating to a capital expenditure paper on ventilation had not been actioned – the related consideration is captured within the Covid-19 Expenditure section below and is not repeated here.
- The Gold Group decision log had only been completed up to the end of April 2020 at the time of our review. Additionally, there is no log for Board or CCF decisions. As a result, we encountered difficulty identifying audit trails to demonstrate the rationale, justification and approval of key financial and non-financial decisions.
- We reviewed nine decisions (financial and non-financial) from the Phase 1 response. For one (the Workforce Plan), we were unable to identify the audit trail to demonstrate appropriate scrutiny and approval. For the remaining eight, we found that supporting evidence was in place, but this was not in a consistent format, was not always easily retrievable and did not always fully justify the decision, noting the point above.
- We acknowledge that a significant level of work has been undertaken to support and record the health board's Covid-19 response and those at Gold level would also have been involved in this. Therefore, relevant individuals would have been able to answer any queries and provide explanations as needed. However, this is not always

documented in the Gold Group minutes. Over the longer term, there is a risk that the health board may not be able to clearly evidence the scrutiny and approval of key decisions.

- The health board maintained its standard approach to declarations of interest during this time.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Reviewing the decisions and supporting justification / information to simplify and increase clarity over audit trails, setting out how additional revenue funding for Covid-19 is linked into the Clinical Response Model and/or supporting plans. Whilst there is a balance between expedience and evidence, it is important that all elements of this process are sufficiently documented. This may vary between different types, values and levels of decisions, but decisions should be justifiable post-event.
- Ensuring the Gold decision log is kept up to date.

Furthermore, we suggest the following considerations as the organisation looks forward:

- Maintaining a decision log at CCF level.

Risk Management

What we found

Our review identified the following:

- The Board continued to receive the Corporate Risk Register (CRR) throughout the Covid-19 response. The CRR was updated to reflect the impact of Covid-19 on the health board's strategic objectives.
- A Covid-19 Risk Register (C-19RR) was developed and overseen by Gold Group. The C-19RR covered risks around the health board's ability to respond to Covid-19 and has been reported to the Board since May 2020. This was a useful tool for the Executive to monitor risks in a rapidly changing environment and enabled looking a few weeks ahead which was important.
- Throughout April to July 2020, Committee Risk Registers were not presented to their respective Committees.
- At a directorate level, risks were to be managed as per the Risk Management Framework. However, monitoring and scrutiny by the Risk & Assurance Group was suspended. Executive Directors were asked to review the directorate risk registers. We did not consider the directorate risk registers in our testing.
- Whilst we could see that risks are considered as part of the Clinical Response Model and are broadly considered within the C-19RR, it was less clear how more specific risks had been considered or were linked to the C-19RR in other decisions in our testing which were not supported by a documented risk assessment process.
- A response plan has been developed for future phases of the pandemic. The response plan has been updated every 60-90 days and there is a section in each update on the learning from the previous period and any reviews.
- The health board has reviewed its strategic objectives and priorities and developed a reprioritised annual plan for 2020/21.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Ensuring that risks (Covid-19 and, as appropriate, non-Covid-19) are regularly reported to the Committees.

Furthermore, we suggest the following considerations as the organisation looks forward:

- Continuing to update the response plan for any changes arising from this review and any other retrospective reviews being completed.

- Continuing to manage non-Covid-19 risks and report as appropriate to respective committees, to ensure that emerging risks are adequately reviewed / managed.
- Continuing to review key objectives and priorities in light of new information.
- Any future decision making framework should incorporate a documented risk assessment process over decisions completed.

Financial Governance

Annual Accounts and Reporting

What we found

Our review identified the following:

- The health board revised its accounts production timetable in line with updated Welsh Government deadlines. Draft accounts were submitted on 21st May 2020. Final accounts were signed by the Board on 29th June 2020, ahead of the 30th June 2020 submission deadline. This is a notable success with the accounts being produced by the team working remotely.
- Audit Wales did not observe any significant issues in the audit of the draft accounts.

What could be done differently in the future

We suggest the following consideration as the organisation looks forward:

- The benefits of preparing the final accounts and completing the accompanying statutory audit remotely should be reviewed and retained for future financial years. Any efficiencies implemented to assist in the delivery should be retained / expanded upon.

Financial Systems and Processes

What we found

Our review identified the following:

- Temporary amendments to the Standing Financial Instructions (SFIs) and Financial Control Procedures (FCPs) were captured through the use of an Interim Covid-19 FCP (the Interim FCP). This approach ensured changes to SFIs/FCPs were communicated in a concise and easily understandable manner.
- Whilst the Interim Covid-19 Financial Control Procedure sets out approval levels for Covid-19 revenue expenditure, we identified that the approval process for Covid-19 capital expenditure was not clear (note: we understand that this point was addressed subsequent to the completion of our review).
- Specific Covid-19 cost centres have been established, with linkage to the Oracle approval limits set out in the Interim FCP.
- Indemnity arrangements appear to be in line with advice issued by NWSSP Legal & Risk Services.
- To ensure Personal Protective Equipment (PPE) is available and appropriately distributed, the health board set up a PPE hub at Bronllys hospital, overseen by the Assistant Director of Facilities.
- The Finance department did not have a full Business Continuity Plan in place. However, the Finance Team was able to swiftly respond to set up flexible, safe working arrangements to maintain services levels and meet year end deadlines. In the process, the team has identified improvements that accelerate the implementation of the digital transformation agenda and move away from manual, paper-based processes.
- There were no losses or write offs recorded during the pandemic.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Refreshing business continuity plans throughout the health board to ensure lessons / experiences from the pandemic can be incorporated as appropriate.

Covid-19 Expenditure (Revenue and Capital)

What we found

Our review identified the following:

- Expenditure in our sample testing was authorised in accordance with the SoRD and Governance Framework. However, as noted above, we found that it was not easily possible to identify a clear audit trail and link between the expenditure and the Clinical Response Model or supporting plans and to reconcile the entire decision making process from decisions made within the CCF and Gold Groups, through to the Board (or other applicable forums).
- In line with the Interim FCP, Gold Group has received regular Covid-19 expenditure reports, including details of orders over £5,000, Covid-19 planned capital expenditure and the actual / forecast Covid-19 revenue expenditure.
- The Board has received the actual / forecast Covid-19 expenditure as part of the standard financial performance reports, including the Monthly Monitoring Return which now includes specific reporting on Covid-19 expenditure. The July 2020 ARAC meeting received a report on expenditure over £5,000 without three quotes.
- Due to the ability to make financial decisions quickly via the Gold Group, as noted above, we understand the health board has not had to utilise Chair's Actions during its Covid-19 response so far. However, should the need arise, this option is available under the Standing Orders. Similarly, the Single Tender Waiver process has not been used for Covid-19 to date.
- Additional funding required has yet to be agreed by the Welsh Government, representing a significant financial risk for the health board. This is recognised in the financial reports to the Board, the Monthly Monitoring Returns and the Corporate Risk Register.
- We understand that, in addition to scrutiny and approval of items over £25,000 at Gold Group, expenditure posted to Covid-19 cost centre codes was actively reviewed by Finance to ensure requisitions were appropriate and authorised swiftly.
- There were no payments made in advance by the health board during the pandemic.
- Variable pay costs – such as agency (including off-contract), overtime and bank – are initially allocated to the cost centre where the substantive post holder is paid. This expenditure is then apportioned to Covid-19 based upon the increase above previous years' average monthly spend. This approach is set out in the Interim FCP.

- Capital expenditure requirements have been reported to Welsh Government. There is transparency of the capital expenditure that has been incurred to date and what is likely to be incurred as the months progress to ensure the health board is in the best position to address the requirements for operating within an appropriate hospital environment.
- In terms of non-Covid-19 capital, only major projects for which Welsh Government funding has been approved have continued during this time.
- There has been no amendment to the discretionary capital amount per the Capital Resource Limit. This has been reviewed to ensure only essential work is included and to ensure a contingency is maintained.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Ensuring that a clear audit trail of decisions made is retained for each decision (see considerations in the 'Scheme of Reservation and Delegation (SoRD) and Decision-Making Arrangements' section).
- Taking a report to ARAC on contract awards and value for money / appropriate use of public money assessment during the Covid-19 period.

Furthermore, we suggest the following consideration as the organisation looks forward:

- Liaising with other health boards to identify a more accurate approach to apportioning variable pay costs.

Workforce

What we found

Our review identified the following:

- We understand that a Workforce Plan was developed, which included details of the deficit in staff for each level of the Surge Plan taking into account existing staff and redeployments. However, we have been unable to ascertain where this plan was costed, scrutinised and approved.
- We understand that the health board took the conscious decision to not pay any overtime or enhancements for senior manager (Band 8a and above) or other officers involved in Covid-19 activities. It also did not use any non-Agenda for Change rates or incentives to attract new staff.
- A redeployment process was established, overseen by the Temporary Staffing Unit. The health board was also able to support another health board through staff redeployment.
- Recruitment to support the Covid-19 response was based upon the deficit in the Workforce Plan. A streamlined recruitment process was approved by Gold Group.
- Our testing on a sample of five new Covid-19 starters confirmed pre-employment checks had been undertaken as appropriate.
- The health board ran an induction programme for all new Health Care Support Workers (HCSW). We understand that further training for HCSWs is being planned.
- The health board identified improvements were needed on the uptake on training for Covid-19 Infection Prevention & Control (IPC) and clinical skills, although we were informed that, given the health board did not have to activate its surge capacity plans, there were sufficient staff with the skills and knowledge to meet the requirements of the model in place. This training was aimed at new and redeployed staff, covering care for Covid-19 patients and for staff to adjust to the context of providing services during the Covid-19 pandemic.
- The IPC and Clinical Education Teams are undertaking work around the Covid-19 training offered to ensure all relevant staff receive training in advance of any future peaks and to ensure appropriate reporting mechanisms are in place to capture compliance levels.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Ensuring that a clear audit trail of decisions made is retained for each decision (see also considerations in the Scheme of Reservation and Delegation (SoRD) and Decision-Making Arrangements' section)
- Ensuring the work around staff training for Covid-19 is progressed and that relevant staff receive appropriate training to support delivery of services during the Covid-19 pandemic.

Budget and Savings

What we found

Our review identified the following:

- The 2020/21 pre-Covid-19 Financial Resource Plan was approved by the Board in May 2020 and is being used to monitor budgets in Board reports and at an operational level.
- Financial reports to the Board assume that the Covid-19 expenditure will be fully funded by Welsh Government. This, along with the risk that full funding may not be provided, is made clear in the reports. The reports also detail the actual, planned and forecast Covid-19 expenditure (revenue and capital).
- Covid-19 expenditure is also separately reported to Welsh Government via the Monthly Monitoring Returns.
- The Interim FCP sets out changes to the budget monitoring process, namely that budget holder meetings were stepped down during the Phase 1 response. We understand that budget holder meetings will be stood up in the near future, which will be reflected in an update to the Interim FCP.
- The savings position is reported in monthly finance reports, which is subsequently reported to the Welsh Government. Covid-19 is anticipated to have a significant impact on the health board's ability to achieve its original savings plan of £5.5m. This is predominantly due to the loss of potential savings within the health board's Long Term Agreements (LTAs), resulting from the block contracts in place for the duration of the Covid-19 response. The revised savings plan is £1.8m.
- Whilst the health board will be unable to realise the benefit of potential savings relating to the LTAs, we understand it will still carry out the work behind these savings in order that the benefit can be felt once the LTA contracts have reverted to pre-Covid-19 arrangements.

What could be done differently in the future

We suggest the following consideration as the organisation looks forward:

- With the additional expenditure incurred as a result of Covid-19, the health board should continue to refocus efforts onto savings and efficiencies plans. This will become even more pertinent if the request to the Welsh Government for additional funding is not fully granted.

Other Governance Areas

Long Term Agreements

What we found

Our review identified the following:

- A temporary, simplified approach is in place over LTAs. We understand this was mandated by the Department of Health for English LTAs and Welsh Government for Welsh LTAs. Cash based payments are being made and, at present, the arrangement does not allow adjustments for under or over performance. We understand these arrangements will be in place until at least September 2020.
- LTA payments above the budgeted IMTP levels are included in the Covid-19 expenditure reported to Welsh Government, calculated based upon updated 2019/20 outturn forecasts vs the October/November 2019 forecasts used in the IMTP. As at month 3, this is forecast to be £2.7m above budget.
- Under these arrangements, the health board has been unable to operate its Commissioning Assurance Framework. However, it has participated in the command arrangements for English regions and has monitored available quality and safety information.
- The related risk has been reported to Gold Group and the Board. Additionally, the Corporate Risk Register was updated to reflect the potential impact of the temporary arrangements on quality and patient safety.
- When the health board moves out of the temporary arrangements and requires additional activity to reduce backlogs in planned activity on top of new referrals, there is a risk that it could overpay for services if underperformance during the temporary arrangements is not accounted for. We understand the health board has explicitly raised this with all parties, including Welsh Government, and has started to undertake analysis of the impact to support further discussions. We also understand the health board is part of the Welsh Government lead group that has been meeting with NHS England with regard to the temporary LTA arrangements.

What could be done differently in the future

We advise that priority should be given to considering the following:

- We support the health board's ongoing work to quantify the potential impact of the temporary LTA arrangements to aid further discussions. Management should ensure the health board receives assurances from Welsh Government on how the related costs will be funded and

that the learning and agreed actions from these discussions are reflected in the health board's response plans going forward.

Partnership Arrangements

What we found

Our review identified the following:

- As noted previously, the health board did not need to activate its plans for surge capacity and, therefore, did not require any external capacity.
- We understand plans are in place for a field hospital, should the need arise in the future. If this were required, the health board is aware of the need to ensure additional standard operating procedures (SOPs) and indemnity arrangements are in place.
- Additional costs for primary care contractors are captured via a dedicated Covid-19 account code. At the time of writing, such costs include an accrual for GP Covid-19 expenditure submissions and additional GP Out-Of-Hours service costs.
- The health board has worked closely with the Local Authority (LA) throughout the response to date, with the LA's Director of Social Services attending the health board's Gold Group meetings. In addition, a specific workstream was set-up to support the Covid-19 response in enhanced and care home settings, which included support for fit testing of FFP3 masks.
- The health board undertook regular meetings with the Community Health Council throughout the pandemic response.
- Risk assessments continued to be completed by the Counter Fraud Team to identify emerging risks relating to fraud, e.g. malware attacks. The promotion of local counter fraud arrangements has continued throughout the pandemic.

What could be done differently in the future

We suggest the following considerations as the organisation looks forward:

- Ensuring appropriate indemnity arrangements and SOPs are put in place should additional capacity be required.
- Continuing to engage with Local Authority partners to ensure arrangements are confirmed and in place, in preparation for future outbreaks.
- Continuing to review the capacity situation to ensure sufficient capacity is available in the event of surge demand for beds if there are further peaks.

Charitable Funds

What we found

Our review identified the following:

- Charitable donations are processed in accordance with the charitable objectives of the Charity.
- A Covid-19 Response Fund was ring-fenced from money received through NHS Charities Together. A bespoke application form was developed and all applications to this Fund were considered by the Gold Group.
- A Just Giving page was established to assist with increased public desire to donate to the health board.
- We were informed that donations were not used for PPE and / or essential equipment as this is provided for by the Welsh Government.
- A report on the amount of donations and expenditure was presented to the July Charitable Funds Committee, which separately identified the income received under the Covid-19 Response Fund.
- We were unable to identify if staff were reminded of their obligation to record gifts or hospitality, or if they were provided with guidance for when approached with donations.

What could be done differently in the future

We suggest the following consideration as the organisation looks forward:

- Ensuring staff are reminded of their obligation to record gifts or hospitality.
- Providing guidance for staff who are approached with donations.

Information Governance

What we found

Our review identified the following:

- Guidance and controls have been implemented to address emerging risks in relation to Covid-19.
- There was good communication around Information Governance and Cyber Security issues.
- Links were visible into Gold Group for Information Governance and Cyber Security related matters.
- There is evidence that changes to practices included Information Governance and Cyber Security considerations.
- The health board was engaged in communications at a national level around Information Governance and Cyber Security.
- A consistent approach across Wales has been established via the National Information Governance Managers' Group (IGMAG), which helps set processes and guidance for the use of technology at home.

What could be done differently in the future

There are no improvements identified.

Appendix One – Guidance, Principles and Scope

Guidance and Principles

In its response (dated 26 March 2020) to a letter received on behalf of the Board Secretaries Group, Welsh Government agreed the Governance Principles (the 'Principles') that are designed to help focus consideration of governance matters.

The Principles are:

- public interest and patient safety;
- staff wellbeing and deployment;
- governance and risk management;
- delegation and escalation;
- departures from existing policies and processes;
- one Wales (acting in the best interest of the whole of Wales); and
- communication and transparency.

In particular, the Welsh Government reiterated the importance of continuing the role of both the Audit Committee and the Quality and Patient Safety Committee during the Covid-19 outbreak, in supporting the Board with discharging its responsibilities.

Further detailed guidance was issued regarding financial governance in Covid-19 Financial Guidance to NHS Wales' Organisations and the Covid-19 Decision Making and Financial Governance Letter from Welsh Government dated 30th March 2020.

Scope of this Advisory Review

The advisory review assessed the adequacy and effectiveness of internal controls in operation during the Covid-19 outbreak, with particular regard to the Principles set out by the Welsh Government regarding maintaining financial governance.

This review focused on the following:

- governance and risk management;
- delegation and escalation; and
- departures from existing policies and processes.

In particular, we undertook interviews and review of documentation:

- to ensure that appropriate key decisions are made through the revised management arrangements, with risk, impact and value for money adequately assessed;
- to confirm that the Scheme of Delegation and escalation requirements are adhered to;
- to ensure appropriate oversight and scrutiny remains by the Board over applicable matters – for example, the risk appetite level set;
- to ensure that departures from existing standards, frameworks, policies and procedures are appropriately documented and reviewed regularly, but still in accordance with the Principles; and
- to determine if the command structure established is appropriate – for example, achieving the Principles set out by the Welsh Government.

In our interviews with Board Members we discussed the remaining Principles and where appropriate commentary on those is include in the detail of this report.

The potential risks considered in this review were as follows:

- decisions are not completed in the best interest of the public;
- statutory requirements are not met;
- inappropriate expenditure and financial commitments;
- insufficient scrutiny of the risks associated with each key decision;
- the Welsh Government Principles are not adhered to; and
- inappropriate governance arrangements.

As this is an advisory review, the assignment is not allocated an assurance rating, but we have suggested some considerations for the future, should temporary governance arrangements be required in response to further peaks.

Appendix Two – What we did

We undertook the following review activity:

- Interviewed the following:
  - Board Secretary;
  - Director of Finance, Information & IT;
  - Director of Workforce & Organisational Development;
  - Director of Planning & Performance;
  - Director of Nursing;
  - Assistant Director of Finance
  - Assistant Director of Workforce
  - Planning Manager
  - Chair of the health board;
  - Chair of the Audit, Risk & Assurance Committee;
  - Chair of the Experience, Quality & Safety Committee; and
  - Chief Executive.
- Reviewed notices, agendas and minutes of the Board, Audit, Risk & Assurance Committee and Experience, Quality & Safety Committee from March 2020.
- Reviewed the public availability of the respective committee papers and meeting summaries on the health board's webpage.
- Reviewed the risk register(s) for Covid-19 and non-Covid-19 risks.
- Reviewed the SoRD, Standing Financial Instructions and Interim Covid-19 Financial Control Procedure.
- Reviewed relevant papers / documentation / logs from Gold Group.
- Observed key committees.
- Selected a sample of seven decisions, four from the Gold decision log and three "expected" decisions, to review the documentation of approval and link with the Clinical Response Model behind each.
- Reviewed the response plans and business continuity arrangements within Finance.
- Reviewed the revised timetable for reporting of annual accounts.
- Reviewed the Monthly Monitoring Returns.
- Considered the impact of Covid-19 on the health board's saving plans.
- Obtained the list of newly created cost centres, specifically created for Covid-19 expenditure.
- Reviewed the command structure for managing Covid-19 arrangements.

- Reviewed the assets directly linked to the pandemic.
- Reviewed indemnity arrangements within the health board.
- Considered the arrangements for stocks, in particular PPE.
- Reviewed workforce and establishment plans.
- Identified new starters and, for a sample of five, ensured pre-employment checks had been undertaken prior to starting.
- Reviewed the calculations behind variable pay costs apportioned to Covid-19 expenditure.
- Considered the impact of block contract arrangements on the health board and reviewed the calculations behind LTA costs apportioned to Covid-19 expenditure.
- Identified and reviewed partnership arrangements.
- Obtained capital project information, including expenditure incurred.
- Discussed charitable funds arrangements and any changes to policies.
- Discussed Local Counter Fraud arrangements during the Covid-19 response.
- Considered the approach to information governance and cyber security during the Covid-19 response.
- Shared information and emerging findings with Audit Wales for consistency.

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APPENDIX B

INTERNAL AUDIT REVIEW OF GOVERNANCE ARRANGEMENTS DURING COVID-19 (Phase 1)				
Priority Consideration		**Management Response**	**Executive Lead**	**Timescale for Completion**
1.	Reviewing the decisions and supporting justification / information to simplify and increase clarity over audit trails. This may vary between different types, values and levels of decisions, but decisions should be justifiable post-event.	a) Decision log (strategic decisions and financial decisions) to be reviewed to ensure comprehensive at all phases of response; b) Checklist for decision making to be developed and included in Financial Control Procedure; c) Risk and Impact Assessment Tool to be established for strategic or financial decisions; d) Delegated Decision-Making Framework to be established at each phase of response.	Director of Finance & IT and Board Secretary	December 2020
2.	Ensuring the Gold decision log is kept up to date.	a) Decision log to be reviewed to ensure comprehensive at all phases of response; b) Decision Log to be maintained on an on-going basis.	Board Secretary	Ongoing throughout business continuity arrangements
3.	Developing a protocol pack for future events that require similar arrangements to swiftly implement the required measures – this could be implicit within the Board's Pandemic Framework.	a) Principles for Good Governance now established b) Good practice guidance for virtual meetings and live streaming in place c) Pandemic Framework and Corporate Business Continuity Plan to be refreshed to reflect learning from COVID-19	Board Secretary & Director of Public Health	a) Complete b) Complete c) Post COVID-19

4.	Ensuring that risks (Covid-19 and, as appropriate, non-Covid-19) are regularly reported to the Committees.	a) Committee Risk Registers to be developed, in-line with recommendations arising from Internal Audit review of Risk Management (2019/20) b) Ongoing reporting to Board of Corporate Risk Register and COVID-19 Risk Register c) Committee workplans based on known areas of risk, determined by Board	Board Secretary	a) March 2021 b) Ongoing c) Ongoing
5.	Ensuring the work around staff training for Covid-19 is progressed and that relevant staff receive appropriate training to support delivery of services during the Covid-19 pandemic.	a) Training needs in respect of COVID-19 for all staff groups has been reviewed and modified b) Investment made in Clinical Skills Trainer to support COVID-19 response	Director of Workforce & OD	Uptake of training monitored via Gold Command on an ongoing basis
6.	Continuing the work around quantifying the potential impact of temporary LTA arrangements to aid further discussions at a national level, receiving assurances from Welsh Government on how the related costs will be funded and ensuring that learning and agreed actions from these discussions are reflected in the health board's response plans going forward.	a) LTA Arrangements - PtHB continues to be part of the ongoing discussions with WG and NHS England on the additional temporary funding requirements linked to the block LTA agreements with English Providers. Within Wales theses discussions are part of the All Wales DOF and DDOF programme. The outcomes from these discussions / agreements are then reflected within the Health Boards overall Financial forecast to 31st March 2021 and Year to Date reported position.	Director of Finance & IT	Ongoing review and assessment of impact until end of 20/21 Financial Year

		b) Funding – in September WG confirmed via the Q3/Q4 Operating Framework the funding allocated to Health Boards to support sustainability. It is this funding that will be used to support the additional costs of the temporary block LTA arrangements.		
7.	Refreshing business continuity plans throughout the health board to ensure lessons / experiences from the pandemic can be incorporated as appropriate.	Pandemic Framework and Corporate Business Continuity Plan to be refreshed to reflect learning from COVID-19	Director of Public Health & Executive Directors	Post COVID-19
8.	Publishing meeting summaries as soon as possible after Board and Committee meetings.	Ongoing publication of meeting summaries, or recordings of live meetings	Board Secretary	Ongoing
9.	Taking a report to ARAC on contract awards and value for money / appropriate use of public money assessment during the Covid-19 period.	Reporting arrangement established	Director of Finance & IT	Ongoing

Agenda item: 3.3

AUDIT, RISK & ASSURANCE COMMITTEE	DATE OF MEETING: 03 November 2020
Subject :	**IMPLEMENTATION OF AUDIT RECOMMENDATIONS DURING COVID-19**
Approved and Presented by:	Board Secretary
Prepared by:	Head of Risk & Assurance
Other Committees and meetings considered at:	Executive Committee, 21 October 2020

PURPOSE:

The purpose of this paper is to seek approval from the Audit, Risk & Assurance Committee, of a re-prioritised approach to implementation of audit recommendations due for implementation during the COVID-19 pandemic, which supports delivery of the health board's Winter Protection Plan.

RECOMMENDATION(S):

The Audit, Risk & Assurance Committee is asked to:

- APPROVE the re-prioritised approach for audit recommendation implementation, aligned to the health board's Winter Protection Plan (October 2020 – March 2021).

Approval/Ratification/Decision	Discussion	Information
✓	✓	✖

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):		
Strategic Objectives:	1. Focus on Wellbeing	×
	2. Provide Early Help and Support	×
	3. Tackle the Big Four	×
	4. Enable Joined up Care	×
	5. Develop Workforce Futures	×
	6. Promote Innovative Environments	×
	7. Put Digital First	×
	8. Transforming in Partnership	×
Health and Care Standards:	1. Staying Healthy	×
	2. Safe Care	×
	3. Effective Care	×
	4. Dignified Care	×
	5. Timely Care	×
	6. Individual Care	×
	7. Staff and Resources	×
	8. Governance, Leadership & Accountability	✓

INTRODUCTION:

Significant work was taken forward previously, to implement robust systems for recording and monitoring audit recommendations arising from Internal and External Audit Reviews. Progress was made in closing down a large number of previously outstanding audit recommendations.

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020, and this subsequently led to NHS organisations, including Powys Teaching Health Board, needing to focus on preparations and plans for dealing with an expected surge in demand of patients requiring interventions. The nature and scale of the response depends on the course of the disease. The situation is changing constantly and will require an agile response.

Whilst the health board operates in unprecedented times, the Board remains accountable as always. The Good Governance Institute advises that during this developing situation, boards should be mindful of their statutory duties but equally they must be conscious of and receptive to the expectations that their staff, stakeholders and communities will reasonably place upon them.

Auditors, via internal and external audit teams, play an important independent role in providing the Board with assurance on the effectiveness and appropriateness of internal controls, systems and processes. It is therefore important that recommendations from such audits are implemented in a timely manner, ensuring that the health board operates effectively and efficiently, mitigating any identified risks.

Recognising the pressures on NHS organisations during the pandemic, Audit Wales informed the health board that whilst audit recommendations previously made will remain valid, it was fully understood that the ability of NHS bodies to implement these recommendations as originally planned would be compromised, as the response to the pandemic takes priority. However, audit recommendations which are related to important aspects of organisational governance and financial management should remain firmly within NHS bodies' line of sight as a means of ensuring business is conducted as effectively as possible in the current circumstances.

DETAILED BACKGROUND AND ASSESSMENT:

The Audit, Risk & Assurance Committee previously approved a re-prioritised approach for audit recommendation implementation, based upon priority levels assigned by Audit, and original agreed deadlines.

The overall summary position reported to Audit, Risk and Assurance Committee at 31/07/2020 in respect of overdue **internal audit recommendations** is: -

Overdue Internal Audit Recommendations						
	2017/18		2018/19		2019/20	TOTAL OUTSTANDING
	Number	Progress since last meeting	Number	Progress since last meeting	Number	
High	0	→	1	→	9	10
Medium	4	↓	1	↓	13	21
Low	4	→	0	→	7	11
TOTAL	8		2		32	42

The overall summary position reported to Committee at 31/07/2020 in respect of overdue **external audit recommendations** is:

Overdue External Audit Recommendations		
	Number	**Progress since last meeting**
2018/19	7	→
2019/20	1	
TOTAL	**8**	

Key:
↑ - Number Increased
↓ - Number Decreased
→ - Number stayed the same

The health board's Winter Protection Plan is being presented to Board on 22nd October 2020, which outlines the key activities for the health board to deliver in quarters 3 and 4 in response to the COVID-19 pandemic. The Executive Committee has discussed and identified a reprioritised approach for the implementation of outstanding audit recommendations, to support successful delivery of the health board's Winter Protection Plan.

Subject to approval of the new approach by the Audit, Risk & Assurance Committee, Executive Directors will be asked to reprioritise their remaining outstanding audit recommendations. Prioritisation should be based upon the following category ratings: -

Priority level 1	• Action(s) within the Winter Protection Plan are dependent on implementation of this recommendation • Delivery of the Board's agreed Strategic Priorities are dependent on implementation of this recommendation • High risk to patient or staff safety / wellbeing identified • Prioritised Compliance with legal requirement / statutory duty identified
Priority level 2	• Action(s) within the Winter Protection are not supported by implementation of this recommendation • Low risk to patient or staff safety / wellbeing identified • Compliance with legal requirement / statutory duty identified
Priority level 3	• Action(s) within the Winter Protection are not supported by implementation of this recommendation • No risk to patient or staff safety / wellbeing identified • No legal / compliance issues identified

NEXT STEPS:
Executive Directors will be asked to provide a comprehensive update in December, to be presented to the Audit, Risk & Assurance Committee in January. This update will include the reprioritisation of all remaining outstanding audit recommendations, based on the approved priority ratings. Executive Directors will also be asked to provide a comprehensive progress update in respect of the outstanding audit recommendations.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

Agenda item: 3.4

AUDIT, RISK & ASSURANCE COMMITTEE	**DATE OF MEETING: 03 November 2020**
Subject :	**DRAFT CHARITABLE FUNDS ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31st MARCH 2020**
Approved and Presented by:	Director of Finance, Information and IT
Prepared by:	Head of Financial Services
Other Committees and meetings considered at:	Charitable Funds Committee

PURPOSE:
The purpose of this paper is to provide the Draft Charitable Funds Annual Report and Accounts for the period to 31 March 2020 included at **Appendix A**, for information.
RECOMMENDATION(S):
The Audit, Risk and Assurance Committee is asked to NOTE the Charitable Funds Annual Report and Accounts for the period to 31 March 2020, which are to be reviewed and recommended by the Charitable Funds Committee to Board for approval as Corporate Trustee.

Approval/Ratification/Decision	**Discussion**	**Information**
	✓	

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):		
Strategic Objectives:	1. Focus on Wellbeing	✓
	2. Provide Early Help and Support	×
	3. Tackle the Big Four	×
	4. Enable Joined up Care	×
	5. Develop Workforce Futures	×
	6. Promote Innovative Environments	✓
	7. Put Digital First	×
	8. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	✓
	2. Safe Care	✓
	3. Effective Care	✓
	4. Dignified Care	✓
	5. Timely Care	✓
	6. Individual Care	✓
	7. Staff and Resources	✓
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

The Powys Teaching Health Board (PTHB) as Corporate Trustee must provide to the Charity Commission by 31st January 2021, an Annual Report and Accounts that have been subject to Independent Examination by Grant Thornton on behalf of Audit Wales and approved by the PTHB Board.

DETAILED BACKGROUND AND ASSESSMENT:

The draft Charitable Funds Annual Report and Accounts has been compiled and are attached at Appendix A for the Committee's consideration.

The Charity has not exceeded the Charity Commission thresholds for statutory audit for the financial year to 31st March 2020 therefore an Independent Examination is currently being undertaken by Grant Thornton on behalf of Wales Audit Office.

The draft Annual Report and Accounts are attached and the final version following conclusion of the independent examination will be considered by the Charitable Funds Committee at its November 2020 meeting and it is intended that a recommendation will be made to the Board to approve the Annual Reports and Accounts as Corporate Trustee at its 25th November 2020 meeting.

The Annual Report and Accounts have to be signed by the Board Chair and Chief Executive, prior to the signing of the Auditor General for Wales.

Once all parties have signed, the submission to the Charity Commission will be undertaken prior to the 31st January 2021 deadline

NEXT STEPS:

- The Independent Examination exercise by Grant Thornton on behalf of Audit Wales will be concluded.
- The post independent examination Charitable Funds Annual Report and Accounts will be submitted to the Charitable Funds Committee for approval and onward recommendation for formal approval to the Corporate Trustee at its 25th November 2020 meeting and signed by the Chair and Chief Executive of the THB.
- The Charitable Funds Annual Report and Accounts will be submitted to the Board for formal approval as Corporate Trustee at its 25th November 2020 meeting and signed by the Chair and Chief Executive of the THB.
- The Charitable Funds Annual Report and Accounts will be signed by the Auditor General for Wales prior to submission the Charity Commission by the 31st January 2021.

POWYS TEACHING LOCAL HEALTH BOARD CHARITABLE FUND

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020

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

Contents

Trustee Arrangements

Powys Teaching Local Health Board Charitable Fund (the Charity) is registered with the Charity Commission; Powys Teaching Local Health Board (Powys THB) is designated as Corporate Trustee.

The members of Powys THB who served during the financial year to 31st March 2020 were as follows

Powys Teaching Local Health Board Board Members 2019/2020			
		Chair	Vivienne Harpwood
		Vice Chair	Mel Davies
		Chief Executive	Carol Shillabeer
Independent Members		**Officer Members**	
Third Sector	Trish Buchan	Executive Medical Director	Wyn Parry
Trade Union	Susan Newport	Executive Director of Nursing	Rhiannon Jones (to 14th July 2019) Katrina Rowlands – (Interim -from 15 July 2019 to 20 January 2020) Alison Davies (From 20th January 2020)
University	Frances Gerrard	Executive Director of Planning & Performance	Hayley Thomas
Legal	Duncan Forbes (to 7th August 2019) Vacant (8th August 2019 to present)	Executive Director for Public Health	Stuart Bourne
Finance	Anthony Thomas	Executive Director of Therapies and Health Sciences	Rhiannon Jones (Interim – to 14th July 2020) Vacant (from 15th July 2019 to 6th January 2020) Claire Madsen (from 7th January 2020)

Powys Teaching Local Health Board Board Members 2018/2019			
Estates	Vacant (from 1st April 2019 to 2nd July 2019) Mark Taylor (from 3rd July 2019)	Executive Director of Finance and IT	Eifion Williams (to 30th June 2019) Pete Hopgood – Interim (from 1st July 2019)
Community	Owen James	Executive Director of Workforce and Organisational Development	Julie Rowles
Local Authority	Matthew Dorrance	Director of Primary Community Care and Mental Health	Patsy Roseblade (Interim – to 14th April 2019) Vacant (from 15th April 2019 to 10th June 2019) Jamie Marchant (from 11th June 2019)
Information, Communications & Technology	Ian Phillips		
Associate Members Powys County Council Director of Social Services – Alison Bulman			

In order to assist the Corporate Trustee to fulfil its statutory duties under this registration, a Charitable Fund's Committee has been established with delegated powers to manage the Charity.

Charitable Funds Committee Membership

Current

Owen James - Independent Member - Chairperson
Tony Thomas - Independent Member
Trish Buchan - Independent Member
Mark Taylor - Independent Member (from 3rd July 2019)
Eifion Williams - Interim Director of Finance & IT(to 30th June 2019)
Pete Hopgood – Interim Director of Finance & IT(from 1st July 2019)
Rhiannon Jones - Executive Director of Nursing and Therapies (to 14th July 2020)

Katrina Rowlands - Interim Executive Director of Nursing (From 15th July 2019 to 20th January 2020)
Alison Davies - Executive Director of Nursing (from 20th January 2020)

Registered Office

The registered office of the Charity is Bronllys Hospital, Bronllys, Brecon, Powys, LD3 0LS.

Registration Number

The Charity is registered with the Charity Commission – Registered Number 1057902.

Bankers

Barclays Bank
57 Frogmore Street
Abergavenny
Gwent
NP7 5AT

Internal Auditors

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

Investment Advisors

CCLA Investment
Management Ltd
80 Cheapside
London
EC2V 6DZ

Brewin Dolphin Ltd
12 Smithfield Street
London
EC1A 9BD

Independent Examiners

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Trustee Annual Report

Foreword

The Charity was formally created on 28th May 2004 by a 'Deed of Arrangement' which replaced the Powys Health Care NHS Trust Charitable Fund, which had been in existence since 26th July 1996.

The Charity's annual report and accounts for the year ending 31st March 2020 have been prepared by the Corporate Trustee in accordance with Part VI of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2005. The Charity's report and accounts include all the separately established charitable funds for which the Local Health Board is responsible.

Administrative Details

The Charity has an umbrella registration with the Charity Commission under which funds are registered together under a single 'main' registration number. There are a total of 76 individual funds maintained within the accounting records as at the 31 March 2020, and the notes to the accounts distinguish the types of funds and disclose separately all material funds.

Charitable monies donated to the Charity are accepted, held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990.

Trustee

Powys THB is the Corporate Trustee of the Charitable Fund governed by the law applicable to Local Health Boards, principally the Trustee Act 2000 and also the law applicable to Charities, which is governed by the Charities Act 2011.

The chair and independent members of the Board are appointed by the Welsh Government and the executive directors are appointed by the Board.

The Corporate Trustee devolves responsibility for the on-going management of the charity to the Charitable Funds Committee which administers the fund on behalf of the Corporate Trustee. Details of the Corporate Trustee and its Charitable Funds Committee are disclosed on pages 2 to 4.

Principal Charitable Fund Advisor to the Board

Under a scheme of delegated authority approved by the Corporate Trustee, the Executive Director of Finance of Powys THB has responsibility for the management of the Charity, and the Head of Financial Services is the principal officer overseeing the day-to-day financial management and accounting for the charitable fund and its specific charitable accounts during the year.

Professional Advisors

The principal professional advisors to the Corporate Trustee are detailed on page 4.

Structure Governance and Management

The Charity's unrestricted fund was established using the model declaration of trust. All funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate restricted funds under the main Charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity. Where funds have been received which have unique specific restrictions set by the donor, new restricted funds have been established.

The current structure of the individual funds reflects the fact that the majority of income and expenditure is focused where patients receive services. Operational managers exercise control over the funds donated to their management area. The charitable funds available for spending are allocated to service areas within Powys THB's management structure. There are, for example, specific allocations made for individual wards and for specific service areas such as Palliative Care and Brecon Cardiac Services.

Members of the Powys THB and its Charitable Funds Committee are not individual Trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

Acting for the Corporate Trustee, the Charitable Funds Committee is responsible for the overall management of the Charitable Funds. The Committee is required to:

- control, manage and monitor the use of the fund's resources for the public benefit having regard to guidance issued by the Charity Commission,

- provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income,
- ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities,
- ensure that the approved Investment Policy incorporated within the Charitable Funds Policy approved by the Teaching Local Health Board as Corporate Trustee is adhered to and that performance is regularly reviewed whilst being aware of ethical considerations,
- keep the Corporate Trustee fully informed on the activity, performance and risks of the charity.

Powys THB is the main beneficiary of the charity and is a related party by virtue of being the charity's Corporate Trustee. By working in partnership with Powys THB, the charitable funds are used to best effect and so when deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has regard to its main activities, objectives, strategies and plans. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objectives of each fund that has been designated to respect the specific wishes of each donor.

The accounting records and the day-to-day administration of the fund is dealt with by the Finance Department located at Bronllys Hospital, Brecon, Powys, LD3 0LS.

Risk Management

The Charity operates under the same Standing Financial Instructions (SFI's) and Financial Control Procedures (FCP's) that are applied to Powys THB's main operations. Income and Expenditure is monitored for each individual fund to ensure that spending and firm financial commitments remain within available fund limits.

The committee has considered potential risks to which the charity is exposed. There are no major risks that have been identified other than those associated with the normal fluctuations in the value of investments and the level of reserves available to mitigate the impact of such losses. This has been carefully considered and there are procedures in place to review the investment policy and also to ensure that both spending and firm financial commitments remain in line with resources available.

Objectives and Strategy

The Charitable Funds Committee is an important mechanism for ensuring the effective and appropriate use of charitable donations made to the Teaching Health Board. Powys THB formally reviewed its charity strategy during 2019/20 which was approved by the Corporate Trustee in July 2019. This strategy is for a period of one year.

The strategy is called 'Making a Difference' and aims to articulate how the Charitable Funds Committee on behalf of the Corporate Trustee can have a more strategic approach to the use of charitable donations. There are five key strategic aims, including the development of local plans and policies that offer flexibility locally, working in partnership/collaboration and a focus on outcomes and publicising success and benefit.

The Charity's main fund has NHS wide objectives as follows:

> "The Trustee shall hold the Trust fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service, wholly or mainly for the services provided by Powys Teaching Local Health Board (hereinafter referred to as "the objects")".

This means that the fund can be used for the benefit of patients and staff who receive or help deliver the services provided by Powys THB in accordance with the Deed of Trust.

The Charity is funded by donations and/or legacies received from patients, relatives and friends, the general public and other external organisations. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund. The trustee respects the wishes of our donors to benefit patient care and advance good health and welfare of patients and staff and ensuring that all expenditure fulfils public benefit criteria. The practice of the Charity is to provide support to the Powys THB by the following means: -

Patients' Expenditure:	by purchase of small equipment, and the provision of services and facilities not normally provided by or additional to the normal NHS provision.
Staff Expenditure:	by supporting staff to provide more effective services to patients, through (for example)

additional education and training opportunities; and facilitating and promoting research.

Medical Equipment: by purchase of equipment in addition to that normally provided by the NHS.

When there are changes in the delivery of a service, or when for some other reason it becomes impractical to maintain a separate fund, the Corporate Trustee has ultimate discretion, in accordance with Section 96 of the NHS Act 1977, to apply the charitable funds. Its objective, however, is to continue to respect the donor's wishes.

Annual Review: Our Activities

During the year to 31st March 2020, the Charity continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they were used to purchase additional goods and services to support the activities of patient care and staff welfare and training.

The funds made available from charitable means were an important addition to the funding made available from the NHS. These funds were applied to a variety of initiatives, which included:

- Enhanced welfare and amenities available to patients and staff,
- Purchase of additional medical equipment,
- Enabling staff to attend courses, not normally funded by the NHS or Statutory/Mandatory Training,

which updated them on the new ideas and modern techniques in their specialty.

Income

Voluntary income consists of donations and legacies from patients and their relatives and friends. Total income of £208,687 received during 2019/20 included £71,344 which related to two legacies.

Donations in 2019/20 include an amount of £12,048 received from various Leagues of Friends associated with Powys Hospitals (2019: £11,766).

The generosity of all those who made a donation or legacy is greatly appreciated. An analysis of total income is given below.

	2019/20 £	2018/19 £
Interest and Dividends	81,295	119,559
Donations	56,048	70,041
Legacies	71,344	21,730
	208,687	211,330

Expenditure

Expenditure on charitable activities and Support Costs in 2019/20 was £453,803 (2019: £322,160).

An analysis of expenditure (excluding Fundraising costs) is shown below:

	2019/20 £	2018/19 £
Staff Education, Welfare and Amenities	95,005	34,120
Patient Education, Welfare and Amenities	298,087	167,656
Medical Equipment	41,783	81,180
Support Costs	18,928	19,650
	453,803	302,606

Raising funds costs of £0 (2019: £19,554) have been incurred and details are included which are detailed in notes 6 & 7 of the accounts.

Gain/Loss on Investment Assets

The Charity changed its Charity Investment arrangements during the year and the sale of its previous investment with CCLA Ltd during October 2019 saw the Charity experience a realised Gain of £0.181M.

An amount of £2.804M was invested via Brewin Dolphin Ltd in February 2020 and at the 31st March 2020 the unrealised loss on Investment totalled £0.037M. Unrealised gains and losses are calculated as the difference between the market value of the investment at the year end and opening carrying value. Since the investments have not physically been sold, this change in valuation

remains an unrealised gain/loss until a sale transaction realises the value and it becomes a realised gain/loss.

Elements of Funds Held

Expenditure was undertaken from the charity's unrestricted and restricted income funds, these funds comprise two elements:

- **The General Purposes Fund**, which is constituted of funds received by the Charity with no particular preference expressed by donors. Applications can be made to this fund from any service area within Powys THB. Expenditure from this fund is targeted on projects in areas that do not have available Designated Funds to pay for them.

- **Designated Funds,** which usually contain donations where a particular part of a Hospital or Health Board activity was nominated by the donor at the time their donation was made. Whilst their nomination is non-binding on the Trustee, the designated funds reflect these nominations and are overseen by Service Managers who can make recommendations on how to spend the money within their designated area. Service Managers' recommendations are duly considered and these funds can be spent at any time with the prior approval of the Charitable Funds Committee or Locality/Directorate Managers.

Reserves Policy

The charity's reserves policy takes account of both Restricted and Unrestricted income funds. The aim of the Trustee is to maintain a minimum cash equivalent reserve of £150,000, with the balance subject to regular review by the Head of Financial Services. Where it becomes apparent that excess balances are being held, income and expenditure plans are reviewed, and if appropriate these additional balances are placed on investment following advice from our Investment Advisors. Monies will be placed on investment to maximise income held on those balances whilst there is no expenditure commitment confirmed for them. However the Trustee encourages fund managers to utilise the majority of fund balances in accordance with funds held within a given financial year for the benefit of patients and staff.

A Review of our Finances, Achievements and Performance

The net assets of the Charitable Funds as at 31st March 2020 were £3,260,339 (2019: £3,361,455). Overall net assets decreased by £101,116 (2019: £96,070 increase).

The charity continues to rely on donations and legacies and investment income as the main sources of income. Total incoming resources decreased by £2,643 compared with the previous financial year. Legacy income increased by £49,614.

Expenditure of £453,803 has increased compared with the previous year (2019: £322,160). The total charitable expenditure on direct charitable activity, including support costs was £453,803 across a range of programmes.

Purchase of new medical equipment

The total spend on providing new equipment for Powys THB of £41,783 (2019: £81,180) represents a vital and valuable contribution to enhancing the provision of clinical care ranging from purchases of small items of rehabilitation equipment through to items for District Nursing Teams to support management of patients within their own homes.

Provision of Staff Education, Welfare and Amenities

Of the total Staff Education, Welfare and Amenities expenditure in year of £95,005 (2019: £34,120), the Charity contributed £23,092 (2019: £31,070) towards the provision of education and training for Powys THB staff undertaking further professional education and training.

Provision of Patient Education, Welfare and Amenities

A significant amount of expenditure £298,087 (2019: £167,656) has been charged under this heading in the year from small initiatives such as increased patient activities at day hospitals to the development of patient garden areas at Brecon Hospital and a dedicated palliative care suite at Bronllys Hospital.

Performance Management

The Charity has no direct employees and so relies upon Powys THB Board Members and staff through the Charitable Funds Committee or Directorate Managers to review the appropriateness of requests for equipment, training and all charitable expenditure. For equipment purchases, funded by the Charity, the applicant must

advise what difference the proposal will make and what benefit it will provide. The Charity requires all Service Managers to provide an expenditure request form for approval by their Directorate Manager prior to expenditure being incurred. All expenditure incurred was reported to the Charitable Funds Committee which reviewed expenditure levels against the funds held.

Investments

The Charitable Trustee has considered potential risks to which the Charity is exposed. There are no major risks that have been identified other than those associated with the normal fluctuations in the value of investments. The Trustee believes these risks are appropriately managed. Independent investment advisors (Brewin Dolphin Limited) have been appointed, and investments are held in a diversified fund of investments, including 11% in fixed interest bonds.

The Corporate Trustee invests the funds of the Charity with Brewin Dolphin Ltd via a Portfolio arrangement. At the year-end 49%, 11%, 7% and % were invested in Equities, Fixed Income, Alternatives and Other Investments respectively with the remaining 30% held as cash assets.

The Corporate Trustee continues to consider its exposure to the fluctuations in the value of its equity based investment, and receives a quarterly investments performance report at each Charitable Funds Committee meeting.

The charity during 2018/19 undertook a re-tender of its investment manager services. This has resulted in a change of Investment Management services to Brewin Dolphin Ltd.

During the year an realised gain of £0.181M and unrealised loss of £0.037M was recognised in the accounts.

In line with the ethos of promoting patient wellbeing, the Corporate Trustee attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the "purpose" of the charity. The performance of the investments are regularly monitored and reported on a quarterly basis by our Investment Managers.

The strategy of the Corporate Trustee is that funds are spent within a timely manner after receipt. There has, however, been a significant investment of funds that have been built up over many years. The strategy aims to address this by requiring service managers supported by the Senior Locality teams/Directorate

Managers to fully consult and discuss with their teams, areas of service development and provision that can utilise the balance of funds held to ensure the expenditure of monies is achieved in a timely manner from when the donation is received.

Our Future Plans

The review of achievements, performance and finances should be seen in the context of the Trustee vision to assist Powys THB to deliver health services that meet the needs of all its citizens.

The direction of the Charity will be shaped by the future provision of services and the need to redesign patient care. Powys THB is currently considering a number of proposed service direction changes as outlined within its published Integrated Medium Term Plan 2019-22. The THB has set a vision of a 'Healthy Caring Powys' with eight objectives for delivery, across the whole life course, 'Start Well – Live Well – Age Well'.

The Charity has approved a strategy called "Making a Difference". This strategy aims to outline how the Charitable Funds Committee and therefore Trustees will work with partners, donors, staff and other stakeholders to add benefit to the population of Powys receiving health care services. As such, income and expenditure plans will be the subject of continual review to ensure that future needs are prioritised accordingly.

The charity has appointed a Charity Manager to assist in the leadership, direction and management for all of the Health Board's Charity's expenditure, income generation and communication activities. The Charity Manager will take responsibility for developing long term strategic plans for expenditure and fundraising which will benefit staff, patients, families and the population of Powys as well as representing the Charity in various contexts to develop and maintain relationships with key partners and stakeholders.

A Big Please and Thank You

On behalf of the patients and staff who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank all patients, relatives, friends and staff who have made charitable donations.

Powys THB has a clear view of how health services should be delivered in this rural area. Making this vision happen involves all Powys THB's partners, staff, patients, carers and the community and we invite you to join us to make this a reality. If you want to

know more about how to help by making a donation please contact Abe Sampson, Charity Manager at abe.sampson@wales.nhs.uk.

Professor V M Harpwood
Chair
Powys Teaching
Local Health Board

Mrs C Shillabeer
Chief Executive
Powys Teaching
Local Health Board

Statement of Trustee responsibilities in respect of the Trustee's Report and the financial statements

Under charity law, the Trustee is responsible for preparing the Trustee Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustee is required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. The Trustee is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by them under section 42(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The Trustee has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the Powys Teaching Local Health Board website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 18 to 31 attached have been compiled from and are in accordance with the financial records maintained by the Trustee.

By Order of the Trustee

Signed: .....(Chair) Date:.....

Signed: .....(Chief Executive) Date:.....

Report of the independent examiner to the trustee of Powys Teaching Local Health Board Charitable Fund

I report on the accounts of Powys Teaching Local Health Board Charitable Fund for the year ended 31 March 2020, which are set out on pages 18 to 31.

Responsibilities and basis of report

As the charity's trustee, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 150(3) of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Adrian Crompton
Auditor General for Wales
Date: XX 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Powys Teaching Local Health Board Charity Statement of Financial Activities for the year ended 31 March 2020

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2019/20 £000
Incoming resources from generated funds:					
Donations and legacies	3	128	0	0	**128**
Charitable activities		0	0	0	**0**
Other trading activities		0	0	0	**0**
Investments	5	81		0	**81**
Other		0	0	0	**0**
Total incoming resources		**209**	**0**	**0**	209
Expenditure on:					
Raising Funds	6	0	0	0	**0**
Charitable activities	7	454	0	0	**454**
Other		0	0	0	**0**
Total expenditure		**454**	**0**	**0**	454
Net gains / (losses) on investments	13	144	0	0	**144**
Net income / (expenditure)		(101)	**0**	**0**	(101)
Transfer between funds	18	0	0	0	**0**
Net movement in funds		(101)	**0**	**0**	(101)
Reconciliation of Funds					
Total Funds brought forward	19	3,359	2	0	**3,361**
Total Funds carried forward		**3,258**	**2**	**0**	3,260

Powys Teaching Local Health Board Charity Statement of Financial Activities for the year ended 31 March 2019

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2018/19 £000
Incoming resources from generated funds:					
Donations and legacies	3	91	0	0	**91**
Charitable activities		0	0	0	**0**
Other trading activities		0	0	0	**0**
Investments	5	120		0	**120**
Other		0	0	0	**0**
Total incoming resources		**211**	**0**	**0**	211
Expenditure on:					
Raising Funds	6	20	0	0	**20**
Charitable activities	7	302	0	0	**302**
Other		0	0	0	**0**
Total expenditure		**322**	**0**	**0**	322
Net gains / (losses) on investments	13	207	0	0	**207**
Net income / (expenditure)		**96**	**0**	**0**	96
Transfer between funds	18	0	0	0	**0**
Net movement in funds		**96**	**0**	**0**	96
Reconciliation of Funds					
Total Funds brought forward	19	3,263	2	0	**3,265**
Total Funds carried forward		**3,359**	**2**	**0**	3,361

Powys Teaching Local Health Board Charity Balance Sheet as at 31 March 2020

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 31 March 2020 £000	Total 31 March 2019 £000
Fixed assets:						
Investments	13	2,765	2	0	**2,767**	3,011
Total fixed assets		**2,765**	**2**	**0**	**2,767**	**3,011**
Current assets:						
Debtors	14	3	0	0	**3**	2
Cash and cash equivalents	15	591	0		**591**	389
Total current assets		**594**	**0**	**0**	**594**	**391**
Liabilities:						
Creditors: Amounts falling due within one year	16	101	0	0	**101**	41
Net current assets / (liabilities)		**493**	**0**	**0**	**493**	**350**
Total assets less current liabilities		**3,258**	**2**	**0**	**3,260**	**3,361**
Creditors: Amounts falling due after more than one year	16	0	0	0	**0**	0
Total net assets / (liabilities)		**3,258**	**2**	**0**	**3,260**	**3,361**
The funds of the charity:						
Endowment Funds	19				**0**	0
Restricted income funds	19		2		**2**	2
Unrestricted income funds	19	3,258			**3,258**	3,359
Total funds		**3,258**	**2**	**0**	**3,260**	**3,361**

The notes on pages 20 to 30 form part of these accounts

Signed : .....

Name : .....(Chair of Trustees)

Date : .....

Powys Teaching Local Health Board Charity Statement of Cash Flows for the year ending 31 March 2020

	Note	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	**(267)**	**(257)**
Cash flows from investing activities:			
Dividend, interest and rents from investments	5	81	120
Proceeds from the sale of investments	13	3,192	0
Purchase of investments	13	(2,804)	0
Net cash provided by (used in) investing activities		**469**	**120**
Change in cash and cash equivalents in the reporting period		**202**	**(137)**
Cash and cash equivalents at the begining of the reporting period	15	389	526
Cash and cash equivalents at the end of the reporting period	15	**591**	**389**

Note on the accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

The Charity meet the definition of public benefit entity under FRS 102.

(b) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. The Charity's restricted funds tend to result from donations or legacies for specified purposes.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the Trustees have the discretion to spend the capital (expendable endowment) and those where there is no discretion to expend the capital (permanent endowment).

The charity has no permanent endowment funds.

Those funds which are neither endowment nor restricted income funds, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the Trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the Trustees' discretion, including the general fund which represents the charity's reserves. The major funds held in each of these categories are disclosed in note 19.

(c) Incoming resources

Income consists of donations, legacies, income from charitable activities and investment income.

Donations are accounted for when received by the charity. All other income is recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

(d) Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

(e) Incoming resources from endowment funds

There are no endowment funds within the Charity.

(f) Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(g) Recognition of expenditure and associated liabilities as a result of grants

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised.

(h) Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs have been apportioned between charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 10.

(i) Fundraising costs

There has been £0K fundraising costs incurred by the Charity during 2019/20 (2018/19 £20K). This relates to investment management costs.

(j) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 7.

(k) Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

(l) Fixed Asset Investments

Investments are a form of basic financial instrument. Fixed Asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposal throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current mid price market value quoted by the investment analyst, excluding dividend. The SORP recommends that the bid price market price be used in valuing stocks and shares, although the difference between the bid and mid market price is not material. Other investments are included at the trustees' best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to the wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. Further information on the charity's investments can be found in note 13.

(m) Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in no notice interest bearing savings accounts.

(n) Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

(o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value.

2. Related party transactions

During the year none of the trustees or members of the key management staff or parties related to them has undertaken any material transactions with the Powys Teaching Local Health Board Charitable Funds.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The Charitable Trust Fund has made payments to Powys Teaching Health Board of £0.261M. As at 31 March 2020 the total owed to the Health Board was £0.087M (2019: £0.000M), and owed by the Health Board was £0.000M (2019:£0.000M).

3. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2019-20 £000	Total 2018-19 £000
Donations	56	0	0	**56**	67
Legacies	72	0	0	**72**	24
Grants	0	0	0	**0**	0
	128	**0**	**0**	**128**	**91**

4. Role of volunteers

Like all charities, the THB Charity is reliant on a team of volunteers for our smooth running. Our volunteers perform the following role:

- Fund advisors – there are about 13 THB staff who manage how the charity's designated funds should be spent. These funds are designated (or earmarked) by the trustees to be spent for a particular purpose or in a particular ward or department. Each fund advisor has delegated powers to spend the designated funds that they manage in accordance with the trustees wishes subject to the approval of their Locality General Manager or the Charitable Funds Committee. The trustees determine through it Strategy the key aims that expenditure should be utilised for. Fund advisors who spend more than £10,000 are required to seek approval from the Charitable Funds Committee setting out what they intend to spend the money on and the difference it will make to the patients and staff of the THB services.

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

5. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2019-20 £000	Total 2018-20 £000
Fixed asset equity and similar investments	81	0	**81**	**120**
Short term investments, deposits and cash on deposit	0	0	**0**	**0**
	81	**0**	**81**	**120**

6. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Total 2019-20 £000	Total 2018-20 £000
Fundraising office	0	0	**0**	0
Fundraising events	0	0	**0**	0
Investment management	0	0	**0**	20
Support costs	0	0	**0**	0
	0	**0**	**0**	**20**

7.Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2019-20 £000	Total 2018-20 £000
Medical research	0	0	**0**	0
Purchase of new equipment	42	1	**43**	82
Building and refurbishment	0	0	**0**	0
Staff education and welfare	95	5	**100**	40
Patient education and welfare	298	13	**311**	180
	435	**19**	**454**	**302**

8.Analysis of grants

The charity does not make grants to individuals. All grants are made to the Health Board to provide for the care of NHS patients in furtherance of our charitable aims. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity, is disclosed in note 7.

The trustees operate a scheme of delegation for the majority of the charitable funds, under which fund advisors manage the day to day disbursements on their projects in accordance with the directions set out by the trustees in charity standing orders and financial instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discrete individual grant awards.

9. Movements in funding commitments

	Current liabilities £000	Restricted Non-current liabilities £000	Total 31 March 2020 £000	Total 31 March 2019 £000
Opening balance at 1 April (see note 16)	41		**41**	85
Movement in liabilities	60		**60**	(44)
Closing balance at 31 March (see note 16)	**101**	**0**	**101**	**41**

As described in notes 7 and 8, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year.

10. Allocation of support costs

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity.

	Raising funds £000	Charitable activities £000	Total 2019-20 £000	Total 2018-19 £000	Basis
Governance					
External audit	0	2	**2**	2	Charged to Central Fund
Finance and administratio	0	4	**4**	4	Charged to Central Fund
Other professional fees					
Total governance	**0**	**6**	**6**	**6**	
Finance and administratio	0	13	**13**	33	Charged to Central Fund
Other professional fees	0	0	**0**	0	Charged to Central Fund
Other costs	0	0	**0**	0	Charged to Central Fund
	0	**19**	**19**	**39**	

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Raising funds	0	0	0	**0**	20
Charitable activities	19	0	0	**19**	19
	19	**0**	**0**	**19**	**39**

11. Trustees' remuneration, benefits and expenses

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee.

12. Auditors remuneration

The External auditors remuneration of £1,650.00 (2018-19: £1,650.00) related solely to the Audit of the Statutory Annual Report and Accounts.

The Internal Auditors remuneration of £0 (2018-19: £0) seeks to provide the Health Board with assurance that operational procedures are compliant with the Health Board's Charitable Funds Policy and Guidance, along with its underlying Standing Financial Instructions, and wider NHS Charities guidance. A full review was undertaken during November 2015 and the report received 'yellow' assurance which indicates : *"The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved"*

13. Fixed asset investments

Movement in fixed assets investments

	Total 2019-20 £000	Total 2018-19 £000
Market value brought forward	**3,011**	2,804
Add: additions to investments at cost	**2,804**	
Less disposals at carrying value	**(3,192)**	
Add net gain / (loss) on revaluation	**144**	207
Market value as at 31st March	**2,767**	**3,011**

Fixed Asset by Type

	Total 2019-20 £000	Total 2018-19 £000
COIF Charities Investment Fund Investment Fund	**0**	2,848
COIF Charities Fixed Interest Fund	**0**	163
Brewin Dolphin Ltd Portfolio	**2,767**	0
	2,767	**3,011**

All investments are carried at their fair value.

The Charitable Trustee has considered potential risks to which the Charity is exposed. There are no major risks that have been identified other than those associated with the normal fluctuations in the value of investments. The Trustee believes these risks are appropriately managed. Independent investment advisors (Brewin Dolphin Ltd) have been appointed, and investments are held in a diversified fund of investments, including 11% in fixed interest mainly government stock

The Corporate Trustee invests the funds of the Charity with Brewin Dolphin Ltd via a Portfolio arrangement. At the year-end 49%, 11%, 7% and % were invested in Equities, Fixed Income, Alternatives and Other Investments respectively with the remaining 30% held as cash assets.

The Corporate Trustee continues to consider its exposure to the fluctuations in the value of its equity based investment, and receives a quarterly investments performance report at each Charitable Funds Committee meeting.

The charity during 2018/19 undertook a re-tender of its investment manager services. This has resulted in a change of Investment Management services to Brewin Dolphin Ltd with the investment with CCLA Ltd being sold during October 2019 and a new portfolio investment with Brewin Dolphin Ltd in February 2020.

During the year an realised gain of £0.181M unrealised loss of £0.037M was recognised in the accounts.

In line with the ethos of promoting patient wellbeing, the Corporate Trustee attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the "purpose" of the charity. The performance of the investments are regularly monitored and reported on a quarterly basis by our investment managers.

14. Analysis of current debtors

Debtors under 1 year	Total 31 March 2020 £000	Total 31 March 2019 £000
Accrued income	0	0
Other debtors	3	2
	3	2

15. Analysis of cash and cash equivalents

	Total 31 March 2020 £000	Total 31 March 2019 £000
Cash in hand	591	389
Notice deposits (less than 3 months)	0	0
	591	389

No cash or cash equivalents or current asset investments were held in non-cash investments or outside of the UK.

16. Analysis of liabilities

	Total 31 March 2020 £000	Total 31 March 2019 £000
Creditors under 1 year		
Trade creditors	101	41
Other creditors	0	0
Accruals	0	0
	101	41
Creditors over 1 year		
Trade creditors	0	0
Other creditors	0	0
Accruals	0	0
	0	0
Total creditors	101	41

17. Reconciliation of net income / expenditure to net cash flow from operating activities

	Total 2019-20 £000	Total 2018-19 £000
Net income / (expenditure) (per Statement of Financial Activities)	(101)	96
Adjustment for:		
Depreciation charges	0	0
(Gains) / losses on investments	(144)	(207)
Dividends, interest and rents from investments	(81)	(120)
Loss / (profit) on the sale of fixed assets	0	0
(Increase) / decrease in stocks		
(Increase) / decrease in debtors	(1)	18
Increase / (decrease) in creditors	60	(44)
Net cash provided by (used in) operating activities	(267)	(257)

18. Transfer between funds

There has been no transfer between funds during the year

19. Analysis of funds

a. Analysis of endowment fund movements

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2020 £000
Endowment Funds	0	0	0	0	0	0
	0	0	0	0	0	0

There are no endowment funds in operation within the Charity

b. Analysis of restricted fund movements

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2020 £000
Restricted Funds	2	0	0	0	0	2
	2	**0**	**0**	**0**	**0**	**2**

The objects of the restricted funds are as follows:

There is a small capital in perpetuity donation which specifies that the capital amount is to be invested and any income from this is to be utilised by the Charity. The original donation amount cannot be discharged and must remain as an investment.

c. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2020 £000
Unrestricted Funds	3,359	209	(454)	0	144	3,258
	3,359	**209**	**(454)**	**0**	**144**	**3,258**

The objects of the unrestricted funds are as follows:

The unrestricted Funds usually contain donations where a particular part of a Hospital or Health Board activity was nominated by the donor at the time their donation was made. Whilst their nomination is non-binding on the Trustee, the designated funds reflect these nominations and are overseen by Service managers who can make recommendations on how to spend the money within their designated area. Service Managers' recommendations are duly considered and these funds can be spent at any time with the prior approval of the Charitable Funds Committee or Locality/Directorate Managers.

The AMI Legacy and Hazels Legacy funds relate to a legacy left to the Charity to Hazel's Clinic, Llandrindod Wells and to Bronllys Hospital, relating to mental health services. The Mental Health Directorate has a strategy in place to utilise these funds which is actively monitored by the charitable funds committee.

The Mid and South Powys Community & Palliative Services fund relates to a legacy left with the specific request that the fund is to be used for the health provision to the population within the vicinity of mid and south Powys including Builth and Bronllys with an emphasis that it is to be used in the area of palliative medicine and community services. A strategy for this legacy is currently being implemented and will be monitored by the Charitable Funds Committee.

INTERNAL AUDIT PROGRESS REPORT 2020/21

Powys Teaching Health Board

November Audit Committee

NHS Wales Shared Services Partnership

Audit and Assurance Services

Contents

1. INTRODUCTION

1.1 The purpose of this report is to inform the Committee of progress with the 2020/21 Internal Audit Plan as recorded at November 2020.

1.2 Appendix A details the 2020/21 Audit plan and shows the status of work to date. At the time of this report, progress against the Plan is as follows:

Number of audits finalised	7
Number of audits issued at draft	0
Number of audits in progress	8
Number of audits not started	3
Year-end reporting	2
Total number of audits in 2020/21 plan	**20**

2. OUTCOMES FROM COMPLETED REVIEWS

2.1 Since the September meeting of the Committee, four reviews have been finalised. These are included in the table below along with the allocated assurance rating where applicable. The full versions of these reports are included in the committee's papers as separate items.

Review	Assurance rating
Annual Quality Statement	N/A
Advanced Practice Framework (briefing paper)	N/A
Fire Safety	Limited
Health and Safety follow up	Reasonable

3. DELIVERY OF THE 2020/21 AUDIT PLAN

Full details are available at Appendix A.

3.1 There are no reports currently at draft stage and awaiting management response.

3.2 The following audit reviews are currently in progress:

Audit Review	Objective overview
Progress against regional plans • Future fit • Clinical futures – effect on South Powys	An assessment of the health board's engagement with and contribution to progressing the Future Fit and Clinical Futures initiatives.
Partnership governance – programmes interface	An assessment of the health board's contribution to progressing regional plans.
Breathe Well Programme (appropriate use of oxygen)	The appropriate use of oxygen is an enabler to improving respiratory care, a key element of the 'breathe well programme'. There is also significant risk attached to inappropriate use. The review will assess the controls in place to ensure improvement of oxygen use.
IM&T control and risk assessment	To review and assess the control environment for the management of IM&T within the organisation.
Delayed Transfers of Care	The review will assess compliance with policy to provide an assurance on the effective management of the transfer of patients in both provider and commissioned services. As part of the review, we will provide an assurance that the intended outcomes of the virtual ward have been realised.
Access to primary care – GP contract	An assurance that lessons are being learned and that the HB is working at pace to improve access.
Capital Systems	The capital systems work is profiled on an annual basis. This is focused at reviewing specifically arrangements for the delivery of discretionary capital at the THB and may also include testing of any projects where an audit has not been separately planned.
Llandrindod Wells	To assess the delivery of the circa £6.6M multi phased project through to completion. Specific consideration will be given to the management of key issues affecting the delivery of the scheme to date, together with arrangements to ensure risks to project

Audit Review	Objective overview
	delivery are mitigated/managed appropriately and in accordance with defined contractual requirements.

4. PROPOSED CHANGES TO REVISED 2020/21 PLAN

4.1 The following reviews are delayed from Q2 to Q3, due either to health board engagement or to Internal Audit reallocation of resource:

- Breathe well programme
- IM&T control and risk assessment
- Delayed transfers of care

4.2 Theatres utilisation – request by Director of Primary, Community & Mental Health to defer from Q2 to Q4.

4.3 Machynllyth project – an agreed proposal to defer to early 2021/22 recognising the current business case approval timetable and current targeted delivery programme/expenditure profile.

4.4 Control of contractors - recognising the delivery of the fire safety (estates assurance) audit and current pressures on the estates team, an agreed proposal to defer this assignment to early 2021/22.

5. ENGAGEMENT

5.1 Board and sub committees attended and meetings held during the reporting period:

Board/Sub Committee:

- Board – September

5.2

Health board internal meetings:

- Carol Shillabeer, CEO – 1, October
- Vivienne Harpwood, Chair – 22 September
- Rani Mallison, Board Secretary – 3 September

Wales Audit Office Meetings:

- Dave Thomas / Elaine Matthews – 12 October

5.3 Health Inspectorate Wales Meetings:

- Rebecca Collier – 12 October

In addition to the above, the usual meetings with Executive Directors to discuss individual audit reviews.

6. POST AUDIT SURVEYS

6.1 Following the completion of each audit report, we issue a feedback survey to the Executive lead/key contact. Feedback is important as it helps us to improve our service and allows us to deal with any issues. We have issued five feedback forms recently and received three responses.

6.2 We encourage auditees to take the opportunity to feedback on their experience, as this will allow us to consider improvements to the way we work.

7. RECOMMENDATION

7.1 The Audit Committee is invited to:

- agree the proposals at section 4 above; and
- note progress with the 2020/21 plan.

Planned output	Outline timing	Start of field work	End of field work	Draft report issued	Mgt response received	Final report issued	Assurance	Planned Audit Committee	Status
Corporate governance, risk management and regulatory compliance									
Head of Internal Audit Opinion & Annual Report	Q4								Year end
Annual Governance Statement	Q4								Year end
Health & Safety follow up	Q4	09/06	07/08	20/08	15/09	17/09	Reasonable	November	Final issued
Strategic planning, performance management and reporting									
Progress against regional plans • Future fit • Clinical futures – effect on South Powys	Q3								In progress
Partnership governance – programmes interface	Q2								In progress
Section 33 governance arrangements follow up	Q1	08/06	09/06	17/06	18/06	18/06	Reasonable	September	Final issued
Financial governance and management									
Covid-19 governance review	Q2	22/06	30/07	06/08	N/A	01/09	N/A	September	Final issued
Clinical governance, quality and safety									
Annual Quality Statement	Q1	07/09	22/09	23/09	28/09	05/10	N/A	November	Final issued
Concerns tracking/monitoring assurance	Q4								
Breathe well programme (appropriate use of oxygen)	Q2								In progress - delayed
Cancer services	Q3								
Information governance and I.T. security									

Planned output	Outline timing	Start of field work	End of field work	Draft report issued	Mgt response received	Final report issued	Assurance	Planned Audit Committee	Status
IM&T control and risk assessment	Q2								In progress - delayed
Records management follow up	Q4								
Operational service and functional management									
Delayed transfers of care	Q2								In progress - delayed
Access to primary care – GP contract	Q3								In progress
Theatres utilisation	Q2								Proposal to defer to Q4
Workforce management									
Grievance policy	Q4								
Advanced Practice Framework	Q2	09/09	25/09	02/10	19/10	20/10	N/A		Final issued
Capital and estates management									
Environmental sustainability	Q2	18/05	01/09	18/08	28/08	01/09	N/A		Final
Fire safety	Q3	13/08	02/10	06/10	21/10	23/10	Limited	November	Final issued
Machynlleth Hospital, Primary & Community Care Project	Q3	N/A	N/A	N/A	N/A	N/A	N/A		Proposal to defer to 2021/22 plan
Capital Systems	Q3								In progress
Control of contractors	Q2								Proposal to defer to

Planned output	Outline timing	Start of field work	End of field work	Draft report issued	Mgt response received	Final report issued	Assurance	Planned Audit Committee	Status
									2021/22 plan
Llandrindod Wells	Q1-Q4								In progress

Indicator	Status	Actual	Target	Red	Amber	Green
Report turnaround: time from fieldwork completion to draft reporting [10 days]	●	4 out of 4	80%	v>20%	10%<v<20%	v<10%
*Report turnaround: time taken for management response to draft report [15 days]	●	3 out of 4	80%	v>20%	10%<v<20%	v<10%
*Report turnaround: time from management response to issue of final report [10 days]	●	4 out of 4	80%	v>20%	10%<v<20%	v<10%

Correct at 01/10/20

*

■ Within agreed timescales ■ Less than 5 days over agreed timescale ■ More than 5 days over agreed timescale

Assurance Ratings

RATING	INDICATOR	DEFINITION
Substantial assurance	 - + Green	The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.
Reasonable assurance	 - + Yellow	The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.
Limited assurance	 - + Amber	The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.
No assurance	 - + Red	The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

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Estates Assurance – Fire Safety

Final Internal Audit Report

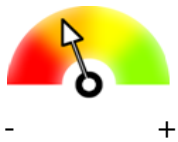
2020/21

Powys Teaching Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

Limited Assurance



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Review reference:	SSU_PTHB_2021_02
Report status:	Final
Fieldwork commencement:	13 August 2020
Fieldwork completion:	2 October 2020
Draft report issued:	6 October 2020
Draft report meeting:	8 October 2020
Management response received:	21 October 2020
Final report issued:	23 October 2020
Auditor/s:	NWSSP: Audit & Assurance – Specialist Services Unit
Executive sign off	Julie Rowles, Director of Workforce & Organisational Development (Board level director – Fire)
Distribution	Wayne Tannahill, Assistant Director of Estates & Property (Fire Safety Manager) Hayley Thomas, Director of Planning & Performance Jamie Marchant, Executive Director of Primary, Community & Mental Health Services Jason Crowl, Assistant Director: Community Services Group Craig Turner, Fire Safety Advisor Gwyn Lewis, Fire Safety Advisor Rani Mallison, Board Secretary
Committee	Audit, Risk & Assurance Committee

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of 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.

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

1. Introduction and Background

The assignment originates from the internal audit plan for 2020/21.

It is noted that a change in Executive responsibility for Fire Safety was scheduled, for October 2020, from the Director of Planning & Performance to the Director of Workforce & Organisational Development. However, due to staff secondments, this has been delayed for a further six months.

The Regulatory Reform (Fire Safety) Order 2005 requires a managed risk approach to fire safety. The process of fire risk assessment, mitigation and review requires a robust system of management, capable of identifying hazards, qualifying their impact, devising appropriate mitigation and continual monitoring.

The Firecode (WHTM 05-01: 'Managing Healthcare Fire Safely') provides guidance in respect of the management of fire safety in healthcare organisations. Therefore, an assessment was undertaken of the controls and practices in place within Powys Teaching Health Board (the THB) to ensure that the key fire safety regulatory requirements were adequately addressed and appropriate management arrangements are embedded within the organisation.

The review was cognisant of the outputs from other assurance providers such as NWSSP: Specialist Estates Services (SES).

This was the third audit undertaken of this area [2013/14: No assurance; and 2016/17: Reasonable assurance]. Compliance testing at two THB sites was undertaken to determine compliance with the THB's and national legislative requirements:

- Llandrindod Wells County War Memorial Hospital; and
- Llanidloes War Memorial Hospital.

2. Scope and Objectives

The review was undertaken to determine the adequacy of, and operational compliance with, the THB's systems and procedures, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.

An objective of the audit was to evaluate the systems and controls in place within the THB, with a view to delivering reasonable assurance to the Audit Committee that risks material to the objectives of the areas of coverage were appropriately managed.

Accordingly, the scope and remit of the audit included:

- **Follow up:** review of the status of previously agreed management actions.

- **Governance:**
  - Assurance that the THB had an appropriate policy in place to address fire safety issues and compliance with legislative requirements.
  - There were defined allocation of responsibilities, clear lines of communication, reporting and approval processes.
- **Management:**
  - Assurance that relevant staff had received appropriate training, and appropriate resources were allocated to fire safety;
  - Assurance that an appropriate inspection regime was operated e.g. fire alarm systems in accordance with BS 5839-1.
- **Monitoring & Reporting:**
  - Assurance that the THB estate was appropriately monitored.
  - Assurance that there was appropriate record retention and dissemination of information through to the Executive Team and Board.
- **Risk Management:** Assurance that the THB had performed and maintained a suitable and sufficient assessment of risks across its estate.

3. Associated Risks

The potential risks considered at the review were as follows:

- Inadequate arrangements are in place to manage fire precaution requirements at THB sites;
- Inadequate monitoring and reporting arrangements result in a loss of key control objectives;
- Non-compliance with the Firecode and Health & Safety legislation which may lead to legal action and adverse publicity;
- Inadequate response procedures and responsibilities; exposing staff and patients to unacceptable levels of risk.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report.

An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

We evidenced reasonable control arrangements to have operated at the THB in a number of key areas:

- an appropriate governance structure for the discussion of fire-related issues;
- reasonable progress made with the delivery of training following the return of responsibility to Estates (July 2020);
- robust local site procedures;
- significant risks such as compartmentation and fire doors being managed via medium-term programmes of work across the THB estate to bring buildings up to the required standard;
- robust management of unwanted fire signals; and
- all site risk assessments completed at the time of the audit.

Positive observations were also noted at the two sites visited. All areas reviewed were in good order, with no obstructions/fire hazards noted and inspections and testing of key equipment being in date.

However, the audit identified the following key control weaknesses:

- there was lack of clarity over the assignment and operation of key fire safety roles and responsibilities; and
- the Fire Warden and Incident Coordinator listings were out of date, meaning assurance could not be provided that the THB would have sufficient, trained support in the event of a fire incident; and
- fire drills were not being undertaken in accordance with THB procedures and general best practice.

In addition, certain enhancements have been recommended in respect of:

- the review of the Fire Safety policy to be cognisant of current governance arrangements and the current Firecode;
- the display of current fire zone plans at Llandrindod Wells Hospital; and
- training across sites in respect of local fire management record keeping;

Against the context of the matters detailed above, the overall level of assurance has been assessed as **limited.**

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

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

5. Assurance Summary

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

Assurance Summary					
1	Follow Up			✓	
2	Governance		✓		
3	Management		✓		
4	Monitoring & Reporting			✓	
5	Risk Management			✓	

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

Design of Systems/Controls

The findings from the audit have highlighted **3** issues that are classified as weaknesses in the system control/design for fire safety management.

Operation of System/Controls

The findings from the audit have highlighted **5** issues that are classified as weaknesses in the operation of the designed system/control for fire safety management.

6. Summary of Audit Findings

Follow Up

Assurance that previously agreed management actions had been implemented.

The status of these actions arising from prior audits was as follows:

Closed	Outstanding	Partially Implemented	Superseded	Total
-	-	1	1	**2**

The detail in support of the above summary is included in Appendix B.

Accordingly, **reasonable assurance** has been determined in respect of the action taken to address previously agreed audit recommendations.

Governance

That an appropriate policy was in place to address fire safety issues and compliance with legislative requirements. That there were defined allocation of responsibilities, clear lines of communication; reporting and approval processes.

The Fire Safety Policy was last updated and approved in 2018, and remained 'in date' at the time of the current review. The policy pre-dates the publication of the latest Firecode guidance (Welsh Health Technical Memorandum 05-01) 2019. The policy therefore requires review and updating (**recommendation 1**).

The current management structure evidenced during the review included:

- Board-level lead for Fire (Director of Workforce & Organisational Development),
- Fire Safety Manager (Assistant Director of Estates & Property); and
- Two Fire Safety Advisers (reporting to the Fire Safety Manager).

The THB has implemented a number of changes in respect of the fire management structure, roles and responsibilities in the last year, with further changes forthcoming in October 2020.

However, the current assignment and delivery of key roles and responsibilities lacked clarity, particularly in respect of the division of responsibilities between Estates and local management. Board-level

direction needs to be secured to ensure the fulfilment of responsibilities by all parties going forward, and be appropriately reflected within the Fire Safety policy (**recommendations 2 & 3**).

An appropriate governance structure for the management and scrutiny of THB fire related issues was in place i.e.:

- Fire Safety Group – the forum to manage and monitor fire safety issues to comply with regulatory requirements; and to provide strategic direction for the development of fire safety within the THB; minutes of which were evidenced as reported to the Executive Committee.
- Fire Sub-Group – an operational forum for matters related to the fire safety under the Fire Safety Manager [Estates]; minutes of which were evidenced as reported to the Fire Safety Group.

Reporting of key fire management issues was also evidenced to the Innovative Environment Group via highlight reports; and to Executive Committee via exception reports.

Noting the issues to be resolved in terms of overall structure and responsibilities for fire, and the need for the Fire Safety Policy to be updated, **limited assurance** has been determined in this area.

Management

That relevant staff have received appropriate training, appropriate resources are allocated and that an appropriate inspection regime is operated.

Local fire management practices were assessed via the two site visits undertaken in September 2020; and from the review of key documents.

Good practice was noted in a number of areas:

- Recognising that responsibility for training had only recently returned to Estates (July 2020), the Fire Safety Advisers had developed both a training needs analysis and a robust training package for delivery of face-to-face training to site-based staff/fire wardens. Management advised that training had been delivered, via Teams (noting the current COVID restrictions), to a significant number of staff in the last few months, permitting fire safety training compliance rate to be reported as 92% for the year to date. However, see outstanding actions at the follow up (ref **Appendix B**);
- Local fire management folders have been issued by the Fire Safety Advisers to all departments/wards, incorporating robust evacuation procedures and proformas for the recording of local fire management activities;

- Inspections and testing of key equipment (e.g. fire extinguishers, fire alarms) was in date at the time of the visit, with appropriate record keeping of routine checks observed;
- Significant risks such as compartmentation and fire doors are being managed via medium-term programmes of work across the THB:
    - compartmentation programme spanning five years, with an estimated total cost of £700k; and
    - fire doors programme, across six years, with circa £25k per year to be invested.
- The sites were in good order, with no obstructions or fire hazards noted.

However, the following issues were identified at the sampled sites:

- The fire plans displayed in the main entrance at Llandrindod Wells War Memorial Hospital were out of date (**recommendation 4**); and
- Fire management folders were not being completed by local staff (**recommendations 5 & 6**);

In addition, the following THB-wide issues were noted:

- The current fire warden listing was out of date, having been prepared in 2015 (**recommendation 7**); and
- Fire drills have not been undertaken as scheduled during 2020 (**recommendation 8**, and also **Appendix B**).

Whilst recognising that no significant issues were found during the site visits, and good progress has been made with training delivery, the issues surrounding fire drills and wardens are significant. **Limited assurance** has therefore been determined in this area.

Monitoring & Reporting

That the THB estate is appropriately monitored; and that there is appropriate record retention and dissemination of information through to the Executive team and Board.

It was confirmed that the THB was not subject to any Fire Service enforcement or advisory notices.

Unwanted Fire Signals were robustly monitored, with causation identified and actions taken to reduce repeat signals linked to the same problem.

Highlight reports prepared by the Fire Safety Manager have identified the common risks / themes from various sources of assurance across the THB, with reporting to the Fire Safety Group and Innovative Environment Group.

There are two annual fire safety submissions:

- an annual fire safety report to the Executive Committee; and
- an annual audit submitted to NWSSP: SES. Whilst it is noted that the 2019 return was submitted substantially late, the 2020 return was submitted on time.

Appropriate arrangements for the monitoring of leased premises were observed, including the undertaking of fire risk assessments by the THB in some cases; and in others, the receipt of assessment information from the third party occupier.

The THB receives assurance and recommendations from key external sources such as the Fire & Rescue Service and NWSSP:SES. Whilst it does not currently operate a centralised means of monitoring the progress towards implementation of the recommendations made (as evidenced at other Health Boards), management consider and prioritise the recommendations made with high priority issues receiving sufficient profile and attention e.g. reporting to Fire Safety Group and a summary of themes arising in the monthly Estates Compliance Highlight Reports etc.

Noting the monitoring arrangements currently being applied at the THB, **reasonable assurance** has been determined in this area.

Risk Management

That the THB has performed a suitable and sufficient assessment of risks across its estate.

Fire risk assessments are required by the Regulatory Reform (Fire Safety) Order, which stipulates that they should be 'a *suitable and sufficient assessment of the risks'* and also *'assessments should be reviewed regularly so as to keep it up to date'*. The THB undertakes all site fire risk assessments on an annual basis. It was confirmed that all were up to date at the time of the audit.

The THB's fire risk has recently been escalated for inclusion in the Corporate Risk Register. Fire has a risk score of 15 - recognising the recent activity in areas of surveys and preventative maintenance, but noting the age of the estate and maintenance backlog, and work to be done in areas such as fire drills.

High priority risks were also seen to be escalated via the above mentioned Highlight Reports to the Innovative Environment Group.

Noting that risk assessments have been undertaken as required, and high priority issues receive sufficient focus through the governance structure, **reasonable assurance** has been determined in this area (refer also to Monitoring & Reporting above).

7. Summary of Recommendations

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

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations raised	3	5	-	**8**
Actioned since fieldwork	-	1	-	**1**
Recommendations to address	3	4	-	**7**

Note: *Management agreement has been provided to all of the recommendations arising at this report. Noting the unprecedented times the THB is facing, reasonable timeframes have been set for the management actions.*

Finding 1: Governance arrangements	Risk
The assignment and operation of key fire safety roles and responsibilities within the THB lacked clarity at the time of the audit. A number of changes have taken place in the last two years, including: • Changes in the assignment of key fire safety roles (including Fire Safety Managers, site/locality responsible persons); and • Changes in responsibility for training delivery between the Workforce and Estates directorates. Further overarching changes in fire safety responsibility are now anticipated by the end of the financial year, with directorate responsibility moving from Planning & Performance to Workforce & Organisational Development. Lack of clarity / ownership of responsibility to date has impacted the delivery of key fire safety activities, such as the management of fire wardens and operation of fire drills (refer to **findings 4 & 5**). Whilst all THB staff have responsibility for Health & Safety embedded within their job descriptions, there was no evidence of a system for the individual formal assignment and acceptance of key fire roles to date. However, management has provide assurances that, following the forthcoming structural changes, new roles will be supported by documented terms of reference confirming individual's responsibilities. It was noted that concern over the lack of clarity of responsibilities was raised by the Mid & West Wales Fire & Rescue Service in their recent site inspection reports.	Lack of clarity and ownership of key roles and responsibilities risks the effective delivery of key fire safety activities. Potential risk of loss of life in the event of a fire. Non-compliance with regulations.

Further, the THB's 'live' Fire Safety Policy was approved in August 2018, and does not reflect the current fire safety structures and responsibilities. There was no evidence of formal documentation/ approval of the current structure, roles and responsibilities. Further, the policy pre-dates the publication of the current Firecode guidance (Welsh Health Technical Memorandum 05-01) in February 2019. It is noted that these issues have been previously reported by NWSSP: Specialist Estates Services (SES), in their December 2019 report '*Independent Review of Fire Precautions at Newtown Hospital*.' To date, the recommendations raised remain to be actioned (refer to **finding 6**).	
Recommendations 1, 2 & 3	**Priority level**
1. The Fire Safety Policy should be updated to: a) Demonstrate compliance with the current regulations [WHTM 05-01 (2019)]; b) Reflect the current fire safety management structure within the THB **(O)**.	**Medium**
2. The current fire safety management structure should be formally clarified, documented and approved at an appropriate forum (e.g. Fire Safety Group), ensuring commitment and support from both Executive Team / Board and Operational Managers **(D)**.	**High**

3. Individual fire safety roles and responsibilities should be formally documented (e.g. via terms of reference), assigned and accepted, ensuring appropriate management arrangements within localities **(O)**.	**Medium**
Management Response	**Responsible Officer/ Deadline**
1. Agreed. Should there be substantial changes to legislation, then policy documents would be updated and presented to Board for ratification. Where only minor updates, a decision would be made as to whether they would warrant a full review of the policy or rather an update to the operational procedures. For the changes in WHTM 05-01 (2019) the latter applied. Noting the impact of recommendation 2, the Fire Safety Policy will be updated.	Assistant Director of Estates & Property January 2021
2. Agreed. Papers will be presented to the Executive Committee for the escalation of Fire Risk to the Corporate Risk Register. It has been acknowledged that there is a lack of clear site management arrangements and further work is being undertaken by the Executive Director of Primary Care, Community & Mental Health Services to identify the appropriate operational site structures for fire safety.	Executive Director of Primary Care, Community & Mental Health Services January 2021
3. Agreed. Once the operational site structures have been finalised, a document will be issued to the relevant officers providing clarification on the role.	Executive Director of Primary Care, Community & Mental Health Services Fire Safety Advisers January 2021

Finding 2: Fire Plans	Risk
Local fire management practices were assessed via site visits to Llandrindod Wells War Memorial Hospital and Llanidloes & District War Memorial Hospital (September 2020) The fire plans displayed in the main entrance at Llandrindod Wells Hospital were out of date (2015), and were not reflective of the recent changes made as part of the Phase 1 refurbishment project (which was handed over in February 2020). The Fire Safety Advisors provided assurance that the updated plans had been submitted to the local Fire & Rescue Service, and that the changes made during the refurbishment project did not significantly impact the zoning displayed on the plans. Management acknowledged the need for a clear project hand-over process between the Capital and Estates teams, to ensure site documentation is appropriately updated at the completion of a project.	Local fire plan information may not direct the Fire & Rescue Service to the correct areas in the event of a fire incident. Delayed responses risk increased damage to property and risk to life.
Recommendation 4	**Priority level**
The fire plans displayed at Llandrindod Wells War Memorial Hospital will be updated to reflect the recent site changes **(O)**.	**Medium**
Management Response	**Responsible Officer/ Deadline**
Agreed. The plans have now been finalised and are displayed next to the fire panel in the main entrance of the site.	Actioned since fieldwork

Finding 3: Local Fire Management Folders	Risk
Local fire management folders, containing site and department-specific procedural information, have been provided to departments across the THB estate. The folders, prepared by the Fire Safety Advisers, were found to contain a comprehensive set of fire safety information, coupled with proformas for the recording of key information by local staff, including: • Key roles and responsibilities (including local fire wardens); • Weekly departmental check sheets (e.g. whether the fire alarm tests were heard in the department, whether escape routes have been kept clear); • Monthly departmental check sheets (e.g. observations on fire doors, evacuation aids, firefighting equipment); • Training status; and • Fire drill activity. The above procedures are designed to supplement the legislative testing and inspection of key fire safety systems by appointed contractors and/or internal Estates maintenance officers. Recognising that formal inspections are undertaken annually, and Fire Safety Adviser visits can only take place every few months, local staff are key to the effective monitoring and reporting of day-to-day fire safety matters. During the site visits, it was observed that some folders were not being completed by staff in the departments reviewed.	Non-compliance with local procedures risks the non-detection and escalation of issues impacting on fire safety.

This may be a training issue, and it has been acknowledged that training responsibility has been passed back to the Fire Safety Advisers, future training will incorporate the use of these folders to improve compliance with required procedures. This issue also reflects the wider matter of clarity and commitment to responsibilities across the THB (refer to **finding 2**).	
Recommendations 5 & 6	**Priority level**
5. Site staff should receive instruction / training to ensure the local fire management folders are appropriately used and fully completed **(O)**.	**Medium**
6. Sample checks should be made during Fire Safety Adviser site visits to ensure folders are being completed as required **(O)**.	**Medium**
Management Response	**Responsible Officer/ Deadline**
5. Agreed. The key priority is to address the site management responsibilities (as per recommendation 2). Once this has been finalised, it will be a collective responsibility to ensure the required training is delivered.	Fire Safety Advisers July 2021
6. Agreed. A checklist will be added to the folders for officers [either Fire Safety Advisers / Estates Officers / Responsible Persons] to provide a signature to confirm appropriate completion.	Fire Safety Advisers July 2021

Finding 4: Fire Wardens	Risk
The central fire warden list maintained by the THB was dated 2015; therefore is significantly out of date in terms of staff turnover and departmental restructure. The Fire Safety Advisers confirmed that they are currently reviewing the list as part of their re-assigned responsibility for training delivery (noting that training can't be effectively delivered without up to date records of assigned roles). Whilst recognising the role of the Fire Safety Advisers, the responsibility for the allocation of a sufficient number of fire wardens rests with locality management.	Insufficient fire wardens risks a reduced response in the event of an evacuation, potentially risking loss of patient/staff lives.
Recommendation 7	**Priority level**
Fire Warden and Incident Coordinator roles will be confirmed with immediate effect to ensure there is sufficient coverage in each location in the event of an incident / evacuation **(D).**	**High**
Management Response	**Responsible Officer/ Deadline**
Agreed. These roles will be allocated upon finalisation of the roles and responsibilities of the Senior Operational Managers (see recommendation 2)	Executive Director of Primary Care, Community & Mental Health (in consultation with the Senior Operational Managers – once defined) April 2021

Finding 5: Fire Drills	Risk
We evidenced robust desk-top evacuation procedures, prepared as part of the site-specific fire safety manuals and distributed to each department via the local fire management folders. THB procedures require that: *"Fire drills should be organised by the hospital/department manager (responsible person) and should be undertaken to ensure all staff take part in at least one fire drill a year. Depending on the size and complexity of the building, the drills can include the whole building, part of the building or individual wards. This will ensure staff can become competent about evacuating their area."* Drill report forms should then be completed by the local responsible person, and sent to the Fire Safety Adviser for review. Fire drills have received focus at the Fire Safety Group in the last year, with concerns expressed regarding lack of clarity of responsibilities; and insufficient commitment from site management to ensure drills are undertaken as required. This has also been reported as an outstanding recommendation from prior audit reports (refer to **Appendix B**). The Mid & West Wales Fire & Rescue Service site inspection reports stated: *"Staff are unaware of who is responsible in taking the lead during an evacuation. This could cause a delay in ensuring the safety of persons."* It is acknowledged that a consolidated schedule of planned fire drills (2020 to 2022) has now been prepared by Estates. This plan was reported to the Fire Safety Group meeting in September 2020.	Uncertainty over what to do in the event of an evacuation risks loss of staff and patient life.

Review of the schedule has noted it could provide greater clarity on the distinction between planned and actual fire drills, to enable accurate interpretation and reporting. Of the eight drills that had been scheduled during 2020 to the date of audit fieldwork (end of August), only two (25%) had been undertaken Whilst recognising the appropriate focus this issue has received to date, it is clear more work needs to be done to ensure the agreed procedures are embedded and drills are operated as required.	
Recommendation 8	**Priority level**
a) Site fire drills should be performed on an annual basis (as a minimum). b) Non-compliance with planned drills will be reported to the Fire Safety Group. c) The fire drill schedule will be enhanced to provide distinction between planned and actual fire drills. **(D)**.	**High**
Management Response	**Responsible Officer/ Deadline**
Agreed. The Assistant Director: Community Services Group has made a commitment that a fire drill will be performed at every site before the end of December.	Assistant Director: Community Services Group December 2020

Follow Up of previously agreed recommendations

Prior Ref	Recommendation	Status reported May 2020	Previous Responsibility & Timescale	Priority Rating	Current status as at September 2020
2	The proposed fire training needs assessment (TNA) should be reviewed by the Fire Safety Group and implemented accordingly.	**Partially implemented** Whilst there was evidence of training having been discussed at the Fire Safety Group, and training needs assessment developed, there was no evidence that it had been implemented accordingly. Management confirmed that the TNA will be reviewed and taken to the next Fire Safety Group meeting for approval on 10 September 2020. This review will incorporate learning from COVID-19 in respect of delivery of training.	Associate Director: Estates & Property September 2020	**Medium**	**Partially Implemented** The training needs assessment was reported to the September 2020 Fire Safety Group (24 September). Noting this meeting took place towards the close of audit fieldwork, there has not been sufficient time to evidence any subsequent implementation/ embedding of the contents of the TNA in the training programme currently being delivered. It is recognised that responsibility for training only passed back to Estates in July 2020, so this area is very much a work in progress. However, we have received assurance that Estates have already delivered Teams training to over 400 staff, with current face-to-face training compliance standing at over 90%. The TNA now needs to be fully embedded in the training programme, so robust assurance can be given that staff are receiving training as required.

Prior Ref	Recommendation	Status reported May 2020	Previous Responsibility & Timescale	Priority Rating	Current status as at September 2020
3	Site fire drills should be performed on an, at least, annual basis.	**Outstanding** There was no evidence to confirm that site fire drills were being performed in an appropriate timely manner. Management advised this weakness was also raised through Fire Safety Inspections that had recently been undertaken [noting that the frequency of such had increased post Grenfell]. Management confirmed that the Fire Safety Advisors will work closely with the Operational managers on sites to support a programme of fire drills across the THB estate. The fire drill status will be documented and reported to the Fire Safety Group meeting on 10 September 2020.	Associate Director: Estates & Property September 2020	**Medium**	**Superseded** **Refer to recommendation 8** As discussed in more detail in the main body of the audit, fire drills are still not being undertaken as scheduled. However, the FSAs have worked with the operational managers to produce a schedule of planned fire drills across the next three years. It is recognised that the fire drill status was included on the agenda for the September 2020 FSG meeting. New recommendations have been made at this report to enhance the fire drill monitoring schedule and ensure compliance is accurately reported to the FSG.

Appendix C: Audit Assurance Ratings

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

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

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

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

Prioritisation of Recommendations

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

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

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

Health and Safety Follow-up

Internal Audit Report

2020/21

Powys Teaching Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Service

CONTENTS Page

Review reference:	PTHB-2021-32 (previously PTHB-1920-09)
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Final report issued:	17th September 2020
Auditors:	Helen Higgs – Head of Internal Audit Osian Lloyd – Deputy Head of Internal Audit Donna Morgan – Principal Auditor
Executive sign off:	Julie Rowles – Director of Workforce, Organisation Development (WOD) & Support Services
Distribution:	Sarah Powell - Assistant Director of Organisational Development

	Andrew Cresswell - Assistant Director of Facilities and Support Services Paul Tranter - Senior Health and Safety Officer Anthony Holt - Senior Health and Safety Officer
Committee:	Audit, Risk & Assurance Committee

ACKNOWLEDGEMENT

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

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of 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. Introduction and Background

It is a legal requirement for Powys Teaching Health Board ('the health board') to comply with the Health and Safety at Work Act and other health and safety legislation. Health and safety management includes the responsibility to provide and maintain safe and healthy environment for all employees, patients, visitors, contractors and other members of the public who have contact with the organisation. Health and safety is a key responsibility for managers with effective health and safety management being based on a good understanding of the risks and how to control them.

Our 2018/19 review of health and safety examined the extent to which a sample of key health and safety risks facing the health board were being managed in accordance with key operational policies and procedure, with a focus on lone workers and stress management. Our audit also assessed progress made against the '*Strategic Health and Safety Improvement Action Plan*' developed following the external review of health and safety management undertaken by Coleg Gwent in 2016. Our review was completed in October 2018 and delivered a limited assurance opinion overall and demonstrated there remained a need to improve the management of health and safety across the health board.

2. Scope and Objectives

The purpose of this follow up review was to assess whether the health board has implemented the Internal Audit recommendations made following our health and safety review in 2018/19.

The scope of this follow-up review does not provide assurance against the full review scope and objectives of the original audit. The 'follow-up review opinion' provides an assurance level against the implementation of the agreed action plan only. However, we will not be including '*Finding 3 – Stress Management Toolkit'*, as this area was included in a separate internal audit review on *'Staff Wellbeing'* that was undertaken in 2019/20. The recommendations made in the 2018/19 audit that remain open, along with a status update, are set out in Appendix A.

3. Associated Risks

The overall risk considered in the follow-up review is failure to implement agreed audit recommendations and therefore, continued risk of:

- responsibilities and processes described within the policies and procedures and action plans are not adhered to resulting in harm to patients and / or staff; and
- financial and reputational implications associated with the failure to effectively manage health and safety requirements, through increased HSE and / or other regulatory fines - in addition to compensation paid to employees or patients.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

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

Considering the progress made against the action plan the follow-up review opinion is **Reasonable Assurance**.

RATING	INDICATOR	DEFINITION
Reasonable assurance		All high level recommendations implemented and progress on the medium and low level recommendations.

5. Assurance Summary

The following table summarises the extent to which the original recommendations have been implemented and provides classification of current risks:

	Area	Priority 2018/19 audit	Direction of travel	Priority 2020/21 audit
1	Health and safety policies, procedures and intranet pages	High	Some progress made. Further work required to reduce the risk.	Medium
2	Health and safety audits	Medium	Limited progress made. Further work required to reduce the risk.	Medium
3	Health and safety training	Medium	Good progress made. Further work required to the reduce risk.	Low
4	Health and safety committees and groups	Medium	Some progress made. Further work required to the reduce risk.	Medium
5	Health board representation on 'All Wales'	Medium	Recommendation implemented.	Closed

	Area	Priority 2018/19 audit	Direction of travel	Priority 2020/21 audit
	Health and Safety Group			
6	Improvement plan performance measures	Medium	Good progress made. Further work required to the reduce risk.	Low
7	Health and safety annual report	Low	Recommendation implemented.	Closed

6. Summary of Audit Findings

Our prior audit identified a number of issues regarding the arrangements in place within the health board to ensure that obligations in respect of health and safety were met. This included clarity in respect of policies and procedures, governance arrangements and roles and responsibilities in respect of risk assessments and health and safety audits, training and progress made against the '*Strategic Health and Safety Improvement Action Plan*' (formerly named the '*Health and Safety Rapid Improvement Action Plan*').

Since the original audit, the health board has realigned the Health and Safety function to Workforce & OD, and strengthened resources within the team. The Health and Safety Group now has a clear line of accountability to the Executive, and the Experience, Quality and Safety Committee through to the Board. In addition, a review of health and safety committees and groups has been undertaken and we understand local management arrangements for health and safety responsibilities have been strengthened following the organisational realignment. Whilst it is too early to assess the effectiveness of the revised reporting structures, we understand this will be reviewed on an ongoing basis and we have included suggestions to improve further, including the coordination of oversight and assurance reporting across each health and safety subject matter area.

From the evidence provided, a limited number of internal health and safety audits have been undertaken since our previous audit. However, we recognise that the health board's progress in this area has been reliant on the appointment of a second Senior Health and Safety Officer who was only appointed in September 2019.The team's focus has prioritised addressing the two contravention notices issued by the Health and Safety Executive (HSE) since the previous audit. A programme of internal inspections / audits across health board sites has been agreed, however implementation has been delayed due to the impact of the Covid-19 outbreak.

The health board has also strengthened the provision of health and safety training and a number of senior managers have participated in the IOSH Managing Safely and Leading Safely courses. In addition, the health board has designed and

implemented a health and safety awareness programme for operational managers and a Board Development session was delivered by the HSE Inspector with a focus on Corporate Manslaughter and organisational Health & Safety responsibilities.

Whilst we note the encouraging progress made to address the several contraventions and material breaches raised by the HSE in February 2019, there is concern that until the programme of internal inspections and audits is embedded, and a mechanism put in place to formally capture, manage and monitor findings and actions raised, the health board will fail to identify such issues and manage them through its own assurance mechanisms.

It is worth noting the health board's interim health and safety report for the period April 2018 to October 2019 presented to the Executive Committee stated that the 42% of the estate was built pre-1948 (the all Wales average being just 14%) whilst only 2% has been built post 2005 (all Wales average at 20%). This reflects an estate which is the 'oldest' and 'least new' in Wales. The report also explains the recent six facet survey required by Welsh Government undertaken on a five year cycle, indicated that the estate needed £73m of investment to bring it up to a reasonable standard. The Health and Safety Team, along with the Health and Safety Group, play an important part in assisting, monitoring and advising managers and staff on health and safety related issues at all levels within the organisation and in supporting them to effectively manage risk, implement local monitoring and auditing and to implement their prioritised action plans.

A summary of our previous findings that remain open can be seen in Appendix A.

The three open **medium priority** findings are as follows:

Previous Finding 1: Health and safety policies, procedures and intranet pages (previously high priority)

Our review of the health and safety policies, procedures and guidelines published on the health board's intranet identified half (eight), which although remained extant, had passed their review dates (although we noted that three of these had only recently expired, with review dates of May 2020). This includes the Corporate Health and Safety Policy (HSP001) which remained under review at the time of this follow up review.

It was evident from a review of the health board's Health and Safety Group minutes (covering the period January 2019 - January 2020) that health and safety policies were regularly referred to the Group for review and comment prior to being submitted to the Executive Team for approval. The review and completion of the remaining health and safety policies is included within the Health and Safety Work Programme 2020-21. However, we recognise that progress has been delayed due to the impact of the Covid-19 outbreak.

In addition to health and safety policies, the former Health and Safety Manager produced the 'Health and Safety Local Implementation Procedure'. We reviewed this procedure at the previous audit, and concluded that it was not sufficiently detailed and did not provide enough guidance to managers / individuals with responsibility for health and safety. The Health and Safety Local Implementation

Procedure has not been updated since 2017 and therefore there have been no improvements since our original audit. This may be a factor for the lack of evidence present to demonstrate that this is being embedded within the organisation.

Our review of the dedicated health and safety pages of the health board's intranet during our previous audit identified they did not provide a good source of information. Whilst work had commenced on creating dedicated intranet pages, further work was still required to enable staff to access all health and safety guidance, policies, templates and toolkits. Some pages remained 'currently under construction' at the commencement of our follow up review and there were still references to the health board's former health and safety manager as the main point of contact for health and safety related issues, we note that the pages have since been reviewed and updated. Accordingly, the risk that staff may be unclear of their duties in respect of health and safety and an inconsistent approach being applied across the health board should reduce in time.

Previous Finding 2: Health and safety audits (previously medium priority)

During the previous audit, we reported that further clarity was needed in respect of site management responsibility. We also reported that whilst the health board had conducted a programme of health and safety audits, it did not hold information of all sites / service areas within the health board that should complete a health and safety risk assessment. Therefore, it was not possible to provide assurances that all service areas / sites have been considered as part of the Health and Safety audit process.

Whilst we were still unable to confirm that documented health and safety risk assessments are in place for each site and ward across the health board, examples were provided from the service areas selected in our sample. In addition, following inspections conducted in January 2019, the Health and Safety Executive (HSE) found that many wards had thorough risk assessments in place for patients. However, it was noted that few risk assessments were in place in respect of health and safety risks involving employees. The provision of risk assessment guidance and support to service managers is included within the health and safety work programme, although this is an area that remains in development.

From the evidence provided, a limited number of internal health and safety audits have been undertaken since our previous audit. However, we recognise that the health board's progress in this area has been reliant on the appointment of a second Senior Health and Safety Officer who was only appointed in September 2019. The team's focus has prioritised addressing the HSE contravention notices. A programme of internal inspections / audits across health board sites has been agreed, however implementation has been delayed due to the impact of the Covid-19 outbreak

Action plans are typically developed to address findings raised in each inspection, however there does not appear to be a formal process in place for capturing, monitoring and managing these through to closure. This issue was highlighted further following the HSE's revisit of Llandrindod Wells hospital in November 2019.

The HSE noted a significant improvement in the overall management of health and safety, however two further contraventions of health and safety law were raised in respect of risk assessment and risk management of control measures linked to legionella. These issues had not been addressed despite being reported to the health board previously following a separate external assessment undertaken by NHS Wales Shared Services Department Specialist Estates Services and presented to the Water Safety Group.

Whilst we note the encouraging progress made to address the several contraventions and material breaches raised by the HSE in February 2019, there is concern that until the programme of internal inspections and audits is embedded and a mechanism put in place to formally capture, manage and monitor findings and actions raised, the health board will fail to identify such issues and manage them through its own assurance mechanisms.

Previous Finding 5: Health and safety committees and groups (previously medium priority)

Our previous audit identified that the health board has undertaken a considerable amount of work in the last year to strengthen the governance arrangements around health and safety. However, issues were identified with the attendance rates at the 'Corporate Health and Safety Committee' whereby not all directorates / service areas have been represented at the meetings and not all health and safety groups had a Terms of Reference in place.

Since then the health board has realigned the Health and Safety function to Workforce & OD and strengthened resources within the team. The Health and Safety Group now has a clear line of accountability to the Executive Team and the Experience, Quality and Safety Committee through to the Board. We were provided with evidence to demonstrate that health and safety issues have been reported regularly to the Executive Team in the last year.

A review of health and safety committees and groups has been undertaken since the original audit. It was noted at the October 2019 meeting of the Health and Safety Group that there was a lack of representation from certain areas and a different approach was needed to address the fragmented nature of reporting structures. The importance of an operational presence at this meeting was reinforced and we understand membership of this group and local management arrangements for health and safety responsibilities have been strengthened following the organisational realignment. The restructure resulted in the 'Fire, Major Incidents and Health and Safety' (FISH) and 'Mini Fish' meetings being replaced by the recent introduction of health and safety as an agenda item at local service level meetings. Whilst it is too early to assess the effectiveness of the revised reporting structures, we understand this will be reviewed on an ongoing basis.

In addition, there are a number of health board groups to which Health & Safety legislation is a key factor: including the Fire Safety Group, Water Safety Group, Asbestos Group, Estates Compliance Group, Medical Gasses Group, Medical Devices Group, Strategic Decontamination Group, Security Oversight Group and the Radiation Protection Committee. The Health and Safety Team is represented at these meetings and will advise and monitor legal compliance through audits and inspections. The legionella issue raised under previous finding 2 above highlights further improvement is needed to coordinate the oversight and assurance reporting across each of these subject matter areas.

The two open **low priority** findings are as follows:

Previous Finding 4: Health and safety training (previously medium priority)

Our previous health and safety audit recommended that the health board should undertake and implement a training needs assessment, in line with HSE guidance, to ensure that staff with health and safety responsibilities have undertaken an appropriate level of training in line with their respective roles.

The health board's interim health and safety report (covering the period April 2018 to October 2019) states that a number of senior managers have participated in the IOSH Managing Safely and Leading Safely courses, in conjunction with Powys County Council (PCC). In addition, the health board has designed and implemented a health and safety awareness programme for operational managers and over 100 staff have completed the two-day course, which is delivered through PCC.

A dedicated session on health, safety and wellbeing has also been included recently within the Corporate Induction day for new employees. The health board has also developed a work programme that includes the ongoing delivery of the health and safety suite of training and monitoring of compliance. This includes the roll out of the programme of accredited IOSH Working Safely courses to ensure managers have a full understanding of their roles and responsibilities and those of their employees.

A training needs analysis has also been completed in consultation with managers for manual handling and violence and aggression. A Violence and Aggression Trainer/Advisor has been recruited and key link workers for manual handling practices have been identified. The HSE reported effective provision of training in manual handling and violence and aggression in their letter following their inspection revisit in November 2019. Our review of the health board's ESR compliance figures, as at March 2020, for the health and safety Statutory and Mandatory training modules showed that compliance remained generally good.

A Board Development session was also delivered by the HSE Inspector with a focus on Corporate Manslaughter and organisational Health & Safety responsibilities. A number of other health and safety training sessions, including stress and resilience, violence and aggression, manual handling and fire safety was

scheduled, however the impact of the Covid-19 outbreak has meant the delivery of these has been deferred.

Previous Finding 7: Improvement plan performance measures (previously medium priority)

It was apparent during the follow up audit that the Strategic Health and Safety Improvement Plan was no longer being utilised. There was no evidence of progress against this action plan being reported to the Health and Safety Group or Executive Committee meetings. However, the interim health and safety report presented to the Executive Committee describes the progress the health board has made across the organisation in relation to the management of health and safety and highlights any issues that have been identified and the action needed to rectify.

In addition, action plans were developed in response to the several contraventions and material breaches raised by the HSE following their visit in January, which focussed on manual handling and violence and aggression. It is encouraging to see that the HSE noted a significant improvement in the overall management of health and safety during their revisit in November 2019.

Our review identified common themes between the actions included within the Strategic Health and Safety Improvement Plan, the interim health and safety report and the HSE action plan. However, we are mindful that there are actions that still require addressing and recommend that actions raised in other audit / inspection reports, including internal inspections carried out by the health board and from the NWSSP Specialist Estates Services, are collated and regular monitoring is coordinated through the Health and Safety and Quality Governance Groups.

The remaining two findings from the previous audit are considered **fully implemented** and are therefore closed:

Previous Finding 6: Health board representation on 'All Wales' Health and Safety Group (previously medium priority)

Our previous audit identified the health board had not been represented on the 'NHS Wales Health and Safety Management Steering Group'. The health board's Senior Health and Safety Officers are now delegates of the Group and their attendance has been confirmed through review of the latest minutes.

Previous Finding 8: Health and safety annual report (previously low priority)

Health and Safety Executive (HSE) guidance requires that the health board should receive an annual report on health and safety. Our previous audit in 2018/19 noted the health board has not prepared an annual report on health and safety since 2015-16.

During the current audit, we were provided with the interim health and safety report covering the period from April 2018 to October 2019. This report was

presented to the Executive Committee in November 2019 and describes the progress that has been made across the organisation in relation to the management of health and safety and highlights any issues that have been identified and the action needed to rectify, a number of which are reflected throughout our report.

Audit Recommendation Tracker

In line with our report on the implementation of the health board's Audit Recommendation Tracker ('the Tracker'), we have considered the implementation status of recommendations from the previous health and safety report against the Tracker presented to the March 2020 Audit, Risk & Assurance Committee.

This Tracker shows the health board considers all seven recommendations to be closed and complete. Our view is that whilst some progress has been made, five of the seven recommendations have been partially implemented and remain open as shown in the tables in section 7 below.

We recognise that the health board was reliant on the appointment of a second Senior Health and Safety Officer to be able to address the recommendations raised at the original audit. The second officer was appointed in September 2019 and has therefore not been in post for a full year. Accordingly, we accept that this is a contributing factor in the health board's ability to address and close all recommendations.

7. Summary of Recommendations

Summary of the recommendations by implementation status:

Actions Implemented in Full	Actions Implemented in Part	Actions Not Implemented
2	5	-

Priority ratings of the open findings:

	2018/19	2020/21
High priority	1	-
Medium priority	5	3
Low priority	1	2
Total	**7**	**5**

The full findings of our current review are detailed in Appendix A, together with the original recommendations and management action plan.

Previous Finding 1: Health and safety policies (Operation)

Original Finding (Previous Priority Rating: HIGH)

Policy:
The health board's Corporate Health and Safety Policy (Document Reference Number PTHB / HSP 001) has recently been reviewed and was approved by the Board on 29 November 2017. Review of the Policy confirmed the following:

- it details the Director of Therapies & Health Science as the Chair of the Corporate Health and Safety Committee. However, the Chair of this committee is the Director of Workforce and Organisational Development. (This is also true for the health board's Lone Working Policy.)
- the Health and Safety Team are detailed as being within the 'Quality and Safety Unit'. However, the Health and Safety Team have moved to the 'Workforce and Organisational Development' team.
- it does not detail which policies and procedures should be read in conjunction with it.

At the time of our audit review the Policy was not linked on the health board's intranet site. The Health and Safety Manager confirmed that some minor amendments were required before linking. These include the changes to the structure and Executive responsibility, which did not occur until January 2018, after the Policy was approved by Board.

Procedures:
The Health and Safety Manager has produced the 'Health and Safety Local Implementation Procedure', which is linked on the intranet. The local implementation procedure is described as '*a generic document that once complete should be agreed by the local partnership forum or local health and safety meeting and signed off by the local manager*'.

We reviewed this procedure which confirmed that it is not sufficiently detailed and does not provide enough guidance to managers / individuals with responsibility for health and safety. For example, it details the requirement for risk assessments but does not provide links to additional guidance or explain how this should be undertaken; it only includes one sentence on incident reporting which does not make reference to Datix or Reporting of Injuries, Diseases and

Dangerous Occurrences Regulations (RIDDOR). As such, there is risk of an inconsistent approach to health and safety across the health board.

Intranet Pages:
The health and safety pages of the health board's intranet were reviewed to establish whether they provided a good source of information for managers / individuals with health and safety responsibility.

There is one health and safety intranet landing page that details 'This page and subsequent pages are currently under construction'. Review of the page confirms that it only includes one link and this is to the health and safety Policies, which links to an older version of the Corporate Health and Safety Policy as noted in the Policy section above. This version of the Policy is not as robust in terms of health and safety roles and responsibilities and therefore does not reflect the current system in place within the health board. Furthermore, and in line with the procedure section above, there is no additional information / guidance on health and safety. We acknowledge that the 'Induction of New Employees Policy' includes a section on 'health and safety' as part of the Induction Checklist and localities use this induction checklist for new starters. However, we also note that the 'End of Year 2017/18 Delivery and Performance' presentation to the Executive Team in June 2018 highlighted that Corporate and Local Induction Process need to be reviewed to include clear understanding of individual roles and responsibilities identified in the policy.

We acknowledge that the size of the Health and Safety Team (one Health and Safety Manager; one Health and Safety Advisor (seconded from Powys County Council); one Manual Handling Trainer) and lack of administration support, may be a contributing factor to the lack of progress on the health and safety pages of the intranet for such a period of time. We understand that this is part of wider issue with the health board's intranet site.

Original Recommendation

Policies and Procedures:

- Health and safety policies and procedures should be reviewed to ensure that they accurately detail Executive responsibility.
- The health board should consider developing sufficiently detailed guidance to ensure that managers / individuals with responsibility for health and safety are clear on their roles and responsibilities and that there is

a consistent approach to health and safety across all sites / service areas. The guidance should also be reflected in the 'Health and Safety Local Implementation Procedure'.

Intranet Pages:

- The health board must also ensure that appropriate guidance and background information on health and safety is available to all staff – particularly those with health and safety responsibilities. This could be achieved by updating intranet pages, for example, including everything on one health and safety page and linking to relevant documentation and legislation; links to relevant HSE bulletins / newsletters.
- The health board should ensure that all current documentation is available to relevant staff until the intranet pages have been appropriately updated. For example, including the appropriate documentation on a shared drive or share-point. Once the health and safety pages of the intranet are fully developed this should be communicated via the appropriate health and safety groups.

We acknowledge that this may require administration support to complete.

Original Management Response:

Policies and Procedures:

- The portfolio of health & safety policies are monitored by the Health & Safety Group every quarter. A Health & Safety Policy Status Tracker is presented at every meeting. This recommendation will be picked up as part of The Health & Safety Action Plan 2018-2019:
    - Action Point 6 "Review of policy infrastructure to ensure that it is fit for purpose including health & safety procedures and protocols"

Health & Safety Manager - March 2019* (*dependent on recruitment to Health & Safety manager post)

- This recommendation will be addressed as part of The Health & Safety Action Plan 2018-2019:
    - Action Point 4: *"Ensure health & safety responsibilities are clearly articulated in job descriptions, as part of the impending organisational restructuring. As a minimum all job description will include the health and*

safety responsibilities for that particular post as outlined within the relevant section of the updated Corporate H&S Policy". Guidance will be also be developed for managers as part of the training programme review. This will also be included in the on-going development of the H&S Intranet pages.

Health & Safety Manager - February 2019* (*dependent on recruitment to Health & Safety manager post)

Intranet Pages:

- This recommendation will be addressed as part of The Health & Safety Action Plan 2018-2019:
  - Action Point 4: *Develop the health & safety intranet pages to ensure all relevant health & safety information and documentation is easily available for all staff.*

Health & Safety Manager - March 2019* (*dependent on recruitment to Health & Safety manager post)

Current Findings

Our review of the health and safety policies, procedures and guidelines published on the health board's intranet identified half (eight), which although remained extant, had passed their review dates (although we noted that three of these had only recently expired, with review dates of May 2020). This includes the Corporate Health and Safety Policy (HSP001) which remained under review at the time of this follow up review. Therefore the anomalies identified in our previous audit in respect of Executive Director Responsibilities and the structure remain. In addition, the Health and Safety Local Implementation Procedure has not been updated since 2017 and therefore there have been no improvements since our original audit. This may be a factor for the lack of evidence present to demonstrate that this is being embedded within the organisation.

It was evident from a review of the health board's Health and Safety Group minutes (covering the period January 2019 - January 2020) that health and safety policies were regularly referred to the Group for review and comment prior to being submitted to the Executive Team for approval. Since January 2019, the Control of Risks at Work to New and Expectant Mothers, Stress Management, Manual Handling, Violence & Aggression and Hand Arm Vibration policies had

been presented to the Health and Safety Group.[1] The review and completion of the remaining health and safety policies is included within the Health and Safety Work Programme 2020-21. A desktop review of policies that should sit under the health and safety umbrella was due in quarter 1 of 2020/21, and a review of outstanding policies is due to be completed throughout quarters 2 and 3 of 2020/21. However, we recognise that progress has been delayed due to the impact of the Covid-19 outbreak.

The health board's interim health and safety report outlined that '*work has commenced on creating dedicated health and safety intranet pages to enable staff to access all health and safety guidance, policies, templates and toolkits'*. Some pages remained 'currently under construction' at the commencement of our follow up review and there were still references to the health board's former Health and Safety Manager as the main point of contact for health and safety related issues, we note that the pages have since been reviewed and updated. Accordingly, the risk that staff may be unclear of their duties in respect of health and safety and an inconsistent approach being applied across the health board should reduce in time.

Conclusion

This finding is considered **PARTIALLY IMPLEMENTED** and remains **OPEN**. The priority level has been reduced to reflect the improvements in controls in this area.

Updated Recommendation	Priority level
• The remaining health and safety policies, procedures and guidance should be reviewed to ensure they accurately reflect current working practices and detail roles, responsibilities and reporting structures. • Once approved, the policies, procedures and guidance documents should be communicated to relevant staff, particularly those with management	**Medium**

[1] The latter three policies were the focus of the Health and Safety Executive (HSE) Inspections undertaken in 2019 where it was recommended that policies on Manual Handling, Violence & Aggression and Hand Arm Vibration Policies should be developed.

responsibilities in relation to health and safety, and published on the health and safety section on the intranet.	
Updated Management Response	**Responsible Officer/ Deadline**
• Analysis to be undertaken on policy review date with any outstanding or due policies to be reviewed. • Re-draft and complete sign off of any due policies. • Communicate reviewed policies to managers and upload to intranet. • Undertake benchmarking against other health boards and carry out gap analysis of current policies that should be managed by Health & Safety. • Drafting and consultation of new policies following gap analysis. • Signing off of new policies following gap analysis. • Communicate reviewed policies to managers and upload to intranet.	End of September 2020 End of December 2020 End of December 2020 End of September 2020 End of February 2021 End of March 2021 End of March 2021 **Executive Lead: Director of WOD and Support Services** Assistant Director of Organisational Development & Assistant Director of Facilities and Support Services

Previous Finding 2: Health and safety audits (Design)

Original Finding (Previous Priority Rating: Medium)

The Health and Safety Team has developed a 19 module audit toolkit to be used when undertaking health and safety audits in order to monitor compliance against legislation which includes a module on Lone Working. The results of health and safety audits undertaken are appropriately communicated to the Locality General Managers and Integrated Clinical Team Manager (ICTM), or equivalent. We also note that the Estates Department are represented on the various health and safety groups and as such are aware of any estates issues identified as part of the health and safety audits.

Whilst the Policy sets out individuals with health and safety responsibility, further clarity is needed on site management responsibility. Furthermore, the health board does not hold information of all sites / service areas within the health board that should complete a health and safety risk assessment. As such, it not possible to confirm that all service areas / sites have been considered as part of the health and safety audit process.

The Health and Safety Team has developed a 'Health and Safety 19 Module Status Dashboard'. This provides an 'at a glance' summary of the results of compliance against the 19 modules for all audits undertaken – red indicating 'non-compliance' with legislation and green indicating 'compliance' with legislation. This has previously been presented to the Executive Committee, however we were informed that this is no longer produced as there was a lack of a clear link between the issues identified as part of the health and safety audits and the risk registers. This made it difficult to identify widespread health and safety issues and risks for the health board.

We consider the 'at a glance' dashboard to be an effective way of measuring compliance against health and safety legislation. However, it could be enhanced / adapted to be more sensitive to measure overall compliance rather than either compliant or non-compliant. For example, under the current methodology if there are 12 audit areas to consider within a module and the site / service area is complying with 10 audit areas this would be reported as non-compliant. Therefore, this was not considered sensitive enough to demonstrate progress. The most recent dashboard produced

related to September 2017 this indicated that all audits undertaken confirmed non-compliance with legislation for all 19 modules with the exception of three sites which were fully compliant with Module 19 'Safety with Sharps'.

Furthermore, whilst the review of the Mini FISH and Health and Safety Implementation Group minutes confirms that ICTM's, or equivalent, within the localities are providing updates on the progress made against the findings of the health and safety audits, this progress is not summarised in a consistent format across locality regions, which makes it difficult to summarise the progress across the health board as a whole.

Original Recommendation

- Whilst we appreciate that the health board delegates health and safety responsibility to localities, further clarity should be provided regarding site management responsibility. In addition, information on sites / service areas within the health board that should complete a health and safety risk assessment should be compiled and communicated as appropriate.

- Health and safety audits should be periodically carried out at each site based on a risk-based approach. For example, sites with a higher number of health and safety incidents or sites identified as having lower compliance to health and safety identified from the health and safety audits undertaken throughout the health board.

- We would recommend that the 'Health and Safety 19 Module Status Dashboard' is re-introduced and is used to monitor progress against compliance with health and safety legislation. The dashboard should be enhanced / adapted to be more sensitive to measure overall compliance rather than either compliant of non-compliant. Additionally, issues identified as a result of the health and safety audits should be reflected in the appropriate risk register. If the health board does not wish to use the dashboard, then another method of reporting significant issues identified and documented within the audits to the relevant groups / forums and where appropriate be included on the health board's Risk Register, should be developed.

- The localities should provide a summary of the direction of travel on progress made against compliance against the 19 module audit toolkit. This summary should be in an agreed consistent format to facilitate summarising the information to provide an overall summary for the entire health board.

Original Management Response:

- The health & safety policy details the health & safety responsibilities for each management level. The organisation expects managers to undertake risk assessments in line with these policies and supporting procedures. A list detailing these areas would just be a carbon copy of the management structure. However, developing the health & safety intranet pages would make access to supporting information easier and facilitate understanding of the process. This will be addressed as part of the Health & Safety Action Plan 2018-2019:
    - Action Point 4: *"Develop the health & safety intranet pages to ensure all relevant health & safety information and documentation is easily available for all staff."*

Health & Safety Manager – March 2019* (*dependent on recruitment to Health & Safety manager post)

- A total of 50 baseline health & safety audits have been carried out at all PTHB sites. The audit process going forward is under review with an aim to developing more targeted risk based audits. This will be addressed as part of the Health & Safety Action Plan 2018-2019:
    - Action Point 12: *"Develop a system for routinely triangulating data from other related inspections and audits."*

Health & Safety Manager – March 2019* (*dependent on recruitment to Health & Safety manager post)

    - Action Point 13: *"Development of risk based detailed targeted audits where critical control measures should be in place."*

Health & Safety Manager – March 2019* (*dependent on recruitment to Health & Safety manager post)

- Action Point 14: *"Develop an H&S checklist for managers to ensure monitoring between formal audits."*

Health & Safety Manager – January 2019* (*dependent on recruitment to Health & Safety manager post)

- This recommendation will be addressed as part of the Health & Safety Action Plan 2018-2019:
  - Action Point 11 *"Develop a performance dashboard, targets and Key Performance Indicators for health & safety. Further work is also required to provide a high level report for the Executive Committee, so there is clear reporting and escalation of health and safety issues, with appropriate mitigation and management."*

Health & Safety Manager – March 2019* (*dependent on recruitment to Health & Safety manager post)

Current Findings

Whilst we were still unable to confirm that documented health and safety risk assessments are in place for each site and ward across the health board, examples were provided from the service areas selected in our sample. These covered areas including ligature, medical gases, use of external contractors, legionella and more recently for Covid-19. Although as these were provided towards the end of the audit fieldwork we were unable to review in detail. In addition, the Health and Safety Executive (HSE) conducted inspections focusing on violence and aggression and manual handling at Welshpool, Brecon, Bronllys, Llandrindod Wells and Ystradgynlais hospitals in January 2019. The notification of contravention letter issued by the HSE following this visit noted that many wards had thorough risk assessments in place for patients. However it found few risk assessments had been made in respect of health and safety risks involving employees. The provision of risk assessment guidance and support to service managers is included within the health and safety work programme, although this is an area that remains in development.

From the evidence provided, a limited number of internal health and safety audits have been undertaken since our previous audit. However, we recognise that the health board's progress in this area has been reliant on the appointment of a second Senior Health and Safety Officer who was only appointed in September 2019. The team's focus has prioritised addressing the two contravention notices issued by the HSE since the previous audit. The health board's

2020/21 work programme for meeting its obligations in respect of health and safety was presented to the January 2020 Health and Safety Group. This included a schedule of internal inspections / audits across health board sites over a two-year period (2020/2022). It is recognised that implementation of this programme has been delayed due to the impact of the Covid-19 outbreak.

We were provided with inspection reports completed by the trade union following visits of maternity services specifically at the Birth Centre at Brecon Hospital (June 2019) and Waterloo Road Children and Families, Patient Services and Grounds (August 2019). Site inspections had also been undertaken by the Senior Health and Safety Officers at the Llandrindod Wells (October 2019) and Welshpool hospitals (May 2020). In addition, an organisation-wide inspection in relation to medical gases had been undertaken in 2019 by the Senior Health and Safety Officer and, in response to the Covid-19 outbreak, three social distancing visits were undertaken at two dental premises and for the district nursing team.

Action plans are typically developed to address findings raised in each inspection, however there does not appear to be a formal process in place to capture, manage and monitor these through to closure. This issue was highlighted further following the HSE's revisit of Llandrindod Wells hospital in November 2019. The purpose of the inspection was to review the actions the health board had taken in response to the Notification of Contravention letter issued in February 2019. The HSE noted a significant improvement in the overall management of health and safety, noting above the inspection focused mainly on manual handling and violence and aggression. However, two further contraventions of health and safety law were raised in respect of risk assessment and risk management of control measures linked to legionella. These issues had not been addressed despite being reported to the health board previously following a separate external assessment undertaken by NHS Wales Shared Services Department Specialist Estates Services and presented to the Water Safety Group. In addition, we were not provided with any evidence of action plans following the inspections at Llandrindod Wells or Welshpool Hospitals noted above, and the outcome of the social distancing visits were in the form of emails with photographs as opposed to the standard health and safety inspection template.

Whilst we note the encouraging progress made to address the several contraventions and material breaches raised by the HSE in February 2019, there is concern that until the programme of internal inspections and audits is embedded

and a mechanism put in place to formally capture, manage and monitor findings and actions raised, the health board will fail to identify such issues and manage them through its own assurance mechanisms.

Conclusion

This finding is considered **NOT IMPLEMENTED** and remains **OPEN** as a medium priority finding.

Updated Recommendation	Priority level
• The Health and Safety Team should undertake an exercise to provide assurance that appropriate risk assessments are in place across all sites and services throughout the health board and to manage any issues raised. • These risk assessments should then inform the schedule of health and safety audits / inspections on a risk based approach. For example, sites with high risk characteristics, a higher number of health and safety incidents or sites identified as having lower compliance to health and safety legislation should be prioritised. • The implementation of the schedule of health and safety audits / inspections should be embedded, coordinated between the health board's Health and Safety Team and external parties as appropriate based on the required skills and expertise. • The health board should put in place a formal mechanism to capture, manage and monitor findings and actions raised through to closure.	**Medium**

Management Response	Responsible Officer/ Deadline
All service leads will be asked to confirm risk assessments, safe systems of work and SOPS that are in place for their service areas. This will be a desk top collation request utilising the key service contacts on each site (22 sites).	**Executive Lead: Director of WOD and Support Services** Assistant Director of Facilities and Support Services through to Service managers identified on each site Collation by Senior Health & Safety Team by end of March 2021
Once completed a random sample of 1:20 returns will be undertaken by the Senior Health & Safety officer to check that they are suitable and sufficient. The schedule of Health & Safety audits / inspections will be informed through sampling along with any trends / data from Datix accidents and incidents.	Senior Health & Safety Officers By end of May 2021
Through the Health & Safety Group all audits will be monitored including actions through to closure.	Assistant Director of Facilities and Support Services End May 2021

Risk assessments are an agenda item on site/service management meetings. Health & Safety will continually review service risk assessments through attendance at management meetings.	Assistant Director of Facilities and Support Services Reviewed at every Health & Safety Group meeting (quarterly) Service managers Quarterly Senior Health & Safety Officers through attending quarterly service / team meetings

Previous Finding 4: Health and safety training (Design)

Original Finding (Previous Priority Rating: Medium)

The new Corporate Health and Safety Policy details relevant training for the different organisational responsibilities. For Executive Directors this is the 'Institution of Occupational Safety and Health (IOSH) Leading Safely-Essential Learning for Senior Leaders'; for Locality General Managers this is 'IOSH Managing Safely for Healthcare Professionals' and for Senior Managers 'PTHB Essential Health and Safety Training for Line Managers'.

The relevant IOSH courses are available and delivered by Powys County Council who provided a list of health board managers that had attended the IOSH course. At the time of our review, nine managers had attended IOSH training – six attended 'IOSH Leading Safely' and three attended 'IOSH Managing Safely'. We note that of the six individuals that had attended the 'IOSH Leading Safely' only one was an Executive Director and of the three individuals that attended 'IOSH Managing Safely' none were Locality General Managers which is not in line with the appropriate training per the Policy. We acknowledge that the HSE guidance does not provide guidance on specific training for leaders and managers.

We obtained a report from ESR detailing the managers that had attended the 'Essential Health and Safety Training for Line Managers'. This report showed that a total of 109 managers had attended the training. However, in the absence of a central list of managers / individuals responsible for health and safety within the health board (refer to finding 2 above), it is not possible to verify whether all managers with health and safety responsibility have attended the course.

We also obtained a copy of the ESR figures, as at May 2018, detailing the health board's compliance rates for the three health and safety statutory and mandatory training modules (fire safety has been excluded as this falls under the remit of Estates). Whilst the compliance rates for completion of the health and safety statutory and mandatory training are generally very good overall, the health board needs to improve compliance against 'Wales – Violence and Aggression' which has an average compliance rate of 63%.

We note from our review of the Datix report presented at the 30th July 2018 'Corporate Health and Safety Committee' that the number of violence and aggression figures are increasing, in particular relating to physical abuse, assault or violence. This highlights the importance of completing this statutory and mandatory training module. Compliance within the Corporate, Mental Health, Nursing, WOD – Facilities and South Locality Directorates are below the average compliance for the 'Violence and Aggression' statutory and mandatory training module. Whilst we would not expect the compliance rate to be 100% we would only expect the level of non-compliance to be as a result of directorate long-term sickness or Maternity Leave.

Original Recommendation

- The health board should undertake a training needs assessment, in line with HSE guidance, to ensure that staff with health and safety responsibilities have undertaken an appropriate level of training in line with their respective roles and responsibilities. The Corporate Health and Safety Policy should be updated to reflect this.

- The health board should ensure that compliance with training requirements as set out in the training needs assessment and Policy is appropriately recorded, monitored and reported.

- The health board should ensure that the 'Violence and Aggression' statutory and mandatory training module is completed.

Original Management Response:

- This will be addressed as part of the Health & Safety Action Plan 2018-2019:
  - Action Point 7: *"Review health & safety education provision and skills for health & safety for all levels of staff within the health board."*

Health & Safety Manager - March 2019* (*dependent on recruitment to Health & Safety manager post)

- The Health & Safety Committee receives quarterly update reports on Statutory & Mandatory Training. This will be enhanced to include all health & safety training identified within the review documented above.

Health & Safety Manager - April 2019* (*dependent on recruitment to Health & Safety manager post)

- The Health & Safety Team will undertake further work to identify why 'Violence and Aggression' statutory and mandatory training module has lower compliance rates than other H&S Training. Initial investigation has identified difficulties in locating the module on the E-Learning ESR system. This will be investigated further and reported to the Corporate H&S Committee at the meeting in November 2018.

Health & Safety Manager - January 2019* (*dependent on recruitment to Health & Safety manager post)

Current Findings

The health board's interim health and safety report (covering the period April 2018 to October 2019) states that a number of senior managers have participated in the IOSH Managing Safely and Leading Safely courses, in conjunction with Powys County Council (PCC). In addition, the health board has designed and implemented a health and safety awareness programme for operational managers. Over 100 staff have completed the two-day course, which is delivered through PCC and includes a suite of toolbox talks on the following subjects: COSHH; working at heights; risk assessment; display screens equipment assessment.

A dedicated session on health, safety and wellbeing has also been included recently within the Corporate Induction day for new employees, delivered by the Health and Safety Officers. This session provides new staff with information on what is expected from them and what they can expect from the health board in relation to health, safety and wellbeing. The health board has developed a work programme that includes the ongoing delivery of the health and safety suite of training and monitoring of compliance (scheduled from quarter 4 of 2019/20 to throughout the whole of 2020/21). This includes the roll out of the programme of accredited IOSH Working Safely courses, encompassing risk assessment processes, as part of the mandatory Managers' Development Programme and the new All Wales NHS Manual Handling for Managers Module, to ensure managers have a full understanding of their roles and responsibilities and those of their employees.

A training needs analysis has also been completed in consultation with managers for manual handling and violence and aggression. A Violence and Aggression Trainer/Advisor has been recruited and key link workers for manual handling practices have been identified. The HSE reported effective provision of training in manual handling and violence and aggression in their letter following their inspection revisit in November 2019.

Our review of the health board's ESR compliance figures, as at March 2020, for the health and safety statutory and mandatory training modules showed that compliance remained generally good, including violence and aggression 86%, manual handling 83% and fire safety 95%. A Board Development session was also delivered by the HSE Inspector with a focus on Corporate Manslaughter and organisational Health & Safety responsibilities. A number of other health and safety training sessions, including stress and resilience, violence and aggression, manual handling and fire safety was scheduled, however the impact of the Covid-19 outbreak has meant the delivery of these has been deferred.

Conclusion

This finding is considered **PARTIALLY IMPLEMENTED** and remains **OPEN.** The priority level has been reduced to reflect the improvements in controls in this area.

Updated Recommendation	Priority level
The health board should resume the roll out of health and safety training sessions once practicable, in particular the programme of accredited IOSH Working Safely courses to ensure managers have a full understanding of their roles and responsibilities and those of their employees.	**Low**

Management Response	Responsible Officer/ Deadline
• IOSH working safely one day programme will run in conjunction with managers development programme. Programmes scheduled quarterly. Delivery will be through the Health & Safety Team. First course due to commence in October 2021 (pending Covid situation).	**Executive Lead: Director of WOD and Support Services** Health & Safety Team Delivered quarterly from October 2021

Previous Finding 5: Health and safety committees and groups (Operational)

Original Finding (Previous Priority Rating: Medium)

The health board has established appropriate groups for monitoring and reporting on health and safety as follows:

- The 'Health and Safety Implementation Group / 'Mini Fire, Major Incident and Health and Safety (FISH) Group' which are aligned to the different regions within the localities;
- The North and South locality 'FISH' groups;
- The 'Corporate Health and Safety Committee'; and
- The Executive Committee which reports to the Board.

Review of minutes to these groups confirms that health and safety issues are discussed including, progress against the Improvement Plan, results from health and safety audits, the current status of health and safety statutory and mandatory training, updates from the Localities and the different regions within the localities.

The Corporate Health and Safety Committee meetings have followed a standard agenda for its meetings, although our review of the minutes for the meeting held on 17th April 2018 showed that updates from the North and South Localities, progress against the Strategic Health and Safety Improvement Plan and health and safety audits were not included as agenda items. Review of the Corporate Health and Safety Committee minutes confirmed that historically these meeting have not been well attended and have not included representation from all directorates / service areas. The number of attendees at this meeting was improving up to September 2017. However, the lowest recorded attendance was for the February 2018 meeting, which we understand was a result of winter pressures and snow.

We obtained and reviewed minutes for the 'Mini FISH' / 'Health and Safety Implementation Group', the regional groups within the South and North localities. Our review of the minutes provided, confirmed that health and safety issues are discussed at the meetings and updates on progress against any health and safety audit reports are provided. However, we note from our review of the updates on progress against findings from the health and safety audit reports that the

format of the updates is inconsistent across the locality regions (refer to finding 2 above). Additionally, not all 'Mini FISH' groups had a Terms of Reference in place for the group. We would consider it appropriate for Terms of References to be in place for the group, which are aligned to the remit of the 'FISH' group and the Corporate Health, and Safety Committee.

The Corporate Health and Safety Committee currently reports directly to the Executive Committee, which does not include independent members. We note that our review of other health boards confirms that the health and safety is reported through a sub-committee of the Board, usually Quality and Safety or in two instances a stand-alone Health and Safety Committee, and as such includes independent members. However, we also acknowledge that the HSE guidance does not stipulate that the health and safety should be included within a sub-committee of the Board.

Original Recommendation:

- The health board should monitor attendance at the Corporate Health and Safety Committee and ensure that where a member of the committee is unable to attend an alternative representative attends in their place. If a member continually fails to attend then an alternative representative should be identified.

- The agenda for the Corporate Health and Safety Committee should continue to include standard agenda items for updates from the North and South Localities, updates on progress against the Strategic Health and Safety Improvement Plan, updates on health and safety audits and health and safety training.

- The localities regional 'Mini FISH' meetings should have a standardised Terms of Reference that is aligned to the Terms of References for the Locality 'FISH' and the Corporate Health and Safety Committee.

- The health board should consider whether the Corporate Health and Safety Committee should remain reporting to the Executive Committee or whether it should be included as a sub-committee of the Board with independent members present in line with other Welsh health boards and in the spirit of good governance.

Original Management Response:

- The health board currently keeps a register of attendees for each health safety meeting. We have previously kept a more detailed register of attendance that documents on-going representation from all the key personnel and areas. This will be re-instated going forward from the next meeting in November 2018 and regular non attendance will be dealt with by the chair of the committee.

Health & Safety Manager – November 2018* (*dependent on recruitment to Health & Safety manager post)

- The agenda for the Corporate Health and Safety Committee will continue to include standard agenda items for: updates from the North and South Localities, Mental Health & Estates; updates on progress against the Strategic Health and Safety Improvement Plan; updates on health and safety audits and health and safety training.

Completed - will be reviewed continuously.

- The Health & Safety Team will work with the Locality and Directorate Management Teams to ensure that the 'Mini FISH' meetings have a standardised Terms of Reference that is aligned to the Terms of References for the Locality 'FISH' and the Corporate Health and Safety Committee.

Completed - will be reviewed continuously.

- Discussion with Board Secretary is require to review the current reporting arrangements. This will be addressed as part of the Health & Safety Action Plan 2018-2019:
    - Action Point 3: *"Strategic review of the health & safety governance infrastructure in order to provide strategic reports to the Board. This would include attendance at Health & Safety Group the process of risk assessment and also map where health & safety issues are reviewed."*

Health & Safety Manager – February 2019* (*dependent on recruitment to Health & Safety manager post)

Current Findings
Since then the health board has realigned the Health and Safety function to Workforce & OD and strengthened resources within the team. We recognise that the health board's progress has been reliant on the appointment of a second Senior Health and Safety Officer who was only appointed in September 2019. The Health and Safety Group now has a clear line of accountability to the Executive Team and the Experience, Quality and Safety Committee through to the Board. We were provided with evidence to demonstrate that health and safety issues have been reported regularly to the Executive Team in the last year, including the HSE Action Plan in May 2019, the interim health and safety annual report and the HSE Action Plan in November 2019 and the health and safety annual report was presented for final approval at the December 2019 meeting. A review of health and safety committees and groups has been undertaken since the original audit. It was noted at the October 2019 meeting of the Health and Safety Group that there was a lack of representation from certain areas and a different approach was needed to address the fragmented nature of reporting structures. The importance of an operational presence at this meeting was reinforced and we understand membership of this group and local management arrangements for health and safety responsibilities have been strengthened following the organisational realignment. The restructure resulted in the 'Fire, Major Incidents and Health and Safety' (FISH) and 'Mini Fish' meetings being replaced by the recent introduction of health and safety as an agenda item at local service level meetings. Whilst it is too early to assess the effectiveness of the revised reporting structures we understand this will be reviewed on an ongoing basis. This should include the review of the terms of reference of the Health and Safety Group as we were unable to confirm whether the meetings were quorate as the document does not confirm who is required to attend. In addition, there are a number of health board groups to which Health & Safety legislation is a key factor: including the Fire Safety Group, Water Safety Group, Asbestos Group, Estates Compliance Group, Medical Gasses Group, Medical Devices Group, Strategic Decontamination Group, Security Oversight Group and the Radiation Protection Committee. The Health and Safety Team is represented at these meetings and will advise and monitor legal compliance through

audits and inspections. The legionella issue raised under previous finding 2 above highlights further improvement is needed to coordinate the oversight and assurance reporting across each of these subject matter areas.

Conclusion

This finding is considered **NOT IMPLEMENTED** and remains **OPEN** as a medium priority finding.

Updated Recommendation	Priority level
• The health board should review the terms of reference of the Health and Safety Group, including confirming who should be in attendance. • Attendance of members at the group should be monitored and where a member of the Group is unable to attend, an alternative representative should attend in their place. If a member continually fails to attend then an alternative representative should be identified. • The health board should continue to review the effectiveness of the revised reporting structures to manage health and safety arrangements, including the coordination of oversight and assurance reporting across each of the subject matter areas.	**Medium**

Action Plan

Management Response	Responsible Officer/ Deadline
• Terms of Reference for the Health & Safety Group to be drafted and approved, via the Executive Team and Health & Safety Group.	Director of WOD End December 2020
• Attendance of members of Health & Safety Group to be tracked and monitored.	Director of WOD Each Health & Safety Group quarterly meeting
• The reporting structures that manage health and safety arrangements will be reviewed.	Director of WOD September 2021

Previous Finding 7: Improvement plan performance measures (Design)

Original Finding (Previous Priority Rating: Medium)

The health board has developed a Strategic Health and Safety Improvement Plan. Review of minutes to the Corporate Health and Safety Committee confirms that updates are provided to the Committee on progress against the plan.

We were provided with the most recent version of the Plan as at the date of the audit. We note that based on the original target date detailed on the plan, only five of the 24 actions are recorded as completed. Of the actions that were not completed – three of these did not include a revised target date; three detailed 'not applicable'; two detailed 'on-going'; one detailed March 2018 and nine detailed June 2018. However, we acknowledge that the progress against the Plan has been reported to the Executive Committee as part of the 'End of Year 2017/18 Delivery and Performance' report which included an update on what still has to be done to complete the actions on the Improvement Plan.

Additionally, review of the Plan and discussions with the Health and Safety Manager confirms that performance measures, where appropriate, have not been identified for some of the actions detailed within the Plan.

For example, 'No. RIAP-08' - health and wellbeing which details the action required as '*Management of workplace stress is one of HSE's key areas for 2017. The health board needs to review the efficacy of its current policy and the Stress Management Toolkit to ensure that managers and staff are aware of the issues. Re-establish stress management steering group*'. Discussions with the Health and Safety Manager confirmed that there are no figures of how many managers have used the Stress Management Toolkit or figures on how many absences are due to stress within the health board (refer to finding 4). The identification of and inclusion of performance measures for stress within the improvement plan would clearly show the effectiveness of the Stress Management Toolkit.

Original Recommendation:

- The Improvement Plan should be updated to include achievable and realistic target dates for completion of all actions.

- The health board should consider breaking down the actions identified in the Improvement Plan into the steps required to fully complete the action to more accurately measure the progress made against the identified action and provide more realistic target dates for the key steps required to complete the required action.
- The health board should consider identifying and including key performance indicators as a measure of performance within the Strategic Health and Safety Improvement Plan to demonstrate improvement.

Original Management Response:

- It is important that the health board has a system in place for measuring health & safety performance and that this is linked to the assurance and reporting framework as outlined within the Corporate H&S Policy. The recommendations are addressed within the Health & Safety Action Plan 2018-2019:
    - Action Point 11: *Develop a performance dashboard, targets and Key Performance Indicators for health & safety. Further work is also required to provide a high level report for the Executive Committee, so there is clear reporting and escalation of health and safety issues, with appropriate mitigation and management.*

Health & Safety Manager – March 2019* (*dependent on recruitment to Health & Safety manager post)

Current Findings

It was apparent during the follow up audit that the Strategic Health and Safety Improvement Plan was no longer being utilised. There was no evidence of progress against this action plan being reported to the Health and Safety Group or the Executive Team meetings. However, the interim health and safety report presented to the Executive Committee describes the progress the health board has made across the organisation in relation to the management of health and safety and highlights any issues that have been identified and the action needed to rectify.

In addition, action plans were developed in response to the several contraventions and material breaches raised by the HSE following their visit in January, which focussed on manual handling and violence and aggression. Progress made against the action plan has been monitored regularly as a standing agenda item at the Health and Safety Group. It is

encouraging to see that the HSE, during their revisit in November 2019 to review the actions the health board had taken in response to the Notification of Contravention letter, noted a significant improvement in the overall management of health and safety.

Our review identified common themes between the actions included within the Strategic Health and Safety Improvement Plan, the interim health and safety report and the HSE action plan. However, we are mindful that there are actions that still require addressing. In addition, actions are also raised in other audit / inspection reports, including internal inspections carried out by the health board and from the NWSSP Specialist Estates Services, however there is a lack of clarity on the responsible officer and target date for the completion of these and we a lack of evidence to demonstrate how implementation is managed and monitored.

Conclusion

This finding is considered **PARTIALLY IMPLEMENTED** and remains **OPEN**. The priority level has been reduced to reflect the improvements in controls in this area.

Updated Recommendation	Priority level
• Actions from the HSE action plan, the interim health and safety report and other audit / inspection reports, including internal inspections carried out by the health board and from the NWSSP Specialist Estates Services should be collated and reviewed to ensure they are all assigned a responsible officer and target date for completion. • Progress in implementing these actions should monitored regularly, coordinated and managed through the Health and Safety and Quality Governance Groups. • The health board could also consider identifying and including key performance indicators within the Strategic Health and Safety Plan to demonstrate improvement.	**Low**

Management Response	Responsible Officer/ Deadline
• To monitor progress of HSE action plan, the interim health and safety report and other audit / inspection reports, including internal inspections carried out by the health board and from the NWSSP Specialist Estates Services through the Health and Safety Group as a standing agenda item.	**Executive Lead: Director of WOD and Support Services** Health and Safety Group Quarterly meetings
• Progress reports on audits and inspections to be submitted to the Health and Safety Group and Quality and Governance Group.	Assistant Director of Facilities and Support Services Quarterly
• To monitor % accidents and incidents reported through Datix and compare with historic data and monthly trends.	Health and Safety Group Quarterly meetings

Audit Assurance Ratings

 **Substantial assurance**: **Follow up -** All recommendations implemented and operating as expected.

 **Reasonable assurance**: **Follow up** - All high level recommendations implemented and progress on the medium and low level recommendations.

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

 **No Assurance**: **Follow up -** No action taken to implement recommendations.

Prioritisation of Recommendations

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

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

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Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the Health Board. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

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Where a control objective has not been achieved, or where it is viewed that improvements to the current internal control systems can be attained, recommendations have been made that if implemented, should ensure that the control objectives are realised/ strengthened in future.

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Annual Quality Statement

Internal Audit Report

2020/21

Powys Teaching Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services

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Executive sign off:	Alison Davies, Executive Director of Nursing and Midwifery
Distribution:	Wendy Morgan, Assistant Director of Quality and Safety Helen Kendrick, Quality and Safety Manager Rosanne Lyles, PTHB Quality & Safety Commissioning Lead
Committee:	Audit, Risk and Assurance Committee Patient Experience, Quality & Safety Committee

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

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

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of 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. Introduction and Background

The review of the Annual Quality Statement (AQS) sought to provide Powys Teaching Health Board (the 'health board') with assurance that operational procedure is compliant with the requirements of the Welsh Health Circular: The Annual Quality Statement 2019/20 Guidance.

The health board is required to publish an Annual Quality Statement by 30th September 2020. The deadline is later than previous years due to the COVID-19 outbreak. The health board will report on the 2019 calendar year where data for the full financial year is not available. The AQS is a statement from the health board to encompass all key themes in line with the Health and Care Standards for Wales and the NHS Wales Outcome and Delivery Framework. It also provides the opportunity to reflect improvements being made to services in line with the expectations set out in A Healthier Wales, the Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015.

The AQS is an opportunity for the public to know in an open and honest way about what and how the health board is doing in making the best use of resources to provide and deliver safe, effective and user/patient-centred services and ensuring that care is dignified and compassionate.

2. Scope and Objectives

The overall objective was to ensure that the AQS is complete and consistent with information reported to the Board and other committees and meets the requirements of Welsh Government. A sample of 25 sections of information / statements / data was selected from the draft AQS for verification to source documentation. As we tested a limited sample of the AQS, the intention is not to provide a high level of assurance against the full content.

The scope was limited to ensuring:

- that the Annual Quality Statement is consistent with information reported to the Board and other committees over the period;
- compliance with the Welsh Health Circular: Annual Quality Statement 2019/20 Guidance; and
- the previous recommendation raised during the 2019/20 audit of the Annual Quality Statement has been implemented.

The areas that we considered during our review may have included:

- Board papers for the financial year and an up to date production of the AQS;
- Patient Experience, Quality & Safety Committee papers for the financial year;
- Information Governance Committee papers for the financial year;
- any other relevant papers;
- performance reports over the period covered by the AQS;
- other relevant performance information / data demonstrating 2019/20 achievements and challenges;
- papers relating to relevant participation in national clinical audits and clinical outcome reviews and resulting actions;
- response to staff feedback;
- evidence to demonstrate the quality of services commissioned by the health board;
- evidence to demonstrate improving patient experience;
- the health board's concerns, including incidents and claims, and actions followed;
- compliance with patient safety alerts;
- details of any 'Never Events' and actions taken;
- evidence of quality priorities identified for 2019/20; and
- feedback from other stakeholders, when agreeing the statement.

3. Associated Risks

The risks considered in the review were as follows:

- the information detailed in the AQS is incomplete and / or incorrect;
- the public is not clearly informed of any improvements and challenges experienced in the range of services being provided as well as improvement priorities for the coming year; and
- failure to follow Welsh Government guidance.

CONCLUSION AND KEY FINDINGS

4. Overall Assurance Conclusion

Based on the results of our procedures, we noted that:

- the sample of information tested is now consistent with supporting documentation and sources, in all material aspects; and
- the Welsh Health Circular: The Annual Quality Statement 2019/20 has been complied with, where applicable.

No issues remain that lead us to believe that the Annual Quality Statement has not been prepared in accordance with the Welsh Government Guidance, or that information in the Annual Quality Statement is not materially consistent with source documents.

5. Summary of Audit Findings

We have reviewed various iterations of the AQS and communicated the issues arising from our content review to management. At the beginning of the audit fieldwork, we reviewed the AQS against the requirements of the Welsh Health Circular and fed back comments and subject suggestions to the Assistant Director of Quality and Safety.

Management has been informed of the matters arising from our review, of compliance with reporting requirements and the consistency of data within the Annual Quality Statement and source documentation. We fed back all observations noted throughout the review to allow for any issues highlighted to be rectified and the AQS finalised prior to the Welsh Government submission deadline. Appendix B provides information on the matters arising from our review. These have been addressed by management.

It was evident throughout the audit assignment that a considerable amount of effort has been input into the production of the AQS by the Assistant Director, Quality & Safety. This year proved to be particularly challenging due to the coronavirus pandemic but the AQS has still been completed in line with Welsh Government guidance and deadlines. Whilst the evidence provided verified the majority of the 25 statements selected in our sample, there were six instances whereby the information provided did not fully verify the statement / data tested. This was fed back to management and the additional evidence required was not provided before the end of audit fieldwork. We also encountered one example whereby the evidence provided did not agree to the qualitative data sampled. This was due to a report being delayed due to the Covid-19 pandemic.

Executive Directors have nominated senior individuals to oversee their Directorate contribution to the development of the AQS. Whilst this has facilitated a more systematic approach to the gathering of information, during our review we continued to identify instances whereby supporting evidence was not readily available and had to be requested from the Directorate leads by the Assistant Director, Quality & Safety. There also

appeared to be, in a number of instances, a lack of understanding as to what constitutes satisfactory evidence. This resulted in unnecessary time spent by the Assistant Director, Quality & Safety to obtain sufficient evidence to verify narrative or data provided for inclusion within the AQS.

As a result of the above, we identified a higher exception rate than in the prior year, mainly relating to statements that could not be verified. We have therefore kept the previous recommendation open at a medium priority.

Finding 1 - Supporting Evidence (Operation)	Risk
It was evident throughout the audit assignment that a considerable amount of effort has been input into the production of the AQS by the Assistant Director, Quality & Safety. This year proved to be particularly challenging due to the coronavirus pandemic but the AQS has still been completed in line with Welsh Government guidance and deadlines. Whilst the evidence provided verified the majority of the 25 statements selected in our sample, there were six instances whereby the information provided did not fully verify the statement / data tested. This was fed back to management and the additional evidence required was not provided before the end of audit fieldwork. We also encountered one example whereby the evidence provided did not agree to the qualitative data sampled. This was due to a report being delayed due to the Covid-19 pandemic. Previous audits have recommended that he Patient Experience Steering Group is used as the forum to which AQS material is presented. This could benefit the whole process as the collection, verification of evidence and presentation of AQS material would be undertaken throughout the year, helping to reduce the burden towards the publication deadline. We have also recommended health board staff should ensure they provide the relevant information and evidence to support statements included within the AQS. Executive Directors have continued to nominate senior individuals to oversee their Directorate contribution to the development of the AQS. Whilst this has facilitated a more systematic approach to the gathering of information, during our review we continued to identify instances whereby supporting evidence was not readily available and had to be requested from the Directorate leads by the Assistant Director, Quality & Safety. There also appeared to be, in a number of instances, a lack of understanding as to what constitutes satisfactory evidence. This resulted in unnecessary time spent by the Assistant Director, Quality & Safety to obtain sufficient evidence to verify narrative or data provided for inclusion within the AQS.	There is a risk of inaccurate / invalidated information being disclosed in the Annual Quality Statement.

As a result of the above, we identified a higher exception rate than in the prior year mainly relating to statements that could not be verified.	
Recommendation 1	**Priority level**
The Patient Experience Steering Group (or equivalent group focusing on patient experience) should continue to be considered as the editorial forum for the AQS, with AQS being a standing agenda item. It is important that this group receives adequate support to focus on the production of the AQS. Nominated officers for each Directorate should take ownership and responsibility in ensuring staff within their Directorate are clear on the requirement to provide evidence to support statements made in the AQS and what constitutes satisfactory evidence. It should be made clear to nominated officers that information will not be included in the AQS without the necessary supporting evidence. The nominated leads should review and challenge evidence prior to submission and issues receiving sufficient back up documentation will be escalated as necessary.	**Medium**
Management Response 1	**Responsible Officer/ Deadline**
1. The AQS will a standing agenda item in the patient experience steering group from this point forward, and continue to be so in any further iteration of the group, for as long as the AQS is required of the health board. 2. The findings and recommendations of this audit will be shared with the Director of Primary Care Community & Mental Health Services, Clinical Directors, Assistant Directors and Head of Service, with a request to identify how service groups will prepare for contribution to the 2020-21 AQS, and this subsequently reported to the Quality Governance Group.	Assistant Director Quality & Safety October 2020 Director Nursing & Midwifery October 2020

Appendix B: Matters arising from our review of the health board's 2019/20 Annual Quality Statement against Welsh Health Circular requirements and source documents

Assessment of the health board's AQS (original draft) against the requirements of the Welsh Health Circular did not identify any significant findings. Two examples were highlighted to management where addition/improvement to the existing narrative could be considered:

Section	Summary of WHC Requirements	Audit Assessment
Safe Care Services	This section should specifically include examples of actions to improve safety, including nutrition and hydration, falls, pressure ulcers and progress in reducing healthcare associated infections. Progress and learning from case note mortality reviews and other sources of mortality data, serious incidents, safeguarding issues and independent reviews and descriptions of any never events and learning should be included in this section.	Mortality data was not included within the AQS.
Timely Care Services	A summary of progress and actions taken to improve timely access to and discharge from services including GP access, unscheduled care, ambulance handovers, delayed transfers of care and preventing late night/early hours discharges from hospital, working with social services where required. This could include a summary of participation in the national unscheduled care programme. Examples of actions taken to reduce risk of harm associated with delays in accessing services/care, including participation in the national planned care programme.	The AQS did not make reference to delayed transfers of care. However, we understand delayed transfers of care will be detailed within the health board's annual report and therefore has not been repeated within the AQS.

Verification of the data/information provided within the AQS did not identify any significant findings with regard to the accuracy and completeness.

However, some minor inconsistencies were identified, which are detailed below:

Page	Findings
6	Sufficient supporting evidence not available to verify the following information – source data not provided: *No annual statistics but most recent data for Jul-Sept 2019:* • *96.4% 3 x 6 in 1 by age 1yr* • *93.3% of 2 doses of MMR by age 5 years*
10	Sufficient supporting evidence not available to verify the following information – source data not provided: *The teams worked together to develop bespoke training for pre-school settings. Three training sessions were delivered across Powys by a Dietitian and were attended by 35 staff from 22 pre-school settings.*
7	Sufficient supporting evidence not available to verify the following information – source data not provided: *These show that the recorded uptake of MMR2 at 5 years increased by 3.8 percentage points from 87.1% to 90.9%, moving this "tier 1" indicator from red to amber. An even higher increase was seen amongst 16 years where recorded uptake increased from 77.4% to 87.9% (10.5 % percentage points).*
13	Sufficient supporting evidence not available to verify the following information – source data not provided: *We have trained 122 members of ward and catering staff over 18 training sessions across 9 sites in Powys, with 99% of participants reporting that their expectations of the training were met.*
19	Sufficient supporting evidence not available to verify the following information – source data not provided: *The overall number of admissions for this financial year is lower than when compared to the same quarter for the previous financial year.*
58	Sufficient supporting evidence not available to verify the following information – source data not provided: *We have increased a number of our volunteers by 19% through Red Kite, League of Friends and generic volunteers.*

Page	Findings
61	Amendment of wording: *A Nurse Staffing Annual report will be submitted to the Board in early 2020.* Amended to: *A Nurse Staffing Annual report was be submitted to the Board in September 2020.*

Prioritisation of Recommendations

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

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Advanced Practice Framework

Internal Audit Briefing Document

2020/21

Powys Teaching Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Service

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Distribution:	Katelyn Falvey, Head of Clinical Education
Committee:	Audit, Risk and Assurance Committee

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1. Introduction and Background

The *NHS Wales Framework for Advanced Nursing, Midwifery & Allied Health Professional Practice in Wales* ('the Framework') was established in 2010 in response to a growing concern regarding the number of staff working with an advanced practice title in Wales and lack of clarity regarding what an Advanced Practitioner actually is. The framework was developed by a multidisciplinary professional group led by the former National Leadership & Innovation Agency for Healthcare (NLIAH) and is now available on the Heath Education & Improvement Wales (HEIW) website.

Advanced Practice defined within the Framework as *"a role requiring a Registered Practitioner to have acquired an expert knowledge base, complex decision-making skills and clinical competences for expanded scope of practice, the characteristics of which are shaped by the context in which the individual practices. Demonstrable, relevant Masters level education"*.

The Framework is intended to guide the successful development, implementation and evaluation of advanced practice roles within NHS Wales, to ensure a consistent approach is taken and appropriate governance arrangements are in place to support advanced level practice. It provides the foundation on which all future advanced practice roles are to be developed and existing roles are to be reviewed and managed.

A core principle of the Framework is that advanced practice is a level of practice rather than a role, and is not exclusively characterised by the clinical domain, but includes those working in research, education or managerial/leadership roles. These characteristics are articulated as 'pillars' of advanced practice:

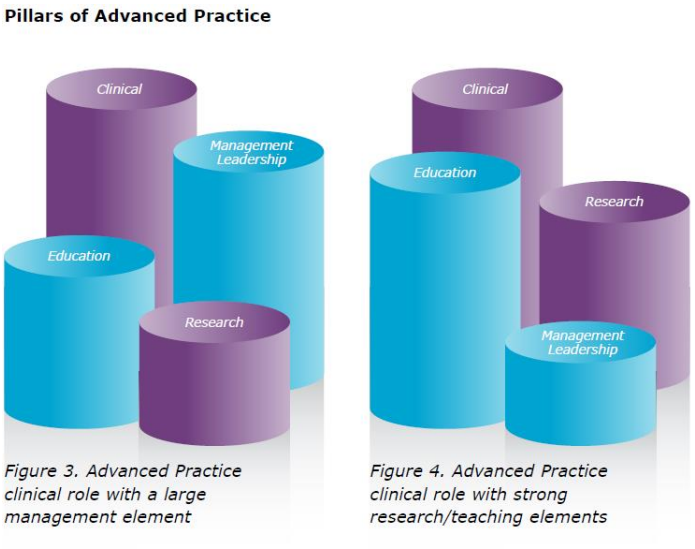

Figure 3. Advanced Practice clinical role with a large management element

Figure 4. Advanced Practice clinical role with strong research/teaching elements

Source: Framework for Advanced Nursing, Midwifery and Allied Health Professional Practice in Wales, NLIAH 2010

Advanced practice roles will contain some elements of each pillar. The composition of individuals' roles will be determined locally, but the clinical pillar will always be the most prominent.

Powys THB Current Position

At the outset of our review, we met with the following individuals to gain an understanding of the processes in place within the health board for the development and management of Advanced Practice roles:

- Director of Therapies & Health Science
- Director of Nursing & Midwifery
- Head of Clinical Education
- Head of Nursing
- Professional Head of Occupational Therapy
- Consultant Therapist for Stroke & Neuro-rehabilitation

It is apparent that there has been very little development in Advanced Practice within the health board in recent years. We were unable to identify an executive lead for Advanced Practice. The individuals we spoke with recognised the need for strategic focus on establishing robust arrangements for the development and evaluation of Advanced Practice posts.

Given the relatively low number of Advanced Practice posts within the health board, the risk to patient safety from professionals taking on roles and responsibilities that they lack the competence to carry out safely and effectively is considered low. Instead, the risk is opportunities lost from failure to realise the benefits that Advanced Practice roles can bring to the health board and the population it serves.

We agreed with the Director of WOD and Support Services and the Chief Executive Officer that a full audit of the Advanced Practice Framework would be premature and so fieldwork was not progressed further. This briefing document therefore provides a high-level overview of the current position concerning Advanced Practice within the health board and may inform plans for future development.

We are proposing to defer the full review to the 2021/22 Internal Audit Plan. Below, we outline the original scope of the review and associated risks, and report our current findings.

2. Scope and Objectives

The overall objective of the review was to provide assurance that the framework is deployed effectively within Powys Teaching Health Board ('the health board').

The specific control objectives covered by the review were:

- appropriate governance arrangements are in place for the development and implementation of Advanced Practitioner posts, ensuring that these are consistent with IMTP objectives;
- new Advanced Practitioner posts are formally approved by the health board and supported by a service needs analysis and case for establishment, including an evaluation of service impact that supports patient care and outcomes, to be delivered through the role;
- the health board has developed a set of robust metrics to capture the impact and benefits of all Advanced Practitioner posts;
- Advanced Practitioner posts are subject to annual review to ensure that the criteria for advanced practice continues to be met; and
- Advanced Practitioners develop and maintain a portfolio of evidence to demonstrate the impact of the role and produce a Personal Development Plan; and
- the Board receives assurance on the arrangements in place for governing Advanced Practitioner roles and compliance with the Advanced Practice Framework.

The impact of the Covid-19 pandemic has been taken into consideration in our assessment of the appropriateness of the arrangements in place.

3. Associated Risks

The key risks considered in the review were:

- Service users may be at risk of harm from professionals taking on roles and responsibilities which they lack the competence to carry out safely and effectively, or where inadequate safeguards are in place; and
- Maximum impact is not gained from Advanced Practitioners due to lack of clarity surrounding the purpose and objectives of the roles.

4. Findings

Advanced Practice Process

The health board's Advanced Clinical Practice Process Document sets out a five-stage process for the identification, selection and support of advanced practitioners:

1. Identification of Service Need – based on patient need, by Professional Heads, Heads of Services and Clinicians
2. Selection of Candidates – via expressions of interest
3. Ongoing Support with Evidence Gathering

4. Validation of Portfolio Evidence
5. Re-validation of Evidence and Retaining the Title of Advanced Practitioner

It is not clear if the process document has been approved and issued nor when it was last reviewed. The document is not available on the health board's intranet site.

Development of New Advanced Practice Posts

The primary driver for the development and maintenance of advanced practice roles should be the demonstration of service user needs, identified organically by professionals within the service groups who are close to need and opportunity. This should then be articulated as part of the IMTP in terms of how the need will be met, with role development included in the integrated workforce planning process.

We were advised that the most recent cohort of Advanced Practitioners commenced in 2015/16 following identification of service need and capacity, and an application and interview process to determine appropriateness and achievability across all four pillars of practice. However, there was no leadership or framework in place to ensure that portfolios were maintained.

A service needs analysis has not been undertaken in recent years to establish what roles are required and where. Many of the individuals we spoke with cited misunderstanding and lack of clarity within the health board about what 'advanced practice' is, and highlighted the need for a clear distinction between 'advanced' and 'specialist' roles.

Some individuals identified the absence of a structured career progression pathway as a disincentive for attaining Advanced Practice status. The Framework states that no posts below Band 7 should be permitted to use 'advanced practice' in their title as the post would not meet the level of knowledge, training and experience to be able to undertake the role. In Powys, achievement of Advanced Practitioner status alone does not attract an increase in band/salary.

Some individuals we spoke with commented that there will be many people within the health board who satisfy the clinical pillar of advanced practice, but do not qualify for Advanced Practice status as they do not meet the criteria for the other three pillars.

Evaluation of Existing Posts

In line with the Framework, the nature and number of advanced practice posts should be reflected in the health board's workforce plan and a record of posts for which the use of the advanced practice or Advanced Practitioner title is approved should be maintained. No such record is maintained within the health board. We were provided with a list of posts with 'advanced practice' in the title was obtained from the ESR system. This identified five individuals/posts:

1. Continence Nurse Advanced Practitioner
2. Advanced Nurse Endoscopy
3. Advanced Practitioner – Self Management Support
4. Advanced Nurse Practitioner Older Peoples Mental Health
5. Parkinsons Nurse Advanced Practitioner

However, it has not been possible to verify the completeness and accuracy of this list. We were unable to confirm whether the Advanced Nurse Endoscopy has been through the Advanced Practice Framework and therefore whether use of the 'advanced' title is appropriate in this instance. We were also advised of one additional Advanced Nurse Practitioner post that did not appear on this list.

We were able to meet with the Continence Nurse and Parkinsons Nurse Advanced Practitioners during the course of the review. Both confirmed that they continue to maintain their portfolios on an ongoing basis and these are reviewed by the line manager on an annual basis as part of the PADR process. Although we have not reviewed evidence to validate this, we were able to corroborate through discussion with the Head of Nursing.

Governance Arrangements

The 2019/22 Integrated Medium Term Plan (IMTP) makes reference to the development of Advanced Nurse Practitioner roles in the context of improving access to primary care, and the establishment of advanced/specialist roles with regards to research, development and innovation.

An Advanced Practice Group was established in 2019 to support and develop individuals considering or working towards achieving Advanced Practitioner status. However, no meetings have been held within the last 12 months, partly due to the impact of Covid-19.

The benefits of the Advanced Nurse Practitioner role were touched upon as part of the Neighbourhood Nursing Experience Story reported to the Board in January 2020. However, we have been unable to see any systematic reporting on advanced practice within the health board.

5. Points for Future Consideration

We have identified a number of points for the health board to consider as a starting point for developing the arrangements for advanced practice:

- Identify a lead officer of sufficient seniority and appropriate background to lead on the development of advanced practice within the health board;
- Review, update and approve the process document and communication of this to relevant health board staff. This should include defining and distinguishing advanced practice from specialists. The health board may benefit from liaising with colleagues across NHS Wales to ensure a consistent approach;
- In line with the framework, identify and maintain a log of advanced practitioners within the health board;
- Undertake a service needs assessment to identify services where additional advanced practitioners would be beneficial to the health board and population it serves. This could be incorporated into the organisational realignment. The health board should be cognisant of the potential impact of additional advanced practice roles on resources and capacity;
- Where a need or opportunity for additional roles is identified, these should be appropriately approved and reflected in the health boards workforce plan;
- As part of the annual PADR process for existing advanced practitioners, assess whether the post continues to be recognised as matching the advanced practice criteria, as set out within the framework;
- Undertake local impact assessments to assess the impact and benefit of advanced practitioner roles to the health board. This should include consideration of whether the posts continue to meet the advanced practice criteria set out within the framework. The local impact assessment reports should be collectively presented as an annual report to the Board or appropriate sub-committee.

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Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the health board. Following interviews with relevant personnel and a review of key documents, files and computer data, an evaluation was made against applicable policies procedures and regulatory requirements and guidance as appropriate.

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. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Where a control objective has not been achieved, or where it is viewed that improvements to the current internal control systems can be attained, recommendations have been made that if implemented, should ensure that the control objectives are realised/ strengthened in future.

A basic aim is to provide proactive advice, identifying good practice and any systems weaknesses for management consideration.

Responsibilities

Responsibilities of management and internal auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we may carry out additional work directed towards identification of fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, cannot ensure fraud will be detected. The organisation's Local Counter Fraud Officer should provide support for these processes.

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Audit Wales

Audit Committee Update – **Powys Teaching Health Board**

Date issued: October 2020

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This document has been prepared for the internal use of Powys Teaching Health Board as part of work performed/to be performed in accordance with statutory functions.

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Contents

Audit Committee Update

About this document

1 This document provides the Audit Committee with an update on current and planned Audit Wales work. Accounts and performance audit work are considered, and information is also provided on the Auditor General's wider programme of national value-for-money examinations and the work of our Good Practice Exchange (GPX).

Accounts audit update

2 **Exhibit 1** summarises the status of our key accounts audit work to be reported during 2020-21.

Exhibit 1 – Accounts audit work

Area of work	Current status
Audit of the 2019-20 Accountability Report and Financial Statements	Completed. Certified by the Auditor General and laid by the Senedd in early July 2020.
Audit of the 2019-20 Funds Held on Trust Accounts	The audit will be undertaken in the autumn and is scheduled to be completed (and the accounts certified) ahead of the Charity Commission's deadline of 31 January 2021.
Audit of the 2020-21 Accountability Report and Financial Statements	Audit planning is scheduled to start in December.

Performance audit update

3 The following tables set out the performance audit work included in our current and previous Audit Plans, summarising:

- completed work since the last Audit Committee update (**Exhibit 2**);
- work that is currently underway (**Exhibit 3**); and
- planned work not yet started or revised (**Exhibit 4**).

Exhibit 2 – Work completed

Area of work	Considered by Audit Committee
Structured Assessment 2020	November 2020
Effectiveness of Counter-Fraud Arrangements	September 2020
Structured Assessment 2019	January 2020
Implementing the Wellbeing of Future Generations Act	January 2020

Exhibit 3 – Work currently underway

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
Orthopaedic services – follow up Executive Lead – Medical Director	This review will examine the progress made in response to our 2015 recommendations. The findings from this work will inform the recovery planning discussions that are starting to take place locally and help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges.	Report being drafted TBC
Review of the Welsh Health Specialised Services Committee (WHSSC)	WHSSC is responsible for the joint planning of Specialised and Tertiary Services on behalf of Local Health Boards in Wales. This work will use aspects of our structured assessment	Fieldwork underway TBC

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
Executive Lead – Chief Executive Officer	methodology to examine the governance arrangements of WHSSC. Our findings will be summarised into a single national report.	
Test, Track and Protect Executive Lead – Director of Public Health	In response to the Covid-19 pandemic, this work will take the form of an overview of the whole system governance arrangements for Test, Track and Protect, and of the Local Covid-19 Prevention and Response Plans for each part of Wales.	Report being drafted TBC

Exhibit 4 – Planned work not yet started or revised

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
Quality Governance Executive Lead – Director of Nursing	This work will allow us to undertake a more detailed examination of factors underpinning quality governance such as strategy, structures and processes, information flows, and reporting. This work follows our joint review of Cwm Taf Morgannwg UHB and as a result of findings of previous structured assessment work across Wales which has pointed to various challenges with quality governance arrangements.	Fieldwork on hold TBC

Topic and relevant Executive Lead	Focus of the work	Current status and Audit Committee consideration
Review of Unscheduled Care Executive Lead – Medical Director	This work will examine different aspects of the unscheduled care system and will include analysis of national data sets to present a high-level picture of how the unscheduled care system is currently working. Once completed, we will use this data analysis to determine which aspects of the unscheduled care system to review in more detail.	Data analysis currently being completed Further work postponed to 2021 and replaced with work on Test, Track and Protect TBC
Local work 2020 (TBC)	The precise focus of this work is yet to be determined.	TBC

Good Practice events and products

4 In addition to the audit work set out above, we continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research.

5 **Exhibit 5** outlines the Good Practice Exchange (GPX) events which have been held in the last 12 months. Materials are available via the links below. Details of future events are available on the GPX website.

Exhibit 5 – Good practice events and products

Event	Details
Working together to identify and reduce vulnerability (February 2020)	This seminar focussed on how to achieve effective governance and accountability in partnership working to deliver efficient public services.

Event	Details
	There are no materials available following the seminar.
Unearth the value in your data (January 2020)	This webinar was for organisations that want to transform the way they collect, analyse and use data, at all levels. There are no materials available following the webinar.
How technology is enabling collaborative working across public services (October 2019)	This seminar showcased a range of digital tools and how they can improve collaboration between public services. Materials from the seminar are available here.
Making an equal Wales a reality (September 2019)	This seminar was the starting point of knowledge sharing and knowledge gathering around this topic over the next two years for Audit Wales. Materials from the seminar are available here.
Future proofing public services (September 2019)	This webinar looked at how public services can recalibrate and think outside of their sector boundaries to achieve collective long-term change. Materials from the webinar are available here.

6 In response to the Covid-19 pandemic, we have established a **Covid-19 Learning Project** to support public sector efforts by sharing learning through the pandemic. This is not an audit project; it is intended to help prompt some thinking, and hopefully support the exchange of practice. We have produced a number of outputs as part of the project which are relevant to the NHS, the details of which are available here.

NHS-related national studies and related products

7 The Audit Committee may also be interested in the Auditor General's wider programme of national value for money studies, some of which focus on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts Committee to support its scrutiny of public expenditure.

8 **Exhibit 6** provides information on the NHS-related or relevant national studies published in the last 12 months. It also includes all-Wales summaries of work undertaken locally in the NHS.

Exhibit 6 – NHS-related or relevant studies and all-Wales summary reports

Title	Publication Date
The National Fraud Initiative in Wales 2018-20	October 2020
Welsh Community Care Information System	October 2020
The Refurbishment of Ysbyty Glan Clwyd	September 2020
Cracking the Code: Management of Clinical Coding Across Wales	September 2020
10 Opportunities for Resetting and Restarting the NHS Planned Care System	September 2020
Better law making: the implementation challenge	September 2020
'Raising Our Game' - Tackling Fraud in Wales	July 2020
Rough Sleeping in Wales – Everyone's Problem; No One's Responsibility	July 2020

Title	Publication Date
NHS Wales Finances Data Tool - up to March 2020	July 2020
Findings from the Auditor General's Sustainable Development Principle Examinations	May 2020
Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act	November 2019
Primary care services in Wales	October 2019
Review of Public Services Boards	October 2019
Fuel Poverty	October 2019
Public Spending Trends in Wales 1999-00 to 2017-18	September 2019
Preparations in Wales for a 'no-deal' Brexit - follow-up letter	September 2019
The well-being of young people	September 2019
The 'front door' to adult social care	September 2019

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

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Structured Assessment 2020 – **Powys Teaching Health Board**

Audit year: 2020

Date issued: October 2020

Document reference: 2042A2020-21

This document has been prepared for the internal use of Powys Teaching Health Board as part of work performed/to be performed in accordance with statutory functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

Summary report

About this report

1 This report sets out the findings from the Auditor General's 2020 structured assessment work at Powys Teaching Health Board (the Health Board). The work has been undertaken to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2014, to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

2 This year's Structured Assessment work took place at a time when NHS bodies were responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic. On 13 March 2020, the Minister for Health and Social Services issued a framework of actions to help prepare the system for the expected surge in COVID-19 cases. The framework included the cessation of non-urgent planned activity and the relaxation of targets and monitoring arrangements across the health and care system. Emergency funding arrangements were also introduced to facilitate the wide range of actions needed to respond urgently to the COVID-19 pandemic.

3 Shorter planning cycles were agreed for 2020-21 and supported by quarterly guidance setting out key considerations for the planning of the next phase of the pandemic, for maintaining delivery of essential services, and a movement towards the gradual reinstatement of routine services.

4 Our work[1] was designed in the context of the ongoing response to the pandemic to ensure a suitably pragmatic approach to help the Auditor General discharge his statutory responsibilities whilst minimising the impact on NHS bodies as they continue to respond to the next phase of the COVID-19 pandemic. Our work was carried out between June and August. The key focus of the work was on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. Auditors also paid attention to progress made to address previous recommendations[2] where these related to important aspects of organisational governance and financial management especially in the current circumstances.

5 The report groups our findings under three themes:

- governance arrangements;
- managing financial resources; and
- operational planning: to support the continued response to the pandemic balanced against the provision of other essential services.

[1] The conduct of our work was co-ordinated with Internal Audit's rapid governance review, which included further testing of key controls.

[2] Previous recommendations can be found in our 2019 report.

Key messages

6 Overall, we found that the Health Board has maintained good governance arrangements during the pandemic. The Board adapted its governance arrangements to maintain openness and transparency, support agile decision-making and ensure effective scrutiny and leadership during the pandemic. The Board is committed to using learning to help shape future arrangements.

7 The Health Board's risk management system ensured it was well placed to respond to COVID-19-related risks. The Health Board is strengthening its quality assurance arrangements, including updating key policies and adapting its commissioning assurance arrangements.

8 The Health Board continued to meet its financial duties in 2019-20. It also delivered £3.7 million of savings in 2020-21 but COVID-19 is affecting its ability to achieve the £5.6 million savings target it set for 2020-21. It continues to forecast breakeven for 2020-21 on the assumption that additional COVID-19 expenditure is funded in full. The Health Board's assessment of the net financial impact of COVID-19 for the year is estimated at £20.1 million. Financial control procedures were adapted to manage during COVID-19 in line with Welsh Government guidance.

9 Operational plans were informed by data modelling and provide a good platform for delivering on the Health Board's strategic priorities. Plans demonstrate a commitment to staff wellbeing. There is good oversight and scrutiny of overall performance and operational plan delivery but information on commissioned services is currently limited due to COVID-19.

10 We have not made any new recommendations based on our 2020 work but have noted improvement opportunities throughout this report. We will review progress against these and outstanding 2019 recommendations as part of our 2021 work.

Detailed report

Governance arrangements

11 Our structured assessment work considered the Health Board's ability to maintain sound governance arrangements while having to respond rapidly to the unprecedented challenges presented by the pandemic.

12 An advisory review report by Internal Audit, **Governance Arrangements During COVID-19 Pandemic**, found the Health Board's temporary governance arrangements operated effectively during the period covered by their review (March to July 2020). We worked alongside Internal Audit and have drawn on the findings of their report to support our conclusions.

13 We found that **the Health Board maintained overall good governance during the COVID-19 pandemic**.

Conducting business effectively

The Board adapted its governance arrangements to maintain openness and transparency, support agile decision-making and ensure effective scrutiny and leadership during the pandemic

The Board is conducting business openly and transparently

14 Given restrictions on public gatherings and social distancing regulations due to the COVID-19 pandemic, the Board agreed that board and committee meetings would be held virtually from March. Members of the public were excluded from meetings, although an option to contact the Board Secretary to request to observe a virtual meeting was made available from July.

15 The Board made a commitment to produce a summary of meeting proceedings and to publish them on the Health Board's website within a week. This deadline was not always achieved, so it was extended to 10 days and the deadline is now met. The July Board meeting took place using Microsoft Teams; it was recorded and made available shortly afterwards. Future board meetings will take place in public facilitated by live streaming on Microsoft Teams and then uploaded onto the internet.

16 The Health Board has refreshed its public-facing website. Board and committee papers and minutes are published on the website along with a summary of the meeting. Written answers to questions submitted by Independent Members before the meeting are referred to in the meeting and published alongside the minutes.

17 The Health Board's legacy website had a form to enable members of the public to raise questions of the Board in advance of board meetings. This form is no longer available on the new website. Given little use was made of the facility, the Health Board is considering how to improve its engagement with the public in its Board meetings in future.

18 Board members are getting used to the virtual meeting environment and adapting to the new ways of working. Although there have been a few issues with the technology, these have not hampered the conduct of meetings, which have always run effectively and to time.

Emergency planning structures were established to respond to the pandemic with regular communication with the Board and Community Health Council

19 The Health Board implemented its COVID-19 Pandemic Governance Framework on 17 March 2020 based on the Powys Pandemic Framework and Civil Contingency Plan. Led by the Chief Executive, the COVID-19 Strategic Gold Group (referred to as the Gold Group in this report) provided strong leadership for the response to COVID-19 and continuation of care for the population of Powys. No changes were made to the Board's Scheme of Reservation and Delegation of Powers.

20 All Executive Directors were members of the Gold Group along with a military liaison officer and the Director of Adults' and Children's Services at Powys County Council. The Gold Group met daily until May and continues to meet regularly. The Executive Committee was stood down other than meeting for matters reserved to it but resumed regular meetings in July. There were no Chair's actions during this period, although a suitable process is in place should it be required in future.

21 A clear and appropriate programme and supporting infrastructure was established with the Director of Planning and Performance leading the central control and co-ordination function. Workstreams covered the clinical response model, core support services model and workforce model. A clinical leadership group, chaired by the Director of Public Health, was established to provide clinical direction, leadership and guidance. Members of the Gold Group provided daily briefings for senior managers with mechanisms for any matters arising to be escalated back to the Gold Group.

22 Independent Members were engaged throughout the early stages of phase one of the response to the pandemic with daily emails from the Chief Executive, briefings from the Chair and Board briefing sessions every two weeks. Informal communication between Executives and Independent Members was also facilitated as required.

23 The Health Board worked closely with the voluntary sector, Powys County Council and other stakeholders. Engagement included regular conversations between the Health Board's Chair and Chief Executive with representatives from the Powys Community Health Council (CHC) building on existing strong relationships. The CHC representatives were very positive about the engagement they had with the Health Board, in particular planning and primary care, and did not raise any concerns about services during this period. The Local Partnership Forum met more frequently with fortnightly meetings to ensure good engagement with staff and Trades Unions. However, the formal mechanism for consulting with the

Stakeholder Reference Group and Healthcare Professionals Group was not utilised as neither group is fully established. Establishing both groups forms part of the Board's Annual Governance Programme, which has been delayed due to COVID-19.

24 The Gold Group continues to meet weekly supported by three strategic oversight groups (operations, care homes, and Test Trace Protect) and the clinical leadership group. The strategic oversight groups will deliver actions set out in the quarterly plans, as well as identify, manage and escalate progress, issues or risks to the Gold Group as appropriate.

The Board has maintained oversight of its governance arrangements with a commitment to learning and improvement

25 The Gold Group produced its first public report to Board in May providing an overview of the response to the pandemic, including a summary of decisions, reflections and learning. A detailed report on governance arrangements during the pandemic was also reported to the Board in May. Only temporary amendments were made to Standing Orders as required by the Welsh Government[3] in July, covering the date of the Annual General Meeting and possible extension of tenure for Independent Members.

26 Temporary changes were made to some of the Board committee arrangements at the start of the pandemic. The April meetings of the Performance and Resources Committee and the Strategy and Planning Committee were cancelled. The Audit, Risk and Assurance Committee continued to meet as scheduled and approved the interim financial control procedure, which sets out the revised financial arrangements, at its meeting in May (see **paragraph 54**). The Experience, Quality and Safety Committee continued to meet as scheduled in April and three times in June and July to ensure coverage of activity relating to COVID-19, and other essential matters, including concerns around services provided by Shrewsbury and Telford NHS Trust. All committees resumed their meetings as scheduled in June.

27 All actions on the Experience, Quality and Safety Committee action log were reviewed in light of the pandemic and assigned one of three priority levels with priority one being progressed during the pandemic, priority two as soon as possible and priority three once business as usual could be resumed. Initial prioritisations were discussed in the April Committee meeting ahead of further discussion and ratification from other Executives. This resulted in five lower-priority actions being deferred to later in the year.

28 The Board remains committed to learning. In May, the Health Board prepared a paper, **Review of Phase 1 Response: Decisions, Reflections and Learning**. It

[3] Welsh Health Circular 2020/011, **Temporary Amendments to Model Standing Orders, Reservation and Delegation of Powers – Local Health Boards, NHS Trusts, Welsh Health Specialised Services Committee, Emergency Ambulances Services Committee and Health Education and Improvement Wales**, July 2020.

sets out the initial reflection and learning from the pandemic across the organisation, including the views of staff and trades unions on flexible working, the acceleration of digital solutions, clinical leadership, partnership working and communications.

29 The Health Board is undertaking a more comprehensive review of learning to understand what has been learned through re-engineering planning and delivery to respond to the pandemic. The Health Board recognised that there has been extraordinary innovation during the pandemic, across all organisations, sectors and communities in Powys. A four-tier approach is being used as set out in the quarter two operational plan. Stage one was a survey sent to all staff at the end of June requesting information on new tools, systems and innovations they have used to adapt to the rapid changes in response to the COVID-19 pandemic. The other stages sought to understand the changes undertaken in more depth through focus groups and engagement with stakeholders. Finally, the outcomes from the data gathering and thematic reviews will be disseminated across the Health Board to enhance planning and performance for the future.

A strong and resilient Executive Team supported by the Board led the organisation during the COVID-19 response

30 The Executive Team was strong, cohesive and resilient throughout the period of the pandemic. There were no vacancies or interim appointments with substantive appointments to the Executive Team filled in early 2020, including the Director of Nursing and Midwifery and Director of Therapies and Health Science. The Medical Director retired after the first phase of the pandemic with appropriate interim arrangements secured until a permanent successor can be recruited.

31 The Board is under pressure because it holds two Independent Member vacancies, while the Chair and five experienced Independent Members are due to step down during the next two years. The Public Appointments process was suspended during the pandemic but is scheduled to resume in October. To support the Board during this period of transition, one Independent Member's tenure was extended for a year. All committee meetings have been quorate, although with fewer Independent Members the risk of non-quoracy increases. It will be important to plan and prepare for the induction of new members and their impact on the culture of the Board.

32 The Board development plan to support an effective Board was updated and reviewed by the Board in July. The plan is aimed at equipping members to collectively discharge their responsibilities across the breadth of the Board's business.

Systems of assurance

Systems of assurance essential during the COVID-19 response have been maintained

The Health Board's risk management system ensured it was well placed to respond to COVID-19-related risks

33 As set out in our Structured Assessment report in 2019, the Health Board has a maturing system of risk management with a revised risk management framework implemented in September 2019.

34 As part of the response to the pandemic, the Gold Group developed and regularly monitored a dedicated COVID-19 risk register. Risks contained within the COVID-19 risk register relate solely to the Health Board's arrangements for responding to COVID-19. Risks relevant to the achievement of the Board's strategic objectives are recorded through the Corporate Risk Register and risks related to service delivery are recorded through Directorate Risk Registers.

35 The highest scoring risks on the COVID-19 risk register were first presented to the Board in May as part of the Health Board's review of the phase one response. High-scoring risks at that time included system issues, such as the supply and fitting of personal protective equipment (PPE), testing and steps to mitigate the risk of transmission in closed settings. The COVID-19 risk register was first received in full by the Board in September. All risks scored lower in September than in March.

36 The Executive Committee reported to Board in May that they had reviewed the Corporate Risk Register, assessing whether any scores to existing risks needed to change due to the pandemic. The Board did not review or revise its risk appetite. A new risk was added in March 2020: CRR014 'potential adverse impact on business continuity and service delivery arising from a pandemic outbreak of an infectious disease (COVID-19)'. Two risks where the scores increased included risks to the sustainability of commissioned services and the impact on service models due to significant service reconfiguration in South Powys with the early opening of the Grange University Hospital at Cwmbran.

The Health Board continues to improve quality governance arrangements, although there is more to do

37 The Gold Group dashboard provided the Health Board with good data on where patients attended for care. The Health Board put in place mechanisms to reduce the risk of harm to patients not accessing the care they needed. Practitioners were available to speak to anyone with concerns about access to care. Digital consultations were rolled out and mental health services continued as far as practical. Waiting lists were triaged. The impact on people not presenting for care

during the pandemic is part of a national concern, although referrals were returning to pre-COVID-19 levels during the summer.

38 Data to inform the Health Board's commissioning assurance framework has been unavailable since March due to COVID-19. To mitigate this, the Health Board increased the frequency of meetings with its providers and is also part of the emergency response arrangements with providers in England.

39 The Health Board is strengthening its quality arrangements. A clinical quality framework 2020-2023 was agreed by the Board in January 2020 bringing together all the actions that support effective quality governance. An implementation plan was developed to deliver the framework and was shared with the Board in June 2020. Any areas of improvement will be addressed through the clinical quality framework implementation plan or the annual governance programme.

40 Three meetings of the Experience, Quality and Safety Committee were held in June and July to catch up on business and provide assurance on key issues. Agenda items expected to be covered under the Welsh Government's 'Guidance Note: Discharging Board Committee Responsibilities during COVID-19' were progressed. We have observed good use of in-committee sessions to cover sensitive quality issues.

41 During the first quarter of 2020-21, the Health Board received 36 formal concerns, which is a reduction on the same period in 2019-20. The reduction is attributed to the COVID-19 pandemic and the temporary closure of a number of services. The concerns raised primarily related to access to services and appointments. The Health Board also received six formal concerns about commissioned services in quarter one. Work is ongoing to improve effective management of concerns as the Health Board has found it difficult to meet the target of responding to 75% of formal concerns within 30 working days.

42 A revised Putting Things Right policy was approved by the Board in July 2019. A separate policy for addressing serious incidents was approved in June 2020 following a comprehensive retrospective review of serious incidents. The procedures for delivering the policies are underway as set out in the quality assurance framework implementation plan. Further work is underway to develop a robust approach to learning lessons. Progress has been slow in addressing weaknesses for both clinical audit and mortality reviews, although these areas are currently the focus of attention.

43 The Health Board has a process for responding to national Patient Safety Alerts and Notices. A review of the system for implementation is underway and will be revised as necessary.

44 While visiting was suspended during the pandemic, consideration was given to support a positive patient experience with provision made to connect patients and families virtually. The Health Board also accommodated visitors where this was essential, such as the birth of a child or for close family to visit family members who were receiving care at the end of life. The Health Board is undertaking a

programme of work to refresh its patient experience framework as part of the improving clinical quality assurance framework.

All audit recommendations were reviewed and prioritised with updates on progress reported to the Audit, Risk and Assurance Committee

45 The process for tracking the implementation of internal and external audit recommendations was strengthened significantly last year. While routine tracking was deferred during the initial COVID-19 response, Executive Directors subsequently reviewed and prioritised all recommendations.

46 The three recommendations from the 2019 Structured Assessment report have been partly actioned but full implementation has been delayed until quarter four due to COVID-19. In 2019, we reported that the Performance and Resources Committee was unable to provide detailed scrutiny of the most up-to-date financial position prior to board meetings and recommended the schedule of meetings was reviewed to ensure the timing of meetings supports effective detailed scrutiny. While the Health Board's aspiration is for the Committee to receive the finance reports prior to board meetings, meeting cycles do not yet support this aspiration.

47 As well as responding positively to the formal recommendations, the Health Board also set out its approach to addressing areas identified for improvement from the 2019 Structured Assessment report. The programme was largely suspended during COVID-19, although some work continues in key areas.

Managing financial resources

48 Our work considered the Health Board's financial performance, changes to financial controls during the pandemic and arrangements for monitoring and reporting financial performance.

49 We found that **the Health Board adapted its financial control procedures to manage during COVID-19 but there is an increasing risk to financial balance at the end of 2020-21**.

Achieving key financial objectives

The Health Board has consistently met its financial duties but the impact of COVID-19 on current savings plan delivery risks financial deficit at the end of 2020-21

50 The Health Board met its statutory financial duties for 2019-20 achieving breakeven and retaining a small surplus (£55,000). It also delivered £3.47 million (98%) of its planned savings, including income generation. The shortfall in savings was covered by operational underspends. The Health Board also met financial

duties to break even over a rolling three-year period from 2017-18 to 2019-20 and to have an approved integrated medium-term plan (IMTP) for the period 2019-20 to 2021-22.

51 The Health Board adopted a different approach to the allocation and management of savings for 2020-21 looking across whole pathways to secure real value change and improvements. It identified a savings target of £5.6 million in order to achieve financial balance. However, COVID-19 is affecting the Health Board's ability to achieve these savings. Temporary arrangements in relation to long-term agreements (LTAs) required the Health Board to agree block contracts arrangements with its English providers to ensure financial stability during the pandemic. These arrangements limit the Health Board's ability to move resources away from planned healthcare activity to offset COVID-19 expenditure. The Health Board is quantifying the potential impact of the temporary LTA arrangements to support discussions on future costs and funding requirements with the Welsh Government and NHS England given the likely non-delivery of elective or other planned care.

52 In the meantime, the Health Board continues to review its savings schemes at the end of each month. At month 5, it estimated a shortfall in savings of around £3.9 million because of the ongoing response to COVID-19 and has revised its savings target down to £1.8 million. The Health Board indicates that this figure could reduce further depending on the outcome of subsequent reviews. By the end of August, it had delivered £55,000 of savings with more than £1.2 million to be achieved in quarter four. It is unclear at this time how the Health Board will achieve them.

53 The Health Board continues to forecast breakeven for 2020-21. The assumption is that the Welsh Government will fund COVID-19 expenditure in full, including related pressures from non-delivery of savings. The Health Board's assessment of the net financial impact of COVID-19 for the year is estimated at £20.1 million with £4.7 million additional operational expenditure incurred up to the end of August. A small proportion (6%) of this additional expenditure was met from planned cost reductions and slippage on planned investments due to COVID-19. At the end of August, the Health Board was in deficit by £0.27 million against the IMTP with overspends attributed to costs of primary care drugs and Continuing Health Care costs, not COVID-19. The corporate risk register identifies the risk of not meeting its financial duty to achieve breakeven as moderate.

Financial controls

Changes to financial controls were made in line with Welsh Government guidance and monitored as required

54 The Health Board produced a detailed Interim Financial Control Procedure (FCP) based on Welsh Government financial governance principles and guidance issued in March 2020. The Interim FCP covers a broad range of financial controls, such as procurement requirements and delegated limits, as well as monitoring and reporting on the financial position, including savings delivery.

55 The Interim FCP Version 1 was approved by the Health Board's Gold Group on 13 April 2020 and approved by the Audit, Risk and Assurance Committee in May. The Interim FCP remains in place with changes made in response to Welsh Government guidance or requirements with version five approved by the Audit, Risk and Assurance Committee in September.

56 The Board's Standing Orders and Standing Financial Instructions (SFI) remain valid with minimal changes. The Interim FCP overrides some elements of the standard and normal control procedures to address the pace of change required for COVID-19. For example, the requirement to obtain three quotes for goods or services over £5,000 but under £25,000 was stood down. A list of orders processed outside the normal £25,000 procurement process was shared with the Audit, Risk and Assurance Committee on 25 July 2020. These cover items such as expenditure on infrastructure for additional oxygen capacity at the two main hospitals.

57 In addition, the Interim FCP also established procedures required to capture and manage expenditure due to COVID-19. A single cost centre was established at the start of the pandemic to capture the revenue costs for COVID-19. Internal Audit's rapid governance review found that these cost centres aligned with the Oracle approval limits set out in the Interim FCP.

58 The Health Board updated its Budgetary Control Procedure in line with Internal Audit recommendations. One of the key changes included clarifying timescales on the publication of the annual letter of accountability to principle budget holders given problems with timely sign off by executive officers in recent years. The 2020-21 accountability letters were ready in March 2020, but COVID-19 disrupted this process. At the time of our audit work, the accountability letters had yet to be signed by budget holders.

59 Financial reporting is aligned to the Welsh Government monitoring requirements. There have been improvements made to the presentation of information and more detailed commentary included in the regular financial reports that go to Board and Performance and Resources Committee. The Committee also reviewed and discussed in detail the capital and estates expenditure.

Operational planning

60 Our work considered the Health Board's progress in developing and delivering quarterly operational plans to support the ongoing response to COVID-19 and to provide other essential services and functions in line with Welsh Government planning guidance. At the time of our work, the focus was on essential services with the aim of restoring normal and routine activities when it is safe and practicable to do so.

61 We found that **operational plans are informed by data modelling and demonstrate a clear commitment to staff wellbeing and, although progress and performance is monitored and reported, information on commissioned services is currently limited**.

Developing the plan

Quarterly plans are informed by capacity and demand modelling and provide a good platform for delivering strategic priorities

62 The IMTP process for 2020-2023 was suspended to allow organisations to focus on COVID-19 planning and to direct resources to operational challenges. NHS bodies have, however, been required to develop iterative operational plans for each quarter. To assist in preparing for a significant surge in COVID-19 cases, the Health Board produced a plan for phase one of the pandemic based on the framework of actions for the health and social care system issued by the Minister for Health and Social Services on 13 March. This was followed by a phase two plan covering the whole of quarter one.

63 Quarterly plans reflected the requirements set out in the Welsh Government's Operating Framework. The quarter one plan was high level given the challenge of developing the plan at the same time as its service providers were developing their plans. The quarter two plan, which addressed Welsh Government feedback, is comprehensive and reflects providers' intentions.

64 The quarter one draft plan was approved by the Gold Group and submitted to the Welsh Government in line with the deadline of 18 May and approved by the Board at its meeting on 27 May. The quarter two draft plan was discussed at the Strategy and Planning Committee on 8 July, submitted to the Welsh Government by the agreed extended deadline of 9 July and approved by the Board on 29 July 2020.

65 To support emergency planning arrangements during the pandemic, the Health Board worked with its partners on the Dyfed Powys Local Resilience Forum and the Health Board was a member of the Silver command and control arrangements of its English providers.

66 The quarterly plans are underpinned by capacity and demand modelling. The modelling process was strengthened with the arrival of a specialist consultant for public health medicine. Capacity and demand modelling for Powys patients with or

without COVID-19 followed Welsh Government guidance and used the Warwick model and local short-term modelling assumptions.

67 Additional surge capacity as a provider and commissioner of services was identified in both the quarter one and two plans. In the first stage of the pandemic, some additional capacity was sourced from the private care sector but was not used. No field hospitals were built, although plans were drawn up for a field hospital at the Royal Welsh Showground, which can be actioned within six weeks if required. Plans based on the modelling assumptions provide for an increase in bed capacity if COVID-19 activity grows. The Health Board is working with Swansea Bay University Health Board as part of a regional approach to field hospital and independent sector commissioning. The development and implementation of the Test Trace Protect system are also underway.

68 The quarterly plans state that future planning will consider local learning, including the intelligence currently gathered as part of the 'Learning for the Future' exercise. The Health Board is also committed to ongoing communication and engagement with Powys CHC, feedback from patients and service users to feed into the clinical response model and service planning.

69 Planning for quarters three and four is underway with the ongoing response to COVID-19 still a priority alongside winter pressures, including flu. In addition, these plans will need to consider the early opening of the Grange University Hospital in Cwmbran from November 2020, which will affect roughly 46 clinical pathways across South Powys. The impact on the public will be considered within communications and engagement activities as part of the South Wales Programme in conjunction with Aneurin Bevan University Health Board.

70 The Welsh Government confirmed that the IMTP for the three years from 2020-21 could be approved before the process was suspended due to COVID-19. The milestones within the annual plan for 2020-21 were reviewed and revised in May. Alongside the quarter two plan, the Health Board revised its strategic priorities, which were approved by the Board in July. Twelve key areas were selected on the basis that if focused work is not undertaken to move them forward, or is deferred, the risks are significant in both the short to medium term. These areas include the North Powys Programme and implementing improved care pathways and outcomes for respiratory care. The Health Board is keeping its plans under review as the situation with COVID-19 changes.

Resources to deliver the plan

Staffing challenges are being addressed and there is a strong commitment to staff wellbeing

71 In January 2020, the Health Board approved Workforce Futures – A strategic framework for Powys Health and Care workforce. This provided a good framework at the start of the pandemic. The Gold Group is responsible for co-ordinating

strategic decision-making and the effective use of resources with one of the three workstreams focussed on the workforce model.

72 The Health Board experienced some workforce challenges in response to the pandemic, although these were less serious than anticipated due to low levels of COVID-19 experienced across the County. There was an increase in sickness absence rates, albeit at lower rates than expected. In addition, 445 staff were isolating or shielding between March and June. Recruitment to nursing and midwifery continues to be challenging with the Health Board carrying 46.66 whole-time equivalent nursing vacancies.

73 In response to workforce challenges the Health Board:

- undertook extensive workforce modelling to support the remodelling of services in line with the clinical response and changes to bed capacity;
- established a central redeployment register to maximise flexibility;
- recruited an additional 100 whole-time equivalent staff, including students;
- fast tracked bank recruitment, engaging 55 healthcare support workers and 10 registered nurses;
- provided tailored training for redeployed and newly recruited staff; and
- strengthened the use of volunteers including implementation of a memorandum of understanding between the Health Board and Powys Association of Voluntary Organisations and development of specific role profiles for volunteers.

74 Staff wellbeing is a high priority for the Health Board with focussed attention on protecting staff safety and in ensuring their wellbeing including:

- undertaking a staff wellbeing survey with results published in an accessible format on YouTube and actions to improve wellbeing taken forward;
- encouraging staff to take annual leave throughout the year;
- encouraging staff to engage with the Health Board's Stay Well Facebook group;
- enabling staff to receive automated wellbeing messages through the Florence self-management tool;
- providing access for staff to the online cognitive behavioural therapy programme SilverCloud; and
- workplace assessments reviewed by occupational health services with specific support for Black, Asian and Minority Ethnic (BAME) staff in line with the national staff risk assessment approach.

75 There are three workforce risks on the COVID-19 risk register. These risks covered COVID-19 transmission in the workplace, insufficient workforce capacity and expertise needed to implement the clinical response model. All the risk scores reduced by June due to mitigating actions.

76 The Health Board worked with Powys County Council to develop a fully costed model and governance plan for Test Trace Protect. Digital and new ways of

working have been embraced by the Health Board. Meanwhile, the Health Board has a good supply of PPE with an ongoing programme to ensure staff are fitted for FFP3 masks where required by a registered Fit2fit trainer.

Monitoring delivery of the plan

There is good oversight and scrutiny of overall performance and operational plan delivery, although information on commissioned services is currently limited due to COVID-19

77 The national performance monitoring arrangements were largely suspended by the Welsh Government at the start of the pandemic. The Performance and Resources Committee received a performance overview report in July setting out arrangements for performance monitoring of services provided by the Health Board and those commissioned from other organisations where information was available.

78 Arrangements for monitoring performance during the early stages of the pandemic was primarily through the Gold Group dashboard, which set out set out a range of metrics, a RAG rating and position updates. This dashboard ensures progress and areas of concern were easily identified and escalated for action. The Health Board's phase one implementation plan set out the workstreams and actions it aimed to deliver. Each section of the quarter two plan provides a summary of quarter one achievements and quarter two priorities against which to monitor delivery against the four harms.

79 In July, the Board received a high-level report for information setting out performance during quarter one covering Test Trace Protect and the four quadrants of harm set out in the Welsh Government's operating framework. The Performance and Resources Committee received more detailed reports on performance, workforce, digital and innovative environments. The Experience, Quality and Safety Committee discussed infection prevention and control, concerns and serious incidents and support for care homes. Both committees enabled adequate scrutiny and assurance to the Board.

80 The lack of performance information for commissioned services is particularly challenging during COVID-19 as providers are largely focused on responding to the pandemic. For example, 70% of outpatient activity occurs out of county and providers stopped providing data on waiting times. The impact was also felt on the referral to treatment times across different clinical pathways. Improving commissioning assurance arrangements has been a key strength of the Health Board in recent years. The pandemic provides challenges to the existing arrangements, although the relationships developed have helped to maintain communication and provide assurance.

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Bwrdd Iechyd Addysgu Powys
Powys Teaching Health Board

AGENDA ITEM: 3.8b

AUDIT, RISK & ASSURANCE COMMITTEE	**DATE OF MEETING: 03 November 2020**
Subject :	**AUDIT WALES (EXTERNAL AUDIT) STRUCTURED ASSESSMENT 2020**
Approved and Presented by:	Board Secretary
Prepared by:	Board Secretary
Considered by Executive Committee on:	None at the time of reporting
Other Committees and meetings considered at:	Executive Committee, October 2020

PURPOSE:
The purpose of this paper is to present to the Audit, Risk & Assurance Committee the health board's response to the Audit Wales' Structured Assessment 2020.
RECOMMENDATION(S):
It is recommended that the Audit, Risk & Assurance Committee considers the health board's Response to the Audit Wales' Structured Assessment 2020.

Approval/Ratification/Decision	**Discussion**	**Information**
	✓	

THE PAPER IS ALIGNED TO THE DELIVERY OF THE FOLLOWING STRATEGIC OBJECTIVE(S) AND HEALTH AND CARE STANDARD(S):		
Strategic Objectives:	1. Provide Early Help and Support	
	2. Tackle the Big Four	
	3. Enable Joined up Care	
	4. Develop Workforce Futures	
	5. Promote Innovative Environments	
	6. Put Digital First	
	7. Transforming in Partnership	✓
Health and Care Standards:	1. Staying Healthy	
	2. Safe Care	
	3. Effective Care	
	4. Dignified Care	
	5. Timely Care	
	6. Individual Care	
	7. Staff and Resources	
	8. Governance, Leadership & Accountability	✓

EXECUTIVE SUMMARY:

Structured Assessment 2020

Audit Wales' Structured Assessment work has been undertaken to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2014, to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

The 2020 Structured Assessment work took place at a time when the organisation was responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic. The work was therefore designed in the context of the ongoing response to the pandemic to ensure a suitably pragmatic approach to help the Auditor General discharge his statutory responsibilities whilst minimising the impact on NHS bodies as they continue to respond to the next phase of the COVID-19 pandemic.

The findings of the Structured Assessment are grouped under three themes: governance arrangements; managing financial resources; and operational planning to support the continued response to the pandemic balanced against the provision of other essential services.

The work was carried out between June and August 2020. It should be noted that the 2019 Structured Assessment reported in January 2020 and the health board's response to COVID-19 commenced early March 2020.

The overall conclusion from 2020 structured assessment work is ***"…that the Health Board has maintained good governance arrangements during the pandemic. The Board adapted its governance arrangements to maintain openness and transparency, support agile decision making and ensure effective scrutiny and leadership during the pandemic. The Board is committed to using learning to help shape future arrangements".***

The Wales Audit Office's Structured Assessment Report, attached at **Appendix A,** outlines findings and, whilst it does not make any new recommendations, improvement opportunities are identified. Audit Wales intends to review progress against these and any outstanding recommendations from 2019 work as part of the 2021 Structured Assessment. Management has considered the improvement opportunities identified in the 2020 work and accepts these as required improvements with actions that are either underway or planned for implementation in the coming months. **Appendix B** provides a summary of these for ease of reference.

Structured Assessment 2019

In January 2020 the Board received the 2019 Structured Assessment Report. This concluded that *"the Health Board's arrangements provide strong foundations for delivering its vision. The Board has a clear understanding of which arrangements require further development and has focused action to deliver improvements".*

There were 3 recommendations for improvement made. In addition to the recommendations made, a number of opportunities for improvement were identified.

At 25th October 2020, all 3 actions are yet to be fully implemented and outstanding actions therefore relate to:

- Alignment of performance and financial performance reporting to meet board and committee business cycles;
- A review of the board's committee structure, implemented in 2019; and
- An evaluation of the All Wales Attendance at Work Policy.

Appendix C provides a summary of progress against the recommendations and the identified opportunities for improvement.

Structured Assessment 2018

In January 2019 the Board received the 2018 Structured Assessment Report. This concluded that *"the Health Board had broadly sound arrangements in place for governance, strategic planning and use of resources, noting that*

work to strengthen some arrangements was ongoing. The Health Board was working hard to tackle workforce challenges and maintaining financial performance. However, it was facing challenges in relation to the condition of the estate and managing medical equipment". The Wales Audit Office made 12 recommendations for improvement. At 25th October 2020, 8 of those recommendations have been implemented with 4 in progress. Outstanding actions relate to:

- Establishment of the Board's Healthcare Professionals' Forum;
- Improvement in the quality of cover reports and the rollout of training;
- Updated Standing Financial Instructions; and
- Approval of a Digital First Strategic Framework.

An update against each of the 12 recommendations is attached at **Appendix D**.

Ongoing oversight of the delivery of these recommendations will be provided by the Audit, Risk and Assurance Committee via the Audit Recommendations Tracking System. Management oversight of progress will be monitored by the Executive Committee

APPENDICES:	
APPENDIX A	Structured_Assessment_2020_Eng.pdf
APPENDIX B	**Attached paper**
APPENDIX C	**Attached paper**
APPENDIX C	**Attached paper**

POWYS TEACHING HEALTH BOARD
WAO STRUCTURED ASSESSMENT 2020

Areas identified for Improvement (Not Included in Formal Recommendations)			
Ref.	**Structured Assessment Narrative**	**PTHB Response**	**Lead**
Conducting Business Effectively			
17.	The Health Board's legacy website had a form to enable members of the public to raise questions of the Board in advance of board meetings. This form is no longer available on the new website. Given little use was made of the facility, the Health Board is considering how to improve its engagement with the public in its Board meetings in future.	• To be considered in-line with the roll out of live streaming of board and committee meetings.	Board Secretary
23.	The formal mechanism for consulting with the Stakeholder Reference Group and Healthcare Professionals Group was not utilised as neither group is fully established. Establishing both groups forms part of the Board's Annual Governance Programme, which has been delayed due to COVID19.	• Linked to 2018 & 2019 Structured Assessment actions. To be taken forward in-line with the Board's Annual Governance Programme. This has been delayed in light of the COVID-19 pandemic.	Board Secretary
30.	The Medical Director retired after the first phase of the pandemic with appropriate interim arrangements secured until a permanent successor can be recruited.	• Recruitment process underway.	Director of Workforce & OD
31.	The Board is under pressure because it holds two Independent Member vacancies, while the Chair and five experienced Independent Members are due to step down during the next two years. The Public Appointments process was suspended during the pandemic but is scheduled to resume in October. To support the Board during this period of transition, one Independent Member's tenure was extended for a year. All committee meetings have been quorate, although with fewer Independent Members the risk of non-quoracy increases. It will be important to plan and prepare for the induction of new members and their impact on the culture of the Board.	• 2 x Independent Member Vacancies out to advert, via public Appointments. Interviews scheduled for January 2020. • Induction Programme to be developed, linked with National Programme (via Public Bodies Unit)	Board Secretary
Systems of Assurance			
41.	During the first quarter of 2020-21, the Health Board received 36 formal concerns, which is a reduction on the same period in 2019-20. The reduction is attributed to the COVID-19 pandemic and the temporary closure of a number of services. The concerns raised primarily related to access to services and appointments. The Health Board also received six formal concerns about commissioned services in quarter one. Work is ongoing to improve effective management of concerns as the Health Board has found it	• Linked to 2019 Structured Assessment actions and update. Improvements to be taken forward in-line with the Clinical Quality Framework Implementation Plan, approved by Experience, Quality & Safety Committee.	Director of Nursing & Midwifery

Areas identified for Improvement (Not Included in Formal Recommendations)			
Ref.	**Structured Assessment Narrative**	**PTHB Response**	**Lead**
	difficult to meet the target of responding to 75% of formal concerns within 30 working days.		
42.	Progress has been slow in addressing weaknesses for both clinical audit and mortality reviews, although these areas are currently the focus of attention.	• Linked to 2019 Structured Assessment actions and update. Improvements to be taken forward in-line with the Clinical Quality Framework Implementation Plan, approved by Experience, Quality & Safety Committee.	Medical Director
43.	The Health Board has a process for responding to national Patient Safety Alerts and Notices. A review of the system for implementation is underway and will be revised as necessary.	• Improvements to be taken forward in-line with the Clinical Quality Framework Implementation Plan, approved by Experience, Quality & Safety Committee.	Director of Nursing & Midwifery
44.	The Health Board is undertaking a programme of work to refresh its patient experience framework as part of the improving clinical quality assurance framework.	• Linked to 2019 Structured Assessment actions. Improvements to be taken forward in-line with the Clinical Quality Framework Implementation Plan, approved by Experience, Quality & Safety Committee.	Director of Therapies & Health Sciences
46.	In 2019, we reported that the Performance and Resources Committee was unable to provide detailed scrutiny of the most up-to-date financial position prior to board meetings and recommended the schedule of meetings was reviewed to ensure the timing of meetings supports effective detailed scrutiny. While the Health Board's aspiration is for the Committee to receive the finance reports prior to board meetings, meeting cycles do not yet support this aspiration.	• Linked to 2019 Structured Assessment Actions and Update. Business Cycle to be reviewed, recognising the impact of COVID-19 during 2020.	Board Secretary
Managing Financial Resources			
52.	At month 5, it estimated a shortfall in savings of around £3.9 million because of the ongoing response to COVID-19 and has revised its savings target down to £1.8 million. The Health Board indicates that this figure could reduce further depending on the outcome of subsequent reviews. By the end of August, it had delivered £55,000 of savings with more than £1.2 million to be achieved in quarter four. It is unclear at this time how the Health Board will achieve them.	• Efficiency Framework to be implemented • Routine reported to Performance & Resources Committee and Board	Director of Finance & IT

Areas identified for Improvement (Not Included in Formal Recommendations)			
Ref.	**Structured Assessment Narrative**	**PTHB Response**	**Lead**
58.	The Health Board updated its Budgetary Control Procedure in line with Internal Audit recommendations. One of the key changes included clarifying timescales on the publication of the annual letter of accountability to principle budget holders given problems with timely sign off by executive officers in recent years. The 2020- 21 accountability letters were ready in March 2020, but COVID-19 disrupted this process. At the time of our audit work, the accountability letters had yet to be signed by budget holders.	• Linked to 2019 Structured Assessment actions and update. • To be progressed in Q3/4, 2020/21, recognising the impact of COVID-19.	Director of Finance & IT

APPENDIX C

Management response

Report title: Structured assessment 2019 – Powys Teaching Health Board

Completion date: January 2020

Document reference: 1615A2019-20

Complete | **Not Yet Complete**

Ref	Recommendation	Management response	Completion date	Update – October 2020
R1	There are some issues with the functioning of the Performance and Resources Committee. The Committee does not always receive reports on finance and performance for scrutiny before the Board. Finance papers have also been issued after the main set of papers reducing the time available for preparation. Although the Committee's work plan indicates that it will receive reports on savings delivery at each meeting, this is not always the case. The Health Board should: a) review the schedule of meetings to ensure the timing of meetings supports effective detailed scrutiny of finance and performance by Committee; b) ensure that finance papers are produced and	1a: • The schedule of meetings for 2020/21 will be reviewed to ensure timely reporting of finance information. • The frequency of performance reporting will be reviewed to ensure that the Board and Performance & Resources Committee are able to consider performance data in a timely manner.	April 2020	1a: Not yet complete. At its meeting in May 2020, the Board agreed to streamline its governance arrangements whilst the organisation planned and responded to COVID-19. This resulted in meetings of the Performance and Resources Committee being held quarterly instead of bi-monthly. Alignment of performance and financial performance reporting was therefore disrupted further, with planned meetings not held in-line with an annual cycle of business. This will be monitored as the board moves into its 2020/21 business cycle to ensure that as far as possible there is alignment.

	distributed in a timely manner; and c) provide reports on the delivery of savings to each meeting to support scrutiny of how the non-delivery of certain schemes will be mitigated to ensure that the 2019-20 break even position is delivered.	1b & 1c: • Financial reporting will be reviewed to ensure that reports fulfil the purpose of the Board and Performance & Resources given the difference in role; and that the Performance & Resources Committee receives sufficient detail on the delivery of savings plans at each meeting. • The 2020/21 Committee workplan (Performance & Resources Committee) will confirm the meeting dates by which financial reporting will be received to ensure papers are distributed in a timely manner.		1b&1c: Complete As reported in the 2020 Structured Assessment, there has been improvements made to the presentation of information and more detailed commentary included in the regular financial reports that go to Board and Performance and Resources Committee. Financial reports are issued in a timely way ahead of Board and Committee meetings.
R2	Board committees were restructured and streamlined in 2019. The Health Board should evaluate the whole of the new committee structure to ensure that decision making, assurance and scrutiny are appropriate and that mental health, information governance and workforce have sufficient coverage in the new committees.	The Board will undertake a self-assessment of its effectiveness at a development session in February 2020. In addition, the Board's Committees will undertake a self-assessment of effectiveness, respectively, during Q4 of 2019/20.	April 2020	Not yet complete. The Board's annual review of its effectiveness, including the effectiveness of its committees, was due to be held in April 2020. Due to the impact of COVID-19, this review was postponed and will be held later in 2020/21.

		This work will inform the annual review of Terms of Reference and Operating Arrangements for the Board's Committees.		
R3	The All Wales Attendance at Work Policy was recently implemented with the delivery plan developed in partnership with Trade Unions. The Health Board should evaluate and report on how the change in approach is working in practice for staff and managers.	A review will be undertaken in partnership with Trade Unions to assess the impact of the All Wales Policy in its implementation.	September 2020	Not yet complete. The health board has continued to work in partnership with trade union colleagues, however in light of COVID-19, the evaluation has been delayed.

POWYS TEACHING HEALTH BOARD, WAO STRUCTURED ASSESSMENT 2019 Opportunities identified for Improvement (Not Included in Formal Recommendations) Complete | Not Yet Complete			
Ref.	**Structured Assessment Narrative**	**PTHB Response, January 2020**	**Update – October 2020**
Conducting Business Effectively			
24	The **quality of papers and cover papers** remains variable but and the Health Board is undertaking work to improve focus on key aspects as well as providing training to authors to improve report writing.	• Improvement actions included in the Annual Governance Programme 2019/20.	Not yet complete. To be taken forward in-line with the Board's Annual Governance Programme. This has been delayed in light of the COVID-19 pandemic.
25	…the **Executive Committee** has not yet produced an annual report or work plan in line with its terms of reference.	• Workplan to be developed for 2020/21, alongside all Board Committee workplans • Executive Committee Terms of Reference to be reviewed re requirement for an annual report given the volume of business discussed two-weekly.	Complete (closed). Given the volume of business undertaken by the Executive Committee fortnightly, an Annual Report would repeat the lengthy information reported to the Board at each meeting. The Terms of Reference for the Committee have been updated to reflect this.
26	The Health Board is planning to implement an electronic system to support **declaration recording** and promote the policy across the organisation.	• Improvement actions included in the Annual Governance Programme 2019/20.	Complete. Updated Policy presented to Board for approval 31 July 2019. Implementation ongoing.
27	The **Stakeholder Reference Group** terms of reference and membership will be reviewed to ensure the group meets the needs of the organisation alongside other methods of stakeholder engagement. Last year we recommended that a **Healthcare Professionals' Forum** should be in place to provide a balanced, multidisciplinary view of healthcare professional issues and to advise the Board on local strategy and delivery. The Health Board recognises the	• Improvement actions included in the Annual Governance Programme 2019/20.	Not yet complete. To be taken forward in-line with the Board's Annual Governance Programme. This has been delayed in light of the COVID-19 pandemic

POWYS TEACHING HEALTH BOARD, WAO STRUCTURED ASSESSMENT 2019
Opportunities identified for Improvement
(Not Included in Formal Recommendations)

Complete	Not Yet Complete

Ref.	Structured Assessment Narrative	PTHB Response, January 2020	Update – October 2020
	importance of establishing one and plans to take this forward before March 2020.		
Managing Risks to achieving strategic priorities			
29	Together the **BAF and corporate risk register** provide good coverage of controls and assurances. However, they are complex documents which may benefit from a more methodical organisation of the controls and sources of assurances.	• Review of BAF and approach to be undertaken in readiness for 2020/21 objectives (April 2020).	Not yet complete. This work has been delayed in light of the organisation's response to COVID-19.
31	In response to the Internal Audit report, a **risk management toolkit** will be issued to support staff to articulate, record and manage risks.	• Improvement actions included in the Annual Governance Programme 2019/20.	Not yet complete. This work has been delayed in light of the organisation's response to COVID-19.
Embedding a Sound System of Assurance			
32	The format of the **integrated performance report** template changed for 2019-20 after being in place since November 2016… The intention to include comparisons with performance at other health boards is welcomed although has not yet been actioned.	• Development of Integrated Performance Report continues in-line with the Improving Performance Framework	Not yet complete. This work has been delayed in light of the organisation's response to COVID-19.
34	The **quality performance report** for provided and commissioned services is presented to each meeting of the Experience, Quality and Safety Committee. The report to the Committee in December 2019 contained a lot of information but would benefit from more systematic presentation.	• Review to be undertaken in-line with the actions set out within the Clinical Quality Framework	Not yet complete. In July 2020, the Experience, Quality & Safety Committee approved the Clinical Quality Framework Implementation Plan which sets out a phased response to implementation, recognising the impact of COVID-19.

POWYS TEACHING HEALTH BOARD, WAO STRUCTURED ASSESSMENT 2019
Opportunities identified for Improvement
(Not Included in Formal Recommendations)

Complete	Not Yet Complete

Ref.	Structured Assessment Narrative	PTHB Response, January 2020	Update – October 2020
36	The Health Board continues to struggle to make best use of **clinical audit** to provide assurance on the quality and safety of clinical services. The clinical audit improvement plan for 2018-20 was issued in June 2018 following limited assurance by Internal Audit but it has not yet been implemented. The Experience, Quality and Safety Committee received a clinical audit progress report in December 2019 setting out progress against the audit plan. The Executive Committee is undertaking work to strengthen clinical audit.	• Revised integrated clinical audit, service evaluation and quality improvement strategy to be developed by March 2020	Not yet fully complete. The Experience, Quality & Safety Committee has received an annual clinical audit plan for 2020/21, however there is further work to do in embedding a systematic approach to clinical audit. This will be taken forward in-line with the Clinical Quality Framework Implementation Plan.
37	The 2018-19 annual report for Putting Things Right, Claims and Compensation highlighted that the management and handling of **concerns and serious incidents** required further improvement. Actions were identified to address these areas. Performance in responding to concerns within 30 working days at the end of March 2019 showed average compliance was 59% against the target of 75%. Performance had increased to 62.7% at the end of June. Resources to support the complaints process have increased following difficulties meeting the 30-day response times. The Putting Things Right policy was updated in July 2019 and further work is underway to strengthen the **serious incident process**.	• Development of Clinical Quality Framework to be presented to Board for approval in January 2020 • Refreshed Serious Incidents Policy to be presented to the Board for approval in January 2020	Not yet complete. Improvements in the management of Serious Incidents and Complaints has been made, however there is further work to do in improving performance. Improvements will be taken forward in-line with the Clinical Quality Framework Implementation Plan.
39	**Information governance** arrangements continue to be challenging. There is no agreed information governance framework although the Health Board emphasised that all-Wales information governance policies are in place.	• Information Governance Improvement Plan to be developed for approval by Executive Committee in February 2020.	Not yet complete. An Information Governance Framework for NHS Wales is being led nationally. The health board is fully engaged with this work and the

POWYS TEACHING HEALTH BOARD, WAO STRUCTURED ASSESSMENT 2019
Opportunities identified for Improvement
(Not Included in Formal Recommendations)

Complete	Not Yet Complete

Ref.	Structured Assessment Narrative	PTHB Response, January 2020	Update – October 2020
			Framework will be adopted once ready.
40 & 41	Internal Audit have produced a number of reports relating to information governance. • The report on **records management** provided no assurance highlighting major problems with the management of records. • A report to evaluate and determine the adequacy of systems and controls in place for dealing with requests for information under the **Freedom of Information Act** provided limited assurance.	• Information Governance Improvement Plan to be developed for approval by Executive Committee in February 2020. • Records Management Improvement Plan to be delivered in-line with key milestones.	Not yet complete. Improvements in respect of Records Management continues in-line with the agreed Improvement Plan. However there have been some delays due to the impact of COVID-19. Systems and processes for Freedom of Information Act requests has improved significantly with improved performance of turnaround times for responses. Regular reporting on performance has been established with the Performance & Resources Committee.
45	The Health Board has made slow progress with our (**WAO**) **recommendations**. Thirty-five recommendations from six reports were added to the tracker. In November 2019, 7 recommendations were reported as complete, but 15 recommendations are outstanding beyond the agreed date. New completion dates have been agreed.	• Recommendations to be delivered in-line with revised timescales.	Not yet complete. Tracking of audit recommendations continues with routine reporting to the Executive Committee and Audit, Risk & Assurance Committee.
Strategic Planning			
54	The **stakeholder engagement strategy** has been in place since 2015 and there are plans to refresh it.	• Scheduled for review in Q4 2019/20, ahead of Board approval.	Not yet complete.

POWYS TEACHING HEALTH BOARD, WAO STRUCTURED ASSESSMENT 2019
Opportunities identified for Improvement
(Not Included in Formal Recommendations)

Complete	Not Yet Complete

Ref.	Structured Assessment Narrative	PTHB Response, January 2020	Update – October 2020
			This work has been delayed in light of the organisation's response to COVID-19.
59	The **Digital First Strategic Framework** was presented and discussed at the Board Development Day in September 2019. The framework will be approved by the Board in January 2020.	• Approval of Strategic Framework in-line with Annual Plan 2019/20.	Not yet complete. Development of the Digital First Strategic Framework has been delayed in light of the COVID-19 pandemic. However, the health board has established a high-level strategic plan for digital first to support the response to COVID-19.
61	The Health Board is developing its long-term estates strategic plan to address the condition of the estate, to ensure the best use of the current buildings and to deliver modern fit for purpose facilities. The **Innovative Environments Strategic Framework** is at the first phase of development.	• Approval of Strategic Framework in-line with Annual Plan 2019/20.	Complete. In September 2020, the Board approved an Interim Innovative Environments Strategic Framework which set out the key priorities relating to the capital element of Innovative Environments.
Managing Financial Resources			
67	While the Board discussed the **financial resource plan and delegated budgets** for 2019-20 in May 2019, there was no discussion by the Performance & Resources Committee highlighting difficulties with scheduling of business between this Committee and the Board.	• 2020/21 Financial Plan discussed with the Performance & Resources Committee in November 2019 and further scheduled for January 2020	Not yet complete. As per Formal Recommendation 1, above.
68	In our 2018 structured assessment report we noted that not all **budget letters** had been signed by November 2018 for the year 2018-19 and recommended that the Health Board	• Scheduled to take place for 2020/21 delegated budgets.	Not yet complete. A revised Budgetary Control Procedure has been approved by the

POWYS TEACHING HEALTH BOARD, WAO STRUCTURED ASSESSMENT 2019
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Complete	Not Yet Complete

Ref.	Structured Assessment Narrative	PTHB Response, January 2020	Update – October 2020
	should ensure budget letters were signed by the start of the financial year. We are disappointed to see that this was not achieved for the second year. However, we note that the Interim Director of Finance has stated that the earlier submission of the next IMTP in January 2020 should facilitate a smoother process for sign off before the start of 2020-21.	• Budgetary Control Procedure reviewed and approved by Executive Committee on 08 January 2019.	Audit, Risk & Assurance Committee which outlines the process for budget accountability letters. Due to the impact of COVID-19 and the organisation's response, the signing of letters for 2020/21 has been delayed.

APPENDIX D

Management response

Report title: Structured assessment 2018 – Powys Teaching Health Board

Completion date:

Document reference:

Complete | **Not Yet Complete**

Ref	Recommendation	Management response	Completion date	Update – October 2020
R1	The Health Board does not have a register of gifts, hospitality and sponsorship. The Health Board should establish a register and a) provide training to staff on completion of the register of gifts, hospitality and sponsorship including the requirement for a nil response if nothing received; and b) clarify how often this document should be received by the Audit and Assurance Committee.	Agree. An approach to register of gifts, hospitality and sponsorship will be developed to include reporting arrangements to the Audit and Assurance Committee	September 2019 Board Secretary	Complete. Updated Policy presented to Board for approval 31 July 2019. Implementation ongoing.
R2	Standing Orders state the requirement for a Healthcare Professionals' Forum but the Health Board does not have one. The Health Board should establish a Healthcare Professionals' Forum to advise the Board on local strategy and delivery.	Agree. Current professional's engagement mechanisms will be reviewed and a Healthcare Professionals Forum be introduced.	October 2019 Board Secretary with Clinical Executives	Not yet complete. To be taken forward in-line with the Board's Annual Governance Programme. This has been delayed in light of the COVID-19 pandemic.
R3	While the Health Board has provided regular reports on outstanding recommendations, it has not presented the audit recommendations tracker for some time. The Health Board should implement a simple audit recommendations tracker covering internal and external audit.	Agree. The work underway on introducing a more effective tracker system will be complete, and the agreement reached on type and frequency of reporting to the Audit Committee	August 2019 Board Secretary	Complete. Fully comprehensive tracker now in place and reported to Audit, Risk & Assurance Committee at each meeting. Internal Audit review of the process undertaken and reasonable assurance provided.

R4	The Health Board's internet pages do not provide access to current policies such as the counter fraud policy. The Health Board should update its internet site to provide easy access to current policies and strategies.	Agree. The internet and intranet are subject to upgrade and as part of this visibility of policies will be addressed.	October 2019	Complete. As noted in the 2020 Structured Assessment, the health board has refreshed its public-facing website.
R5	The timing of the Finance, Planning and Performance Committee business cycle does not allow detailed scrutiny of the most recent financial report in advance of the Board meeting. The Health Board should review its arrangements to allow detailed scrutiny of the monthly financial reports.	Agree. Arrangements will be reviewed to consider how to improve the timing of information for the Committee ahead of Board.	June 2019 Board Secretary with Finance Director	Complete. 2019/20 schedule of dates issued.
R6	Report cover papers vary in the way in which they are completed which may limit the ability of Board members to focus on the most important areas. The Health Board should improve report cover papers to ensure that they highlight important aspects of reports rather than just describe the content or purpose of the report.	Agree. Report cover papers for Board and Board Committees will be reviewed and work undertaken to improve focus on key aspects.	June 2019 Board Secretary	Not yet complete. Report templates and masterclasses for senior managers will be delivered in-line with the Board's Annual Governance Programme. This has been delayed in light of the COVID-19 pandemic.
R7	The Health Board should review and update the Standing Financial Instructions given that the last update was in 2016.	Agree. The Standing Financial Instructions will be reviewed and approved during 2019/20	November 2019 Board Secretary with Finance Director	Not yet complete. Work is underway nationally (led by NWSSP) to review the model standing financial instructions for NHS Wales. It is anticipated that this work will be complete by March 2020. Revised model to be implemented when available as per National Timetable.
R8	Not all Executive Directors have signed their budget letters. The Health Board needs to ensure that all budget letters have been provided and signed by the Executive Team before the start of the financial year.	Agree. The earlier work of the IMTP (submission end of January 2019) will enable a smoother process for budget sign-off for the start of the new financial year.	April 2019 Chief Executive with Finance Director	Complete. The 2019/20 Resource Plan (as per approved IMTP) was approved by Delivery and Performance and Board. The related Budget Letters have been sent To Executive Directors. It was not possible to achieve this by 31st March 2019 given the date that the IMTP was

				approved by WG / Minister. Future years approval will be as close to previous year end as possible.
R9	The Health Board has not made good use of the National Fraud Initiative (NFI) data matches issued in 2017. The Health Board should put in place an action plan to ensure that the matches it receives in future NFI exercises are reviewed, prioritised and where necessary investigated in a timely manner. The Health Board should: a) commence review of the data-matches as soon as possible following the release of the next NFI matches in January 2019; and b) in addition to reviewing all the high priority matches recommended for review, carry out a review of a sample of the remaining data matches.	Agree. Review of January 2019 data matches to be completed by March 2019 (both high priority and sample of remaining).	March 2019 Finance Director	Complete. As matches were not published until March 2019 the Health Board was unable to complete the work until later in the year. All matches have now been reviewed and appropriate action will be taken dependant on the outcome.
R10	All Wales information governance policies have been developed but the Health Board had not adopted them, nor completed a review of its own internal policies. The Health Board should review its own information governance policies and adopt the all Wales information governance policies.	Agree. a) The All Wales policies will be adopted; followed by b) a review of the required health board information governance policies.	a) February 2019 b) June 2019 Board Secretary	a) Complete – all Policies adopted. b) Complete – policies reviewed and All Wales Information Governance Policy adopted.
R11	Powys County Council approved the Powys Joint ICT Strategy 2018-2020 but the Health Board has not yet approved it. The Health Board should work with Powys County Council to update and agree a joint strategic plan for ICT.	Agree. A review of the Digital First approach to Health and Social Care is currently being completed to gain a high-level understanding of current Digital	June 2019 Finance Director	Not yet complete. Development of the Digital First Strategic Framework has been delayed in light of the COVID-19 pandemic. However, the health board has established a high-level strategic

		First activities within the Health and Social Care Strategy in Powys. Once this work is completed it will be incorporated into the ICT joint Strategic Plan to ensure alignment and a clear plan.		plan for digital first to support the response to COVID-19.
R12	Stratia Consulting undertook the NHS Wales External Security Assessment but the Information Management, Technology and Governance Committee has not seen the report. The Health Board should: a) ensure that the Information Management, Technology and Governance Committee has reviewed the policy; and b) establish that the Health Board has the appropriate level of assurance on its cyber security arrangements .	Agree. a) The Assessment will be scheduled for consideration by the Information Management, Technology and Governance Committee. b) Consideration will be given to the assurance mechanisms in place for cyber security and strengthened where required.	April 2019 Finance Director	Complete. Internal Audit reported on Cyber-Security: Follow-up of Stratia Report in March 2019. The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with cyber security was reasonable assurance.

AUDIT, RISK & ASSURANCE COMMITTEE
PROGRAMME OF BUSINESS 2020-21

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.

MATTER TO BE CONSIDERED BY COMMITTEE	EXEC LEAD	SCHEDULED COMMITTEE DATES 2020-2021						
		18 May	25 June	20 July	08 Sept	03 Nov	26 Jan	09 March
Governance & Assurance:								
Annual Accountability Report 2019-20	BS	✓	✓					
Annual Accounts 2019-20, including Letter of Representation	DF&IT	✓	✓					
Annual Governance Programme Reporting	BS						✓	
Application of Single Tender Waiver	DF&IT	✓	✓	✓	✓	✓	✓	✓
Audit Recommendation Tracking	BS	✓	✓		✓	✓	✓	✓
Charitable Funds Annual Report and Accounts 2019-20	DF&IT				~~✓~~	✓		
Losses and Special Payments Annual Report 2019-20	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				✓			
Review of Standing Orders	BS					~~✓~~	✓	
Internal & Capital Audit:								
Head of Internal Audit Opinion 2019-20	HoIA	✓						
Internal Audit Progress Report 2020-21	HoIA		✓	✓	✓	✓	✓	✓
Internal Audit Review Reports	HoIA	**In line with Internal Audit Plan 2020-21**						
Internal Audit Plan 2020-21	HoIA		✓					
External Audit:								
External Audit Annual Report	EAO						✓	
External Audit of Financial Statements 2019-20	EAO		✓					
External Audit Plan 2021	EAO							✓

MATTER TO BE CONSIDERED BY COMMITTEE	EXEC LEAD	SCHEDULED COMMITTEE DATES 2020-2021						
		18 May	25 June	20 July	08 Sept	03 Nov	26 Jan	09 March
External Audit Progress Report 2020-21	EAO	✓	✓	✓	✓	✓	✓	✓
External Audit Review Reports	EAO	**In line with External Audit Plan 2019/20**						
External Audit Structured Assessment	EAO					✓	✓	
Anti-Fraud Culture:								
Bribery Policy	HoLCF		✓					
Counter Fraud Annual Report 2019-20	HoLCF			✓				
Counter Fraud Update	HoLCF			✓	✓		✓	
Counter Fraud Workplan 2020-21	HoLCF							✓
Post Payment Verification Annual Report 2019-20	PPVO				✓			
Post Payment Verification Workplan 2020-21	PPVO				✓			
Committee Requirements as set out in Standing Orders								
Annual Review of Committee Terms of Reference 2019-20	BS				✓			
Development of Committee Annual Programme of Business	BS			✓				
Review of Committee Programme of Business	BS				✓	✓	✓	✓
Audit, Risk and Assurance Committee Members to meet Independently with:								
External Audit Team						✓		
Internal Audit Team					✓			✓
Local Counter Fraud 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