Pwyllgor Archwilio a Sicrwydd Iechyd a Gofal Digidol Cymru - CYHOEDDUS

Tue 05 October 2021, 09:00 - 12:00

Agenda

09:00 - 09:05
5 min

1. MATERION RHAGARWEINIOL

1.1 Croeso a Chyflwyniadau

I'w Nodi   *Cadeirydd*

1.2 Ymddiheuriadau absenoldeb

I'w Nodi   *Cadeirydd*

1.3 Datganiadau o Fuddiannau

I'w Nodi   *Cadeirydd*

09:05 - 09:10
5 min

2. BUSNES Y CYFARFOD

2.1 Cofnodion cyfarfod 6 Gorffennaf 2021 sydd eto i'w cadarnhau - Cyhoeddus

I'w Gymeradwyo   *Cadeirydd*

📄 2.1i 060721 AA-MDA-PUBLIC DRAFT-en-cy-C.pdf (12 pages)

2.2 Cofnodion cyfarfod 6 Gorffennaf 2021 sydd eto i'w cadarnhau - Preifat

I'w Gymeradwyo   *Cadeirydd*

📄 2.2i 060721 AA-MDA PRIVATE - abridged CYM.pdf (4 pages)

2.3 Cofnodion Gweithredu

I'w Nodi   *Cadeirydd*

📄 2.3 Action Log.pdf (1 pages)

2.4 Blaengynllun Gwaith

I'w Nodi   *Ysgrifennydd y Bwrdd*

📄 2.4 Forward WorkPlan Report.pdf (4 pages)
📄 2.4i Audit & Assurance Committee Forward Workplan v5.pdf (2 pages)

09:10 - 10:20
70 min

3. ARCHWILIO AC ATAL TWYLL

3.1 Diweddariad Archwiliad Mewnol

Ar gyfer Sicrwydd   *Archwilio Mewnol PCGC*

📄 3.1 Internal Audit Progress Cover Report.pdf (3 pages)
📄 3.1i Internal Audit Update Report - October 2021.pdf (4 pages)

3.2 Adroddiadau Archwilio Mewnol

Ar gyfer Sicrwydd   *Archwilio Mewnol PCGC*

- 📄 3.2 SHA Transition Plan Internal Audit Review Cover Report.pdf (4 pages)
- 📄 3.2i Final Internal Audit Report - Transition Plan.pdf (17 pages)
- 📄 3.2ii Data Analytics Information Audit Review Cover Report.pdf (3 pages)
- 📄 3.2iii Final Internal Audit Report - Data Analytics Information.pdf (15 pages)

3.3 Adroddiad Ymgynghorol Adolygiad Safonau'r Gymraeg

I'w drafod   *Archwilio Mewnol PCGC*

- 📄 3.3 Welsh Language Standards Review Cover Report.pdf (3 pages)
- 📄 3.3i Welsh Language - Internal Audit June 2021.pdf (9 pages)

3.4 Adroddiad ar Ddiweddariadau i'r Cynllun Iaith Gymraeg

I'w drafod   *Ysgrifennydd y Bwrdd*

- 📄 3.4 Welsh Language Scheme Update Report.pdf (4 pages)
- 📄 3.4i Welsh Language Scheme Update Report Timeline.pdf (1 pages)

3.5 Diweddariad Archwilio Cymru

Ar gyfer Sicrwydd   *Archwilio Cymru*

- 📄 3.5 Audit Wales Update Cover Report.pdf (4 pages)
- 📄 3.5i Audit Wales Update.pdf (8 pages)
- 📄 3.5ii WCCIS Audit Report.pdf (54 pages)
- 📄 3.5iii Picture Of Public Service Audit Report.pdf (44 pages)

3.6 Cofnodion Gweithredu Archwilio

I'w Nodi   *Pennaeth Gwasanaethau Corfforaethol*

- 📄 3.6 DHCW Audit Action Log Cover Report.pdf (4 pages)
- 📄 3.6i Audit Action Log - DHCW Outstanding Actions Redacted.pdf (2 pages)
- 📄 3.6ii Audit Action Log - Third Party Redacted.pdf (2 pages)

3.7 Adroddiad Diweddaru Atal Twyll

I'w Nodi   *Gwasanaethau Atal Twyll Caerdydd a'r Fro*

- 📄 3.7 DHCW Counter Fraud Update Cover Sheet.pdf (3 pages)
- 📄 3.7i DHCW Counter Fraud Update.pdf (4 pages)

EGWYL

10:20 - 11:55
95 min

4. ADRODDIADAU CORFFORAETHOL

4.1 Adroddiad Strategaeth Fframwaith Rheoli Risg a Sicrwydd Bwrdd yn cynnwys y Gofrestr Risg Corfforaethol

I'w Nodi   *Ysgrifennydd y Bwrdd*

- 📄 4.1 Risk Management Report.pdf (6 pages)
- 📄 4.1ii Appendix B DHCW Corporate Risk Register.pdf (8 pages)
- 📄 4.1iii Appendix C Risk Management & BAF Milestone Plan v4 26.08.21.pdf (2 pages)

4.2 Datganiadau o Fuddiannau, Anrhegion a Lletygarwch

Ar gyfer Sicrwydd   *Ysgrifennydd y Bwrdd*

📄 4.2 Decalarations of Interest, Gifts, Hospitality and Honoraria Report.pdf (4 pages)
📄 4.2i DOI Register.pdf (4 pages)
📄 4.2ii Appendix B Standards of Behaviour Framework Summary.pdf (2 pages)

4.3 Adroddiad Gorchymun Prynu Gwerth Uchel

I'w Nodi   *Cyfarwyddwr Cyllid*

📄 4.3 High Value Purchase Order Report.pdf (5 pages)
📄 4.3i Appendix A - High Value Purchase Orders Tracker Oct 5th Final F-01.pdf (1 pages)
📄 4.3ii Appendix B - Cummulative High Value Transactions Tracker Oct 5th Final F-01.pdf (1 pages)

4.4 Gweithdrefn Rheoli Cyfalaf

I'w Gymeradwyo   *Dirprwy Gyfarwyddwr Cyllid*

📄 4.4 Capital Management Procedure Report.pdf (4 pages)
📄 4.4i Capital Management Procedure-F-01.pdf (37 pages)

4.5 Adroddiad Cydymffurfiaeth Caffael a Chynllun Dirprwyo

I'w Nodi   *Pennaeth Gwasanaethau Masnachol*

📄 4.5 Procurement and Scheme of Delegation Compliance Report.pdf (4 pages)
📄 4.5i Appendix A DHCW Single Tender, single quotation and change notice activity.pdf (3 pages)

4.6 Adroddiad Cydymffurfiaeth Ystadau

I'w Nodi   *Pennaeth Gwasanaethau Corfforaethol*

📄 4.6 Estates Compliance Cover Report.pdf (4 pages)
📄 4.6i Estates Compliance Report - August 2021.pdf (19 pages)

4.7 Adroddiad Diweddaru Cydymffurfiaeth Ansawdd a Rheoleiddio

I'w Nodi   *Pennaeth Ansawdd a Rheoleiddio*

📄 4.7 Quality and Regulatory Update Report.pdf (5 pages)

4.8 Polisi Rheoli Asedau TG

I'w drafod   *Pennaeth Gwasanaethau Masnachol*

📄 4.8 IT Asset Management Policy Cover Report.pdf (4 pages)
📄 4.8i POL-COM-002 IT Asset Management Policy.pdf (13 pages)

4.9 Protocol Gwasanaethau Masnachol Nwyddau a Gwasanaethau Am Ddim

I'w drafod   *Pennaeth Gwasanaethau Masnachol*

📄 4.9 Protocol for Free Goods and Services Cover Report.pdf (4 pages)
📄 4.9i Commercial Services Protocol Free Goods and Services.pdf (10 pages)

11:55 - 12:00
5 min

MATERION I GLOI

Eitemau ar gyfer Adroddiad y Cadeirydd i'r Bwrdd

I'w drafod   *Cadeirydd*

Unrhyw Faterion Brys Eraill

I'w drafod   *Cadeirydd*

Dyddiad y cyfarfod nesaf: 18 Ionawr 2022

Pwyllgor Archwilio a Sicrwydd - CYHOEDDUS

COFNODION, PENDERFYNIADAU A CHAMAU I'W CYMRYD

🕐 09:00 – 11:30   📅 06/07/2021

📍 Galwad Teams

Cadeirydd	Marian Wyn Jones

Yn Bresennol (Aelodau)		Teitl	Sefydliad
Marian Wyn Jones	MW-J	Aelod Annibynnol, Cadeirydd y Pwyllgor Archwilio a Sicrwydd	Iechyd a Gofal Digidol Cymru
Grace Quantock	GQ	Aelod Annibynnol, Is-gadeirydd y Pwyllgor Archwilio a Sicrwydd	Iechyd a Gofal Digidol Cymru
David Selway	DS	Aelod Annibynnol	Iechyd a Gofal Digidol Cymru
Ruth Glazzard	RG	Aelod Annibynnol, Is-gadeirydd y Bwrdd	Iechyd a Gofal Digidol Cymru
Mynychwyr			
Claire Osmundsen-Little	COL	Cyfarwyddwr Cyllid	Iechyd a Gofal Digidol Cymru
Chris Darling	CD	Ysgrifennydd y Bwrdd	Iechyd a Gofal Digidol Cymru
Mark Cox	MC	Dirprwy Gyfarwyddwr Cyllid	Iechyd a Gofal Digidol Cymru
Julie Ash	JA	Pennaeth Gwasanaethau Corfforaethol	Iechyd a Gofal Digidol Cymru
Michelle Sell	MS	Prif Swyddog Gweithredol	Iechyd a Gofal Digidol Cymru
Amanda Murray	AM	Ysgrifennydd	Iechyd a Gofal Digidol Cymru
Dave Thomas	DT	Cyfarwyddwr Archwilio	Archwilio Cymru
James Quance	JQ	Pennaeth Archwilio Mewnol	Archwilio Mewnol PCGC
Martyn Lewis	ML	Rheolwr Archwilio TG	Archwilio Mewnol PCGC

Simon Cookson	SC	Cyfarwyddwr Archwilio a Sicrwydd	Archwilio Mewnol PCGC
Emily Thompson	ET	Arbenigwr Atal Twyll Lleol	Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
Konrad Kujawinski	KK	Pennaeth Sicrwydd Ansawdd a Chydymffurfiaeth Rheoleiddio	Iechyd a Gofal Digidol Cymru
Sophie Fuller	SF	Rheolwr Llywodraethu a Sicrwydd	Iechyd a Gofal Digidol Cymru
Amanda Murray	AM	Ysgrifennydd	Iechyd a Gofal Digidol Cymru
Julie Robinson	JR	Cydlynydd Llywodraethu Corfforaethol	Iechyd a Gofal Digidol Cymru
Laura Tolley	LT	Cydlynydd Llywodraethu Corfforaethol	Iechyd a Gofal Digidol Cymru
Ymddiheuriadau			

Acronymau			
Iechyd a Gofal Digidol Cymru	Iechyd a Gofal Digidol Cymru	NWIS	Gwasanaeth Gwybodeg GIG Cymru
SHA	Awdurdod Iechyd Arbennig	AS	Archwilio a Sicrwydd
KPI	Dangosyddion Perfformiad Allweddol	PAC	Pwyllgor Cyfrifon Cyhoeddus
RhS	Rheolau Sefydlog	CAS	Cyfarwyddiadau Ariannol Sefydlog
AaGIC	Addysg a Gwella Iechyd Cymru	FCP	Gweithdrefnau Rheoli Ariannol

Rhif yr Eitem	Eitem	Canlyniad	I'w gweithredu gan
1	**MATERION RHAGARWEINIOL**		
1.1	**Croeso a Chyflwyniadau** Gofynnodd y Cadeirydd i'r Aelodau Annibynnol gyflwyno'u hunain ac i'r sawl oedd yn mynychu gyflwyno'u hunain fel rhan	Nodwyd	Dim

060721-A&A-MDA-d02   **2**

	o'r eitemau roeddent yn cyflwyno. Nododd y Cadeirydd y byddai cyfle yn y dyfodol i Aelodau'r Pwyllgor gwrdd mewn sesiwn gaeëdig gyda chydweithwyr o'r adrannau Archwilio Mewnol ac Allanol ac Atal Twyll i baratoi ar gyfer cyfarfodydd. Yn unol â chyngor ac arweiniad presennol yn ymwneud â Covid-19 mewn perthynas â chyfarfodydd cyhoeddus, mae Iechyd a Gofal Digidol Cymru wedi cytuno y byddai cyfarfodydd Pwyllgor Cyhoeddus yn parhau i gael eu cynnal drwy Teams a chaiff y sefyllfa ei monitro ar sail barhaus wrth i gyfyngiadau lacio. Cafodd y Pwyllgor sesiwn breifat fer.		
1.2	**Ymddiheuriadau Absenoldeb** Ni chafwyd unrhyw ymddiheuriadau i'w nodi.	Nodwyd	Dim
1.3	**Datganiadau o Fuddiannau** Nid oedd unrhyw ddatganiadau o fuddiannau.	Nodwyd	Dim
2	**BUSNES Y CYFARFOD**	-	
2.1	**Cymeradwyo Cofnodion y Pwyllgor Cyhoeddus diwethaf** Nododd y Cadeirydd na chafwyd unrhyw sylwadau ynghylch cywirdeb y cofnodion. **Penderfynodd** y Pwyllgor: **Gymeradwyo'r** cofnodion fel cofnod cywir o'r drafodaeth a byddent yn cael eu gwneud yn gyhoeddus.	Cymeradwywyd	Dim
2.2	**Cymeradwyo Cofnodion Cryno y Pwyllgor Preifat diwethaf** Nododd y Cadeirydd na chafwyd unrhyw sylwadau ynghylch cywirdeb y cofnodion. **Penderfynodd** y Pwyllgor: Gymeradwyo'r cofnodion fel cofnod cywir o'r drafodaeth a'u cyhoeddi ar wefan y Bwrdd Iechyd Arbennig.	Cymeradwywyd	Dim
2.3	**Cofnodion Gweithredu** Nododd y Pwyllgor y cafwyd 9 cam gweithredu o gyfarfod diwethaf y pwyllgor, yr oedd 7 ohonynt wedi'u cwblhau a'r camau gweithredu wedi'u nodi yn y Cofnodion Gweithredu. Gwahoddodd y Cadeirydd Chris Darling, Ysgrifennydd y Bwrdd, i roi diweddariad ar y ddau gam gweithredu heb eu cwblhau: - **20210511-A01** - Caiff cyfarfod ei drefnu gyda GQ, COL, SC, CD a JA i rannu dulliau a dysgu ynghylch sgoriau RAG.	Trafodwyd	Dim

	Anfonodd Grace Quantock (GQ) nifer o bapurau ac erthyglau a fydd yn cael eu rhannu gyda'r adran Archwilio Mewnol a chaiff cyfarfod pellach ei drefnu i drafod y dull. Arhosodd statws y traciwr heb ei newid.		
	Arhosodd y cam gweithredu'n agored.		
	20210511-A04 - Roedd gwaith ar y Gofrestr Risg Gorfforaethol wedi dechrau a byddai'n cael ei diweddaru heddiw.		
	Roedd gwaith mewn perthynas â'r Gofrestr Risg Gorfforaethol wedi dechrau a bydd diweddariad yn eitem 4.1. Mae angen rhagor o waith, a dylai fod wedi'i gwblhau erbyn y cyfarfod nesaf ym mis Hydref 2021.		
	Arhosodd y cam gweithredu'n agored.		
	Penderfynodd y Pwyllgor:		
	Drafod y cofnodion gweithredu, nodi'r camau wedi'u gwblhau a'r camau gweithredu oedd yn parhau'n agored.		
2.4	**Blaengynllun Gwaith y Pwyllgor** **Gwahoddwyd** CD i gyflwyno Blaengynllun Gwaith y Pwyllgor. Gofynnwyd i gydweithwyr nodi'r Adroddiad Ymgynghori Rheoli Gwybodaeth a Thechnoleg gan Archwilio Mewnol, a oedd yn ychwanegiad wedi trafodaethau gydag Archwilio Mewnol ac Archwilio Cymru ac roedd wedi'i gyflwyno ar gyfer y cyfarfod heddiw. Caiff Adroddiad Ymgynghori Safonau'r Gymraeg ac Asesiad Strwythuredig Archwilio Cymru eu cyflwyno yng nghyfarfod mis Hydref gyda chymorth gan Archwilio Mewnol ac Archwilio Cymru yn ôl eu trefn. **Penderfynodd** y Pwyllgor: Nodi Blaengynllun Gwaith y Pwyllgor.	Nodwyd	Dim
3	**ARCHWILIO AC ATAL TWYLL**		
3.1	**Diweddariad Archwilio Mewnol** O dan arweiniad Simon Cookson, James Quance a Martyn Lewis Hysbysodd JQ y Pwyllgor fod y papur yn dilyn y ffurf safonol ac yn gynnar yn y broses hon nid oedd llawer i'w nodi. Os byddai'r Pwyllgor ei angen, gellid ychwanegu gwybodaeth/arolygaeth bellach drwy'r flwyddyn. Roedd archwiliadau'n parhau yn unol â'r cynllun a gytunwyd. Nododd Ruth Glazzard (RG) y byddai'n ddefnyddiol cael y cynllun ac y gellid mewnbynnu rhagor ar ôl i'r archwiliadau gael eu hychwanegu. Mynegwyd pryder, o ystyried cam cynnar datblygiad Iechyd a Gofal Digidol Cymru, fod rhai o'r rhannau Llywodraethu angen dod ar yr adeg gywir yn y	Nodwyd ar gyfer Sicrwydd	Dim

	cynllun, gydag eglurder a fyddai wedi'i gynnwys yng nghynllun y Ganolfan Ddata.			

Ar hyn o bryd roedd pwyslais y cynllun ar chwarter 3 a 4. Fodd bynnag, cadarnhawyd y byddai hyblygrwydd i geisio rhagor o eitemau archwilio wrth i'r flwyddyn barhau ac wrth ddeall rhagor am y gofynion.

Trafodwyd y cynllun yn fanwl gyda'r Timau Gweithredol. Nododd Claire Osmundsen-Little (COL) fod yr amseru/cynnwys a'r camau graddol wedi'u cytuno a'u cynnwys yn y cynllun mewnol.

Penderfynodd y Pwyllgor:

Nodi'r diweddariad Archwilio Mewnol ar gyfer sicrwydd.

3.2	**Adroddiad Ymgynghori Archwilio Mewnol Rheoli Gwybodaeth a Thechnoleg** **O dan arweiniad Martyn Lewis**	Trafodwyd	**Gweithred –** JA – Adolygu'r holl feysydd o arferion da a chymryd rhai canlyniadau dysgu o'r adroddiad.

Roedd Archwiliad Mewnol wedi ymgymryd â nifer o Archwiliadau'n gysylltiedig â TG a Digidol, a fyddai'n llunio rhan o'r Archwiliad ym mhob Bwrdd Iechyd ac Ymddiriedolaeth, gydag asesiad sylfaenol yn cael ei gyflawni. Rhoddwyd sgôr i bapur pob sefydliad a rhestrwyd meysydd o arferion da gan amlygu meysydd i ganolbwyntio arnynt.

Amlygodd Martyn Lewis (ML) lle roedd adroddiadau'n amrywio. Roedd hyn yn adlewyrchu penderfyniadau ariannu pob Bwrdd i dargedu blaenoriaethau. Nodwyd gwendidau allweddol ym maes Cyllid oherwydd diffyg arian.

Cododd David Selway (DS) gwestiwn ynghylch nifer fach o anghysondebau Byrddau Iechyd mewn perthynas â Strategaeth Ddigidol Cafodd hyn ei briodoli i'r ffaith ei bod yn hen neu waith ar y gweill yn hytrach na diffyg strategaeth o gwbl.

Gofynnodd RG pam y byddai diffyg arian yn cael ei adlewyrchu mewn sgôr isel a nododd ML fod cyllid wedi'i gysylltu â'r anghenion ac wedi'i lywio gan ofynion.

Gofynnodd MWJ am farn SC ynghylch rôl Iechyd a Gofal Digidol Cymru fel Partner Strategol ar gyfer gweithgaredd digidol a sut y gellid defnyddio'r canfyddiadau i gryfhau cydweithio rhwng Byrddau Iechyd. Nododd SC fod dull dwy ffordd o rannu gwybodaeth a chanlyniadau wedi dechrau. Bu Rhaglen waith yng Ngwasanaeth Gwybodeg GIG Cymru a ddefnyddiwyd i ddarparu sicrwydd.

Gofynnodd CD a oedd bwriad i ymgymryd â rhaglen ddilynol i weld a fyddai sgoriau'n newid. Nid oedd unrhyw beth wedi'i gynllunio ar yr adeg hon, fodd bynnag byddai Archwilio Mewnol yn fodlon edrych ar feysydd gwaith penodol, pe

byddai angen, gyda chytundeb gan y Pwyllgor.

Cai hyn ei gymryd fel cam dysgu yn hytrach na gweithred ffurfiol i ddilysu a oedd arferion gorau yn cael eu bodloni.

GWEITHRED 20210706-A01 Adolygu holl feysydd arferion da a chymryd rhai canlyniadau dysgu o'r adroddiad.

Awgrymodd DS y dylai Iechyd a Gofal Digidol Cymru gydweithio â sefydliadau partner i'w helpu i ddatblygu eu Strategaethau Digidol. Cai hyn ei adrodd yn ôl i'r cyfarfod Bwrdd nesaf er mwyn ei ymgorffori yn y Strategaeth Ymgysylltu.

Mewn ymateb i gwestiwn, dywedodd Archwilio Mewnol y byddai'n ystyried newid teitl Adroddiad Ymgynghori Archwilio Mewnol Rheoli Gwybodaeth a Thechnoleg ar gyfer y dyfodol.

Penderfynodd y Pwyllgor:

Drafod yr adroddiad a nodi'r cynnwys.

3.3	**Diweddariad Archwilio Cymru**	Sicrwydd	Dim
	O dan arweiniad Dave Thomas (DT)		
	Derbyniodd y Pwyllgor Archwilio a Sicrwydd bapur diweddaru gan Archwilio Cymru. Cadarnhaodd DT ei fod yn y camau cynnar cynllunio gwaith y cyfrif, a fyddai'n gadarn yn ddiweddarach yn y flwyddyn. Byddai'r cynllun yn hyblyg, a bydd Archwilio Cymru yn gweithio gydag Archwilio Mewnol er mwyn sicrhau na fyddai bylchau na dyblygiadau.		
	Gofynnodd DS am eglurder am "Gweithio mewn partneriaeth ag eraill" yn adran 3 o'r adroddiad. Hysbysodd DT y byddai hynny gyda rhanddeiliaid uniongyrchol o fewn y GIG.		
	Penderfynodd y Pwyllgor:		
	Dderbyn yr adroddiad ar gyfer sicrwydd.		
3.4	**Cofnodion Gweithredu Archwilio Iechyd a Gofal Digidol Cymru**	Trafodwyd	Dim
	O dan arweiniad Julie Ash.		
	Cadarnhaodd JA y gwnaed cynnydd da gyda'r 11 cam gweithredu agored, cytunwyd y bydd 4 cam gweithredu'n cau gyda 3 argymhelliad pellach wedi'u hychwanegu ar ôl cynnwys 2 adroddiad Archwilio diweddar, a oedd yn gadael 10 cam gweithredu agored.		
	Nododd JA fod 6 o'r camau hyn wedi'u cwblhau gyda'r 4 sy'n weddill yn dangos yn felyn (ar darged), er y bu rhywfaint o symudiad pellach oddi ar gwblhau'r adroddiadau.		
	Gofynnwyd i'r pwyllgor nodi'r camau gweithredu agored wedi'u diweddaru a chytuno i gymeradwyo'r 6 cam		

		gweithredu wedi'u cwblhau. **Penderfynodd** y Pwyllgor: Drafod cofnodion gweithredu Archwilio a chymeradwyo cau'r 6 cham gweithredu wedi'u cwblhau.		
3.5		**Diweddariad Atal Twyll** **O dan arweiniad Emily Thompson, Bwrdd Iechyd Prifysgol Caerdydd a'r Fro** Hysbysodd Emily Thompson (ET) y cymerwyd 4.5 diwrnod wedi'u cwblhau i Iechyd a Gofal Digidol Cymru ac ni wnaed unrhyw ymchwiliadau. **Nodwyd** fod Rachel Powell, Dirprwy Gyfarwyddwr Gwybodaeth ac Eiriolwr Atal Twyll Iechyd a Gofal Digidol Cymru. Amlygodd RG yr angen i atal twyll fod yn rhan o'r dysgu parhaus er mwyn sicrhau gweithredu'r 'Arferion Gorau' a'u bod wedi'i ymgorffori yn y sefydliad. **Penderfynodd** y Pwyllgor: Nodi'r adroddiad Atal Twyll.	Nodwyd	Dim
3.6		**Adolygiad Pwyllgor Cyfrifon Cyhoeddus o Adroddiad Gwasanaeth Gwybodeg GIG Cymru (NWIS)** **O dan arweiniad Michelle Sell** Nododd yr aelodau gynnwys yr adroddiad diweddaru mewn perthynas ag Adroddiadau Pwyllgor Cyfrifon Cyhoeddus ac Archwilio Cymru hanesyddol (2018) i Wasanaeth Gwybodeg GIG Cymru a nodwyd y statws, ynghyd ag un cam gweithredu a oedd yn agored o hyd. Roedd yn bwysig nodi fod un o'r argymhellion gan y Pwyllgor Cyfrifon Cyhoeddus wedi arwain at sefydlu Iechyd a Gofal Digidol Cymru. Rhoddodd MS ddiweddariad am y gwaith oedd yn cael ei wneud i fynd i'r afael â'r un cam gweithredu heb ei gwblhau (o 18 o'r argymhellion gwreiddiol), oedd yn ymwneud â'r Gweithlu ac oedd yn cynnig Adolygiad Gweithlu Strategol. Cai Adolygiad Gweithlu Strategol ei gyflawni, gyda'r amod y dylid penodi Prif Swyddog Digidol i gyflawni'r adolygiad hwn. Byddai cyllid ychwanegol ar gael i Iechyd a Gofal Digidol Cymru o ganlyniad i'r adolygiad a oedd wedi helpu o safbwynt gweithlu. Nodwyd y prif risgiau gweithlu ar y gofrestr Risg a rhoddwyd mesurau lliniaru ar waith i reoli'r risgiau:- • Roedd ffocws ar recriwtio yn y cynllun a chrëwyd Tasglu penodol i edrych ar gydlynu'r gweithgaredd recriwtio a chanolbwyntio ar ystod eang o feysydd y byddai angen eu targedu at ddibenion recriwtio. • Apwyntiwyd nifer o asiantaethau recriwtio i ddelio a	Nodwyd	**Gweithred - MS** Wrth edrych ar ehangu rhwydweithiau, adolygu arferion recriwtio ar gyfer cynhwysiant.

		gwaith Iechyd a Gofal Digidol Cymru.		
		Cai adnoddau trydydd parti eu cyflogi a'u cynnwys i weithio ar nifer o feysydd.		
		Awgrymodd GQ y dylid adolygu arferion recriwtio ar gyfer cynhwysiant wrth edrych ar ehangu'r rhwydweithiau.		
		GWEITHRED 20210706-A01 - Wrth edrych ar ehangu rhwydweithiau, adolygu arferion recriwtio ar gyfer cynhwysiant.		
		Gofynnodd y Pwyllgor am eglurhad ynghylch y sôn am 'gapasiti ychwanegol' yng nghyrff eraill y GIG yn yr adroddiad ac a oedd hynny'n bosibilrwydd ac a oedd dyddiad targed i gwblhau'r cam gweithredu oedd heb ei gwblhau.		
		Cadarnhaodd MS fod yr adolygiad wedi cynnwys GIG Cymru gyfan ac nid oedd wedi'i gyfyngu i Iechyd a Gofal Digidol Cymru ac er y bu cyd-gynhyrchu ar gyfer rhai cymwysiadau gyda chyrff iechyd eraill, roedd gan bob un ohonynt eu hamcanion strategol eu hunain i'w cyflawni ac ni fyddai'r adnoddau ganddynt o reidrwydd i drosglwyddo i Iechyd a Gofal Digidol Cymru.		
		Cadarnhaodd MS y byddai'n trafod hyn ymhellach gyda chydweithwyr digidol yn LlC o ran dyddiad targed neu gwblhau.		
		Penderfynodd y Pwyllgor:		
		Nodi'r un cam gweithredu oedd yn weddill a'r gwaith arfaethedig i gau'r cam gweithredu.		
3.7	**Egwyl**			
4	**ADRODDIADAU CORFFORAETHOL**			
4.1	**Adroddiad Diweddaru Strategaeth Risg a Fframwaith Sicrwydd y Bwrdd** **O dan arweiniad Chris Darling** Hysbysodd CD y Pwyllgor o'r cerrig milltir diweddaraf. Gan fod 717 o risgiau corfforaethol byw, cytunwyd y cai risgiau newydd eu mynegi er cysondeb. Gwnaed gwaith positif ym maes risg a bydd gwaith pellach i ddeall derbynioldeb risg yn parhau. **Penderfynodd** y Pwyllgor: Drafod yr adroddiad a nodi'r diweddariad.	Trafodwyd	Dim
4.2	**Y Gofrestr Risg Gorfforaethol** **O dan arweiniad Julie Ash** Trosglwyddwyd y cyfrifoldeb dros Risg o COL i CD ar 1	Nodwyd	Dim

	Gorffennaf. Roedd 16 o risgiau Corfforaethol Cyhoeddus gyda 3 yn cael eu dileu. • Y risg gyntaf - cytunwyd y gellid rheoli Dyfeisiau Meddygol ar lefel Cyfarwyddwr. • Ail risg - defnyddiwyd Biztalk o fewn cymhwysiad Canisc a chytunwyd y byddai un risg gyffredin fel DHCW04. • Trydydd Risg - Roedd y lifft yn Nhŷ Glan yr Afon bellach yn gweithio'n iawn. Ychwanegwyd dwy risg bellach oedd yn ymwneud â Mudo'r Ganolfan Ddata a'r gwasanaeth newid i'w ychwanegu at yr Adnodd Data Cenedlaethol. Diolchwyd i JA gan COL ar ran y Pwyllgor. Gofynnodd DS a oedd cyllideb ar gyfer prosiect BCD. Cadarnhaodd COL fod trefniadau wrth gefn o fewn y gyllideb, fodd bynnag, ystyriwyd nad oedd y costau'n berthnasol gan y byddai'r mwyafrif yn deillio'n fewnol. **Penderfynodd** y Pwyllgor: **Nodi'r** Gofrestr Risg Gorfforaethol		
4.3	**Diweddariad Cyllid**	Nodwyd	Dim
4.3.1	**Colledion Ariannol a Thaliad Arbennig** **O dan arweiniad Claire Osmundsen-Little** Nid oedd unrhyw golledion na thaliadau arbennig i'w nodi'r mis hwn.	Nodwyd	Dim
4.3.2	**Archwiliad o Gyfrifon Felindre 20-21** **O dan arweiniad Claire Osmundsen-Little** Nododd aelodau gynnwys Adroddiad Archwilio Cyfrifon 2020/2021 mewn perthynas ag Ymddiriedolaeth GIG Prifysgol Felindre ond a oedd yn cynnwys Gwasanaeth Gwybodeg GIG Cymru. Rhoddwyd sicrwydd i aelodau'r pwyllgor na nodwyd unrhyw faterion yn ymwneud â Gwasanaeth Gwybodeg GIG Cymru/Iechyd a Gofal Digidol Cymru. Nododd COL y gwaith caled gan y tîm Cyllid wrth ymdrin â'r pandemig, yn ogystal â'r gwaith o drosglwyddo i Awdurdod Iechyd Arbennig. Ategodd MWF ei diolch ar ran y Pwyllgor.	Nodwyd	Dim
4.3.3	**Adroddiad Gweithdrefnau Rheoli Ariannol Bancio** **O dan arweiniad Mark Cox**	Cymeradwywyd	Dim

	Amlinellodd MC y gofyniad i ddod â gweithdrefnau Rheoli Ariannol ychwanegol neu newydd i'r Pwyllgor i'w cymeradwyo. Cai Adran 4.1.4 o'r adroddiad yn ymwneud â'r Adroddiad Archwiliad Llinell Banc a fyddai'n cael adroddiad amdano'n chwarterol i'r Pwyllgor.		
	Cwestiynodd RG a oedd y rheoliadau'n helpu neu'n amharu ar y llywodraethu oedd yn ofynnol. Cadarnhaodd MC y byddai angen eu hadolygu a'u diweddaru wrth i'r gwaith fynd yn ei flaen, yn ôl yr angen.		
	Penderfynodd y Pwyllgor:		
	Gymeradwyo'r Weithdrefn Rheoli Ariannol Bancio		
4.3.4	**Adroddiad Archeb Prynu Gwerth Uchel** O ran tryloywder, aeth pedwar archeb gwerth uchel trwy Iechyd a Gofal Digidol Cymru oedd yn ymwneud â chontractau gosod blaenorol pan oedd wedi'i letya gan Felindre. Cafwyd ymgysylltiad gydag Atal Twyll i gynorthwyo gyda'r gwaith o fynegi ac er mwyn sicrhau y cofnodwyd y manylion cywir. Codwyd cwestiwn gan RG ynghylch faint o gontractau lluosog llai a olrheiniwyd i'r un cyflenwr a phryd y byddai'n cael ei oruchwylio gan y Pwyllgor. Rhoddwyd sicrwydd fod rheolaethau allweddol yn bodoli i sicrhau nad oedd toriadau. **Penderfynodd** y Pwyllgor: Nodi'r adroddiad.	Nodwyd	**Cam Gweithredu – MS -** Sganio'r gorwel - archwilio materion y gellid eu rhoi o flaen y Pwyllgor.
4.4	**Adroddiad Cydymffurfiaeth Caffael a Chynllun Dirprwyo** **O dan arweiniad Michelle Sell** Nododd y Pwyllgor y diweddariad mewn perthynas â gweithgaredd caffael ers cyfarfod diwethaf y Pwyllgor a oedd yn cynnwys adrodd am 1 Cam Dyfynbris Sengl, 1 Tendr Sengl a 3 estyniad Tendr a oedd wedi'u cynnwys yn yr adroddiad ar gyfer cyfnod Ebrill a Mai. **Penderfynodd** y Pwyllgor: Nodi'r adroddiad.	Nodwyd	Dim
4.5	**Datganiad Anrhegion a Lletygarwch** **O dan arweiniad Julie Ash** Nododd y Pwyllgor, ers i'r Safonau Ymddygiad gael eu cymeradwyo yn y Bwrdd, mai'r cam nesaf oedd cyflwyno'r broses i staff band 8a ac y byddai'r wybodaeth hon yn cael ei chyflwyno yn y Pwyllgor nesaf. **Penderfynodd** y Pwyllgor: Nodi'r adroddiad.	Nodwyd	Dim

4.6	**Adroddiad Cydymffurfiaeth Ystadau**	Nodwyd	Dim
	O dan arweiniad Julie Ash		
	Nodwyd yr Adroddiad gan aelodau'r Pwyllgor yng nghyd-destun adroddiad Iechyd Gwyrdd Cymru ac ymrwymiad y Llywodraeth i lansio Cynllun Buddsoddi yn Seilwaith Cymru 10 mlynedd ar gyfer economi di-garbon. Roedd yn falch gan aelodau'r Pwyllgor nodi'r gostyngiad yn lefelau defnydd ynni CO_2 Iechyd a Gofal Digidol Cymru.		
	Penderfynodd y Pwyllgor:		
	Nodi'r adroddiad.		
4.7	**Adroddiad Blynyddol Ansawdd a Rheoleiddio**	Cymeradwywyd	Dim
	O dan arweiniad Konrad Kujawinski		
	Cafodd aelodau'r pwyllgor drosolwg manwl o'r Cynllun Ansawdd Blynyddol a fyddai'n cwmpasu 6 phrif faes ffocws.		
	Cwestiynodd DS beth ysgogodd y newidiadau o brosiect i nwyddau?		
	O safbwynt rheoliadau, byddai'n cael ei lywio gan brosesau yn erbyn Cyfarwyddeb MDR a oedd yn gofyn i'r holl systemau fod ar waith. Byddai gan bob nwydd y dosbarthiad cychwynnol a oedd eisoes wedi dechrau. Y nod oedd ymgorffori'r dysgu ac i'r system feddu ar broses ar y cyd, yn hytrach nag edrych ar adrannau unigol.		
	Penderfynodd y Pwyllgor:		
	Gymeradwyo'r Cynllun Ansawdd a Rheoleiddio a nodi'r rôl allweddol a fyddai gan Ansawdd a Rheoleiddio o fewn Iechyd a Gofal Digidol Cymru yn y dyfodol.		
4.8	**Adroddiad Cydymffurfiaeth Ansawdd a Rheoleiddio**	Nodwyd	Dim
	O dan arweiniad Konrad Kujawinski		
	Nododd y Pwyllgor fod tîm newydd bellach ar waith ac yn gweithredu'n llawn i gefnogi'r sefydliad wrth symud i'r maes hwn. Ni chafwyd archwiliadau ym mis Ebrill a mis Mai, fodd bynnag roedd y ffocws erbyn hyn ar archwilio Newid, datblygu'r tîm a gweithio ar y strategaeth ac adrodd clir.		
	Penderfynodd y Pwyllgor:		
	Nodi'r adroddiad.		
4.9	**Adroddiad ar Ddiweddariadau i'r Cynllun Iaith Gymraeg**	Trafodaeth	Dim
	O dan arweiniad Sophie Fuller		
	Cafodd y Pwyllgor ddiweddariad am y Cynllun Iaith Gymraeg a nododd fod Iechyd a Gofal Digidol Cymru am adnewyddu ei ymrwymiad i'r cynllun, er nad oedd Awdurdodau Iechyd		

	Arbennig wedi'u henwi o dan y mesur. Amlinellwyd amserlen ar gyfer cwblhau'r cynllun er mwyn sicrhau cydymffurfiaeth. **Penderfynodd** y Pwyllgor: Drafod yr adroddiad a nodi'r diweddariad.		
4.10	**Adroddiad Cau Prosiect Awdurdod Iechyd Arbennig** **O dan arweiniad Michelle Sell** Nododd y Pwyllgor i'r Prosiect Trawsnewid Awdurdod Iechyd Arbennig gau'n ffurfiol ac iddo gael ei gymeradwyo gan y Bwrdd Rheoli a byddai'n cael ei roi o flaen Bwrdd y Rhaglen. **Penderfynodd** y Pwyllgor: Nodi'r adroddiad.	Nodwyd	Dim
5	**MATERION I GLOI**		
5.1	**Eitemau ar gyfer Adroddiad y Cadeirydd i'r Bwrdd** Nododd y Cadeirydd yr eitemau a gymeradwywyd, a gefnogwyd ac a drafodwyd i'w cynnwys yn adroddiad y Cadeirydd i'r Bwrdd.	Trafodwyd	Dim
5.2	**Unrhyw Faterion Brys eraill** Dim i'w nodi.	Nodwyd	Dim
5.3	**Dyddiad ac amser y cyfarfod nesaf:** 5 Hydref 2021	Nodwyd	Dim

Pwyllgor Archwilio a Sicrwydd - PREIFAT

COFNODION, PENDERFYNIADAU A CHAMAU I'W CYMRYD

🕐 11:30 – 12:00   📅 06/07/21

📍 Galwad Teams

Cadeirydd	Marian Wyn Jones

Yn bresennol (Aelodau sy'n pleidleisio)		Teitl	Sefydliad
Marian Jones	MJ	Aelod Annibynnol, Cadeirydd y Pwyllgor Archwilio a Sicrwydd	Iechyd a Gofal Digidol Cymru
Grace Quantock	GQ	Aelod Annibynnol, Is-gadeirydd y Pwyllgor Archwilio a Sicrwydd	Iechyd a Gofal Digidol Cymru
David Selway	DS	Aelod Annibynnol	Iechyd a Gofal Digidol Cymru
Ruth Glazzard	RG	Aelod Annibynnol, Is-gadeirydd Bwrdd Awdurdod Iechyd Arbennig Iechyd a Gofal Digidol Cymru	Iechyd a Gofal Digidol Cymru
Mynychwyr (aelodau nad ydynt yn pleidleisio)			
Claire Osmundsen-Little	COL	Cyfarwyddwr Gweithredol Cyllid	Iechyd a Gofal Digidol Cymru
Carwyn Lloyd-Jones	CL-J	Cyfarwyddwr Technoleg Gwybodaeth a Chyfathrebu	Iechyd a Gofal Digidol Cymru
Dave Thomas	DT	Cyfarwyddwr Archwilio	Archwilio Cymru
James Quance	JQ	Pennaeth Archwilio Mewnol	Archwilio Mewnol PCGC
Simon Cookson	SC	Cyfarwyddwr Archwilio a Sicrwydd	Archwilio Mewnol PCGC

Chris Darling	CD	Ysgrifennydd y Bwrdd	Iechyd a Gofal Digidol Cymru
Emily Thompson	NP	Y Gwasanaeth Atal Twyll	Y Gwasanaeth Atal Twyll
Julie Ash	JA	Pennaeth Gwasanaethau Corfforaethol	Iechyd a Gofal Digidol Cymru
Martyn Lewis	ML	Rheolwr Archwilio TG	Archwilio Mewnol PCGC
Amanda Murray	AM	Ysgrifennydd	Iechyd a Gofal Digidol Cymru
Mark Cox	MC	Dirprwy Gyfarwyddwr Cyllid	Iechyd a Gofal Digidol Cymru
Laura Tolley	LT	Cydlynydd Llywodraethu Corfforaethol	Iechyd a Gofal Digidol Cymru
Sophie Fuller	SF	Rheolwr Llywodraethu	Iechyd a Gofal Digidol Cymru
Julie Robinson	JR	Cydlynydd Llywodraethu Corfforaethol	Iechyd a Gofal Digidol Cymru
Ymddiheuriadau		Teitl	Sefydliad

Acronymau			
Iechyd a Gofal Digidol Cymru	Iechyd a Gofal Digidol Cymru	Gwasanaeth Gwybodeg GIG Cymru	Gwasanaeth Gwybodeg GIG Cymru (NWIS)
SHA	Awdurdod Iechyd Arbennig		

Rhif yr Eitem	Eitem	Canlyniad	I'w gweithredu gan

1	**MATERION RHAGARWEINIOL**		
1.1	**Croeso a Chyflwyniadau** Dechreuodd y Cadeirydd trwy groesawu pawb i'r cyfarfod a gofynnodd i'r Aelodau Annibynnol gyflwyno eu hunain.	Nodwyd	Dim
1.2	**Ymddiheuriadau absenoldeb** Ni chafwyd unrhyw ymddiheuriadau i'w nodi.	Nodwyd	Dim
1.3	**Datganiadau o Fuddiannau** Ni dderbyniwyd unrhyw Ddatganiadau o Fuddiannau.	Nodwyd	Dim
1.4	**Materion sy'n Codi**		
1.5	**Cofnodion Heb eu Cadarnhau o'r Cyfarfod Pwyllgor Preifat diwethaf** Adolygwyd y cofnodion ar gyfer cywirdeb, nododd Carwyn Lloyd-Jones (CLJ) a Dave Thomas (DT) fod angen gwneud cywiriadau. Gofynnodd y Cadeirydd i'r geiriau cywir gael eu hanfon at CD i wneud y diwygiadau angenrheidiol. Penderfynodd y Pwyllgor: Gymeradwyo'r cofnodion fel cofnod cywir o'r drafodaeth ar yr amod y gwneir y diwygiadau gofynnol.	Cymeradwywyd	Dim
2	**Archwilio ac Atal Twyll**	-	
2.1	**Traciwr Archwilio – Camau Gweithredu Seiberddiogelwch** **Dan arweiniad Julie Ash** Roedd dau argymhelliad yn yr adroddiad blaenorol. Mae'r rhain bellach wedi'u cwblhau neu'n cael eu rheoli. **Penderfynodd** y Pwyllgor: Dderbyn yr adroddiad ar gyfer sicrwydd a dileu Cam Gweithredu CS2 o'r Traciwr Archwilio ar gyfer cyfarfodydd yn y dyfodol.	Sicrwydd	Dim
3	**Adroddiadau Corfforaethol**		
3.1	**Cofrestr Risg Corfforaethol - Risgiau Seiberddiogelwch** **Dan arweiniad Julie Ash** • DHCW0218 a DHCW0299 • DHCW0229 • DHCW0257 • DHCW0261 Awgrymodd Chris Darling (CD) y dylid cyflwyno canfyddiadau'r	Nodwyd	Dim

	gwaith pellach yn y Pwyllgor Llywodraethu a Diogelwch Digidol. **Penderfynodd** y Pwyllgor: Nodi'r adroddiad.		
3.2	**Adroddiad Statws a Chynllun Blynyddol yr Uned Seibergadernid** **Dan arweiniad Konrad Kujawinski** **Penderfynodd** y Pwyllgor: Dderbyn yr adroddiad ar gyfer sicrwydd.	Sicrwydd	Dim
4	**Materion i Gloi**		
4.1	**Eitemau ar gyfer Adroddiad y Cadeirydd i'r Bwrdd** Nodi'r eitemau a dderbyniwyd yn y sesiwn breifat i'w cynnwys yn yr adroddiad i'r Bwrdd.	Trafodwyd	Dim
4.2	**Unrhyw Faterion Brys Eraill**	Nodwyd	Dim
4.3	**Dyddiad ac Amser y Cyfarfod Nesaf:** 5 Hydref 2021 Daeth y cyfarfod i ben am 12.33pm.	Nodwyd	Dim

Agenda item 2.3

Reference	Date of Meeting	Action/Decision Detail	Action Lead	Due Date	Status/Outcome Narrative	Status	Revised Action	Revised due date	Session Type
20210511–A01	11/05/2021	Arrange a meeting with GQ, COL, SC, CD and JA to share approaches and learnings on RAG ratings.	Chris Darling (DHCW – Board Secretary)	06/07/2021	20/06/21 GQ to share information with the group and a follow up meeting to be arranged. Meeting took place and agreed with continue with RAG rating system but use SPC for performance monitoring.	Closed			Public
20210511–A02	11/05/2021	Executive team to select a champion for counter fraud to lead internally for the organisation.	Claire Osmundsen-Little (DHCW – Director of Finance)	06/07/2021	21/06/21 Rachael Powell has been nominated as the Counter Fraud Champion for the organisation.	Closed			Public
20210511–A03	11/05/2021	JA will ensure the Covid-19 SOP to ensure the requirements for wheelchair users are explicitly outlined.	Julie Ash (DHCW - Corporate Services)	06/07/2021	SOP-CS-037 has been updated	Closed			Public
20210511–A04	11/05/2021	COL and CD to work on the Corporate Risk Register to develop the DHCW approach for the next meeting.	Chris Darling (DHCW – Board Secretary)	06/07/2021	21/06/21 CD has worked with colleagues to reword Corporate Risks in order to follow a structured composition showing impact of risk within the description.	Closed			Public
20210511–A05	11/05/2021	Update on the progress of the Welsh Language Scheme creation to be reported to the July Committee	Carwyn Lloyd-Jones (DHCW – Director of ICT)	06/07/2021	Included in Committee pack	Closed			Public
20210511–A06	11/05/2021	The Declarations of Interest register will be presented to the July Committee.	Sophie Fuller (DHCW-Corporate Governance)	06/07/2021	Included in Committee pack	Closed			Public
20210511–A07	11/05/2021	Update the Estates Compliance Report to include a cover paper / Executive Summary	Julie Ash (DHCW - Corporate Services)	06/07/2021	Cover report has been revised for July 2021 meeting	Closed			Public
20210511–A08	11/05/2021	Include the progress update on the Cyber Resilience Unit performance within the Quality and Regulatory Report.	Konrad Kujawinski (DHCW - Service Management)	06/07/2021	29/06/21 KK has included a Cyber Resilience Unit report as part of the reporting to the Private part of the Committee	Closed			Public
20210511–A09	11/05/2021	CD and MWJ would liaise with Chair of Digital Safety Committee to agree the Cyber Security items that would come to Audit and Assurance.	Chris Darling (DHCW – Board Secretary)	06/07/2021	28/06/21 All Cyber security items will be taken in Private by both Committees with the Audit and Assurance Committee reviewing Corporate Cyber Risks at least every other meeting.	Closed			Private
20210706-A01	06/07/2021	Review all areas of good practice and take some learning outcomes out of the IM&T Advisory Internal Audit	Julie Ash (DHCW - Corporate Services)	21/09/2021	The IM&T Advisory Report was presented at the Incident Review and Learning Group Meeting on 17th August 2021. The Group considered existing practices in areas identified in the report and will review any gaps and add actions to their plan.	Complete			Public
20210706-A02	06/07/2021	When looking at the expansion of networks to aid with recruitment, review the recruitment practices for inclusion.	Michelle Sell (DHCW – Chief Operating Officer)	21/09/2021	The Head of Workforce and OD will ensure that recruitment practices are developed to encourage the widest possible range of potential candidates and that shortlisting & selection processes are inclusive. The current recruitment system does not disclose information to recruiters other than experience in relation to the role.	Complete			Public
20210706-A03	06/07/2021	Horizon scanning - explore issues that could be brought to the Committee	Michelle Sell (DHCW – Chief Operating Officer)	21/09/2021	A Committee development session has been arranged for 23/09/21 to consider wider activity reporting.	Complete			Public

DIGITAL HEALTH AND CARE WALES
FORWARD WORKPLAN AND HORIZON SCANNING

Agenda Item	2.4

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Sophie Fuller, Corporate Governance and Assurance Manager
Presented By	Chris Darling, Board Secretary

Purpose of the Report	For Noting
Recommendation	

The Audit and Assurance Committee is being asked to:
NOTE the contents of the report.

Acronyms			
DHCW	Digital Health and Care Wales	AW	Audit Wales
SHA	Special Health Authority	IA	Internal Audit
SOP	Standard Operating Procedure		

1   SITUATION/BACKGROUND

1.1   The Audit and Assurance Committee have a Cycle of Committee Business that is reviewed on an annual basis. Additionally, there is a forward workplan which is used to identify any additional timely items for inclusion to ensure the Committee are reviewing and receiving all relevant matters in a timely fashion.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The Forward Work-plan has been updated to include the:

- Audit Wales baseline governance review

- Sector specific picture of public services Audit Wales report

- Welsh Language Scheme.

2.2   The Board has requested additional horizon scanning is undertaken across all Committees to ensure appropriate governance process is followed and the Board is receiving the appropriate levels of assurance from the Committee activity. The Corporate Governance team will support the Executive Finance Director as executive lead for the Committee to identify items for the forward workplan.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   Please see attached the updated forward workplan at item 2.4i Appendix 1.

4   RECOMMENDATION

The Audit and Assurance Committee is being asked to:
NOTE the content of the report.

Forward Workplan and Horizon Scanning   Page 2 of 4   Author: Sophie Fuller
Approver: Chris Darling
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5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	All Objectives apply

CORPORATE RISK (ref if appropriate)	The Corporate Risk log is presented at every meeting for oversight and scrutiny.

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A
No, (detail included below as to reasoning)	Outcome: N/A
Statement: N/A	

APPROVAL/SCRUTINY ROUTE:
Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Audit and Assurance Committee	May 2021	Initial workplan approved

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report

Forward Workplan and Horizon Scanning   Page 3 of 4   Author: Sophie Fuller
Approver: Chris Darling
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WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
[SOCIO ECONOMIC](#) IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Forward Workplan and Horizon Scanning   Page 4 of 4   Author: Sophie Fuller
                                                                              Approver: Chris Darling
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Digital Health and Care Wales Audit and Assurance Committee Work Programme

Meeting Date	Standing Items and any additional items	Governance	Finance	Internal Audit	External Audit	Counter Fraud	Quality	*Health and Safety (placeholder)*
5th October 2021	• Welcome and Introductions • Minutes • Declarations of interest • Action log • Review of risk register relevant to committee • Forward Work Programme • Committee Highlight Report to Board • Audit Tracker	• Risk and Board Assurance Report • Declarations of Interest, Gifts and Hospitalities Report • Welsh Language Scheme Update • IT Asset Management Policy • Commercial Services Protocol Free Goods and Services SOP	• Losses and special payments report • Procurements and scheme of delegation report	• Internal Audit Progress Report • Internal Audit reviews • Welsh Language Standards Advisory Report	• Audit and Assurance Committee updates • Audit Wales review reports • Audit Wales Structured Assessment • Shared learning from the WCCIS Audit	• Local Counter Fraud Update Report	• Quality and Regulatory Compliance Report	• Estates Report
18th January 2021	• Welcome and Introductions • Minutes • Declarations of interest	• Risk and Board Assurance Report	• Losses and special payments report	• Internal Audit Progress Report • Internal Audit reviews	• Audit and Assurance Committee updates	• Local Counter Fraud Update Report	• Quality and Regulatory Compliance Report	• Estates Report

	• Action log • Review of risk register relevant to committee • Forward Work Programme • Committee Highlight Report to Board • Audit Tracker	• Declarations of Interest, Gifts and Hospitalities Report • Welsh Language Scheme	• Procurements and scheme of delegation report		• Audit Wales review reports • Baseline Governance Review • Picture of Public Services (sector specific Report)			
5th April	• Welcome and Introductions • Minutes • Declarations of interest • Action log • Review of risk register relevant to committee • Forward Work Programme • Committee Highlight Report to Board • Audit Tracker	• Risk and Board Assurance Report • Declarations of Interest, Gifts and Hospitalities Report	• Losses and special payments report • Procurements and scheme of delegation report	• Internal Audit Progress Report • Internal Audit reviews	• Audit and Assurance Committee updates • Audit Wales review reports	• Local Counter Fraud Update Report	• Quality and Regulatory Compliance Report	• Estates Report

DIGITAL HEALTH AND CARE WALES
INTERNAL AUDIT PROGRESS REPORT 2021/22
NWSSP AUDIT & ASSURANCE SERVICES

Agenda Item	3.1

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	James Quance, Head of Internal Audit
Presented By	James Quance, Head of Internal Audit

Purpose of the Report	For Assurance
Recommendation	
The Committee is asked to: **NOTE** the Internal Audit Progress Report.	

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

1 SITUATION/BACKGROUND

1.1 This document sets out the progress with the Internal Audit Plan for 2021/22 (the Plan) for Digital Health and Care Wales (DHCW) detailing the audits to be undertaken and the status of each of them. This is a standard format report that will be provided to every meeting of the Audit Committee.

2 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 The Committee is asked to note the Progress Report (agenda item 3.i).

3 KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 The Committee provides assurance to the Board that an appropriate Internal Audit programme is in place for the year and is being delivered in accordance with required quality standards.

3.2 The report contains the current status as well as the anticipated meeting dates that the Audit Committee can expect to receive each report based upon current best knowledge. This may be subject to change if circumstances dictate but it is useful to set out expectations.

4 RECOMMENDATION

The Committee is asked to **NOTE** the Internal Audit Progress Report.

5 IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	The Plan covers corporate risks where appropriate

WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below: Due to the nature of Internal Audit coverage all standards are applicable.	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A	
No, (detail included below as to reasoning)		Outcome:
Statement: Not required.		

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling	21 Sept 2021	Agreed

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Internal Audit Cover Report   Page 3 of 3   Author: James Quance
Approver: James Quance

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Internal Audit Progress Report

Audit Committee

October 2021

Digital Health and Care Wales

NWSSP Audit and Assurance Services

Contents

1. Introduction

The purpose of this report is to:

- highlight progress of the 2021/22 Internal Audit Plan for Digital Health and Care Wales (DHCW) to the October 2021 Audit Committee; and
- provide an overview of other activity undertaken since the previous meeting.

2. Progress against the 2021/22 Internal Audit Plan

There are 13 individual reviews in the 2021/22 Internal Audit Plan, a further two which are undertaken at NWSSP and provision for follow-up work.

We have made a good start to the delivery of the programme which has been enabled by positive engagement from senior management. Two reviews have been completed and are reported to the October 2021 meeting of the Audit Committee. We have commenced planning for five reviews and two are work in progress at the time of this report. Detailed progress in respect of each of the reviews in the 2021/22 Internal Audit Plan is summarised in Appendix A.

The table in Appendix A sets out the anticipated reporting of the remainder of the programme to the Audit Committee. Having previously highlighted that the Internal Audit Plan contained a large number of audits scheduled towards the end of the financial year we currently anticipate a reasonable split of reporting to the January and April Audit Committee meetings.

We will also be mindful of avoiding duplication with forthcoming planned work by Audit Wales on governance arrangements when we scope our work on Assurance and Risk Management and Corporate Governance in particular.

3. Other Activity

The following meetings have been held/attended during the reporting period:

- attendance at Board Development sessions;
- monthly meetings between the Head of Internal Audit and Board Secretary;
- monthly meetings with the Director of Finance and Business Assurance;
- Audit Committee pre-meeting with the Audit Committee Chair;
- induction meetings with the Chair and Chief Executive;
- audit scoping meetings; and
- liaison with senior management.

We have also produced a summary report of our work over recent years in respect of Welsh Language Standards for the Committee for information.

4. Recommendation

The Audit Committee is invited to note the above.

Appendix A: Progress against 2021/22 Internal Audit Plan

Review	Status	Rating	Summary of recommendations	Anticipated Audit Committee[1]
Corporate Transitional Plan	Complete	Reasonable	1 Medium Priority, 1 Low Priority	October
Data Analytics (Information)	Complete	Reasonable	5 Medium Priority	October
Project Assurance	Work in Progress			January
System Assurance	Work in Progress			January
System Development	Planning			January
Workforce Review	Planning			January
Directorate/Service Review	Not started			January
Core Financial Systems	Planning			January
Assurance & Risk Management	Planning			April
Strategic Planning	Not started			April
Performance Management	Not started			April
Governance Arrangements	Planning			April
Data Centre	Not started			April
Follow-up	Not started			April

Reviews at other bodies (undertaken within NWSSP Plan)				
Purchase to Pay	Planning			TBC
Payroll	Planning			TBC

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[1] May be subject to change

DIGITAL HEALTH AND CARE WALES
SPECIAL HEALTH AUTHORITY TRANSITION PLAN
NWSSP AUDIT & ASSURANCE SERVICES REVIEW

Agenda Item	3.2

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Michelle Sell, Chief Operating Officer
Prepared By	James Quance, Head of Internal Audit
Presented By	James Quance, Head of Internal Audit

Purpose of the Report	For Assurance
Recommendation	
The Committee is asked to: **RECEIVE** the Internal Audit report which has been agreed with the Executive Lead and Senior Leadership Team for **ASSURANCE.**	

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
IA	Internal Audit	NWIS	NHS Wales Informatics Service

1   SITUATION/BACKGROUND

1.1   Digital Health & Care Wales (DHCW) was established as a new Special Health Authority (SHA) created to take forward the digital transformation needed for better health and care in Wales. The transition from hosted organisation (NHS Wales Informatics Service, or NWIS) to SHA was announced in October 2019. DHCW officially became operational on 1st April 2021.

1.2   The Internal Audit review sought to provide assurance that the risks associated with the transition were effectively managed. Review was made of the governance arrangements over:

- the Transition Project (the Project), which was led by NWIS (see figure 1 for the SHA Programme Structure);
- the Project's Workforce and Commercial Services workstreams; and
- the migration of policies and procedures.

1.3   The audit has been completed and the report has been produced in line with the Internal Audit Plan for 2020/21 for DHCW.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The Committee is asked to consider the findings and management responses of the report.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   Any matters for escalation to the Board to be determined by the Committee following consideration of the report.

4   RECOMMENDATION

The Committee is asked to **RECEIVE** the Internal Audit report which has been agreed with the Executive Lead and Senior Leadership Team for **ASSURANCE**.

SHA Transition Internal Audit Report   Page 2 of 4   Author: James Quance
Approver: James Quance
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5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:	
No, (detail included below as to reasoning)	Outcome:	
Statement: Not required.		

APPROVAL/SCRUTINY ROUTE:
Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL	No, there are no specific financial implication related to the activity outlined in this report

IMPLICATION/IMPACT	
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

SHA Transition Internal Audit Report   Page 4 of 4   Author: James Quance
Approver: James Quance
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Transition Plan

Final Internal Audit Report

September 2021

Digital Health and Care Wales

NWSSP Audit and Assurance

Contents

Review reference:	DHCW-2122-11
Report status:	Final
Fieldwork commencement:	21st July 2021
Fieldwork completion:	13th August 2021
Draft report issued:	20th August 2021
Debrief meeting:	1st September 2021
Management response received:	2nd September 2021
Final report issued:	2nd September 2021
Auditors:	James Quance, Head of Internal Audit
	Stephen Chaney, Deputy Head of Internal Audit
	Emma Rees, Audit Manager
Executive sign-off:	Michelle Sell, Chief Operating Officer (Senior Responsible Officer)
Distribution:	Executive Board
	Alex Percival, Strategic Contracts & Commercial Manager
	Transition Project workstream leads
Committee:	Audit and Assurance Committee

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

Acknowledgement

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

Disclaimer notice - 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 and Assurance Committee.

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

Executive Summary

Purpose

To provide assurance that the risks associated with the transition from hosted body (NHS Wales Informatics Service) to Special Health Authority (Digital Health & Care Wales) were effectively managed.

Overview of findings

We did not identify any significant (high priority) matters for reporting.

Medium and low priority matters arising are highlighted in the table below, with full details provided in Appendix A.

Report Classification

Trend

Reasonable | Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved

N/a

Assurance summary[1]

Assurance objectives	Assurance
1 Governance of transition	Reasonable
2 Transition of workforce	Reasonable
3 Management of contracts	Reasonable
4 Policies and procedures	Substantial

Matters arising

		Assurance Objectives	Control Design or Operation	Recommendation Priority
1	Project closure – outstanding actions	1, 2	Operation	Medium
2	Project management – learning	1, 2, 3	Design	Low

---

[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

1.1 Digital Health & Care Wales (DHCW) is a new Special Health Authority (SHA) created to take forward the digital transformation needed for better health and care in Wales. The transition from hosted organisation (NHS Wales Informatics Service, or NWIS) to SHA was announced in October 2019. DHCW officially became operational on 1st April 2021.

Purpose

1.2 Our review sought to provide assurance that the risks associated with the transition were effectively managed. We considered the governance arrangements over:

- the Transition Project (the Project), which was led by NWIS (see figure 1 for the SHA Programme Structure);

- the Project's Workforce and Commercial Services workstreams; and

- the migration of policies and procedures.

Associated risks

1.3 The potential risks considered in the review were:

- service delivery problems due to issues identified as part of the transition process not being appropriately managed;

- service delivery issues due to poor contract management; and

- operational issues due to uncertainty relating to transferred policies and procedures.

Limitation of scope

1.4 Our review focused on the Transition Project. Excluded from the review were:

- the SHA Programme Board – led by Welsh Government (WG)

- the Establishment Project – led by WG; and

- the Transfer of Accountabilities Project – led by Velindre University NHS Trust (VUNHST).

2. Detailed Audit Findings

Audit objective 1: there were appropriate governance arrangements in place over the transition

Sub-objective: actions on the transition plan were appropriately managed and reported, with milestones and deadlines in place

2.1 There was an overarching action plan for the Transition Project. Each action was assigned to one of eight workstreams (see Project structure in figure 1) and had clear deadlines in place.

Key

■ (blue) Led externally to NWIS / DHCW
■ (green) Led by NWIS / DHCW

Project responsibilities:

Establishment Project:

- Establishment of the SHA
- Creation of legislation
- Appointment of SHA Chair and Board

Transfer of Accountabilities Project

- Ensuring staff, assets and liabilities were transferred
- Ensuring appropriate legal, financial and governance processes were in place for continuity within VUNHST

Transition Project:

- delivering activity relating to NWIS transition to the SHA
- ensuring readiness of the new organisation to operate effectively

Figure 1: SHA Programme and Transition Project Structure

2.2 The mechanisms for monitoring progress against Project actions are set out in figure 2.

2.3 Our testing of these mechanisms highlighted the following issues:

- The workstreams did not always provide written highlight reports to the Transition Task & Finish Group (TTFG) meetings (we understand verbal updates were given).

- The TTFG stopped using an action log in June 2020, instead incorporating actions arising into workstream action plans. However, there is no audit trail to support this.

- Whilst there was a Project SharePoint area, not all Project documentation was retained there. Whilst this did not hinder our review, there is a risk of the loss of, or the inability to recover, key Project documentation.

See matter arising 2 in Appendix A.
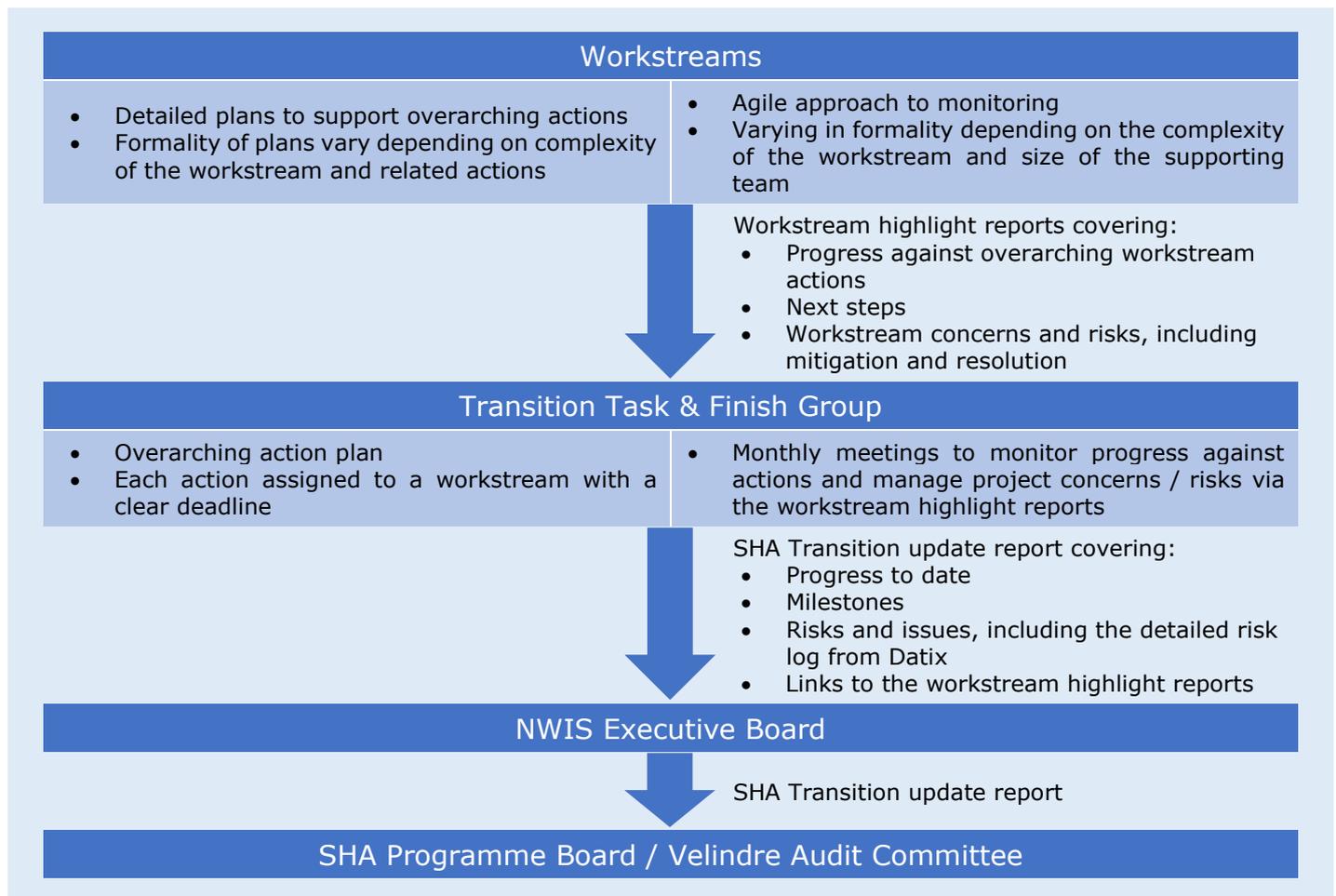
Figure 2: Transition Project monitoring and reporting mechanisms

2.4   The Project was closed shortly after the go-live date. A Project Closure report was taken to the DHCW Audit & Assurance Committee in July 2021 prior to submission to the SHA Programme Board. The report showed that all key milestones had been achieved prior to the go-live date.

2.5   The Project closure report also identified several outstanding actions and how they would be managed. However, there were no timescales or review periods assigned to these actions. Additionally, we identified:

- some outstanding actions that had not been incorporated – see matter arising 1 in Appendix A; and

- the Project may have been closed prematurely – some of the issues that arose around the time of closure (for example, the ESR VPD transfer issues detailed below) may have benefited from the focus and attention brought by ongoing project management. See matter arising in Appendix A.

Sub-objective: relevant transitional risks continue to be monitored, reported and scrutinised

2.6   The Project risk register was monitored and updated by the workstreams and the TTFG. The update reports from the workstreams through to the SHA Programme Board incorporated Project risks and concerns.

2.7   The Project Closure report included two Project risks that remained open. Both related to Information Governance, had been assigned to an appropriate owner within Datix and are on the Corporate Risk Register.

Sub-objective: there is a process to understand and take forward and share lessons learned

2.8   The TTFG undertook a learning exercise at the Project closure stage. The identified learning was included in the Project Closure report. However, the TTFG did not maintain a log of lessons learned throughout the Project duration. See matter arising 2 in Appendix A.

2.9   As a WG-led programme, a Gateway review was undertaken in late 2020.

2.10 At the time of transition planning, there was no template project or action plan available to support organisational transformation and ESR VPD transfers. We understand that this matter has been raised with Welsh Government.

2.11 We have identified further areas for learning throughout our report – see matter arising 2 in Appendix A.

Conclusion:

2.12 Whilst the governance arrangements over the Project were adequate, we identified several areas where the arrangements could have been strengthened. We have provided **reasonable assurance** for this audit objective.

Audit objective 2: there were appropriate arrangements in place over the transition of workforce

Sub-objective: the workforce elements on the transition plan were appropriately reported, with milestones and deadlines in place

2.13 The Workforce workstream had a detailed action plan to support delivery of its assigned overarching project actions. Progress was monitored via weekly team meetings, with upward reporting on progress via the mechanisms set out in figure 2.

Sub-objective: a plan (including deadlines) to address the requirements of the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations was monitored appropriately and action taken to address lack of progress

2.14 The Workforce workstream detailed action plan included specific actions around the requirements of the TUPE Regulations. The workstream used ACAS TUPE guidance to develop these actions, focusing mainly on engagement and communication with staff and the Trade Unions.

2.15 Alongside monitoring via the Project reporting structure, the Workforce workstream also worked alongside the Velindre-led Transfer of Accountabilities Project to monitor the TUPE actions and ensure timely progress.

2.16 To ensure all staff responded to the TUPE letter issued by the VUNHST Chief Executive in January 2021, the Workforce team:

- issued communications to all staff covering the TUPE process;
- maintained a log of non-responders;

- sent follow up emails and hard copy letters to non-responders, particularly those on long term leave; and

- made phone calls to non-responders where the above did not prompt a response.

<u>Sub-objective: there is a process to identify statutory and mandatory training</u>

2.17 Prior to the transition date, the workstream undertook a review of statutory and mandatory training, identifying training for the new organisation through review of training undertaken within NWIS. The proposed statutory and mandatory training for DHCW was approved by the NWIS Executive Board in March 2021.

<u>Sub-objective: staff records, including appraisal information, have been transferred on ESR</u>

2.18 A sub-workstream was set up for the ESR VPD transfer. Membership included individuals from DHCW and the relevant NHS Wales Shared Services Partnership (NWSSP) divisions. It was led by a DHCW Workforce Business Partner.

2.19 Whilst there was no template project plan for the transfer, DHCW received guidance from other NHS Wales organisations who had undertaken this process.

2.20 We understand that the IBM (system provider) Mass Organisational Change Process (MOCP) document did not provide adequate guidance to support the development of a new VPD and ensure a smooth transition process. As a result, several data sets that should have transferred across did not transfer as expected, giving rise to issues including:

- the ESR Self Service structure and setup did not transfer – NWSSP had to issue 850+ usernames and logins

- annual leave transferred at basic entitlement for all staff – DHCW had to develop a formula to enable IBM to retrospectively apply the length of service uplifts;

- local competencies for statutory and mandatory training did not transfer, staff have been unable to access statutory and mandatory training modules and DHCW has been unable to produce up to date statutory and mandatory compliance reports – we understand NWSSP communicated this issue had been resolved at the end of our fieldwork period; and

- PADR data did not transfer and DHCW has been unable to produce up to date PADR compliance reports (we understand manual PADR records have been maintained during this period) – as with the previous issue, we understand NWSSP communicated the PADR issue had been resolved at the end of our fieldwork period.

2.21 Given these issues were not resolved until the end of our fieldwork, we did not undertake any testing on ESR data.

2.22 We understand that this sub-workstream was more work than anticipated. With hindsight, the ESR VPD transfer project may have benefited from support from a dedicated Project Manager and more senior oversight. Additionally, the resolution of the above issues may have been impacted by the early closure of the Project. See matter arising 2 in Appendix A.

Sub-objective: appropriate workforce policies and procedures have been developed and approved

2.23 The Governance workstream had oversight of policy development. To ensure specialist input, it delegated policies to the relevant workstreams, including workforce.

2.24 The workforce policies were included in the Workforce workstream action plan.

2.25 Further detail on policies and procedures is included under audit objective 4 below.

Sub-objective: there is a clear, controlled approach for the recruitment of staff into the organisation

2.26 We understand that DHCW is increasing its workforce to support its strategic objectives. At the time of reporting, it had over 260 vacancies and had recruited over 70 staff members into the organisation since the transition.

2.27 To ensure a controlled approach to recruitment, for all vacancies:

- the recruiting manager must complete a funding request form including details such as the date of discussions with their Finance and Workforce Business Partners, the related IMTP objectives, reason for the vacancy and an options appraisal; and

- the funding request form must then go through the DHCW Recruitment Scrutiny Panel (the Scrutiny Panel) process prior to being advertised.

2.28 The Scrutiny Panel meets weekly and reports into the DHCW Executive Board. The Executive Board provides an additional layer of scrutiny over 'at risk' vacancies (i.e., vacancies where the funding has not yet been secured).

2.29 We understand this process was put in place to ensure tight control and scrutiny over vacancies. Management has recognised that a more streamlined process would be beneficial in the longer term and plans to undertake a review once the current recruitment drive is complete.

Conclusion:

2.30 Whilst the governance arrangements over the Workforce workstream were adequate, we identified some areas where the arrangements could have been strengthened. Therefore, we have provided **reasonable assurance** over this control objective.

Audit objective 3: there are appropriate arrangements in place for the management of contracts

Sub-objective: all contracts, including novated contracts, have clear ownership within DHCW

2.31 The Commercial Services team maintains a contract register identifying contract leads from within the team and the relevant DHCW department. This was tested as part of our follow up review of supplier management in NWIS in February 2021 which received a reasonable assurance rating. Therefore, no further testing was undertaken in this review.

Sub-objective: there is a clear process for ensuring that assets and liabilities relating to novated contracts have been considered and agreed

2.32 The Commercial Services workstream (CSW) was responsible for the novation of contracts.

2.33 The CSW developed novation letters for the various types of contracts held by VUNHST for NWIS. The letters clarified that VUNHST will transfer all its rights, obligations and liabilities under the contracts to DHCW from 1st April 2021 as if DHCW were the original party to the contract. There were to be no changes to contract terms and conditions, assets or liabilities.

2.34 The letters were signed by the Chief Executives of VUNHST and DHCW and were sent out to suppliers in February 2021.

Sub-objective: contracts, such as key Service Level Agreements, have been agreed and signed off by both parties

2.35 Commercial contracts:

- A novation log was used to monitor return of the novation letters. Of the 91 suppliers at the time of transition:
    - 76 (84%) had returned signed novation letters by 1st April 2021 and a further 15 had been received by 30th June 2021;
    - DHCW were still in discussions around novation with four suppliers at the time of our review.

2.36 SLA with NWSSP: the SLA with NWSSP was signed by DHCW on 4th May 2021.

2.37 SLAs for DHCW Services:

- the overarching SLA for DHCW services was approved by the National Service Management Board around 18 months ago and has not changed – the only impact of the transition is the change of name from NWIS to DHCW.
- the supporting individual agreement letters had been sent to each organisation for signing, WG having extended the deadline for this process due to Covid-19.

Sub-objective: there is a mechanism in place to review and update the arrangements of key SLAs to reflect the changing needs of the organisation as it develops

2.38 SLA with NWSSP: performance monitoring will be undertaken through regular meetings with leads from the relevant NWSSP divisions, which will provide a mechanism to review and update the arrangements as needed.

2.39 SLAs for DHCW Services:

- the overarching SLA for SHCW Services to NHS Wales organisations was last updated 18 months ago via the National Service Management Board (NSMB). We understand that the NSMB did not feel any further updates were required for the transition, except to update the SLA for the name change.
- the supporting SLAs for organisation specific DHCW Services are reviewed and updated on an annual basis with each organisation.
- performance against the SLAs for DHCW services will continue to be monitored through:
    - monthly meetings of the NSMB and its supporting Service Management Boards; and
    - quarterly performance meetings with each service recipient organisation.

Sub-objective: contracts are appropriately monitored, reported and scrutinised

2.40 Contract monitoring was considered as part of our follow up review of supplier management in NWIS in February 2021 which received a reasonable assurance rating. Since the follow-up review, we understand that the Commercial Services team has been successful in recruiting five additional team members. The team was in the process of developing a contract management strategy at the time of the Transitional Plan review, with a view to commencing the process of embedding the strategy from September 2021.

2.41 Given there has been no change in the contract management processes since our February 2021 review, we did not undertake any further testing in this area.

Sub-objective: there is an agreed dispute resolution process

2.42 The dispute resolution process is embedded into every contract and is a standard approach across all contracts, in line with the NHS Terms & Conditions for the provision of services.

Conclusion:

2.43 Whilst we have not raised any matters arising in this report, work remains ongoing within the Commercial Services team to strengthen contract management arrangements. Therefore, we have provided **reasonable assurance** for this audit objective.

Audit objective 4: there are appropriate policies and procedures in place

Sub-objective: Standing Orders (SOs), Standing Financial Instruments (SFIs) and Financial Control Procedures (FCPs) have been appropriately developed and agreed

2.44 The SOs and SFIs were completed in advance of the transition and approved by the SHA Board on 1st April 2021. We understand they have been published internally to all staff and that they were covered in a Board development session.

2.45 The documents are also available on the NHS Wales Governance e-Manual. We understand they will be published on the DHCW website once they have been translated into Welsh.

2.46 The Finance workstream was responsible for developing the FCPs. The FCPs required were identified through review of the existing FCPs alongside consideration of those in place at other NHS Wales organisations.

2.47 Fourteen FCPs were developed in advance of the transition and were signed off by the DHCW Audit & Assurance Committee in May 2021. One further FCP (banking arrangements) was approved at the July 2021 Audit & Assurance Committee meeting.

Sub-objective: there is a plan to undertake a timely review of policies that have migrated to DHCW to ensure they are fit for purpose and align with organisational values

2.48 Prior to the transition, WG provided NWIS with a list of mandated policies and procedures. This list was added to via review of the non-mandated policies/procedures in place at other NHS Wales organisations, plus NWIS-specific, specialist procedures.

2.49 The Governance workstream was responsible for oversight of the development policies and procedures, although many sat within the remit of other workstreams, for example, workforce, finance and information governance policies.

2.50 A Policy sub-workstream was set up, consisting of individuals from the various workstreams the policies fell under. The sub-workstream met weekly, monitoring a detailed action plan to ensure deadlines were met.

2.51 In total, 62 policies and procedures were updated prior to transition and approved by the SHA Board on 1st April 2021. An additional 11 policies that were not required before the go-live date will be developed and signed off by October 2021.

2.52 All DHCW policies are scheduled for review within 12 months of transition. The policies should be retained on the Integrated Management System (IMS), which flags when a document is overdue for review. The IMS Assurance Group and Quality Regulatory Group monitor the number of overdue documents through the IMS Escalation Report.

2.53 The Policy sub-group responsible for developing the final 11 policies (noted above) will continue to meet quarterly to ensure that all policies are appropriately reviewed and updated post-transition.

2.54 The Project Closure report highlights that there was a missed opportunity regarding policies and procedures. Changes and updates were undertaken close to the transition deadline, meaning there was little scope for making meaningful changes. We understand the post-transition review process will incorporate this.

Conclusion:

2.55 No matters were identified for reporting. Therefore, we have provided **substantial assurance** over this audit objective.

Appendix A: Management Action Plan

Matter arising 1: Project closure (Operation)	Impact
The Project Closure report did not detail timescales or review periods for the outstanding Project actions. Additionally, we identified two outstanding actions that had not been included in the report: • development of the 11 policies to be developed after transition (deadline October 2021); and • resolution of the issues arising around the ESR VPD transfer (as detailed in section 2).	Potential risk of: • service delivery problems due to not fully completing Project closure actions.

Recommendations	Priority

1.1 Individuals who were members of the TTFG should undertake a review of the outstanding actions in the Project Closure report to:
 	
  i. ensure the list is complete and add actions missed at the closure stage;
 	
  ii. identify milestones or review points for the actions;
 	
  iii. provide an update on progress to the Executive Board; and
 	
  iv. where appropriate, ongoing monitoring and reporting to the Executive Board should be undertaken for the outstanding actions.
	Medium

Management response	Target Date	Responsible Officer
1.1 Recommendation agreed		
A meeting will be held with the TTFG team to review outstanding actions and an update will be shared with the Management Board in October.	21/10/2021	Michelle Sell, Chief Operating Officer
ESR contract management arrangements to be raised through DHCW's participation in the Shared Services Partnership Committee.	31/10/2021	Claire Osmundsen-Little, Director of Finance & Business Assurance

Matter arising 2: Project management – learning (Design)	Impact
We identified several areas of learning the management of future DHCW projects: • **Document retention**: whilst there was a Project SharePoint area, not all Project documentation was retained there. There is a risk of the loss of, or the inability to recover, key project documentation. • **Learning log**: the TTFG did not maintain a log of lessons learned throughout the Project duration. • **Action log**: the TTFG stopped using an action log in June 2020, instead incorporating actions arising into workstream action plans. However, there is no audit trail to support this. • **Workstream reporting**: the workstreams did not always provide written highlight reports to the TTFG meetings (we understand verbal updates were given). • **ESR VPD transfer**: we understand that this sub-workstream was more work than anticipated and may have benefited from support from a dedicated Project Manager and more senior oversight. • **Project closure**: the Project may have been closed prematurely – some of the issues that arose around the time of closure (for example, the ESR VPD transfer issues) may have benefited from the focus and attention brought by ongoing project management.	Potential risk of: • the loss of, or the inability to recover, key project documentation; • project failure due to key project activities not being undertaken; and • non-resolution of post-project issues due to lack of support.

Recommendations	Priority

2.1 Management should incorporate the following learning into the documented DHCW project management approach and ensure all project managers are aware of the learning:
 	
   a. **Document retention**: all project documentation should be stored in a centralised location.
 	
   b. **Learning log**: project managers should maintain a lessons learned log to capture ongoing learning.
 	
   c. **Action log**: project managers should ensure there is a clear audit trail to capture actions arising and their resolution.
 	
   d. **Workstream reporting**: project managers should ensure there is clear evidence of frequent upward reporting from project workstreams.
 	
   e. **ESR VPD transfer**: project managers should ensure that key tasks within the project plan receive sufficient attention, support and oversight, including dedicated Project Manager support where needed.
	Low

f. project closure: project managers should ensure that project closure incorporates consideration of post-project issues and that mechanisms are in place to support the resolution of such issues.

Management response	Target Date	Responsible Officer
2.1 Recommendation agreed		
Project management guidance to be reviewed and updated to ensure learning is incorporated.	31/10/2021	Michelle Sell, Chief Operating Officer
Learning recommendations to be shared with the Incident Review and Learning Group to assess whether there are any wider applications for this learning.	31/10/2021	Michelle Sell, Chief Operating Officer

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

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

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DIGITAL HEALTH AND CARE WALES
INFORMATION (DATA ANALYTICS)
NWSSP AUDIT & ASSURANCE SERVICES

Agenda Item	3.2ii

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Rachel Powell, Deputy Director of Information
Prepared By	Martyn Lewis, IT Audit Manager
Presented By	Martyn Lewis, IT Audit Manager

Purpose of the Report	For Assurance
Recommendation	
The Committee is asked to: **RECEIVE** the Internal Audit report which has been agreed with the Executive Lead and Senior Leadership Team for **ASSURANCE.**	

Acronyms

DHCW	Digital Health and Care Wales	SHA	Special Health Authority
IA	Internal Audit		

1 SITUATION/BACKGROUND

1.1 The audit has been completed and the report has been produced in line with the Internal Audit Plan for 2020/21 for DHCW.

2 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 The Committee is asked to consider the findings and management responses of the report.

3 KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 Any matters for escalation to the Board to be determined by the Committee following consideration of the report.

4 RECOMMENDATION

The Committee is asked to:
RECEIVE the Internal Audit report which has been agreed with the Executive Lead and Senior Leadership Team for **ASSURANCE.**

5 IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:	
No, (detail included below as to reasoning)		Outcome:

Statement:
Not required.

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Information

Final Internal Audit Report

September 2021

Digital Health and Care Wales

NWSSP Audit and Assurance

Contents

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

Executive Summary

Purpose

To provide assurance to DHCW that arrangements are in place to enable NHS Wales to maximise the use of analytics in an appropriate and secure manner.

Overview of findings

- The sign off of user agreement of the information specification is not always formally retained.
- The future needs of the department and the associated tools and infrastructure is not fully defined.
- Data extracts from the primary care systems are not subject to formal procedures.
- The quality assurance and privacy assessment stages are not always formally retained.
- The uptake and user feedback on the information products is not included in formal reporting.

Overall we can provide reasonable assurance over the provision of information products for NHS Wales.

Report Classification

Reasonable assurance

Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary[1]

Assurance objectives	Assurance
1 Engagement	Reasonable
2 Roles and Responsibilities	Substantial
3 Resources	Reasonable
4 Performance Metrics	Reasonable
5 Tools and Technologies	Reasonable
6 Data Governance	Reasonable
7 Consumer Adoption	Reasonable
8 Analytics and Reporting	Substantial

Matters arising

		Assurance Objectives	Control Design or Operation	Recommendation Priority
1	User Sign Off	1	Operation	Medium
2	Future Needs	5	Operation	Medium
3	Data Extract Procedures	6	Operation	Medium
4	QA Sign Off	6	Operation	Medium
5	Reporting Use of Information	7	Operation	Medium

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[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

1.1 The review of the use of data analytics and information within Digital Health & Care Wales (DHCW or the organisation) was completed in line with 2021/22 Internal Audit Plan.

1.2 The potential risks considered in the review are as follows:

- lack of appropriate management support, funding, and/or governance over the analytics function can result in failure to meet strategic goals;

- ineffective technology solutions and/or configurations may result in a negative customer experience, reduced system availability, and/or degraded performance;

- ineffective information security standards and configurations may result in unauthorised access to data, inappropriate modifications of data, and regulatory compliance breaches; and

- data quality issues and/or inaccurate reporting may lead to inaccurate management reporting and flawed decision making.

2. Detailed Audit Findings

Audit objective 1: A process should be in place for identifying key stakeholders (internal and external) and their requirements, and translating these into deliverable data products

2.1 There are good processes in place to enable engagement, with the Information Department structured around themes and staff sitting on projects and within programmes to enable engagement and communication.

2.2 A research and academia role has been created, part of the remit of which is to build links with stakeholders and develop the research and innovation process.

2.3 There is an Information Services Assurance Group, the terms of reference for which notes that projects should engage at an early stage to identify information needs. However we note that this does not always happen and sometimes the information products are developed retrospectively.

2.4 There is standard documentation in place to define a specification for the information needs / product.

2.5 We noted that the capture of the needs and specification for the Covid Information Hub is not formally documented which represents the agile nature of the development and the way the organisation reacted to a rapidly changing situation.

2.6 Staff within Information Services work closely with stakeholders to fully identify the needs and develop the specification once the initial request has been made.

2.7 Although there are processes to identify user needs and translate these into a formal specification which is captured on a standard form, the user agreement of these and of the proposed outputs is not always captured, with sign off being informal or via email. (Matter Arising 1)

Conclusion:

2.8   The relationships with stakeholders, together with the Assurance Group and the ongoing work to further develop relationships enables us to provide reasonable assurance over this objective.

Audit objective 2: Roles and responsibilities across key resources and functions should be clearly defined and include stakeholders and governance functions

2.9   Roles and responsibilities for staff within Information Services are clear.

2.10 There are separate teams for information types (primary care, secondary care) and there is a data acquisition and data warehouse team.

2.11 There is a lead officer to enable the performance management function within the department.

2.12 Standard operating procedures are in place for data collection and processing, and dealing with requests for information.

Conclusion:

2.13 Roles and responsibilities are clear within the department structure, accordingly we can provide substantial assurance over this objective.

Audit objective 3: The organisation should have sufficient resources to support an analytics function, including financial and staff

2.14 The Information Department fits within the budgetary structure of DHCW.

2.15 The Department is made up of staff with a varied skill mix and different qualifications in place. Examples of these include; project management; data analysis specialism; doctorates; technical and coding qualifications.

2.16 There have been recent additions to the establishment to improve resourcing and consideration of the future need has occurred. However, there are a number of vacancies and recruitment can be problematic due to the lack of skills within the job market for NHS pay rates.

2.17 Information Services has been working with Workforce in order to develop a training and development plan and recruitment model.

2.18 Work is ongoing, with plans in place, to improve and coordinate research and innovation.

2.19 Training has been provided to staff where need has been identified. For example, there has been training provided to the analysts on "human data interaction" to better enable the outputs to meet user needs.

Conclusion:

2.20 As we have noted there have been recent increases to the establishment, and there is an ongoing development and training plan, however these are offset by the vacancies and the recruitment problems, accordingly we can provide reasonable assurance over this objective.

Audit objective 4: The success criteria of the analytics function should be tracked through agreed-upon performance metrics. These metrics should present a balance of operational and organisational performance

2.21 There is a performance management and reporting process in place, and this fits within the overall DHCW performance monitoring framework.

2.22 An integrated performance report is produced and updated quarterly which is presented to the PPMG (Planning and Performance Management Group) and then to DHCW Directors.

2.23 A monthly directorate management report is produced internally to allow management to track progress of the various activities.

2.24 We note that the production and reporting of KPIs is a developing area within Information Services. Work is ongoing to develop KPIs, and as part of this KPIs that would be of value to users are being identified.

2.25 Feedback on the information products is sought from users on how the products perform against metrics such as readability.

Conclusion:

2.26 As the department fits within the overall performance framework for DHCW, and is also working to further develop indicators for use internally we can provide reasonable assurance over this objective.

Audit objective 5: The organisation should identify the most appropriate tools and technologies to fit their current and future needs

2.27 There are a variety of tools in place for the development of information products. The main ones being Office 365/ Power Bi and Logi which are both modern products.

2.28 There is a data science toolset group which is chaired by a National Data Resource (NDR) representative which aims to look at tools that are available and remove blocks to bringing them into NHS Wales.

2.29 The use of data is a developing area and the structures within DHCW are changing accordingly. The NDR is being established as the data analytics function for Wales and DHCW staff are working on this. This is not yet complete and the Information Directorate are taking on part of this functionality in the interim. However the infrastructure and processes have not fully kept up with the requirements of modern analytics. E.g. The data warehouse is older technology and struggles with real time reporting. (Matter Arising 2)

Conclusion:

2.30 The current tools in use are sufficient. However, as the future requirements and role of the department are not finalised, we can provide reasonable assurance over this objective.

Audit objective 6: Appropriate data governance should be in place to ensure that information remains accurate, consistent, timely and accessible

2.31 The Information Services Assurance Group includes data governance. The terms of reference clearly note that the purpose is to provide assurance over informatics at the development, design and procurement stages.

2.32 All information requests relating to primary care data are assessed and approved by the Data Quality System Governance Group. The terms of reference of which explicitly state the role is to assess and prioritise requests and ensure information governance.

2.33 There are data validation routines included in the extraction of data. The extraction of primary care information uses Audit+ and includes a module to validate data in the extracts. The bulk of secondary care data is from submission via the NHS Switching Service which includes data validation at source.

2.34 Further data validation is built into the information products where appropriate.

2.35 There are no formal procedures in place for the maintenance of the extracts from the primary care systems and load into the data warehouse. The processes rely on the knowledge of the staff in place to ensure that changes are communicated and the reports updated accordingly. Without setting the process out there is a risk that changes may be made that impact on the reliability of the information products without communication of this. (Matter Arising 3)

2.36 Data is held securely at each stage of the process with access appropriately restricted.

2.37 Consideration is given to GDPR requirements, with the needs stage requiring an assessment of use and privacy impact assessments being completed.

2.38 There are good linkages with Information Governance staff to ensure that Information Governance is considered throughout the process.

2.39 We did note that although there are processes in place for privacy assessments and quality assurance, these are not always captured and documented, with sign off being within working groups or via mail. (Matter Arising 4)

2.40 We also noted that the privacy impact assessment for the Covid Data Hub was not formally signed off due to its rapid development. However, the Information Governance lead was included within the development channel and was involved in the project.

2.41 Access to information and information products is controlled appropriately and restricted to ensure privacy, with different tiers of access depending on the information level.

2.42 Where access to personal information is involved, access to the information products require approval from the Caldicott Guardian.

2.43 The use of the data warehouse enables a single point of truth for data, with reporting and developments being undertaken on separate servers.

Conclusion:

2.44 There are good data governance process in place, although we note that the formality of these is not always defined, accordingly we can provide reasonable assurance over this objective.

Audit objective 7: The goal of analytics should be to provide meaningful information for data consumers and adoption should be monitored

2.45 There are mechanisms in place to track the use of some of the information products and use this information within the team.

2.46 We also note that there are processes in place to get user feedback on the products, with some specific feedback forms being in place. The information gained from this feeds into an improvement cycle for the relevant product.

2.47 The relationships between the relevant user base are generally good with ongoing dialogue with users which enable the improvement cycle.

2.48 As part of the development process for products, pilot partners are used to ensure that the product is working as anticipated and is meeting the needs of users.

2.49 We do note, however, that although there is monitoring of customer use of some of the information products and some collection of user feedback, this is not formalised as a process for all products, and there is no reporting on the status of use and customer views. (Matter Arising 5)

Conclusion:

2.50 There are processes in place for monitoring use and feedback of the information products, although these are not always reported. Accordingly, we can provide reasonable assurance over this objective.

Audit objective 8: Reports should be designed with the appropriate flexibility of input parameters to allow consumers to narrow or broaden the focus of their analysis

2.51 The information products provide meaningful and relevant information for the users on the specific topics they were designed for.

2.52 The outputs are tailorable, within the bounds of the report, with filters being available where applicable in order to enable users to obtain the information they require.

2.53 The parameters of the data are clearly stated on the report to ensure clarity over what the information represents. There is also some use of interactive titles on reports which further clarify what the data is representing.

Conclusion:

2.54 As the reports allow user interaction and ensure that the parameters of the data are clear, we can provide substantial assurance over this objective.

Appendix A: Management Action Plan

Matter arising 1: User Sign Off (Operation)	Impact
Although there are processes to identify user needs and translate these into a formal specification which is captured on a standard form, the user agreement of these and of the proposed outputs is not always captured, with sign off being informal or via email.	Potential risk that the information product does not meet user needs.

Recommendations	Priority
1.1 The agreement of user needs and of the output and specification by the users should be captured.	Medium

Management response	Target Date	Responsible Officer
1.1 The recommendation is accepted. A procedure to document user needs and acceptance specification will be documented.	December 2021	Trevor Hughes and Shirley Hughes

Matter arising 2: Future Needs (Operation)	Impact
The use of data is a developing area and the structures within DHCW are changing accordingly. The NDR is being established as the data analytics function for Wales and DHCW staff are working on this. This is not yet complete and the Information Directorate are taking on part of this functionality in the interim. However the infrastructure and processes have not fully kept up with the requirements of modern analytics. E.g. The data warehouse is older technology and struggles with real time reporting.	Potential risk that the information product does not meet user needs.

Recommendations	Priority
2.1 The role of the NDR and the Information Directorate should be clearly defined for the future. The ability of the Information Directorate to take some of the areas forward should be strengthened and an assessment of the required technologies against those in situ undertaken.	**Medium**

Management response	Target Date	Responsible Officer
2.1 This recommendation is accepted although it is anticipated that much of the role of both NDR and the Information Directorate will evolve as the requirements for the National Data Store become clearer. There is a commitment however for both the programme and the directorate to work closely on this. The directorate continue to manage the risk of any older infrastructure through the recognised risk management processes.	March 2022	Rachael Powell

Matter arising 3: Extract Procedures (Operation)	Impact
There are no formal procedures in place for the maintenance of the extracts from the primary care systems and load into the data warehouse. The processes rely on the knowledge of the staff in place to ensure that changes are communicated and the reports updated accordingly. Without setting the process out there is a risk that changes may be made that impact on the reliability of the information products without communication of this.	Potential risk that inaccurate reporting may lead to inaccurate management reporting and flawed decision making.

Recommendations	Priority
3.1 A set of procedures should be developed to ensure that the process operates in the event of the absence of key staff.	Medium

Management response	Target Date	Responsible Officer
3.1 The recommendation is accepted. A set of procedures will be documented.	December 2021	Simon Scourfield & Eluned Cousins

Matter arising 4: QA Sign Off (Operation)	Impact
Although there are processes in place for privacy assessments and quality assurance, these are not always captured and documentation recorded, with sign off being within working groups or via mail.	Potential risk that the information product does not meet user needs.

Recommendations	Priority
4.1 The sign off of privacy assessments and quality checks should be recorded and retained.	Medium

Management response	Target Date	Responsible Officer
4.1 The recommendation is accepted. A set of procedures will be documented.	December 2021	Trevor Hughes & Shirley Hughes

Matter arising 5: Reporting usage (Operation)	Impact
Although there is monitoring of customer use of some of the information products and some collection of user feedback, this is not formalised as a process for all products, and there is no reporting on the status of use and customer views.	Potential risk that the information product does not meet user needs.

Recommendations	Priority
5.1 The reporting process should be enhanced to include customer uptake and opinions of the products.	**Medium**

Management response	Target Date	Responsible Officer
5.1 The recommendation is accepted. A set of procedures will be documented.	December 2021	Trevor Hughes & Shirley Hughes

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally, issues of good practice for management consideration.	Within three months*

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

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DIGITAL HEALTH AND CARE WALES
WELSH LANGUAGE STANDARDS ADVISORY REPORT

SUMMARY OF INTERNAL AUDIT COVERAGE ACROSS NHS WALES

Agenda Item	3.3

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	James Quance, Head of Internal Audit
Presented By	James Quance, Head of Internal Audit

Purpose of the Report	For Noting
Recommendation	
The Committee is asked to: **NOTE** the report.	

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
NHS	National Health Service		

1   SITUATION/BACKGROUND

1.1   Audit & Assurance Services have undertaken internal audit reviews of Welsh Language Standards at NHS Wales organisations for a number of years as part of the risk based internal audit coverage for each organisation. This report provides a summary of the findings of internal audit work up to June 2021.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The Committee is asked to note the content of the report as useful background and context to arrangements in the NHS Wales organisations covered in the reviews.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   Any matters for escalation to the Board to be determined by the Committee following consideration of the report.

4   RECOMMENDATION

The Committee is asked to **NOTE** the report.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

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HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:	
No, (detail included below as to reasoning)		Outcome:
Statement: Not required.		

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Board Secretaries Group	June	Agreed

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Author: James Quance
Approver: James Quance

Welsh Language Standards

Summary of Internal Audit Coverage across NHS Wales

June 2021

NHS Wales Shared Services Partnership

Audit and Assurance Services

CONTENTS   Page

Contacts: Simon Cookson, Director of Audit & Assurance Services
Sophie Corbett, Deputy Head of Internal Audit

Purpose of this Paper

This paper summarises the audit work undertaken at NHS Wales organisations over the four years 2016/17 to 2020/21 on Welsh Language Standards. The table in section one sets out the scope, assurance rating and key findings for each audit. Planned work for 2021/22 is set out within the table in section two.

Acronyms	
WLC	Welsh Language Commissioner
WLU	Welsh Language Unit
WLO	Welsh Language Officer
IMTP	Integrated Medium Term Plan
IAP	Implementation Action Plan
LDP	Local Delivery Plan
SMT	Senior Management Team
PADR	Performance Appraisal & Development Review

1 Summary of the 10 Reviews Completed to Date

Ref	Review Title	Year	Assurance Rating[1]	Findings			
				High	**Medium**	**Low**	**Total**
NWSSP	**Welsh Language Standards**	**2018/19**	**Reasonable**	1	2	0	3

Outline Scope	**Detailed Scope**
Evaluate the arrangements in place to ensure management takes appropriate action to achieve compliance with the Welsh Language Standards	• Arrangements for assessing the impact of the Regulations • Process for developing implementation action plans to achieve compliance • Process for determining resource requirements to deliver the action plans • How staff are made aware of the requirements of the legislation

Key (High / Medium) Recommendations:

1. Revisit the impact assessment in light of the final compliance notice, ensuring that all divisions complete the process.

2. Use the final impact assessment to identify the resource requirements for the Welsh Language Unit (WLU) and clarify the role of the Welsh Language Officer (WLO) with the divisions; identify the key risks and priorities for NWSSP; and develop an implementation action plan (IAP) to bring NWSSP into compliance with the Standards. Senior Management Team to approve the IAP and regular progress reports on the IAP provided to divisional meetings (where relevant) and SMT.

3. Ensure that the Standards become integral to everyday business. Include Welsh language priorities within the divisional Integrated Medium Term Plans (IMTPs) and involve the WLO in the divisional IMTP planning process.

ABUHB	**Welsh Language Standards**	**2019/20**	**Reasonable**	1	1	0	2

Outline Scope	**Detailed Scope**
Evaluate and determine the adequacy of the systems and controls in place over the implementation of the Standards	• Arrangements for assessing the impact of the Regulations • Process for developing implementation action plans to achieve compliance • Process for determining resource requirements to deliver the action plans • How staff are made aware of the requirements of the legislation

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[1] See Appendix A for explanation of assurance ratings and recommendation priorities

Key (High / Medium) Recommendations:

1. Ensure that the Welsh Strategic Group monitor and escalate significant non-compliance or delays with the delivery of the Standards implementation to the Executive Team. Ensure suitable representation from throughout the Health Board.

2. Allocate additional resource to raise the profile of the Standards throughout all areas of the organisation and escalate non-compliance / delays with the programme to the Executive Team.

HDUHB	Welsh Language Compliance	2019/20	Reasonable	0	3	1	4

Outline Scope Evaluate and determine the adequacy of the systems and controls in place over the implementation of the Standards	**Detailed Scope** • Arrangements for assessing the impact of the Regulations • Process for developing implementation action plans to achieve compliance • Process for determining resource requirements to deliver the action plans • How staff are made aware of the requirements of the legislation

Key (High / Medium) Recommendations

1. Ensure progress updates on the completion of the readiness assessments and any subsequent actions are reported to the Workforce & OD Committee.

2. Ensure all directorate readiness assessments include a responsible officer and deadline date for non-compliant standards that require addressing.

3. Establish interim arrangements to enable the reporting of Health Board compliance against the Standards whilst key performance indicators and monitoring processes are being developed.

PTHB	Welsh Language Standards Implementation	2019/20	Limited	2	1	0	3

Outline Scope: Evaluate and determine the adequacy of the systems and controls in place over the implementation of phase one of the Regulations and how lessons were learnt to inform the second phase due later in 2019/20	**Detailed Scope:** • Arrangements for assessing the impact of the Regulations • Process for developing implementation action plans to achieve compliance • Process for determining resource requirements to deliver the action plans • How staff are made aware of the requirements of the legislation

Key (High / Medium) Recommendations:

1. Review future changes in legislation and assess implications in a timely manner

2. Complete Directorate action plans to inform the Health Boards overarching action plan and compliance assessment. Complete the process of determining resource implications of implementing the Regulations. This should feed into workforce and financial planning and be included as necessary in directorate plans. Escalate significant compliance issues and resource implications through the governance structure to the Board.

3. Continue to raise awareness of the Standards through awareness sessions, internal communications, and including the Standards as a standing agenda item at Directorate and service level meetings to ensure progress against the plan is monitored. Consider developing a communications strategy to ensure staff are familiar with the Standards, understand the impact on their roles and the support and resources available to them to comply.

WAST	Welsh Language Standards Implementation	2019/20	Reasonable	1	1	0	2

Outline Scope:	**Detailed Scope:**
Evaluate and determine the adequacy of the systems and controls in place over the implementation of phase one of the Regulations and how lessons were learnt to inform the second phase due later in 2019/20	• Arrangements for assessing the impact of the Regulations • Process for developing implementation action plans to achieve compliance, including the five year plans for delivering consultations through the NHS Direct Wales / 111 Services in Welsh • Process for determining resource requirements to deliver the action plans • How staff are made aware of the requirements of the legislation

Key (High / Medium) Recommendations:

1. Formalise and approve the governance structure in place over the Regulations. Inclusion of the Regulations in the Trust's risk registers. Appropriate approval of various documentation developed to help bring the Trust into compliance with the Regulations (e.g. action plans, delivery structure, communications strategy, and Welsh language quality metrics). Ensure greater links between the Regulations and the Trust's Long Term Strategy, IMTP and directorate Local Delivery Plans. Develop and approve an authorisation process to ensure that translation requests sent to external translators are reasonable, proportionate and in line with Regulations.

2. Complete the process of determining the resource implications of implementing the Regulations. This should feed into workforce and financial planning and be included as necessary in directorate LDPs. Escalate significant resource implications through the new governance structure to the Board.

BCUHB	Welsh Language Act 1993 in preparation for the Welsh Language (Wales) Measure 2011	2016/17	Not Applicable	1	2	0	3

Outline Scope:	**Detailed Scope:**
Establish whether there is a robust control environment in place within the Health Board to manage and support transition from the current Welsh Language Scheme to complying with the Welsh Language Standards	• Current practice and procedures • Governance, reporting and assurance to the Board • Monitoring and scrutiny

Key (High / Medium) Recommendations:

1. Review completion data for the Welsh language skills self-assessment and ensure all staff have completed it in compliance with the Bilingual Skills Strategy. Consider updating PADR documentation to reflect the requirements of the Bilingual Skills Strategy.

2. Consider whether current recruitment controls relating to post Welsh language requirements are sufficiently robust to ensure legislative compliance and meet the language needs of service users. Consider mandating that certain front line service/function vacancies be advertised as Welsh language skills essentially initially.

3. Consider making Welsh language awareness training a mandatory requirement for all staff.

BCUHB	Welsh Language (Wales) Measure 2011	2019/20	Limited	2	1	0	3

Outline Scope:	Detailed Scope:
Establish whether there is a robust control environment in place within the Health Board to action the requirements of the Bilingual Skills Strategy and ensure compliance with the Welsh Language Measure (Wales) 2011.	• Management and administration of vacant posts deemed Welsh Language Essential • Vacancy justification • Supporting policies and guidance notes • Accuracy and consistency of reporting

Key (High / Medium) Recommendations:

1. Review current practice and put in place controls to ensure that essential post requirements are either met or that training is undertaken to allow successful applicants to meet the requirements.

2. Review current practice and put in place controls to ensure that the requirements of the Bilingual Skills Strategy are met.

3. Consider whether current practice meets the requirements of the Bilingual Skills Strategy. Review the Bilingual Skills Strategy to ensure the requirements are consistent with current working practice and systems in place. Consider whether current reporting provides sufficient assurance to the Board.

PHW	Regulatory Compliance – Welsh Language	2016/17	Limited	3	1	1	5

Outline Scope:	Detailed Scope:
Assess the adequacy of the arrangements for regulatory compliance with regards to the Welsh language	• Processes for establishing the Trust's regulatory compliance requirements • Directorate and division ownership of Welsh language regulations compliance • Directorate and division monitoring, recording and reporting on actions required to achieve Welsh language scheme compliance, to facilitate reporting at corporate level • Reporting outcomes from internal/external reviews to an appropriate Trust committee and actions to ensure issues are addressed • Assessment, recording and monitoring of risks relating to Welsh language regulations compliance • Awareness of Welsh language compliance in six defined areas of the Trust as agreed with management

Key (High / Medium) Recommendations:

1. Review and move forward with internal monitoring and reporting mechanisms for Welsh language application and compliance. Review terms of reference for the Welsh Language Committee to ensure it is still appropriate. Ensure that the Trust is following current Welsh language requirements, for example by including Welsh language on divisional risk registers where appropriate. Re-implement the Welsh language scheme action plan and monitor and regularly report on this to the SMT and the People & Organisational Development Committee as appropriate.

2. Review the Welsh language resource provision and ensure that the WLO has an appropriate level of support.

3. Review current process within Directorates to identify key issues and challenges, resource pressures and gaps in compliance in order to provide timely updates to SMT and the Welsh language officer who can advise Executive Team on progress.

4. Ensure that there is an appropriate group monitoring the progress of implementation of the recommendations arising from the WLC's investigation report into Stop Smoking Wales.

PHW	Welsh Language Compliance Follow Up	2017/18	Reasonable	1	0	0	1

Outline Scope:	Detailed Scope:
Provide assurance to the Trust regarding implementation of the agreed management responses from the Regulatory Compliance - Welsh Language audit.	• Progress made with the implementation of the agreed management responses • Evidence available to support the level of progress made • Actions implemented address issues highlighted during the original audit

Key (High / Medium) Recommendations:

1. Review current process within Directorates to identify key issues and challenges, resource pressures and gaps in compliance in order to provide timely updates to SMT and the Welsh Language Officer who can advise Executive Team on progress. *(Note – previous recommendation remained open as deemed only partially implemented)*

VUNHST	Welsh Language Standards	2020/21	**Reasonable**	1	2	1	4

Outline Scope:	Detailed Scope:
Evaluate and determine the adequacy of the systems and controls in place to ensure compliance with the Standards.	• Process for creating and implementing action plans in response to the compliance notice issued by the Welsh Language Commissioner • Process for determining the resource requirements to deliver the action plans • Processes in place for monitoring and reporting on compliance with the Standards • Staff awareness of the requirements of the Regulations • Risks relating to the Standards are appropriately assessed, recorded and monitored

Key (High / Medium) Recommendations:

1. Management should ensure that the Velindre Cancer Centre takes appropriate action with regards to the working group and/or other divisional management arrangements so that they are effective in achieving the targeted compliance rate, including retaining evidence of meetings, actions and timescales.

2. Management should clarify the arrangements in place for reporting on the Standards going forward that cover frequency and meetings where information is reported to. Management should also ensure that the full Action Plan is reported at an appropriate Board meeting at least annually.

3. Management should ensure that updates to the Action Plan are version controlled in order to be able to see the progress that has been made over time and that it identifies key leads across the organisation who have responsibility for deliverable timescales for the non-compliant standards.

2 Planned Work 2021/22

Ref	Status
CTMUHB	Included in the plan for 2021/22, detailed scope to be agreed.
HDUHB	Included in the plan for 2021/22, detailed scope to be agreed.

SBUHB	Included in the plan for 2021/22, detailed scope to be agreed.

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, which 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.

DIGITAL HEALTH AND CARE WALES
WELSH LANGUAGE SCHEME UPDATE REPORT

Agenda Item	3.4

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Sophie Fuller, Corporate Governance and Assurance Manager
Presented By	Sophie Fuller, Corporate Governance and Assurance Manager

Purpose of the Report	For Discussion/Review
Recommendation	
The Committee is being asked to: **DISCUSS** the content of the update.	

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

Acronyms			
DHCW	Digital Health and Care Wales	WLCO	Welsh Language Commissioners Office
SHA	Special Health Authority	NWIS	NHS Wales Informatics Service

1   SITUATION/BACKGROUND

1.1   Until the 31st March 2021 Digital Health and Care Wales (DHCW) were operating as NHS Wales Informatics Service (NWIS) hosted by Velindre University Trust and were adhering to the Welsh Language Standards issued to Velindre.

1.2   On the 1st April 2021 the DHCW Special Health Authority was formed. Special Health Authorities are not currently named under the 2011 Welsh Language Measures, however DHCW wish to continue to maintain compliance with these Standards by creating a dedicated Welsh Language Scheme 'Scheme'.

1.3   The initial draft of the DHCW Welsh Language Scheme has been completed and is with the Welsh Language Commissioners office for approval to proceed to public consultation. The 'Scheme' sets out how Digital Health and Care Wales will give effect to the principles established by the Welsh Language Act 1993 that, in the conduct of the public businesses the English and Welsh language should be treated on a basis of equality. The main points of the 'Scheme' will include:

- Public communication, Corporate Identity and public face
- Operating the Scheme including Service/System Design
- Implementing and Monitoring
- Publicising the Scheme
- Complaints and comments

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   After further consultation with the Welsh Language Commissioners office DHCW have revised the timeline for consultation and 'Scheme' sign off. As detailed in item 3.4i Appendix A, the timeline shows the consultation will begin in October and end in January with the aim to take the 'Scheme' for sign off at the January SHA Board meeting in readiness for submission to the Welsh Language Commissioners office.

2.2   The list of stakeholders for proactive engagement during the public consultation is now complete in readiness for publication. This has been compiled using guidance from the Welsh Language Commissioners office and help from across the NHS Wales organisations.

2.3   The timeline Included in item 3.4i Appendix A also includes the appointment of a Welsh
       Language Scheme Manager to ensure dedicated resource is in place to implement and monitor
       the 'Scheme' and provide advice and support to the organisation. This position is now live with
       the interviews expected to take place in the middle of October.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   The timelines for public consultation of the 'Scheme' and the appointment of the Welsh
       Language Services Manager have been revised in line with engagement and advice from the
       Welsh Language Commissioners office. This could be subject to further change, of which the
       Committee will be kept fully updated.

4   RECOMMENDATION

The Committee is being asked to:
Note the content of the update.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Development of the new Digital Organsation

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A Wales of vibrant culture and thriving Welsh language
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Individual Care
If more than one standard applies, please list below: Dignified Care	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A
No, (detail included below as to reasoning)	Outcome: N/A
Statement: The Welsh Language Scheme will Equality Impact Assessed as part of the process.	

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	Should the activities within the scheme not be appropriately followed, there is a potential for legal action.
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	Should the activities within the scheme not be appropriately followed, there is a potential for financial action.
WORKFORCE IMPLICATION/IMPACT	Yes, please see detail below
	Elements of the scheme will include expectations of members of staff and more specifically managers.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Author: Sophie Fuller
Approver: Chris Darling

Item 3.4i Appendix A – Welsh Language Scheme Timeline Plan

- Planned activity
- In progress
- Complete

2021   **2022**

| Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |

WELSH LANGUAGE SCHEME

- Draft Scheme finalised
- Draft Scheme Consultation
- Scheme finalised
- Approval by Welsh Language Commissioners Office for consultation
- Consultation
- Welsh Language Lead to review action plan for scheme implementation and monitoring
- Board sign off
- Implementation and monitoring

WL LEAD RECRUITMENT

- Consistency Checking
- Revised recruitment start
- Revised start date

DIGITAL HEALTH AND CARE WALES
AUDIT WALES UPDATE COVER REPORT

Agenda Item	3.5

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Darren Griffiths, Audit Wales
Presented By	Darren Griffiths, Audit Wales

Purpose of the Report	For Assurance
Recommendation	

The Committee is being asked to:
Receive the report for **ASSURANCE**.

Acronyms			
DHCW	Digital Health and Care Wales	AW	Audit Wales
EA	External Audit	WCCIS	Welsh Community Care Information System

1   SITUATION/BACKGROUND

1.1   The paper at item 3.5i Appendix A provides an update on current and planned Audit Wales work at DHCW.

1.2   The paper at item 3.5ii Appendix B is the report of the Auditor General for Wales on the Welsh Community Care Information System (WCCIS) published in October 2020.

1.3   The paper at item 3.5iii Appendix C is the report of the Auditor General for Wales on the Picture of Public Services published in September 2021.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   <u>Audit Committee Update:</u> The paper provides an update on financial audit work, performance audit work, details of good practice events and resources, and a list of NHS-related audit reports published by Audit Wales since the last meeting of the Audit & Assurance Committee in July. In terms of performance audit work, a baseline governance review will be undertaken during 2021 to support learning as well as to help discharge the Auditor General's statutory duty to satisfy himself that DHCW has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. The work will start in late September 2021 with a view to presenting the findings in January 2022.

2.2   <u>Welsh Community Care Information System Report:</u> The Welsh Community Care Information System (WCCIS) is intended to enable health and social care staff to deliver more efficient and effective services using a single system and a shared electronic record. WCCIS is being developed for use across a wide range of adult and children's services, moving from a position of multiple systems at different stages of development or paper records. The Welsh Government has always intended that all 22 local authorities and seven health boards should implement WCCIS through a contract signed in March 2015.

The programme of work to implement and roll out WCCIS and realise its benefits is complex and ambitious. It requires various organisations to collaborate at a national, regional, and local level, working within different accountability frameworks. Together they need to agree

Audit Wales Update Cover Report   Page 2 of 4   Author: Darren Griffiths
Approver: Darren Griffiths
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priorities and manage risks and inter-dependencies as part of wider policy development across the health and social care system.

The overall conclusion of the report is: *"implementation and roll-out of WCCIS are taking much longer and proving more costly than expected. Despite efforts to accelerate the process, the prospects for full take-up and benefits realisation remain uncertain. Some important issues around the functionality of the system, data standards and benefits reporting are still to be fully resolved."*

The report makes two recommendations. The WCCIS National Programme's response to the report and recommendations is available here.

2.3 Picture of Public Services 2021: This report summarises some key trends in public finances and sets out the independent perspective of Audit Wales on some of the key issues for future service delivery. Underpinning this report is a series of sector-specific summaries setting out some key facts and analysis, which will be published during September and October 2021.

As the country emerges from the pandemic, public services in Wales face many challenges. They are grappling with three over-arching crises of global proportion: the public health crisis of COVID-19; the environmental crisis of climate change; and an economic crisis. Yet this daunting agenda is not without opportunity. The pandemic has demonstrated great strengths in the public service in Wales. The opportunity now is to build on the progress made in rapidly transforming the way services are provided during the pandemic to tackle the long-standing challenges that have pre-occupied Welsh public services for some time.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 No matters for escalation to the Committee.

4   RECOMMENDATION

The Committee is being asked to:
Receive the report for **ASSURANCE**.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	The audit work will specifically cover corporate risks where appropriate

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Approver: Darren Griffiths
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WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below: A healthier Wales	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below: Effective Care	

EQUALITY IMPACT ASSESSMENT STATEMENT

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A	
No, (detail included below as to reasoning)		Outcome: N/A
Statement: Not required for this report.		

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Audit and Assurance Committee Update – **Digital Health and Care Wales**

Date issued: September 2021

Document reference: 2458A2021-22

Contents

Audit and Assurance Committee Update

Audit and Assurance Committee Update

About this document

1   This document provides the Audit and Assurance 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).

Financial audit update

2   Digital Health and Care Wales (DHCW) has decided to prepare a fifteen-month set of financial statements to 31 March 2022. We continue to have some early engagement with officers to gain an understanding of DHCW and its finances. We expect to start our main financial audit work in early 2022.

Performance audit update

3   It has been agreed that we will undertake a baseline governance review at DHCW during 2021 to support learning as well as to help discharge the Auditor General's statutory duty to satisfy himself that the Strategic Health Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. In reviewing progress to date, our work will include, but not necessarily be limited to, an assessment of:

- overall governance and assurance arrangements including the effectiveness of the Board and its sub-committees, risk management and internal control;
- strategic planning arrangements;
- arrangements for engaging / working in partnership with others; and
- financial, workforce and asset management.

4   We plan to start our work in late September 2021 with a view to presenting our findings in January 2022.

5   Evidence for the work will be gathered via discussions with DHCW Officers and Independent Members, observations of Board and Committee meetings, and reviews of relevant documents.

Good practice events and products

6   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.

7   **Exhibit 1** outlines the Good Practice Exchange (GPX) events which have been held since we last reported to the Committee on 6th July. Details of future events are available on the GPX website.

Exhibit 1 – Good practice events and products

Event	Details
Your Town, Your Future - Town Centre Regeneration (September 2021)	The event focused on the findings and recommendations of the Auditor General's recent report - Regenerating Town Centres in Wales - and suggested some ideas on ways to assist towns to analyse their present and forge their futures. The material from the event is available here.
The future of work: Sharing experiences from Hywel Dda University Health Board (September 2021)	During this session, representatives of Hywel Dda University Health Board shared their experiences of staff moving into the Hywel Dda Integrated Care Centres (ICC) at Aberaeron and Cardigan. Following the move, Hywel Dda University Health Board invited an Anthropologist, Dr Luci Attala from University of Wales, Trinity St David, to undertake a study to look at how employees have negotiated the transition from traditional workspaces to an open-plan hot-desk environment in non-clinical areas.

8   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 prompt some thinking and support the exchange of practice. As part of the project, we held a COVID-19 Learning Week in March 2021. The material from the COVID-19 Learning Week, together with other related material, is available here.

Recent NHS-related reports

9   The Audit and Assurance 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

Administration and Public Accounts Committee at the Senedd to support its scrutiny of public expenditure.

10   **Exhibit 2** provides information on the NHS-related or relevant national studies published since we last reported to the Committee on 6th July.

Exhibit 2 – NHS-related or relevant national studies reports

Title	Publication Date
Updated infographic on the NHS (Wales) summarised accounts for 2020-21	September 2021
Picture of Public Services 2021 * * Sector specific summary outputs will also be published to accompany this report in September / October 2021, including a picture of healthcare.	September 2021

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

Archwilio Cymru
Audit Wales

Welsh Community Care Information System

Report of the Auditor General for Wales

October 2020

This report has been prepared for presentation to the
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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

◀ **Key messages**

1   The Welsh Community Care Information System (WCCIS) is intended to enable health and social care staff to deliver more efficient and effective services using a single system and a shared electronic record. WCCIS is being developed for use across a wide range of adult and children's services, moving from a position of multiple systems at different stages of development or paper records. The Welsh Government has always intended that all 22 local authorities and seven health boards should implement WCCIS through a contract signed in March 2015.

2   The programme of work to implement and roll out WCCIS and realise its benefits is complex and ambitious. It requires various organisations to collaborate at a national, regional and local level, working within different accountability frameworks. Together they need to agree priorities and manage risks and inter-dependencies as part of wider policy development across the health and social care system. We have examined the latest position. **Appendix 1** describes our audit approach and methods.

Implementation and roll-out of WCCIS are taking much longer and proving more costly than expected. Despite efforts to accelerate the process, the prospects for full take-up and benefits realisation remain uncertain. Some important issues around the functionality of the system, data standards and benefits reporting are still to be fully resolved.

3   The Welsh Government recognises that an IT system alone will not deliver the changes to health and social care it wants to see. However, WCCIS is the key digital enabler. Through the WCCIS contract, local authorities and health boards can agree 'deployment orders' with the supplier without needing their own procurement process. The contracting framework has needed to evolve since 2015 to encourage delivery by the supplier and take-up by organisations.

4   There was an initial estimation that all local authorities and health boards could be using the system by the end of 2018, although the timescales were not binding. It was anticipated that the detailed plans would be completed in negotiation with the supplier and participating organisations.

5   As at 31 August 2020, 19 organisations were using WCCIS or had signed deployment orders, with four in active negotiation and six yet to commit. Of the 19 organisations, 13 local authorities and two health boards had gone live. However, 'live' can mean different things. Differences in how organisations are choosing to deploy WCCIS currently limit opportunities for integrated working and raise other value for money issues.

6   Key aspects of the expected functionality have been significantly delayed. This includes certain enhancements to the original contractual requirements. The current estimate is that the remaining updates will be delivered on a phased basis through to the end of 2021. Areas where work is still needed include Welsh-language requirements, mobile functionality and interfaces with other NHS Wales systems. The National Programme Team has also needed to address concerns about system performance.

7   Implementing and rolling out the system is proving more costly than expected and with additional investment needed to support related service transformation. To date, just over £30 million has been spent or committed to March 2022 by the Welsh Government and NHS Wales Informatics Service (NWIS). Further capital costs are possible, although these may fall to deploying organisations.

8   We have been unable to arrive at a reliable overall estimate of local implementation costs met from organisations' own budgets, although it is apparent that these run into several millions of pounds. Once organisations have gone live, they also pay ongoing service charges, although in most cases WCCIS has replaced predecessor systems and their associated costs. The National Programme Team has emphasised that accountability for detailed local costs, risk and benefits rests with the local organisations.

9   Through the national programme management arrangements, action has been taken at various points to review and try to accelerate delivery. However, some key issues have taken a long time to resolve or have still not been fully resolved. Recent changes to programme governance structures are intended to support a more co-ordinated national approach, including acceleration of national data standards which are key to realising some of the benefits of WCCIS. The work on data standards is at different stages across different service areas. We understand that the use of WCCIS to support the COVID-19 response has highlighted the importance of this work and showed that this is possible given enough focus.

10   Responsibility for implementing WCCIS is widespread and includes
      organisations that are not party to the contract. The Welsh Government
      can require health boards to use the system. It has not yet chosen to do so
      and is currently relying on accelerating take-up through additional funding.
      The Welsh Government has provided some financial support to local
      authorities but does not have similar powers to require them to use the
      system.

11   The arrangements for reporting the benefits from WCCIS roll-out have
      been the subject of discussion and review from the outset. Work is still
      ongoing to develop a suitable reporting framework.

> **The potential benefits of a shared electronic record
> across health and social care are clear to see; even
> more so given some of the challenges presented
> by the COVID-19 pandemic. However, the Welsh
> Government's ambitious vision for WCCIS is still a
> long way from being realised. It now needs to work
> with the various organisations involved to take stock
> of expectations for the remainder of the contract term
> and the resources and wider commitment needed to
> support progress.**

Adrian Crompton
Auditor General for Wales

◀ Key facts

Roll-out to 31 August 2020

	Health boards	Local authorities
Live	2	13
Deployment order signed – not yet live	2	2
No deployment order signed	3	7

Click here to access our interactive data tool which provides further detail on the roll-out position across all 29 organisations.

Central support costs to March 2022: actual/committed

£30.16 million

£8.41 million	**£8.62 million**	**£13.13 million**
capital costs for software development, licences, hardware and network infrastructure	national programme management support	support for health boards and local authorities for implementation and roll-out and related service transformation
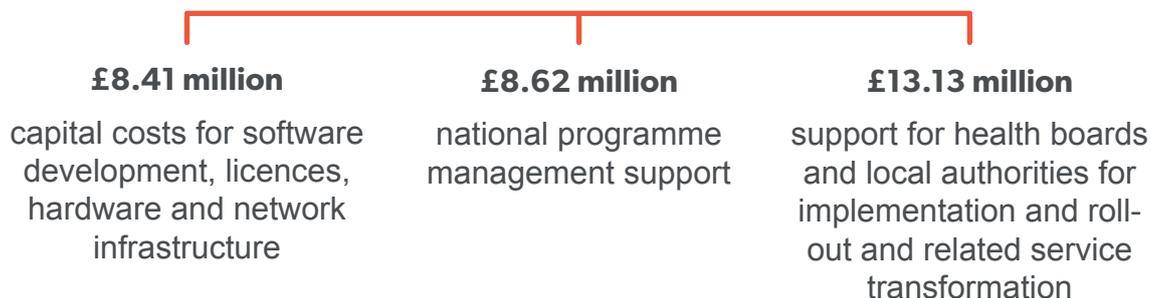
[Excludes local implementation costs and service charges met from organisations' own budgets and wider opportunity costs associated with the overall governance arrangements for WCCIS implementation and roll-out.]

Potential service area coverage (with examples)

Social care services for adults, children and families

- Safeguarding and adult protection
- Fostering and adoption

Social care financial services

- Direct payments
- Financial assessments
- Foster care payments

Child and Adolescent Mental Health Services (CAMHS)

- Early intervention and prevention
- Learning disability service

Child community services

- School nursing
- Flying Start and Families First health visiting

Adult and older mental health

- Psychology
- Prescribed medication support
- Acquired brain injuries

Community (other)

- District nursing
- Physiotherapy
- Adult weight management

◀ **Recommendations**

While there are important issues still to be resolved – including on outstanding functionality, data standards and benefits reporting – we are not making specific recommendations in these areas. They are all the subject of ongoing work through the national programme management arrangements. However, the recommendations that we have made are relevant from an overall programme delivery perspective. Also, some of the broader recommendations in our January 2018 report on informatics systems in NHS Wales remain relevant to WCCIS implementation.

Recommendations

R1 We recommend that, before committing any further central funding, the Welsh Government works with the WCCIS National Programme Team, health boards, local authorities and the supplier to:

- produce an updated business case that takes account of local, regional and national costs and sets out expectations for further roll-out of the system, its use over the remainder of the contract term, the development of national data standards and planning for any successor arrangements;

- ensure the organisations involved have the necessary capacity to support implementation and are giving enough priority to the programme against a clearly agreed plan; and

- pull together a clear national picture on feedback from front-line users about the performance and general functionality of the system.

Recommendations

R2   We recommend that the Welsh Government works with
      the National Programme Team to consider:

- how the WCCIS contract might have been
  strengthened to support and incentivise delivery and
  manage risk; and

- how relevant lessons can be applied to any
  successor contracting arrangements and wider public
  procurement.
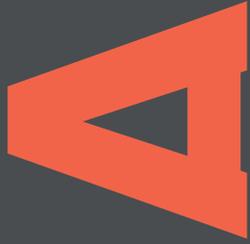
Strategy and contracting

01

Contracting for the use of WCCIS across Wales is a key part of the Welsh Government's plans for integrated health and social care

WCCIS is the key digital enabler to support the Welsh Government's plans for integrated health and social care

1.1   For the Welsh Government, a common electronic health and social care record is key to its ambition of integrated and person-centred health and social care services. In **A Healthier Wales**[1], the Welsh Government committed to accelerate roll-out across local authorities and health boards.

1.2   Recently, the Welsh Government has sought to clarify what the 'Once for Wales' approach for digital systems that it set out in 2015[2] means in practice. It has confirmed that this approach allows for some all-Wales 'national systems' and for different 'interoperable' systems using the same standards. Reinforced by the experience of responding to the COVID-19 pandemic, the Welsh Government still considers that a national approach to information sharing between health and social care is an appropriate model to enable the co-ordination of care within the community.

1.3   The Welsh Government recognises that an IT system alone will not deliver the changes to health and social care it wants to see. Among other things, the Transformation Fund[3] and the Integrated Care Fund[4] are aimed at supporting integrated working across health and social care.

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1   Welsh Government, **A Healthier Wales: our Plan for Health and Social Care**, June 2018.
2   Welsh Government, **Informed Health and Care – A Digital Health and Social Care Strategy for Wales**, December 2015.
3   Running between 2018-2021, the Transformation Fund is targeted to priority projects and new models of health and social care, with the aim of speeding up their development and demonstrating their value.
4   See Auditor General for Wales, **Integrated Care Fund**, July 2019 for further information.

Under a 'Master Services Agreement', local authorities and health boards can agree 'deployment orders' with the supplier – CareWorks – without needing their own procurement process

1.4 The WCCIS contract was awarded to the supplier, CareWorks, in December 2014 and signed in March 2015. CareWorks were predominantly experienced in providing social care software solutions. The company had previously provided social care systems for a consortium of eight local authorities in Wales.

1.5 Bridgend County Borough Council led the procurement because, at that time, it needed to replace its social care information system and had previously acted as lead authority in a consortium of eight local authorities. A 'Joint Procurement Board' with wider local government and NHS Wales representation supported the procurement process.

1.6 CareWorks intended initially to use two sub-contractors. One of the sub-contractors would help develop the required health board functionality. Between contract award and contract signing, CareWorks' offer changed and no longer involved that sub-contractor – Advanced[5]. We have been unable to confirm whether those responsible for the contracting process considered the impact of this change on CareWorks' ability to deliver the required health functionality, some of which remains outstanding. Advanced told us that it withdrew as it felt that the system requirements could not be delivered within the timeframe and cost envelope proposed at the time. In late 2019, Advanced acquired CareWorks resulting in changes to CareWorks' management arrangements for WCCIS.

1.7 The contractual model operates as a 'call off contract', including a 'Master Services Agreement' (MSA) and separate 'deployment orders' (**Box 1**). Including opportunities for extension, the contract runs to March 2027. The National Programme Team believes that there are grounds to extend individual deployment orders beyond 12 years, so that early adopters can continue to use WCCIS until 2030. This would help to align end dates and facilitate future collaborative procurement.

1.8 CareWorks offered an overall financial discount amounting to 11.5% of the pricing in its original bid if the costs for licences and ICT infrastructure were paid up-front rather than as organisations implemented the system. This option was preferred, with the Welsh Government funding the up-front costs.

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5   The other subcontractor remained involved to provide data storage and infrastructure support.

1.9   Nevertheless, the contractual framework exposes the Welsh Government to some value-for-money risks. The return the Welsh Government gets on its investment in software development, hardware and licences depends on the pace of roll-out and the use organisations make of the available functionality. Bridgend County Borough Council was the only organisation required to sign a deployment order. The call-off nature of the contractual framework also exposed CareWorks to certain financial risks.

Box 1: The contractual framework for WCCIS (as agreed originally)

Master Services Agreement (MSA)

- Bridgend County Borough Council entered into the MSA with CareWorks

- The MSA sets out the overarching terms and conditions under which local organisations implement WCCIS

- For example, it sets out the 'Statement of Requirements' (SoR), CareWorks' technical solution to the SoR, governance arrangements, dispute resolution mechanisms, change control processes, service levels and service charges

Deployment orders

1 x for the central hardware, all-Wales licences and 'sunk development costs'[6] incurred by CareWorks, with these costs being met by the Welsh Government

[Up to] 29 x agreed between CareWorks and individual local authorities and health boards[7] – including common elements but able to be tailored to meet local requirements

Original contract timescales

- Minimum of eight years, from March 2015, for the MSA

- Option to extend the MSA for four years, until March 2027 (on a 1+1+1+1 basis)

- Local deployment orders may run beyond March 2027 but must end by March 2030

- Local deployment orders worked on an 8+1+1+1+1 year basis initially, but have since been amended

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6   Before entering into the contract, at its own risk CareWorks enhanced its existing CareDirector product to meet some of the requirements, at a cost of £2.2 million.

7   While the focus has been local authority and health board settings, the contractual framework allows for Velindre NHS Trust and the Welsh Ambulance Services NHS Trust to agree deployment orders. The National Programme Team has engaged with both organisations to help them understand the potential benefits of implementing WCCIS.

The contracting framework has needed to evolve to encourage delivery by CareWorks, take-up by organisations and to correct some organisations' service charges

1.10 Under the contract the full functionality was expected to have been delivered before the end of 2015. The contract did not provide for any 'liquidated damages'[8] should CareWorks not deliver the full functionality on time, or additional payments should it meet contractual deadlines. However, the fixed-term nature of the contract provides some incentive for CareWorks, given that its revenue is based on take-up. There are also provisions in individual deployment orders for 'delay payments' in certain circumstances.

1.11 The financial model in the MSA set out the service charges each organisation was expected to pay CareWorks over the initial eight-year term of their deployment order. The total service charges amounted to just over £29 million across the 22 local authorities and seven health boards. However, the actual costs would increase over time to reflect inflation. If organisations choose to extend their deployment orders, the financial model provides for a reduced rate[9].

1.12 The service charges took account of the comparative size of each organisation and the cost to CareWorks of providing support for local implementation. The charges were fixed, regardless of how widely organisations might choose to deploy the system across their services or how much of the expected functionality was available when they signed deployment orders.

1.13 The service charges also included contributions towards £0.50 million for outstanding software development to deliver the statement of requirements functionality. These costs were additional to the development costs already paid by the Welsh Government. However, the Welsh Government has now agreed to fund these software development costs apart from £0.02 million already paid by deploying organisations up to September 2019. The service charges have been adjusted accordingly. The Welsh Government is also funding some additional development for enhanced functionality beyond the statement of requirements.

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8 A liquidated damages clause is a common way of dealing with a possible breach under a commercial contract. The sum that must be paid must be fixed in advance (a reasonable estimation of the particular loss) and written into the contract.

9 One-year extension = 10% discount; two-year extension = 15%; three-year extension = 25%; four-year extension = 35%.

1.14 In November 2019, the National Programme Team and Careworks agreed a contract variation to support CareWorks to maintain development capability and accelerate the remaining software development. These changes mean that CareWorks will now receive some payments earlier than anticipated when it delivers outstanding functionality to an agreed set of payment milestones.

1.15 Other contractual changes have affected the way the deployment orders and service charges are working in practice across different organisations. Initially, the contract term was effective from the date a deployment order was signed. This was the case solely for Bridgend County Borough Council, who were the first deploying organisation. However, there was a concern this would discourage other organisations from signing orders because they were keen to avoid the contract running down before the system was ready. Meanwhile CareWorks was having to carry out preparatory work with no firm commitment from organisations.

1.16 Following a renegotiation during the first year of the MSA, the contract only becomes effective when the contracting organisation is satisfied the system has been operating in a stable manner for 30 days – 'stable operations'. The assumption was that it would take around six months after signing deployment orders to reach stable operations[10]. Therefore, the overall contract length was reduced from eight years to 7.5 years. Organisations were still liable for the full eight years' worth of service charges identified in the MSA but paid over a 7.5 year period instead.

1.17 An error in the financial model in the MSA, discovered after the contract term had been changed to 7.5 years, meant the service charges for seven organisations[11] did not cover the full term, falling short by up to three months' worth of payments. CareWorks offered the choice of continuing with a shorter contract term or making up the difference over the full contract term. Each of the seven organisations opted for a shorter initial contract term. The National Programme Team has explained that this option was deemed more cost effective should a contract extension be sought after the initial contract term given the discounted rates for the extensions (**paragraph 1.11**).

10 In practice, implementation work to reach stable operations has generally taken longer than six months.

11 Isle of Anglesey County Council, Vale of Glamorgan Council, Powys County Council, Powys Teaching Health Board, Merthyr Tydfil County Borough Council, Gwynedd Council, Ceredigion County Council.

1.18 All local authorities that have deployed the system to date are liable for service charges at the rates set out originally in the MSA. However, in June 2017 the WCCIS Leadership Board agreed a revised financial model for the five health boards that had not already signed deployment orders[12]. The revised model was based on a phased implementation[13] rather than a 'big-bang' approach. CareWorks had also agreed to an overall reduction in service charges under this model due to changes in planned implementation timescales and not all the expected functionality for health boards being available.

1.19 Organisations signing deployment orders can commission additional functionality beyond that provided for in the original contract. For example, Newport City Council commissioned an interface to its corporate finance system. The Council met the development costs, but the same functionality is now available to other organisations. Any other organisation taking up this functionality would not have to pay development costs but would pay additional service charges.

12 Powys Teaching Health Board and Betsi Cadwaladr University Health Board had already signed deployment orders by this point.

13 Once stable operations have been reached for the first phase of implementation, any subsequent phases must be completed within 24 months. The health board would be liable for service charges if any longer delay was due to local decisions.

Roll-out and costs

02

Implementing and rolling out WCCIS is taking much longer and proving more costly than expected, with the prospects for full take-up still uncertain

Roll-out has been much slower than initially expected, with some organisations still to commit and different choices being made about how much use to make of the system

As at 31 August 2020, 19 organisations were using WCCIS or had signed deployment orders, with four in active negotiation and six yet to commit

2.1 The initial March 2015 full business case estimated that successful implementation for the whole of Wales could take up to four years to achieve. Estimated dates, that were also reflected in the contractual documents, suggested that all 29 organisations could be using the system by December 2018. Of these, 11 organisations were identified for potential go-live in 2015-16 and nine in 2016-17. These timescales were not binding. It was anticipated that the detailed development and implementation plans would be completed in negotiation with the supplier and participating organisations.

2.2 As at 31 August 2020, 13 local authorities and two health boards – Hywel Dda University Health Board and Powys Teaching Health Board – had gone live and were using WCCIS in some way (**Figure 1**). The business case recommended that WCCIS should be rolled-out on a regional basis and configured to support regional ways of working, reflecting wider policy developments. This approach to roll-out has not happened in practice.

Figure 1: Implementation status of local authorities and health boards as at 31 August 2020

- ● Live
- ● Deployment order signed but not yet live
- ● No deployment order signed

Betsi Cadwaladr University Health Board

Powys Teaching Health Board

Hywel Dda University Health Board

Aneurin Bevan University Health Board

Swansea Bay University Health Board

Cardiff and Vale University Health Board

Cwm Taf Morgannwg University Health Board
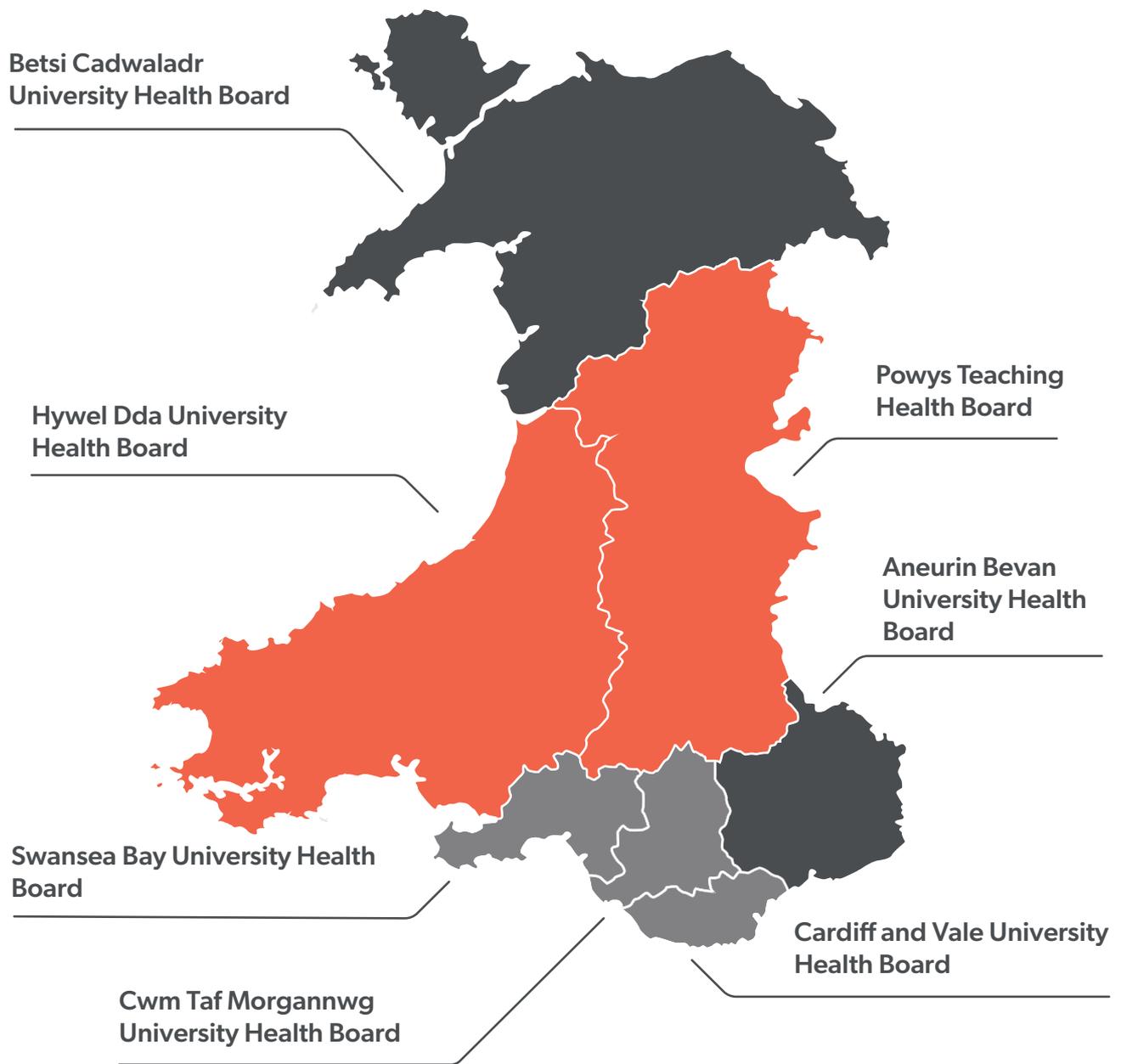
1   Isle of Anglesey County Council
2   Conwy County Borough Council
3   Flintshire County Council
4   Denbighshire County Council
5   Gwynedd Council
6   Wrexham County Borough Council
7   Powys County Council
8   Ceredigion County Council
9   Carmarthenshire County Council
10 Pembrokeshire County Council
11 Swansea Council
12 Neath Port Talbot Council
13 Bridgend County Borough Council
14 Rhondda Cynon Taf County Borough Council
15 Merthyr Tydfil County Borough Council
16 Vale of Glamorgan Council
17 Caerphilly County Borough Council
18 Cardiff Council
19 Newport City Council
20 Blaenau Gwent County Borough Council
21 Torfaen County Borough Council
22 Monmouthshire County Council
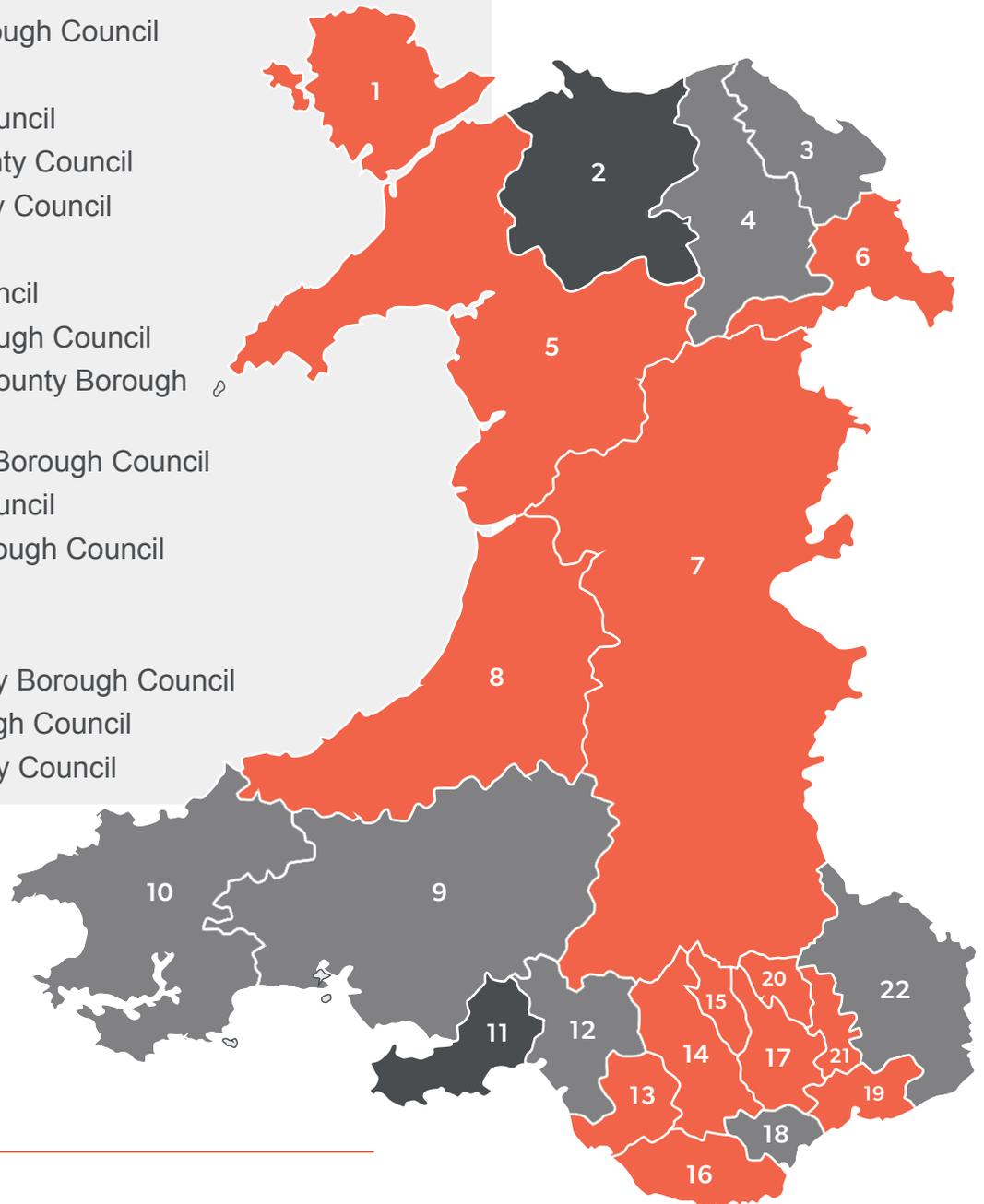
● Live

● Deployment order signed but not yet live

● No deployment order signed

Click here to access our interactive data tool which provides further detail on the roll-out position across all 29 organisations.

Source: National Programme Team

2.3   Two more local authorities have signed deployment orders. Of the remaining seven local authorities, three are in active dialogue with the supplier and four are not currently pursuing WCCIS take-up.

2.4   Of the remaining five health boards, two have signed deployment orders. Aneurin Bevan University Health Board signed a deployment order in March 2018 with the intention of full implementation by January 2021. The first phase of implementation in mental health services was scheduled for June 2019. In February 2019, CareWorks advised the health board that it would not be able to meet this date. Currently, the timescale for the health board implementing any aspect of WCCIS remains uncertain. In April 2020, the health board wrote to CareWorks with a claim for 'delay payments' under the contract terms. The health board continues to be engaged with the supplier to work through the issues to help inform a correction plan.

2.5   After signing a deployment order in March 2016, Betsi Cadwaladr University Health Board had an initial go-live date of April 2017 for a phased implementation commencing with mental health services. The date was not met, and the health board then discussed with CareWorks an initial small-scale implementation in its community nursing and mental health teams. The health board has informed us that it will be reviewing the potential for the WCCIS implementation, along with other priority programmes, as it returns to business as usual post COVID-19.

2.6   Swansea Bay University Health Board is in dialogue with CareWorks to work towards a deployment order. Two other health boards are not currently working towards signing a deployment order. Cardiff and Vale University Health Board's view is that even when all the agreed functionality is available, the current version of WCCIS would not meet its requirements, offering less and proving significantly more costly compared to its existing arrangements. Cwm Taf Morgannwg University Health Board is not in active dialogue with CareWorks but intends to implement WCCIS in mental health services first, once the relevant functionality is available.

2.7   Even with the benefit of hindsight, the estimated implementation timescales set out in the full business case appear to us to have been unrealistic. The timescales do not appear to have taken full account of the work required to implement the system and manage the necessary business change processes, whether at a national or local level.

2.8   CareWorks' capacity to support implementation has also been a concern through much of the period to date. As noted in **paragraph 1.6**, CareWorks intended originally to work with a subcontractor to help develop the required health board functionality. In addition, the original contractual framework did little to encourage organisations to support implementation or to incentivise delivery by CareWorks (**paragraph 1.10**).

2.9   For most of the organisations (11 of 15) that have gone live, go-live dates agreed in deployment orders were missed. For local authorities, the average delay was four months with a range between one month and 26 months. For the two health boards, the delays were one month and five months.

Differences in how organisations are choosing to deploy WCCIS currently limit opportunities for integrated working and raise other value for money issues

2.10   'Live' can mean different things as organisations can choose which elements of the available functionality they use and how widely they deploy the system. For health boards, the variability has arisen as they have tailored deployment orders to meet their individual needs:

a   Powys Teaching Health Board's deployment order is based on the organisation going live with all the available health functionality. Currently, it is using most of the available functionality. As at August 2020, the health board had 1,083 users of the system.

b   Hywel Dda University Health Board's deployment order covers just the community nursing element of the system. As at August 2020, its 113 users were using the system to deliver community nursing services in Ceredigion[14]. The health board is looking to extend coverage for community services in Pembrokeshire and Carmarthenshire and at how it might use WCCIS in certain therapies services.

c   As noted in **paragraph 2.4,** Aneurin Bevan University Health Board has agreed a phased approach to implementing WCCIS.

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14 Ceredigion County Council is the only one of the three local authorities in the Hywel Dda region to have signed a deployment order. The Council went live with the system in August 2016.

2.11 All local authority deployment orders allow for coverage across a wide range of adult and children's social care services. For some services, such as disabled and frail older people and safeguarding children, all 13 live local authorities are using WCCIS in some way, but still with differences in the detail of their deployment. There is more of a pick and mix approach in other areas. Only one live local authority is using functionality around special education needs, with the same true for adoption. The National Programme Team's view is that there was always going to be some variation to reflect local needs and that this flexibility has encouraged take-up, with the opportunity to make more use of the system as a deployment order progresses.

2.12 The full business case did not articulate any specific expectations about how much use organisations would make of the system across different services. However, the current picture means that even where the system is live, it is not yet being used to its full potential. This, in turn, raises questions about the overall value for money of the expenditure to date. Some organisations' service charge costs are slightly lower than the costs they were incurring using previous systems. Nevertheless, the contractual framework means that all are essentially paying service charges for functionality that they are not currently using, albeit to different degrees.

2.13 The overall deployment picture and the different approaches to implementation mean that it is currently difficult to realise some of the information sharing and integrated working benefits that the system was expected to support. As part of wider work to identify data and information requirements around COVID-19 for community-based services, WCCIS has been used to help identify vulnerable persons to assist with the delivery of care packages. WCCIS is also being used to support rehabilitation care in the community for people who are recovering from coronavirus. The use of WCCIS to support the COVID-19 response has highlighted the need to address issues around national data standards. It has also shown that this is possible given enough focus.

Key aspects of the expected functionality have been significantly delayed and the National Programme Team has also needed to address concerns about system performance

2.14 As noted in **paragraph 1.10**, some early WCCIS documentation suggests that CareWorks was initially expected to have delivered all agreed functionality by October 2015. As at August 2020, key aspects of the originally agreed functionality were still to be fully delivered, notably the mobile application, the interfaces needed to enable WCCIS to integrate effectively with other NHS Wales IT systems and Welsh-language requirements (**Box 2**). In some of these areas the original contractual requirements have been added to and work is still needed to deliver these 'enhancements'.

Box 2: Key areas where functionality is still to be fully delivered, as at August 2020

Integration – The contract requires CareWorks to develop interfaces between WCCIS and several other NHS Wales systems/services, for example, to access diagnostic results, send to and receive information from GPs or receive hospital to community referrals. Developing these interfaces requires collaboration between the NHS Wales Informatics Service, CareWorks and health boards. Some of the required interfaces were identified in the original Statement of Requirements, while others were agreed in 2019 as enhancements to the 2015 contract.

Of the 16 interfaces now agreed, two are currently live and a further seven interfaces are ready to go into testing. The remaining seven are now scheduled for phased delivery through to the end of 2021.

Mobile application – Under the original contract requirements, WCCIS must be capable of working on a mobile platform via wireless and 3/4G so that it can be accessed by NHS and local authority staff working in the community. A version of the mobile application based on the original requirements is now scheduled to be piloted before the end of 2020. The pilot has been delayed in part due to the impact of COVID-19 and the capacity of local organisations to support this work. Enhanced functionality has also been agreed and is due to go into testing shortly, for example to include appointments management.

Welsh language –CareWorks must deliver a system compliant with the Welsh Language Act 1993 and Welsh Language (Wales) Measure 2011 which together govern the use of the Welsh language in the delivery of public services. Some key aspects of the functionality expected to meet Welsh-language requirements set out in the original contract are not yet available. For example, the system does not currently provide for structured data collection in Welsh.

2.15 It has been clear to the National Programme Team since implementation in Bridgend County Borough Council in 2016, that the system lacked some of the contractually agreed functionality. A November 2017 Gateway review found that the National Programme Team and CareWorks had different views about whether the issues identified were part of, or enhancements to, the original contractual requirements. In mid-2018, the National Programme Team began work to identify a definitive list of the functionality that remained outstanding.

2.16 By March 2019, CareWorks and the National Programme Team had identified that 157 of the 1,500 items set out in the Statement of Requirements had not been delivered. In addition, CareWorks' service desk was not operating as required, the system was not supporting performance reporting as expected, and updates to fix longstanding problems that live organisations were experiencing were failing testing[15]. Under the Master Services Agreement, the National Programme Team issued CareWorks with a contractual non-conformance notice and sought to remedy the situation.

2.17 After a further six months of dialogue, in November 2019 the National Programme Team and CareWorks agreed a timeline, or roadmap, for delivering the outstanding and enhanced functionality over four updates through to September 2020. Accelerated payments tied to delivery milestones and funded by the Welsh Government were also agreed (**paragraph 1.14**).

2.18 Partly as a result of the COVID-19 pandemic, the go-live date of the first of four planned updates to the system was delayed until mid-July. This impacted on the timetable for later updates, which include key aspects such as the enhanced mobile functionality. However, the continuing impact of the pandemic put the plan to complete all four updates by January 2021 at significant risk of delay. The current estimate is that the updates will be delivered on a phased basis through to the end of 2021.

2.19 In addition, arrangements have needed to be confirmed for longer-term operational support for the system platform. It has been known since 2018 that WCCIS is based on a version of a Microsoft platform that will not be supported after July 2021. The National Programme Team has since been discussing with CareWorks how to resolve the issue.

15 For example, some areas of the system cannot be audited, and an individual might have multiple active records running on the system. One of the original aims of WCCIS was to improve patient safety by having a single record. While the different records can be accessed, this currently involves workarounds.

2.20 Under the 'do minimum' option, WCCIS moves to an updated platform that is supported by Microsoft and with CareWorks required to meet the associated costs under the contract terms. Recently, another option emerged of moving to a newer version of the system hosted on the Cloud[16]. In July 2020, the National Programme Team considered the two options. For a variety of reasons, the National Programme Team considered that it was not now practical to move to the Cloud-based version within the required timescales.

2.21 Before the end of 2020-21, the National Programme Team expects to complete a detailed appraisal of the costs, benefits and risks of moving to the Cloud-based version of WCCIS. It intends to consider this in the context of longer-term decisions around the possible extension, or otherwise, of the contractual period and wider Welsh Government digital strategy.

2.22 There have been some significant performance issues with the system over the past year. These have included some complete outages among nine 'severity level 1' incidents[17] and with additional strain on the system during the COVID-19 response. We have heard from the front-line about the impact of system-performance issues on the ability of staff to do their job effectively. Concerns due to system performance issues, including risks to staff and service users, have also been raised in some local reporting by Care Inspectorate Wales and Healthcare Inspectorate Wales.

2.23 The National Programme Team has agreed a performance improvement plan with CareWorks, which has included the installation of additional technical capacity, coupled with recent software improvements. The National Programme Team reports this has resulted in significantly improved performance with ongoing monitoring of the situation.

16 Currently, WCCIS is centrally hosted on physical hardware in the NWIS data centre.

17 Severity level 1 incidents are the most serious type of system performance issue and defined as causing significant business impact and preventing a normal service being provided.

Implementing and rolling out WCCIS is proving more costly than expected and with additional investment needed to support related service transformation

Overall, just over £30 million has been spent or committed to March 2022 by the Welsh Government and NHS Wales Informatics Service (NWIS)

2.24 Where possible, we set out to compare the estimated costs of developing and rolling-out WCCIS with initial estimates in the full business case. Overall, central costs can be broken down into three main areas: Welsh Government capital investment; Welsh Government and NHS Wales Informatics Service (NWIS) spending on national programme support; and Welsh Government funding to support local organisations' costs. Exactly how this local funding is being spent across different activities is not clear. However, the National Programme Team has emphasised to us that its purpose extends beyond the scope of the initial business case.

2.25 We recognise that some of the central expenditure to support local WCCIS implementation would otherwise have been incurred to develop or replace other systems on an organisation-by-organisation basis. Also, some of that expenditure is supporting wider service transformation relating to the implementation of WCCIS or contributing to ongoing service charges. The business case accounted separately for ongoing service charges, which it assumed would be met in full by local organisations.

2.26 **Figure 2** provides a high-level overview of the £30.16 million known to have been spent by the Welsh Government and NWIS supporting WCCIS implementation and roll-out to date or committed through to the end of March 2022. While we are unable to provide a complete like-for-like comparison, the full business case allowed for central Welsh Government costs and NWIS programme support of £16.75 million up to the end of March 2022 and £20.18 million over a full 13-year term.

2.27 **Paragraphs 2.28 to 2.52** in the remainder of this part of our report provide further details about Welsh Government and NWIS expenditure and about additional expenditure by local organisations. In addition to the costs identified, there are opportunity costs associated with staff time that is being committed by various organisations to the overall governance arrangements for WCCIS implementation and roll-out.

Figure 2: Welsh Government and NWIS spend on WCCIS implementation and roll-out and related service transformation, to March 2022 (actual and committed)

Supplier costs for development, hardware and licences

Welsh Government investment of **£8.41 million**

Support to health boards and local authorities for local implementation and wider service transformation

Welsh Government investment of **£13.13 million**

Welsh Community Care Information System

National Programme Management

NWIS existing budgets and additional Welsh Government funding of **£8.62 million**

Source: National Programme Team and Audit Wales analysis

Welsh Government capital funding of £8.4 million is currently within full business case estimates but with further capital costs possible that may fall to deploying organisations

2.28   The full business case identified a £9.89 million Welsh Government capital funding requirement (**Figure 3**), almost all of which was profiled in the period to the end of March 2021. Local authorities and health boards were expected to identify any local capital funding requirements as part of their local planning. As at December 2019, the Welsh Government had approved £8.41 million of capital grant funding up to March 2022. Should a future decision be made to move to the newer Cloud-based version of the system (**paragraphs 2.20 to 2.21**), additional funding will be required under its own business case.

Figure 3: Welsh Government capital grant funding for WCCIS implementation, up to March 2022 (£ millions)

	Full business case estimate to March 2027	Total grant funding (actual and committed to March 2022)
All-Wales licences	3.94	3.28
Software development	3.60	3.00
Central hardware[1]	2.26	2.10
Network infrastructure[2]	0.09	0.03
Total	**9.89**	**8.41**

Notes

1   Business case estimate included an estimated £0.94 million for a hardware refresh in 2020-21.

2   The National Programme Team has told us that, while it was originally allocated £0.09 million for network infrastructure, it will not draw down more than the £0.03 million already spent. The remaining £0.06 million has been subsumed within the commitment shown for central hardware.

Source: WCCIS full business case and National Programme Team reports

2.29 In March 2015, the Welsh Government approved an initial £6.58 million of capital funding for licences, software development and central hardware costs. This figure excluded provision for a planned refresh of the central hardware. It also excluded network infrastructure costs of £0.09 million which were covered by the Welsh Government in a separate approval. Meanwhile, the negotiated cost of the licences required was lower than expected in the business case and some additional software development was built initially into the service charges for local organisations (**paragraph 1.13**).

2.30 In December 2019, the Welsh Government approved additional capital grant funding of £1.80 million from its Digital Priorities Investment Fund[18]. This included a further £1 million provision for the planned central hardware refresh and £0.80 million for software development. The software development funding covers most of the costs that were initially built into local service charges and some additional enhancements that were not within the original scope of the business case and contract[19].

2.31 The £0.80 million figure agreed for software development was an estimate. The latest figure following commercial negotiation is £1.12 million. Deploying organisations will need to decide on the affordability and value for money of the remaining enhancements not covered by the Welsh Government funding.

2.32 In addition, the National Programme Team is currently negotiating with the supplier to finalise costs to refresh the central hardware during 2020-21. The National Programme Team is anticipating this cost may exceed the £1 million covered by the Welsh Government funding. Organisations that have signed deployment orders are liable to pay a share of any additional costs.

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18 Announced in September 2019, the £50 million Digital Priorities Investment Fund is focused on transforming digital services for patients, the public and professionals, investment in data and intelligent information, modernising devices and moving to Cloud services, and cyber-security and resilience.

19 Organisations paying service charges had already contributed £0.02 million to the software development costs, and around £0.30 million of the committed Welsh Government funding is for software enhancements that were not included in the original contract.

At £8.6 million, expected national programme support costs to the end of March 2022 are around £1.7 million higher than estimated in the full business case for the same period

2.33 The full business case estimated a £10.28 million requirement for national programme support over a 13-year period to the end of 2026-27 (**Figure 4**). Within that, it estimated a £6.89 million requirement to the end of March 2022 made up of:

- £1.77 million to cover existing NWIS staff who were supporting WCCIS implementation; and

- £5.12 million for additional dedicated National Programme Team support.

Figure 4: Actual or planned expenditure on National Programme Team support to March 2022 (£ millions)

	Full business case estimate to March 2022	Full business case estimate to March 2027	Actual/committed expenditure to March 2022
NWIS (existing budgets)	1.77	2.17	3.32
Welsh Government funding (additional)	5.12	8.11	5.30
Total	**6.89**	**10.28**	**8.62**

Note: The full business case also included estimated costs associated with NWIS 'hosting' the ICT hardware for WCCIS. This was estimated at £0.59 million over 13 years. Deploying organisations had contributed £0.06 million to the end of 2019-20 with NWIS also reporting that it had absorbed costs of at least £0.05 million. We have not accounted for these costs in our overall analysis.

Source: WCCIS full business case and National Programme Team reports

2.34 Until March 2019, support costs were largely covered by a combination of NWIS's existing budgets and £1.5 million of Welsh Government funding from the Integrated Care Fund. In June 2019, responding to a request from the Welsh Government, the Senior Responsible Owners for the WCCIS programme provided an estimate of the overall costs incurred and the additional National Programme Team resources required through to March 2022 to help increase the pace of implementation in health boards and complete roll-out.

2.35 The Welsh Government agreed to provide an additional £3.80 million of support through the Digital Priorities Investment Fund. The funding is increasing capacity and capability in several areas. Among other things, these include a national service desk, system testing, training to ensure patient safety, standardisation of system content and work to develop interfaces with other NHS systems (**paragraph 2.14**).

2.36 During the latter stages of our work, the National Programme Team changed its estimate of the amount of NWIS resources that had already been spent or were thought to be needed to support national programme management over the full 13 years of the programme. Its original estimate of £9.48 million, which informed the bid for additional Welsh Government funding on top of this figure, has reduced to £6.64 million. The National Programme Team advised us that the forward looking element of its original estimate was speculative and some over-estimation of past spend had occurred when preparing the original figures.

2.37 Together with the Welsh Government's funding, the £8.62 million cost of national programme support now estimated through to the end of March 2022 compares with the full business case estimate of £6.89 million. The National Programme Team has advised us that part of the reason for the increase is that the business case did not account for wage inflation for NWIS posts. The National Programme Team is still working through the support requirements and funding arrangements beyond March 2022.

The Welsh Government has so far committed just over £13 million to support local implementation and roll-out and related service transformation

2.38 The full business case acknowledged that organisations would incur additional local costs when implementing WCCIS. **Figure 5** describes some of the costs that might be incurred.

Figure 5: Examples of costs to support local implementation of WCCIS

Welsh Community Care Information System

Data cleansing, testing and migration

Training

Staff time (various roles)

Tablets, laptops to support mobile working

Additional/upgraded hardware/software

Local support desk
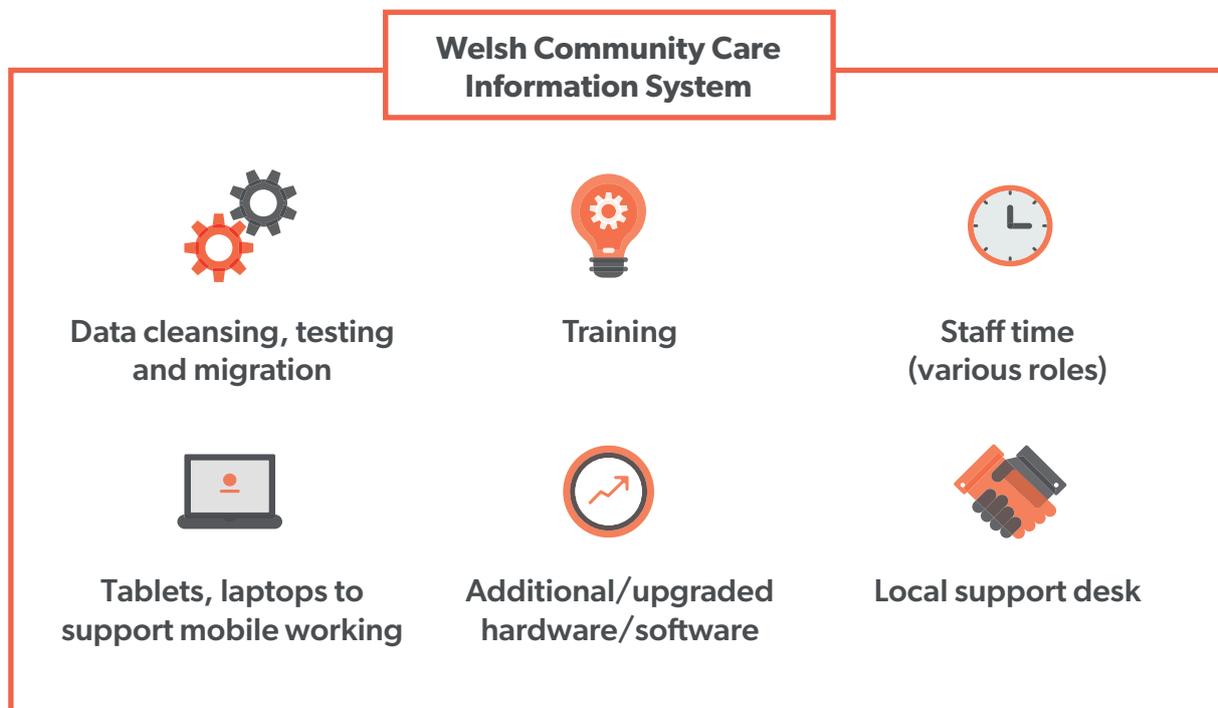
Source: Audit Wales

2.39   The full business case estimated that these costs would total £2.58 million and assumed that organisations would find these resources from their existing budgets. While there are additional costs being met from local budgets, by the end of 2021-22, local authorities and health boards will have received Welsh Government funding of £13.13 million to support implementation and roll-out. As noted in **paragraph 2.24**, the National Programme Team has emphasised to us that the activity that this funding supports extends beyond the scope of the original business case, including wider service transformation work related to WCCIS.

2.40   Much of this funding has come from the Integrated Care Fund (**Figure 6**). This funding is distributed through Regional Partnership Boards (RPBs)[20] and will continue through to the end of 2020-21. Overall, the Integrated Care Fund support will total £8.72 million.

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20 RPBs consist of health boards, local authorities and the third sector. They work together to improve the wellbeing of the population and how health and care services are delivered.

Figure 6: Regional distribution of the Integrated Care Fund to support WCCIS implementation and related service transformation, April 2016 to March 2021
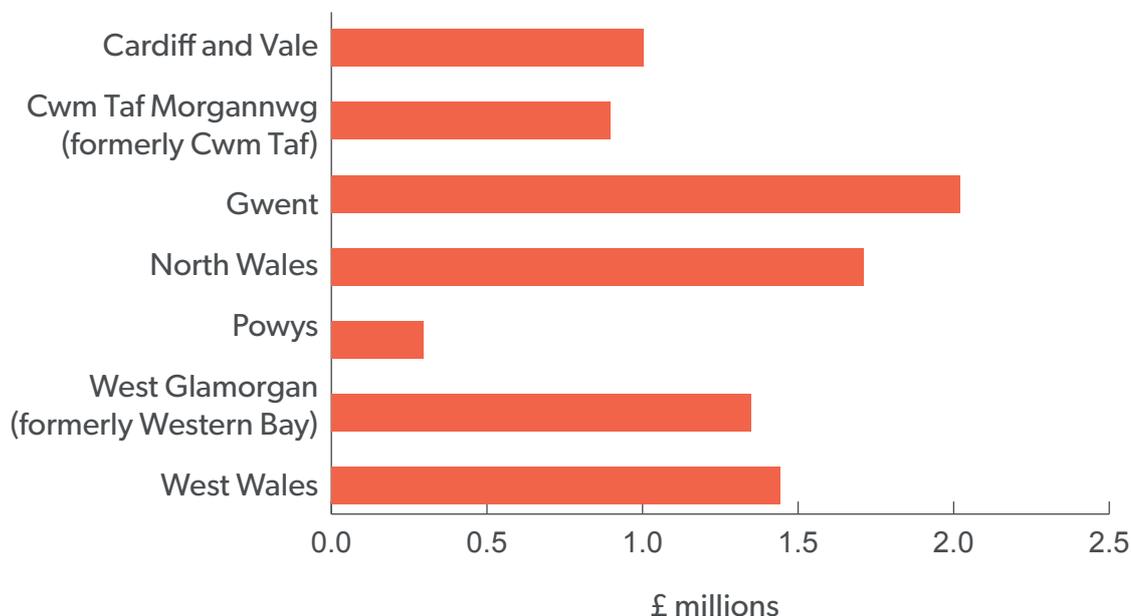
Notes: Cwm Taf Morgannwg Regional Partnership Board was previously the Cwm Taf Regional Partnership Board. It incorporated the Bridgend County Borough Council area on 1 April 2019 which had previously been part of the Western Bay Regional Partnership Board. The Western Bay Regional Partnership Board is now called the West Glamorgan Regional Partnership Board.

Source: Welsh Government

2.41 Initially, RPBs received a formula-based allocation. The National Programme Team considers that around £4.50 million of this funding between 2016-17 and 2018-19 was used predominantly to support planning work around local WCCIS implementation.

2.42 Since the start of 2019-20, funds have been allocated on a 'proposal' basis and with more of a focus on related service transformation. Some regions requested an increase on their previous allocations. This created a £0.21 million Integrated Care Fund shortfall for the two years 2019-2021. The difference was met by the Welsh Government Transformation Fund in 2019-20 and is being met from Welsh Government central reserves in 2020-21.

2.43   In 2018-19, the Welsh Government provided £0.05 million to Conwy County Borough Council on top of the Integrated Care Fund allocation distributed through the North Wales Regional Partnership Board. This came from a separate Welsh Government social services budget and covered additional training, staffing, software and technical support. The Council signed a deployment order in April 2019 and is currently in the implementation phase.

2.44   The full business case also identified that local authorities and health boards might have existing revenue budgets for IT systems that WCCIS would be replacing. However, some local authorities had developed 'in house' systems rather than contracting with external providers.

2.45   The National Programme Team requested a further £0.20 million from the Welsh Government between 2019-20 and 2021-22 to support Neath Port Talbot Council to implement WCCIS and £0.30 million to support Monmouthshire County Council[21]. Despite the funding request being agreed by the Welsh Government, Neath Port Talbot Council decided not to commission WCCIS and did not take the funding offered by the Welsh Government. There was a request for this funding to be released to support WCCIS implementation across the wider West Glamorgan region, but the Welsh Government turned this down. Monmouthshire County Council has not yet signed a deployment order and is still in dialogue with CareWorks. There is currently no agreed go-live date.

2.46   The Welsh Government is also providing £4.06 million from the Digital Priorities Investment Fund direct to health boards to accelerate implementation between 2019-20 and 2021-22[22]. This funding will address:

• financial challenges in some health boards where community health services are largely still operating paper-based systems and there are no revenue budgets for IT systems; and

• embedding of new ways of working for health professionals.

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21 The National Programme Team also requested additional funding between 2019-20 and 2021-22 to support Flintshire County Council (£0.04 million) and Conwy County Borough Council (£0.46 million). The Welsh Government turned down this bid as the councils were already paying for existing systems.

22 This is funding to local bodies, in additional to the National Programme Team support from the same fund (**paragraph 2.35**).

We have been unable to arrive at a reliable overall estimate of local implementation costs met from organisations' own budgets, although it is apparent that these run into several millions of pounds

2.47 The National Programme Team has not collated information about overall local implementation costs, including contributions from local budgets. There has not been any specific guidance about how these costs, and any savings compared with previous systems or by not having to go through separate procurement processes, should be considered as part of local business case development. The National Programme Team has noted that it has provided ad hoc advice and supported knowledge sharing about local business case development. It has also emphasised that accountability for detailed local costs, risk and benefits rests with the local organisations.

2.48 We asked local authorities and health boards that have gone live or signed deployment orders if they could provide figures on local implementation costs met from their own budgets. Some were unable to do so.

2.49 Even where figures were reported, organisations had used different approaches or were unable to distinguish WCCIS specific costs from wider project work. It was difficult therefore to identify a valid overall estimate. However, examples included Betsi Cadwaladr and Aneurin Bevan university health boards which reported quite different figures of £0.41 million and £3.16 million up to the end of March 2020[23]. As noted in **paragraphs 2.4 to 2.5**, neither of the two health boards has yet gone live despite signing deployment orders.

2.50 Some organisations that are yet to sign deployment orders also provided forward-looking estimates. Cardiff and Vale University Health Board for example had estimated that implementation would cost £3.9 million, including work to develop functionality equivalent to its current arrangements. Ongoing maintenance costs would also be significantly more expensive.

2.51 To the end of June 2020, those organisations that have progressed with implementation to the point of paying service charges had paid a total of £2.56 million to CareWorks. The overall extent to which this is new expenditure compared with the cost of previous systems is not clear. However, some organisations are realising modest savings compared with the cost of previous systems (**paragraph 2.12**). The roll-out position means that CareWorks' income from service charges has been substantially lower than expected at the outset.

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23 The figures provided by Betsi Cadwaladr University Health Board include costs of staff directly employed to support implementation but exclude the value of staff time for others who still assisted. Similarly, Aneurin Bevan University Health Board has noted that its estimate does not account in full for all the staff time that has been committed.

2.52 There are other ongoing costs for organisations that have gone live, but that may also have been incurred previously supporting predecessor systems. The full business case included a £6.64 million estimate for financial resources required to fund ongoing local WCCIS support costs over a 13-year period.
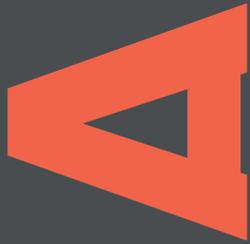
Programme management

03

While action has been taken at various points to review and try to accelerate programme delivery, some key issues have taken a long time to resolve or have still not been fully resolved

The programme was slow to respond to issues identified by a November 2017 Gateway Review, including delays filling two important National Programme Team roles

3.1 As noted in **paragraph 2.7**, in our view some of the early estimations around the pace of roll-out were simply unrealistic. However, in a programme of this nature it is also inevitable that there will be a need to respond to issues as they arise and to keep delivery arrangements under review.

3.2 In November 2017, the programme's Senior Responsible Owners commissioned a 'Gateway Review' that looked at the prospects for successful delivery. For the purpose of the review, successful delivery was narrowly defined as delivering the technical platform within the available Welsh Government capital funding and its use as a stable live system by an [unspecified] critical mass of local authorities and health boards.

3.3 The review gave the programme an 'amber' rating. The review found that there were some significant issues facing the programme but that these issues were being addressed and, at the time, appeared resolvable.

3.4 Parts 1 and 2 of this report have already described various actions taken before and since the Gateway Review, including contractual changes and decisions around additional funding and implementation support. Nevertheless, many of the issues that have been identified during the life of the programme have taken a long time to resolve or have still not been fully resolved.

3.5 The National Programme Team considers that eight of the Gateway Review's nine recommendations are now complete, although most actions in response extended beyond the anticipated deadline of late spring 2018. Because it took about a year for the Welsh Government to agree funding, there were delays filling two new posts to support implementation. The Gateway Review found that programme staff were over-stretched and identified a 'significant weakness' in communication between the National Programme Team and other organisations. In December 2018, a new Programme Director took up post to oversee the governance and activity of the programme. From June 2019, a Communications Lead began working on a consultancy basis.

3.6   Work is ongoing to develop a Benefits Framework (**paragraph 3.18**) and despite the National Programme Team viewing the original recommendation as complete, further work is needed on the roadmap for the outstanding functionality (**paragraph 2.18**). Establishing revised governance arrangements has also taken longer than expected.

Recent changes to programme governance structures are intended to support a more co-ordinated national approach, including acceleration of national data standards which are key to realising some of the benefits of WCCIS

3.7   Following revisions to decision-making and escalation structures in May 2019, in September 2019, the WCCIS Leadership Board refreshed its Terms of Reference to try to clarify where it exercises decision-making authority. Under the current Terms of Reference, the Leadership Board has 'overall responsibility for ensuring the delivery of the digital capability to support service transformation and supporting and encouraging its implementation across Wales'.

3.8   Responsibility for implementing WCCIS is widespread and includes the health boards and local authorities as well as the Regional Partnership Boards. The Welsh Government can require health boards to use the system but has not yet chosen to do so. It is currently relying on accelerating take-up through the additional funding that it is providing (**paragraph 2.46**). Although it has also provided some financial support to local authorities, the Welsh Government does not have similar powers to require them to use the system.

3.9   In providing additional funding from the Digital Priorities Investment Fund, the Welsh Government made clear that it expected the National Programme Team to do several things by February 2020, including to develop a detailed delivery plan and timetable. None of the deadlines were met. In March 2020, the Welsh Government told the National Programme Team that continued funding is contingent on the required actions being undertaken or alternative arrangements being agreed. The required actions have since been discharged.

3.10 **Figure 7** sets out the current high-level programme governance arrangements as agreed from January 2020. In addition to the new National Programme Team roles described above, these structures have evolved over the life of the programme, with new groups set up recently to try to address some of the remaining areas of concern. The governance arrangements now include a revised Programme Delivery Group with regional representation to oversee and co-ordinate activities that require or would benefit from a national and strategic approach. At the time of our fieldwork it was too early to judge the impact of these revised arrangements, although the National Programme Team considers that they have proved invaluable through the COVID-19 response.

Figure 7: High-level governance structure for the WCCIS Programme, from January 2020
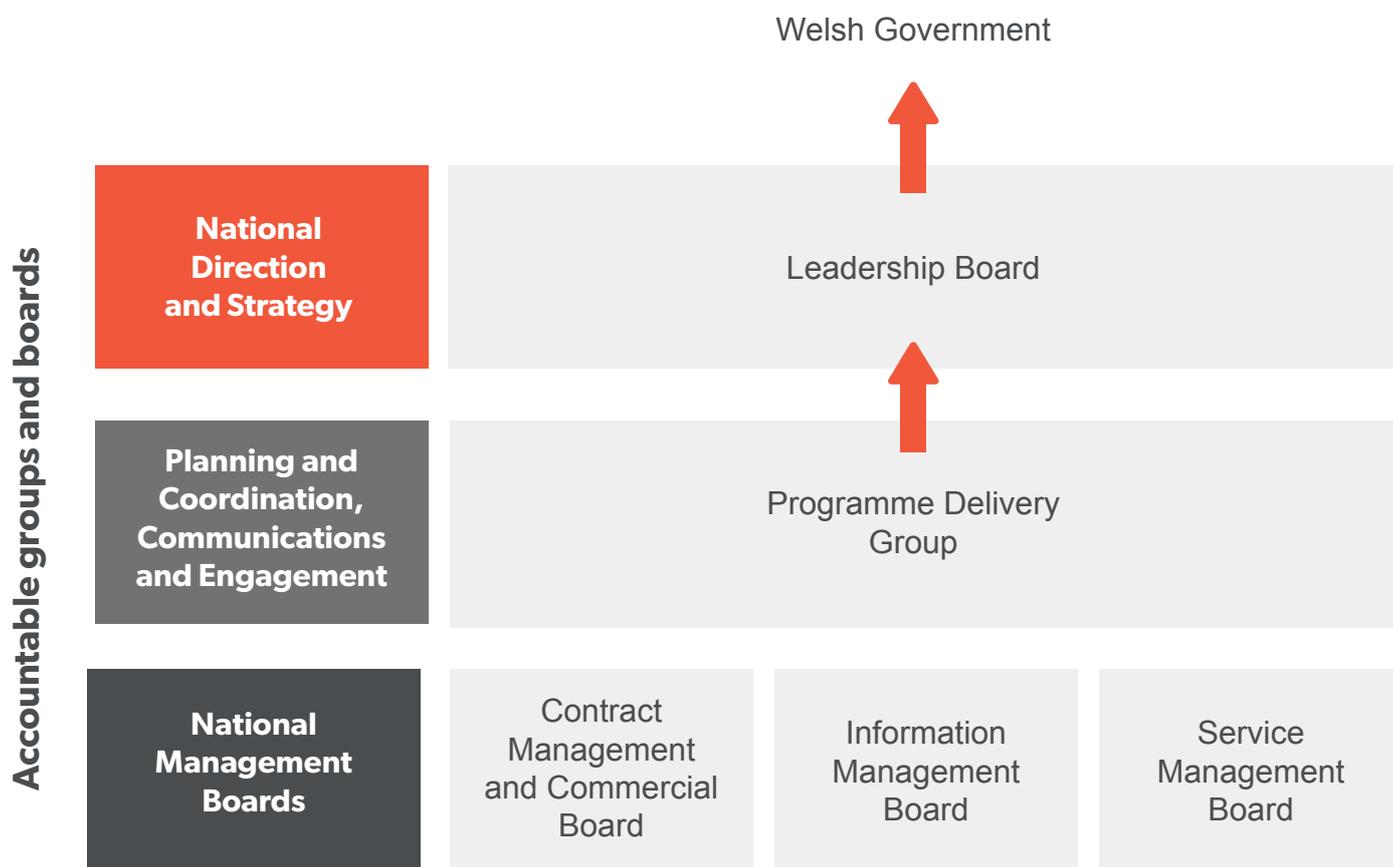
Note: **Appendix 2** provides further details about roles and responsibilities and other parts of the governance structures, including three further 'national assurance and advisory groups'.

Source: National Programme Team

3.11 A key aim is to accelerate national data standards as the basis for a national reporting framework in children's services, mental health, community nursing, social care and therapies[24]. Practitioners use electronic forms to assess the needs of patients. Individual organisations have developed their own forms, based on the information they want to report on and their own data definitions. The additional Welsh Government funding confirmed in December 2019 means that the National Programme Team is now able to support clinical informaticians to work in four of these five areas. However:

   a   work across the five areas is at different stages of development. Achieving consensus about the content of national forms is not straightforward, particularly as it requires a degree of consensus about working practices. For example, it took about three years to develop a standardised all-Wales nutrition risk assessment for use in adult in-patient settings. The Welsh Government has had an ambition to develop a core dataset for mental health since 2012[25]. This is now scheduled for delivery by the end of 2022.

   b   for any forms developed to be national, organisations not using WCCIS would also have to agree to use the forms, either as paper-based forms or changing their existing IT systems.

   c   it is not clear how the use of these forms could be mandated for use by local authorities.

3.12 A new Information Management Board will support the development of the national data standards and will also aim to address the long-standing issues around Welsh-language requirements and the development of an integrated record (**paragraphs 2.15 to 2.17**). An Integrated Record Group will link in with the Board, with its terms of reference to be agreed in September 2020.

Work is still ongoing to develop a framework for reporting on the benefits realised from WCCIS implementation

3.13 The potential benefits of WCCIS implementation can be immediate – for example implementation is seeing some community-based health records move onto an electronic system – and longer term, supporting wider service transformation. In articulating some of the potential benefits (**Figure 8**), the full business case set out the need for a 'benefits strategy', with roles clearly assigned. It made clear that responsibility for collecting evidence about benefits rested with local organisations. The suggested focus for the Leadership Board, set out in its terms of reference, was on collating that evidence and promoting the main messages.

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24 Therapies include services such as podiatry, physiotherapy, occupational therapy, dietetics, speech and language therapy and art therapy.

25 Welsh Government, **Together for Mental Health Delivery Plan**, October 2012.

Figure 8: Potential benefits of WCCIS implementation

🐷	Care system costs decreased.	👥	Citizens' access to services increased.
🛡	User confidence in care service increased.	✋	Care system efficiency increased.
⚠	Patient/client safety increased.	❤	Health/social wellbeing increased.
⚖	Legal/policy compliance increased.		

Source: Audit Wales based on WCCIS full business case

3.14 The arrangements for reporting the benefits from WCCIS implementation have been the subject of discussion and review from the outset (**Figure 9**). Despite some early developments, the November 2017 Gateway Review still called for a benefits realisation plan. It also highlighted the need to distinguish between the direct immediate business benefits from the technology itself and those from wider business change. The review recommended giving priority to collecting evidence of wider business change being achieved by roll-out of the system. Work is still ongoing to develop a suitable reporting framework.

Figure 9: Timeline of benefits reporting framework developments

March 2015

Welsh Government capital funding award letter requires detailed benefits realisation plan.

Full Business Case emphasises the need for a benefits strategy.

October 2016

National Programme Team produces a benefits realisation planning toolkit

September 2017

National Programme Team produces a benefits strategy and holds events to collate evidence of benefits.

November 2017

Gateway Review report reinforces need for a benefits realisation plan.

September 2018

Business Change group commissions a review of national benefits register. Initial progress made but paused in early 2019

April 2019

RPBs required to report on specific WCCIS implementation outcomes being achieved through ICF support.

Autumn 2019

Work to review the role and approaches for a national benefits framework recommenced

December 2019

Welsh Government award of Digital Priorities Investment Fund support requiring an annual report covering benefits realisation at regional and national level.

January 2020

National Programme Team brings together key stakeholders to discuss development of benefits realisation framework. Task and finish group established.

3.15 Until March 2019, Regional Partnership Boards were not required to report on the specific outcomes being achieved with the funding they received for WCCIS implementation from the Integrated Care Fund (**paragraphs 2.40 to 2.42**). From April 2019, funding has been allocated on a 'proposal' basis with a focus on benefits realisation, although the reporting arrangements do not align with the intended outcomes outlined in the full business case for WCCIS implementation.

3.16 During our work, we asked local authorities and health boards for any evidence of local or regional benefits realisation. We received limited feedback. The National Programme Team shared with us evidence compiled by Bridgend County Borough Council which reflected on lessons learnt. In summer 2019, Powys Teaching Health Board surveyed its users although the response rate was low and the feedback mixed. Powys County Council has recently surveyed users' perceptions of the performance of the system, in its adults and children's social services departments. At the time of writing, we had not seen the full set of survey results.

3.17 We were not provided with any evidence at this stage that WCCIS is being used to progress wider service transformation benefits. Mainly, this is because the system has not yet been rolled out more fully. As noted in **paragraph 2.10**, even where the system has been implemented, there are differences in the way it is being used. Some of the issues around functionality (**paragraph 2.14)** and standardisation (**paragraph 2.35**) are also acting as barriers to integrated working.

3.18 In January 2020, the National Programme Team came together with regional representatives to discuss work to date on approaches to benefits management and reporting. Initiatives in this area were reported by the National Programme Team to be very variable between regions and local organisations.

3.19 The National Programme Team is now seeking to work effectively with regional WCCIS groups to develop a benefits framework that can support and inform local and regional developments and provide more detailed and structured national reporting. The national WCCIS Business Change Group is seen as a key forum to support this work. A task and finish group will be responsible for developing a national benefits framework that links effectively with, and supports, local and regional approaches.

3.20 The Welsh Government's recent approval of grant support from the Digital Priorities and Investment Fund comes with specific evaluation requirements. The Welsh Government is expecting the National Programme Team to produce a comprehensive annual report on the progress of the programme, starting with the period to the end of March 2020. That first report had been due by the end of April 2020, but completion has been delayed by the impact of COVID-19.

Appendices

1   **Audit approach and methods**

2   **Implementing WCCIS: roles and responsibilities**

1 Audit approach and methods

Audit approach

We examined whether key partners have put in place the appropriate arrangements to implement WCCIS and deliver its anticipated benefits.

We focussed on whether the functional requirements and intended benefits are being delivered within anticipated costs and timescales. We also considered the contractual model and the way in which the development and implementation of the system is being funded. We have not looked in detail at the arrangements that individual organisations have put in place to support local implementation or at the regional programmes of work that are intended to support wider service transformation related to WCCIS.

We confirmed the scope of our work to the Welsh Government and the WCCIS Leadership Board in October 2019 and gathered and reviewed most of our evidence between November 2019 and February 2020.

We provided feedback about our emerging findings to the Welsh Government and WCCIS Leadership Board members in February 2020.

In advance of publication, we invited comments on our draft report, or relevant extracts, from the Welsh Government, the WCCIS Leadership Board, the WCCIS supplier – CareWorks, and other named organisations. Our report reflects the position of the programme and the evidence available to us as at the end of August 2020.

Audit methods

Document review

We reviewed a wide range of WCCIS-related documents including contractual documents, business cases, papers supporting the National Programme governance arrangements, Ministerial briefings and a 2017 Gateway Review report.

For wider context, we also considered relevant issues covered in other reports relating to information systems in NHS Wales, including:

- Auditor General for Wales, **Informatics systems in NHS Wales**, January 2018
- National Assembly for Wales Public Accounts Committee, **Informatics systems in NHS Wales**, October 2018
- Channel 3 Consulting (for the Welsh Government), **Digital Architecture Review – Final Report**, March 2019
- Local Partnerships, **Welsh Government Review: Future Structure and Governance for Health Informatics in Wales**, March 2019

Interviews

We interviewed officers from across the Welsh Government, NHS Wales and local government and met with the NHS Assistant Directors of Informatics group. We had discussions with the chairs of WCCIS regional partnership groups and with regional co-ordinators, where regional structures exist.

We also met with CareWorks, the contracted supplier for WCCIS, and with its new parent company Advanced.

Analysing costs and benefits

We analysed several different sources of data to get an overall picture of expenditure on WCCIS implementation.

We also collected information from the 22 local authorities and seven health boards about expenditure on WCCIS and arrangements for measuring and reporting on the benefits of the system.

Visits

We visited Powys Teaching Health Board and Bridgend County Borough Council to meet with staff who use WCCIS.

2   Implementing WCCIS: roles and responsibilities

Figure 10 provides an overview of some of the key roles and responsibilities of those leading and managing the programme. **Figure 11** summarises the current governance arrangement for the WCCIS programme at a national level. Aspects of both the roles and responsibilities and the governance arrangements have evolved over time to address some of the challenges that have been faced.

The National Programme Team has emphasised to us that the role of the WCCIS National Programme is to ensure delivery of digital capability that can support local and regional service transformation and to support and encourage its implementation.

While it has an overall co-ordinating role, the National Programme does not have direct authority or accountability for all aspects of the complex landscape and the mix of stakeholders. Regional Partnership Boards have a role to align and support local organisations' take-up of the system as part of the wider aims of regional transformation strategy and plans. Local organisations have their own individual lines of accountability for their investment in local implementation.

In addition to the high-level structures described here, a range of other groups have been established at a national and a regional level to support WCCIS implementation and benefits realisation. These include a Business Change Group that reports to the Programme Delivery Group and oversees the work of a task and finish group established in February 2020 to develop a national benefits framework.

The core membership of the WCCIS Leadership Board includes the SROs, Director of NWIS, the WCCIS Programme Director and an Association of Directors of Social Services (ADSS) Cymru representative. The full board also includes Welsh Government policy leads, chairs of the three national boards, the WCCIS Communication and Engagement Lead and a senior representative of CareWorks, as required. Membership of other groups varies, but they draw in a wide range of representatives for specific organisations/sectors and professional groups.

Figure 10: Key roles and responsibilities in the WCCIS programme

Role	Responsibilities
Senior Responsible Owners (SROs)	Joint chairs of the Leadership Board. One is the Chief Executive of Powys Teaching Health Board and the other is Director of Social Services for Caerphilly County Borough Council. The role of the SROs is to ensure that work is governed effectively and delivers the programme objectives.
WCCIS Programme Director	Accountable to the SROs and chairs the Programme Delivery Group. Has a lead role in building and maintaining stakeholder relationships, engaging with Regional Partnership Boards, regional WCCIS boards, and other groups as required.
WCCIS Programme Manager	Day to day co-ordination, management and reporting on the programme.
WCCIS Communications and Engagement Lead	Responsible for national communication and engagement strategy and planning.
NWIS support	NWIS hosts the dedicated national programme, including the WCCIS Programme Director and Communications and Engagement Lead. NWIS staff provide additional operational support to the programme and NWIS manages the data centres that house the CareWorks hardware.

Figure 11: Key governance groups in the WCCIS programme

National direction and strategy	Leadership Board	Oversees the alignment of WCCIS with Welsh Government health and social care policy and strategy. Directly accountable to the Welsh Government via the joint SROs.
Planning and co-ordination, communications and engagement	Programme Delivery Group	National planning and co-ordination. Accountable to the Leadership Board. Responsible for co-ordinating the work of the three national boards across the seven regions.
National Management Boards	Contract Management and Commercial Board	Responsible for delivery of the contractual requirements. Provides commercial expertise and guidance to other groups.
	Information Management Board	Works with other national initiatives to develop and assure national information and data standards, and reporting requirements, across community health and social care services.
	Service Management Board	Ensuring WCCIS is operated in line with the Master Services Agreement and All-Wales Deployment Order.
National assurance and advisory groups	Practice/ Business Assurance Panel	Advisory group on integrated health and social care services. Provides assurance that programme plans and activities are consistently benefits led.
	Information Governance Advisory Panel	Providing advice, guidance and ensuring appropriate and timely consultation as required.
	Change Advisory Group	Approving, declining or deferring any request for change across all organisations using WCCIS.

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Picture of Public Services 2021

Report of the Auditor General
for Wales

September 2021

This report has been prepared for presentation to the Senedd
under the Government of Wales Act 2006.

The Auditor General is independent of the Senedd and government. He examines and certifies
the accounts of the Welsh Government and its sponsored and related public bodies, including
NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and
effectiveness with which those organisations have used, and may improve the use of, their
resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government
value for money studies and inspects for compliance with the requirements of the Local
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The Auditor General undertakes his work using staff and other resources provided by the Wales
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lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

◀ **About this report**

This report is part of a series of Picture of Public Services 2021 outputs (**Exhibit 1**). It summarises some key trends in public finances and sets out our independent perspective on some of the key issues for future service delivery. Our aim in producing this report is to support scrutiny of public services in the Senedd, within individual public bodies and in wider society. It also provides insight than can help with collective planning of public service delivery.

The report draws on our published work and research by other organisations (**Appendix 1**). Underpinning this report is a series of sector-specific summaries setting out some key facts and analysis, which we will publish during September and October 2021.

Exhibit 1: Picture of Public Services outputs

| A picture of healthcare | A picture of social care | A picture of schools |

A Picture of Public Services 2021

| A picture of higher and further education | A picture of local government |
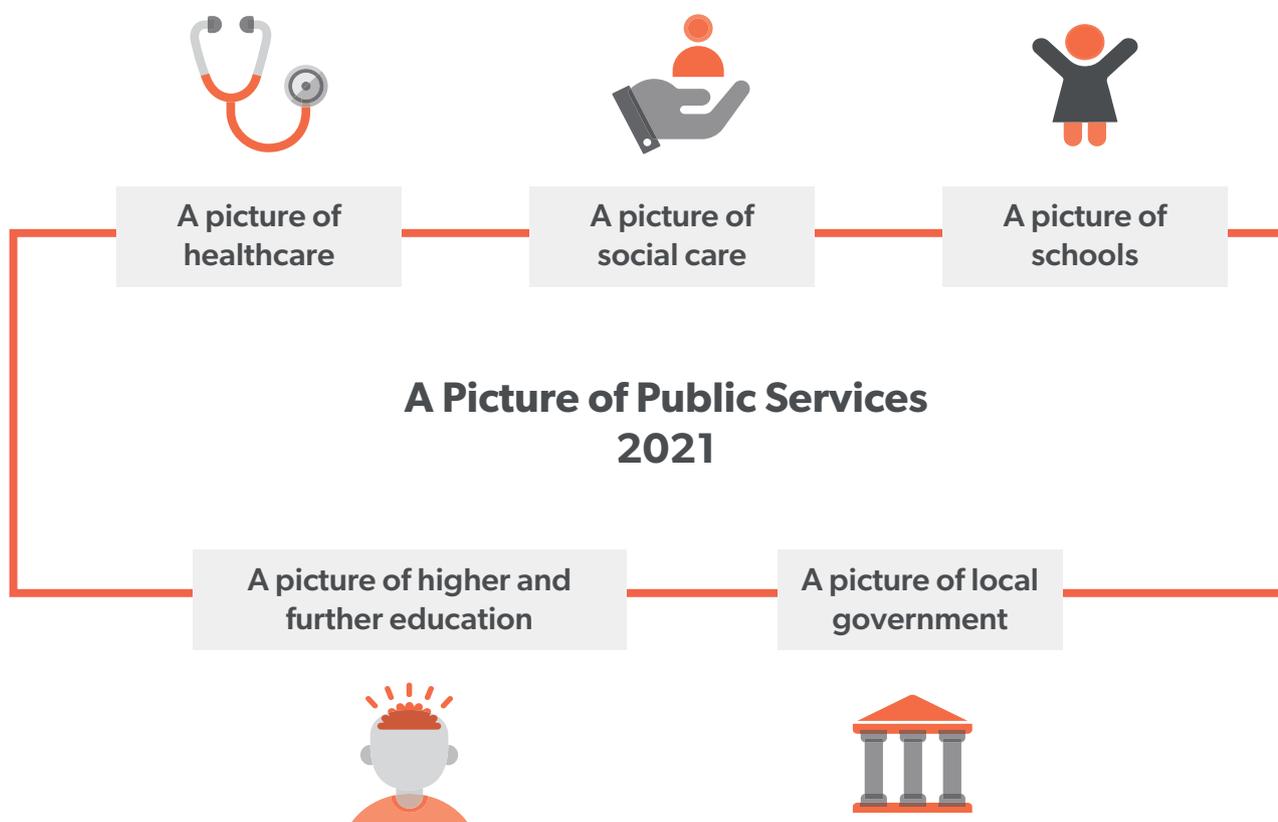
◀ Auditor General's foreword

1   The COVID-19 pandemic has had a devastating impact on many families and communities, yet it has also brought out much of the best in our public services. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants across Wales through this tumultuous period.

2   As we emerge from the pandemic, public services in Wales face many challenges. They are grappling with three over-arching crises of global proportion: the public health crisis of COVID; the environmental crisis of climate change; and an economic crisis.

3   After a long period of austerity and the economic hit from the pandemic, the coming years will offer little respite for the public finances. For services already stretched before COVID-19 hit, the pandemic has created new challenges like its longer-term health impacts, backlogs of patients on waiting lists and lost learning in schools, colleges and universities. As they respond, there is expectation that public services will also address some of the big issues of inequality in our society. And they must do so at a time when an emerging set of constitutional issues post-Brexit may complicate the response, especially to the economic challenges in Wales.

4   Yet this daunting agenda is not without opportunity. The pandemic has demonstrated great strengths in the public service in Wales. The opportunity now is to build on the progress made in rapidly transforming the way services are provided during the pandemic to tackle the long-standing challenges that have pre-occupied Welsh public services for some time.

5   In these circumstances, it is essential that public services get the most value out of the available resources. Value is not just about delivering more outputs more efficiently. Value for money is also about outcomes: making progress in improving the wellbeing of individuals and communities. As Auditor General, I will report on the performance of the public services in delivering that value from the public money they use.

6   This report is by no means the full story of what has happened over the past decade, or of what is to come. But it sets out some of the most important areas for public service delivery where I will be expecting to see progress in the coming years (**Exhibit 2**).

Exhibit 2: key areas of public service transformation

💡	Systems and culture to support new approaches to service delivery
🤝	Purposeful collaboration
📊	Long-term financial and service planning that supports a rigorous and realistic approach to prevention
💻	Harnessing digital technology to make services more accessible
🔍	Using data and information to learn and improve across the whole public service system

Adrian Crompton
Auditor General for Wales

◀ Key facts

£17.6 billion

total funding available to Wales through the block grant in 2019-20 (before the impact of the COVID-19 response)

+16%

increase in funding for healthcare, 2010-11 to 2019-20

-3%

reduction in the revenue funding available to the Welsh Government, 2010-11 to 2019-20

-17%

reduction in core Welsh Government funding for local government, 2010-11 to 2019-20

-3%

reduction in schools revenue spending, 2010-11 to 2019-20

ZERO

net carbon emissions the Welsh Government wants to achieve in Wales by 2050 at the latest

52%

proportion of the Welsh Government's 2019-20 revenue budget allocated to health

- 26,000 (8%)

fall in size of the public service workforce in Wales, 2010 to 2020

£1.20

amount Wales gets for devolved public services for every £1 spent on equivalent services in England

£5.1 billion

amount the Welsh Government allocated to the COVID-19 response in 2020-21

£600 million to £900 million

amount the Education Policy Institute estimates could be needed to support education recovery over three years

£152 million to £292 million

amount Wales Fiscal Analysis estimates the NHS will need each year for four years to address the waiting list backlog

+ 126,000 (74%)

forecast growth in people aged 80 and over living in Wales, 2018 to 2043

This report is split into three parts

1   Read about what happened with public services in 2010-11 to 2019-20

2   Read about the response to COVID-19 in 2020-21

3   Read about some of the key challenges and opportunities for public services in the coming years

After a decade of squeezed budgets and rising demands, many services were already stretched before the pandemic hit

01

9/44

161/351

1.1   This part of the report looks at the position of public services in the period 2010-11 to 2019-20: before the COVID-19 pandemic started. It provides important context around trends in public finances, priorities, demand pressures and capacity constraints. These trends help to explain why some public services were already stretched before the pandemic hit.

Austerity defined the previous decade for public services, although cuts were less severe than expected

1.2   Austerity was a defining feature of the previous decade for public services. Funding was tight, although not as challenging as expected when we reported in 2015[1]. At that time, UK government spending plans showed the Welsh Government's budget falling by 4% in real terms between 2015-16 and 2019-20. Actually, the Welsh Government's day-to-day revenue funding rose slightly: it was 3% higher in 2019-20 than 2015-16, reflecting a significant uplift in 2019-20 (Exhibit 3). Even so, the 2019-20 revenue budget was 3% below 2010-11 in real terms.

Exhibit 3: Welsh Government revenue budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)
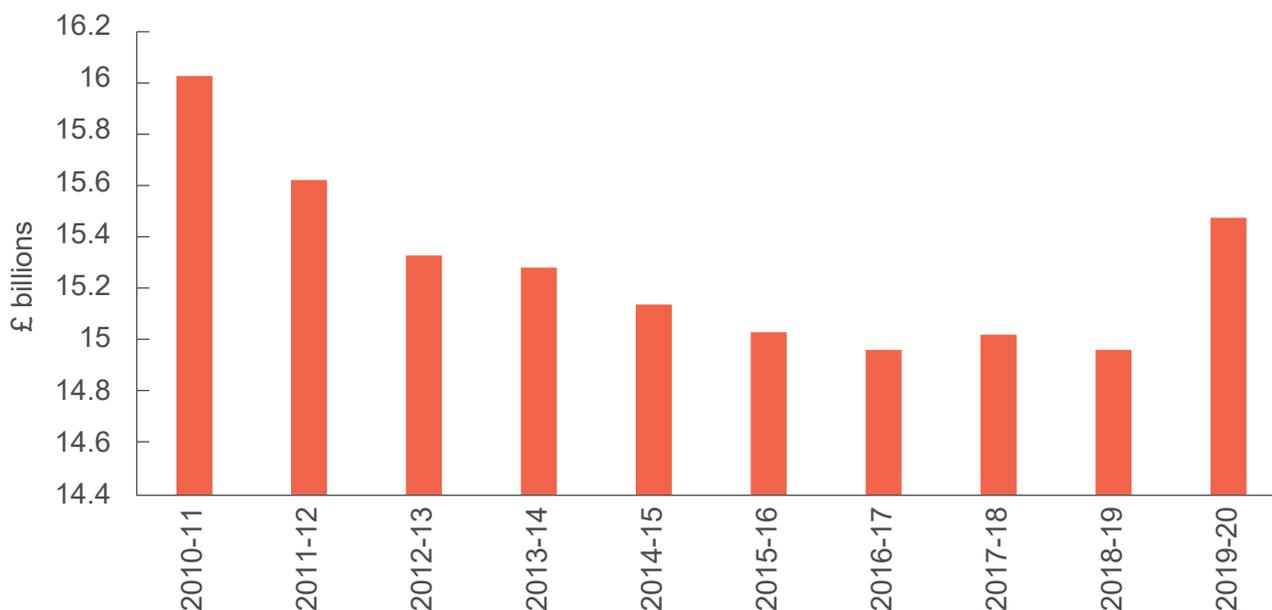
Source: HM Treasury Public Expenditure Statistical Analyses, StatsWales and the Welsh Government's budget

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1   Auditor General for Wales, A Picture of Public Services 2015, December 2015

1.3   For capital spending to pay for investments in infrastructure, the picture is different. The Welsh Government's 2019-20 capital budget had increased by 27% compared to 2015-16 (**Exhibit 4**). By 2018-19, the capital budget was higher than 2010-11.

Exhibit 4: Welsh Government capital budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)
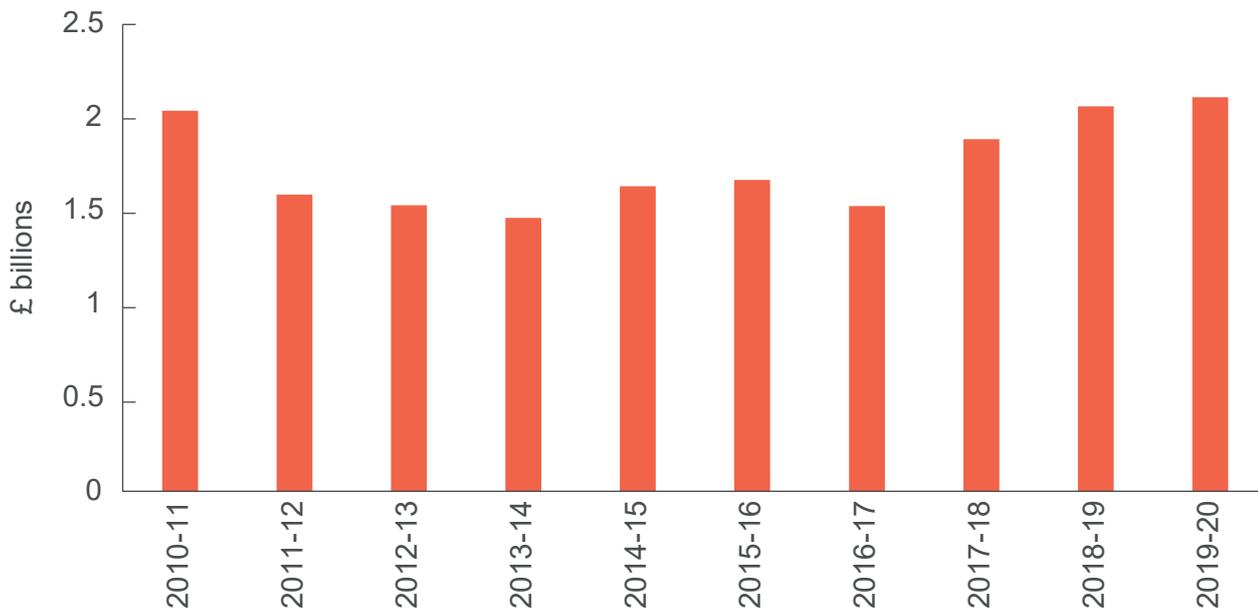
Source: HM Treasury Public Expenditure Statistical Analyses

1.4   Funding for Wales and the other devolved nations is determined by the Barnett formula[2]. Prior to 2010-11, the way in which the formula worked meant that levels of funding per person for devolved services in Wales and England were gradually getting closer together. Since 2010-11, the picture has reversed: in 2019-20, Wales had around £1.20 per head for every £1 for equivalent services in England (**Exhibit 5**).

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2   The Barnett formula allocates funding to the devolved administrations. It is based on a combination of changes in spending in England, the relative size of the population and, in Wales, a 'needs-factor' that aims to ensure Wales always gets at least 115% of funding for equivalent services in England.

Exhibit 5: devolved funding per head of population relative to England, 1999-00 to 2019-20
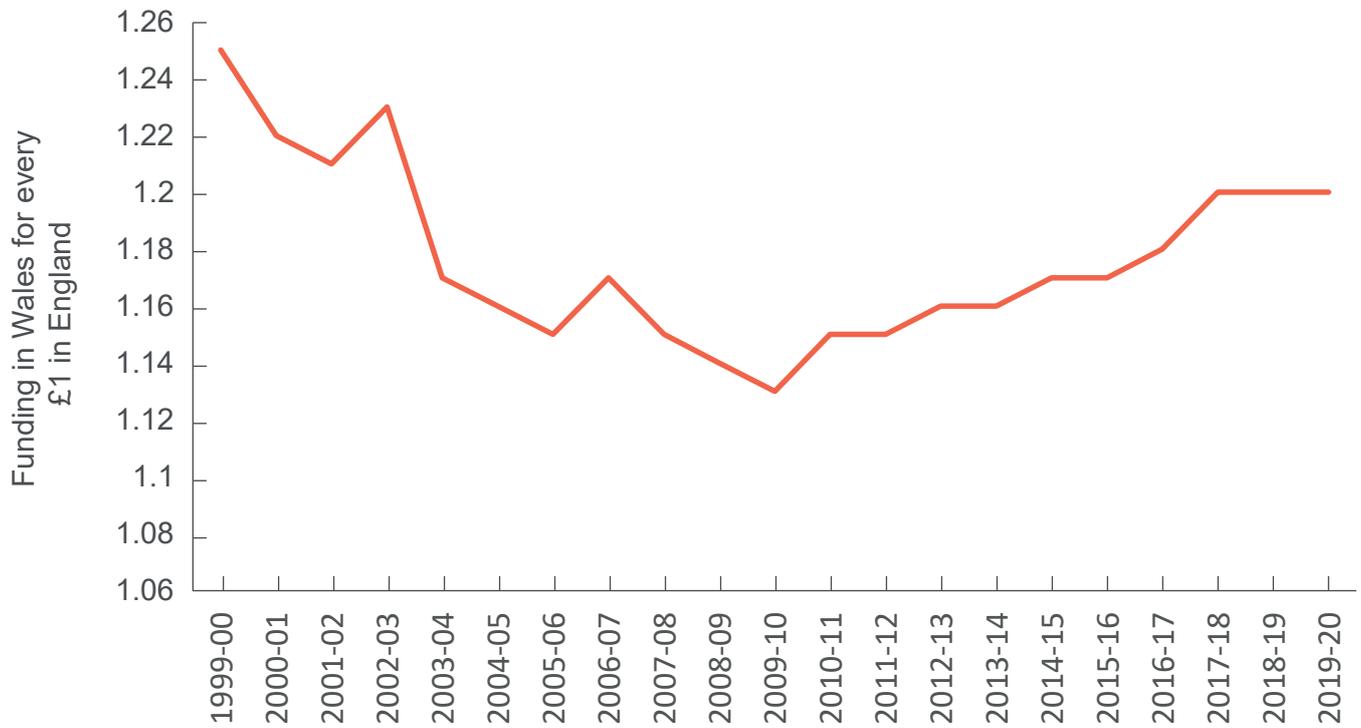
Note: this chart shows the amount of funding per head of population that the Welsh Government gets to spend for every £1 for equivalent services in England.

Source: the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

Funding for the NHS and social care has increased while most other areas have seen reductions

1.5   The Welsh Government chooses how to allocate the overall budget between its various spending departments and then to individual programmes. In 2019-20, health and social care took up just over half (52%) of the total revenue budget.

1.6   Between 2010-11 and 2019-20, Welsh Government revenue funding for NHS Wales has increased 16% in real terms while revenue funding to local government[3] fell by 17%. Over the same period, many of the Welsh Government sponsored bodies have also had reductions in their funding from the Welsh Government. We looked at four of the larger sponsored bodies that have been in place for that period[4] and found that they saw an average cut in grant in aid of 18%.

3   Welsh Government revenue funding for local government includes the core revenue support grant, the distribution of non-domestic rates and other non-specific grants. These fund the core services offered by local government, such as schools and social care. The figure does not include grants for specific programmes and projects which go to local government.

4   These were National Museum of Wales, the Arts Council of Wales, the National Library of Wales and Sport Wales. The largest sponsored body is Natural Resources Wales, which was set up in 2013, and is not included in our overall calculation. Its accounts show grant in aid from the Welsh Government fell by 29% in real terms between 2015-16 and 2019-20, but with part of the context being an expectation that merging multiple bodies to form Natural Resources Wales would lead to cost savings.

Exhibit 6: change in core Welsh Government revenue funding for health and local government, 2010-11 to 2019-20 (real terms, 2019-20 prices)
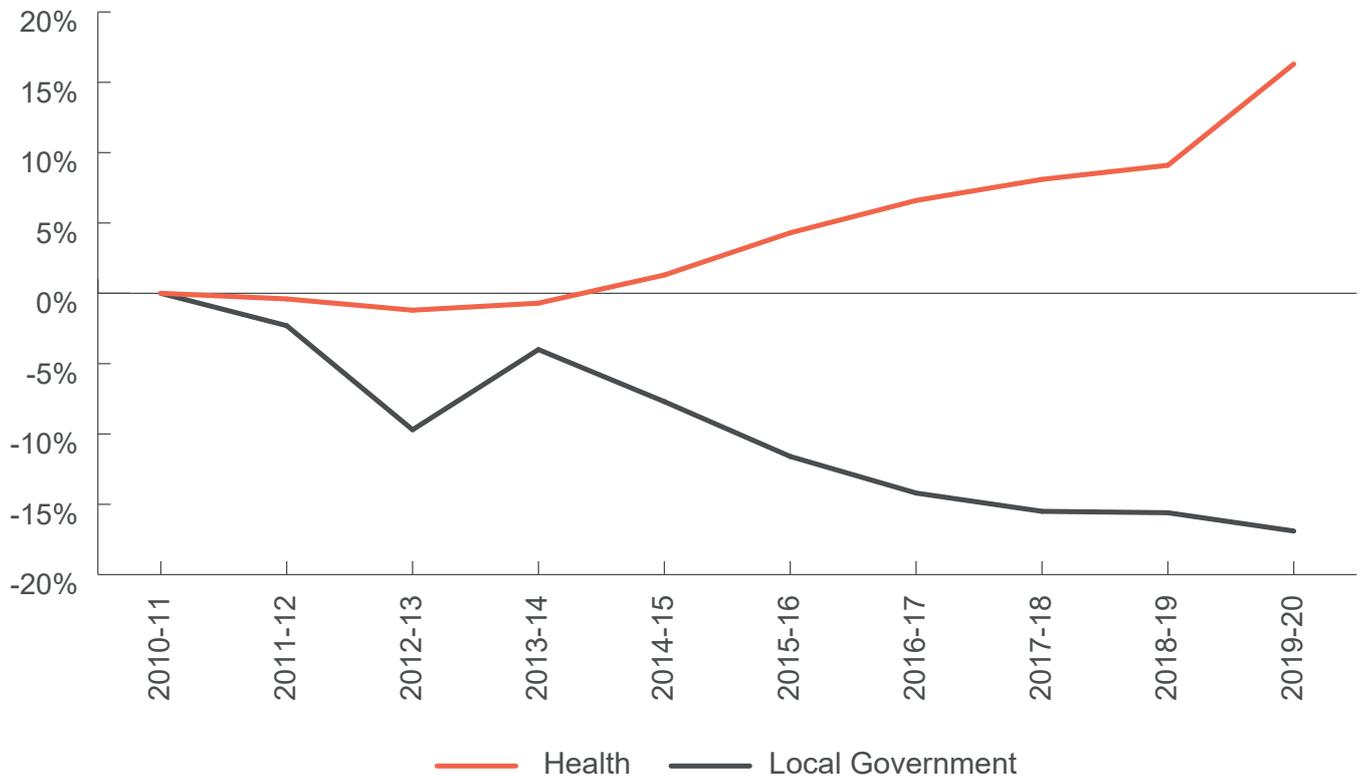
Note: the local government funding is adjusted for 2010-11 to 2013-14 to reflect changes to the council tax support scheme. The local government funding has not been adjusted to reflect 'de-hypothecation' where previously stand-alone grants have been included into the core funding.

Source: Audit Wales analysis of Welsh Government budgets and StatsWales

1.7   To lessen the impacts of reduced Welsh Government funding, councils have significantly increased the income they raise through council tax. The total amount raised by council tax increased by 35% on top of inflation between 2010-11 and 2019-20.

1.8   Nonetheless, total revenue expenditure across local government fell by 8% over the period. These cuts have not fallen equally across local services. Real terms spending[5] on social care for families has increased by 43% and for older people by 14%. Spending on schools fell by 3%. The deepest cuts have come in leisure and culture and library services which have seen cuts of over 40% and regulatory services, such as development control, building control, trading standards and consumer protection which have seen cuts of over 30% over that period.

1.9   Choices made by the governments in Wales and England are reflected in the cuts experienced by different parts of the public services in the decade prior to the pandemic. Our analysis of HM Treasury spending data[6] shows that spending per person by local government in England fell by 24% between 2010-11 and 2019-20 compared to 10% in Wales. Spending per person on health in Wales increased by 7% over the same period but went up by 10% in England.

With demand, cost and other pressures, many public services were already stretched when the COVID-19 pandemic hit

Across many service areas, funding has lagged behind demand and cost pressures over the past decade

1.10   All public services face cost pressures each year. These arise from a combination of factors, such as inflation on the price of goods and services they buy, wage rises and rising demand. Independent reviews in 2014 and 2016[7] showed that the NHS faces cost pressures of around 3-4% each year on top of inflation. Between 2010-11 and 2019-20, funding for the NHS increased by an average of 1.7% a year, in real terms. These demand and cost pressures are part of the story that explains why, despite increased funding, the NHS has had to improve productivity and deliver cost savings each year and some health boards have struggled to live within their means.

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5   In this report, our analysis of local government spending on services uses the 'gross' expenditure figure. This is the total amount spent without deducting income from fees, charges and other sources.

6   We have used the HM Treasury Country and Regional Analysis dataset. These figures are on a per head of population basis, cover revenue and capital and are calculated on a different basis from our analysis of Welsh Government revenue funding to health and local government in paragraph 1.6.

7   Nuffield Trust, A decade of Austerity in Wales? The funding pressures facing the NHS in Wales to 2025/26, June 2014; and Health Foundation, The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31, October 2016

1.11 Local government faces cost pressures across a range of areas. For example, the social care sector faces rising demands in care for older people and children and families and pressure to increase the sometimes very low wages of social care staff[8]. The Health Foundation estimated pressures of 4.1% a year in adult social care. Since 2010-11, social care spending has gone up by an average of 2% a year in real terms. There is variation within that overall figure: spending on services for children and families went up by an average of 4.1% a year compared to an average increase of 1.5% for services for older people and a 0.9% rise for services for adults under 65.

1.12 Other sectors and service areas have also faced cost pressures. The fact that most have seen real terms cuts strongly suggests that, right across public services, funding has not matched cost pressures over the period of austerity.

Comparison to England in terms of need and spend shows some interesting and perhaps unexpected patterns

1.13 The assessments of annual cost pressures referenced above consider how much funding is required to sustain existing levels of service but do not ask whether standing still is sufficient to meet needs. Experts tend to calculate need relative to England, in part because England, through the Barnett formula, is the benchmark for levels of funding. Wales has higher levels of need for public services than many other parts of the UK.

1.14 In 2010, the Holtham Commission estimated Wales' level of need compared to England to be around 115%[9]. In other words, for every £1 spent on services in England, per head of population, £1.15 would be needed for Wales. In our 2019 report on public spending trends, we estimated Wales' relative needs for healthcare compared to England were around 118%[10].

1.15 Since the start of devolution, the Welsh Government has received at least 115% of funding per head in England, with the exception of 2008-09 and 2009-10 when funding dropped to 114% and 113% respectively. In 2019-20, Wales received around 120% of funding per head of levels in England (**Exhibit 7**).

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8   London Economic Wales, Short to medium term operational and cost pressures affecting social care in Wales: Final report to the Welsh Government, March 2020 Table 2

9   Independent Commission on Funding and Finance for Wales, Fairness and accountability: a new funding settlement for Wales, July 2010

10 Auditor General for Wales, Public Spending Trends in Wales 1999-00 to 2017-18, October 2019

Exhibit 7: spending on health and education per head of population in Wales and overall devolved funding relative to England, 1999-00 to 2019-20
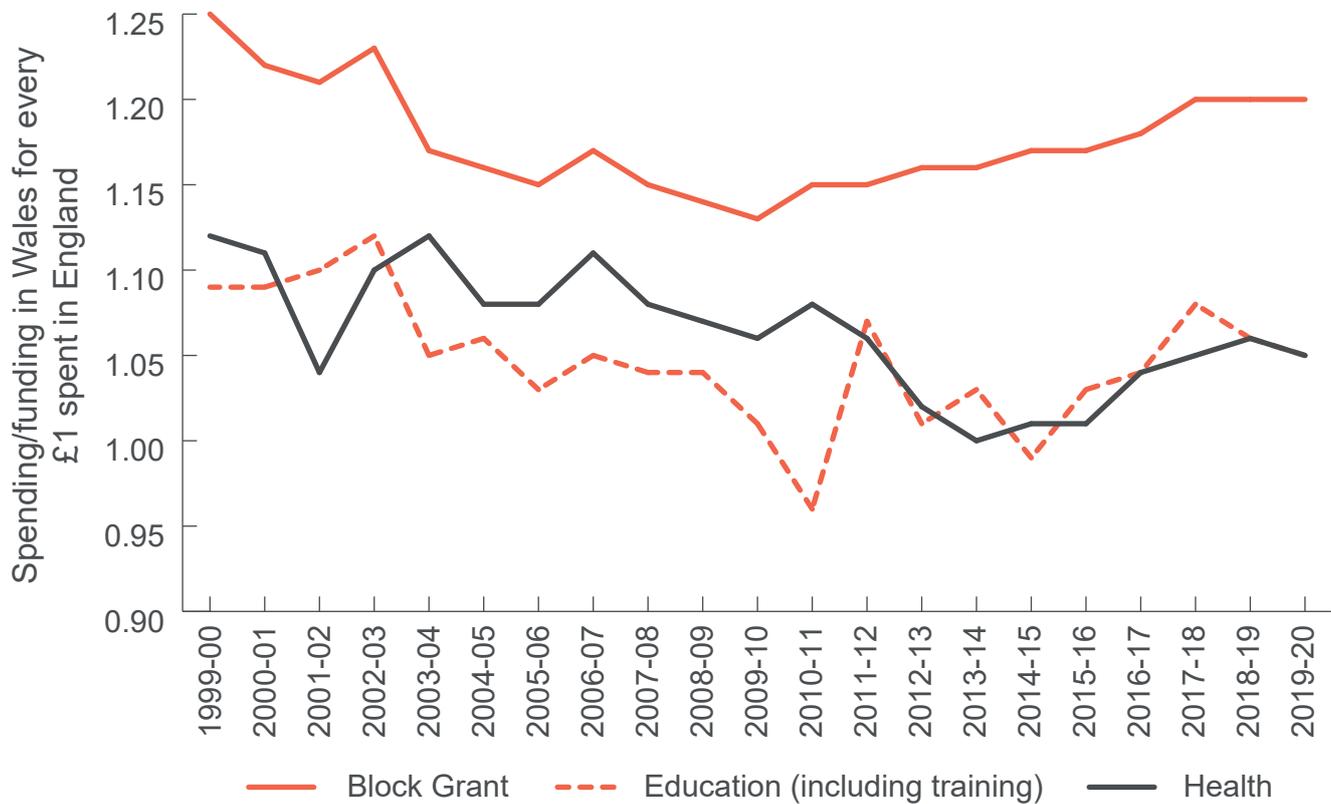
Source: Audit Wales analysis of HM Treasury Country and Regional Analysis data and the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

1.16   The relative level of funding has not translated through to equivalent levels of spending on the two largest service areas: health and education. In 2019-20, Wales spent £1.05 for every £1 spent on health and education[11] in England (**Exhibit 7**).

1.17   The wider international context is OECD data showing that spending on health in the UK is the second lowest of all the G7 countries[12].The flip side of different spending priorities on health and education is that spending in Wales on other areas of service is much higher than in England. **Exhibit 8** shows significantly higher spend, per head, in Wales on social care, agriculture, general services, economic affairs, housing and community and culture, recreation and religion.

11 Comparative analysis by the Institute for Fiscal Studies shows that spending per school pupil in Wales is lower than spend per pupil in England.

12 Organisation for Economic Co-operation and Development, Health at a Glance 2019, November 2019

Exhibit 8: comparative spending per head of population in policy areas which are mostly devolved, Wales and England, 2019-20
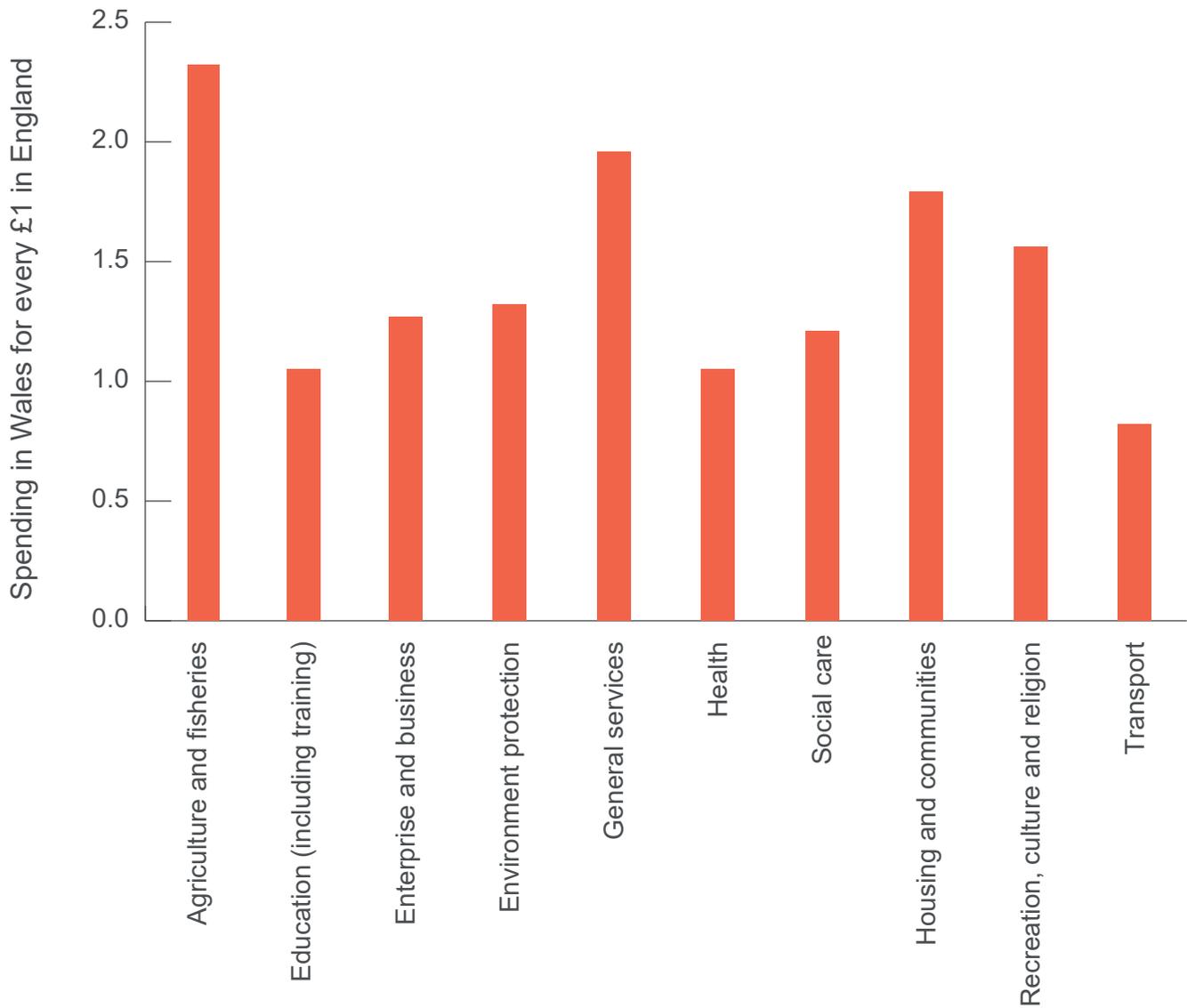
Note: these figures cover mostly devolved spending but may include some direct UK government expenditure, for example on transport where there is a mixture of devolved and non-devolved spending. More detail on the categories can be found in our Public Spending Trends data tool.

Source: Audit Wales analysis of HM Treasury, Country and regional analysis, November 2020

Capacity in many services was stretched before the pandemic hit

1.18   Many public services had stretched capacity before the pandemic hit.
        Office for National Statistics data shows that the total public sector
        headcount in Wales, including non-devolved services, fell by 26,000
        (8%) from 324,000 to 298,000 between 2010 and 2020[13]. As we highlight
        below, within that overall picture there are specific workforce challenges
        facing different sectors. There have also been challenges with other
        aspects of capacity such as hospital beds, school places, and care home
        infrastructure in social care.

1.19   The NHS has seen a rise in overall staffing levels but has recruitment
        challenges and has been reliant on agency and temporary staff. For many
        years, bed occupancy has been above the recommended level of around
        82% to 85%. Before the pandemic, Wales had amongst the lowest levels
        of critical care beds per head of population in international comparisons[14].

1.20   When the pandemic hit, the NHS created extra bed capacity by stopping
        non-urgent activity and repurposing existing capacity, such as operating
        theatres and recovery rooms, as critical care units. As our September
        2020 report on planned care noted, stopping all non-urgent planned care
        was not entirely novel. Health boards have done it in a planned way to
        manage winter pressures in emergency care and in an unplanned way by
        cancelling operations at short notice.

1.21   There is a widespread and long-standing recognition of the need for
        social care reform. The challenges of rising demand, particularly from
        older people and children's services, are compounded by low financial
        margins in care homes for older people and difficulty finding placements
        for children and young people who are taken into care. The sector faces
        multiple staffing issues including low pay, high turnover rates, and falling
        staff numbers in some areas. Equally, there is widespread recognition that
        the pandemic has revealed the limitations of the social care system.

1.22   Schools have struggled with mismatched capacity; surplus places in
        some schools while others are over-subscribed. However, the number of
        surplus spaces has reduced since 2009. There are shortages in staff in
        some subjects and particularly for the Welsh-medium sector. The system
        for initial teacher training has been overhauled but the number of trainee
        teachers has been lower than required in each of the last six years to
        2019-20. Over the last ten years, staffing levels and full-time student
        numbers in further education have remained broadly stable, but part-time
        provision has fallen dramatically due to funding constraints. However, in
        higher education, student numbers have increased at a greater rate than
        staffing levels.

13 Office for National Statistics, Public Sector Employment dataset, July 2021

14 In 2019-20, there were 154 critical care beds – the lowest per head of the population in the
    UK and amongst the lowest in Europe: Faculty of Intensive Care Medicine and Intensive
    Care Society, Guidelines for the Provision of Intensive Care Services, Edition 2, June 2019

1.23 Over the last ten years, staffing numbers in local authorities have fallen and skills deficits have emerged. Office for National Statistics data shows that the headcount in local government in Wales reduced by 19% from March 2010 to March 2020[15]. Our work has identified that staffing reductions mean councils do not have adequate numbers of staff with expertise in cross cutting policy and planning areas, and planning authorities lack staff with specialist skills, such as in design and infrastructure.

1.24 There is a similar picture in the Welsh Government. Between 2010 and 2020, the average number of full time equivalent Welsh Government staff decreased by 8%. Our work has identified that staff shortages have impacted on the Welsh Government's policy delivery in some key areas in recent years, and we have highlighted that gaps were created when staff were redeployed to deal with the challenges of Brexit. There have also been reductions in staff at the larger Welsh Government sponsored bodies (**paragraph 1.6**), ranging from 3% to 19%.

15 Office for National Statistics, Employment in local government in Wales, March 2008 to December 2020, May 2021

Public services had to adapt rapidly to the pandemic and the Welsh Government allocated over £5 billion in 2020-21 in response

02

2.1   This part of the report covers 2020-21, with a particular focus on the response to the COVID-19 pandemic. It describes some of the ways in which public services have adapted to the pandemic. It sets out the funding allocated to the response by the Welsh Government, breaking that down by different areas of spending. It also summarises the overall picture of aspects of the response set out in some of our recent audit work.

The COVID-19 pandemic severely disrupted public services and the wider social, economic and cultural life of Wales

2.2   COVID-19 has had a tragic impact on individuals and communities. As at mid-June 2021, more than 5,500 people had died with COVID. More than two-thirds of those deaths happened during the second wave in the autumn and winter of 2020-21. Almost half (45%) of those who died lived in the area covered by Aneurin Bevan and Cwm Taf Morgannwg University Health Boards. As at mid-June 2021, Wales had the highest number of deaths with COVID-19 on the death certificate, per 100,000 population, in the UK.

2.3   As set out in **paragraph 1.20**, the NHS stopped all but the most urgent non-COVID activity. Operating theatres and wards were repurposed to create extra critical care space for the most ill patients. GPs and other primary care services moved to online or telephone where possible. In social care and in the NHS, visits to patients and residents were severely curtailed.

2.4   The education system changed drastically. The Welsh Government lifted the requirement on schools to deliver the full national curriculum in March 2020. Students and pupils have had periods of online learning. Some have also had periods in the classroom and lecture halls with measures in place to mitigate against the spread of the virus, restricting some learning opportunities such as extra-curricular activities, trips and laboratory experiments. Schools have been transformed with classrooms re-arranged to encourage distancing, start times, end times, playtimes and lunchtimes all re-arranged to reduce mixing of pupils and parents.

2.5   Other local services, from leisure to waste and recycling facilities, have also experienced periods of stopping and re-opening with protective measures in place. Some staff from closed services have been re-deployed to other aspects of the COVID-19 response, such as preparing and delivering food parcels for vulnerable and isolating households. Inside the civil service, staff have been redeployed to support the response in various ways.

The Welsh Government allocated £5.1 billion on the COVID-19 response in 2020-21

2.6   In 2020-21, the Welsh Government created a £6 billion funding pot specifically for COVID-19-related activity. Over the year, it received an extra £5.7 billion in revenue through the Barnett formula due to COVID-19 spending in England. The Welsh Government added to UK government funding by re-prioritising £256 million from existing departmental budgets[16]. Some of the key movements in funding into the COVID-19 pot were:

- £50 million which was intended to improve NHS waiting times;
- £30 million previously set aside for the Childcare Offer for Wales;
- £16 million for higher education funding; and
- £12 million apprenticeship funding.

2.7   The Welsh Government allocated[17] around £5.1 billion of this extra money in 2020-21 on services to respond to the public health crisis, to support businesses and communities, to replace lost income for some public services and to prepare the ground for the recovery (**Exhibit 9**). Of the remaining funding in the COVID-19 pot, the Welsh Government converted £305 million into capital[18] and carried forwards £485 million into 2021-22[19].

16 In the first supplementary budget the Welsh Government had re-prioritised £245 million of EU Structural Funds to support the response but once the full funding from the UK government came through, it decided it no longer needed this funding for the COVID-19 response in 2020-21.

17 Here we set out the funding 'allocated' by the Welsh Government, by which we mean the sum set aside for specific areas of spending. In some cases, the actual spend, or outturn, may be different by the end of the year.

18 The £305 million capital was included as part of a wider £772 million allocation of capital funding in the third Supplementary Budget. The allocation included £188 million capital to support the COVID response and 'reconstruction' and a £270 million allocation to the Development Bank for Wales.

19 The UK government announced additional funding through the Barnett formula late in 2020-21 and agreed that the devolved administrations could carry this money into the following financial year.

Exhibit 9: split of the Welsh Government's £5.1 billion COVID-19 allocation to services for 2020-21

£59 million
Voluntary sector

£96 million
Reconstruction

£10 million
Other

£364 million
Transport

£2.3 billion
Health and
public services

£2.2 billion
Support for
the economy
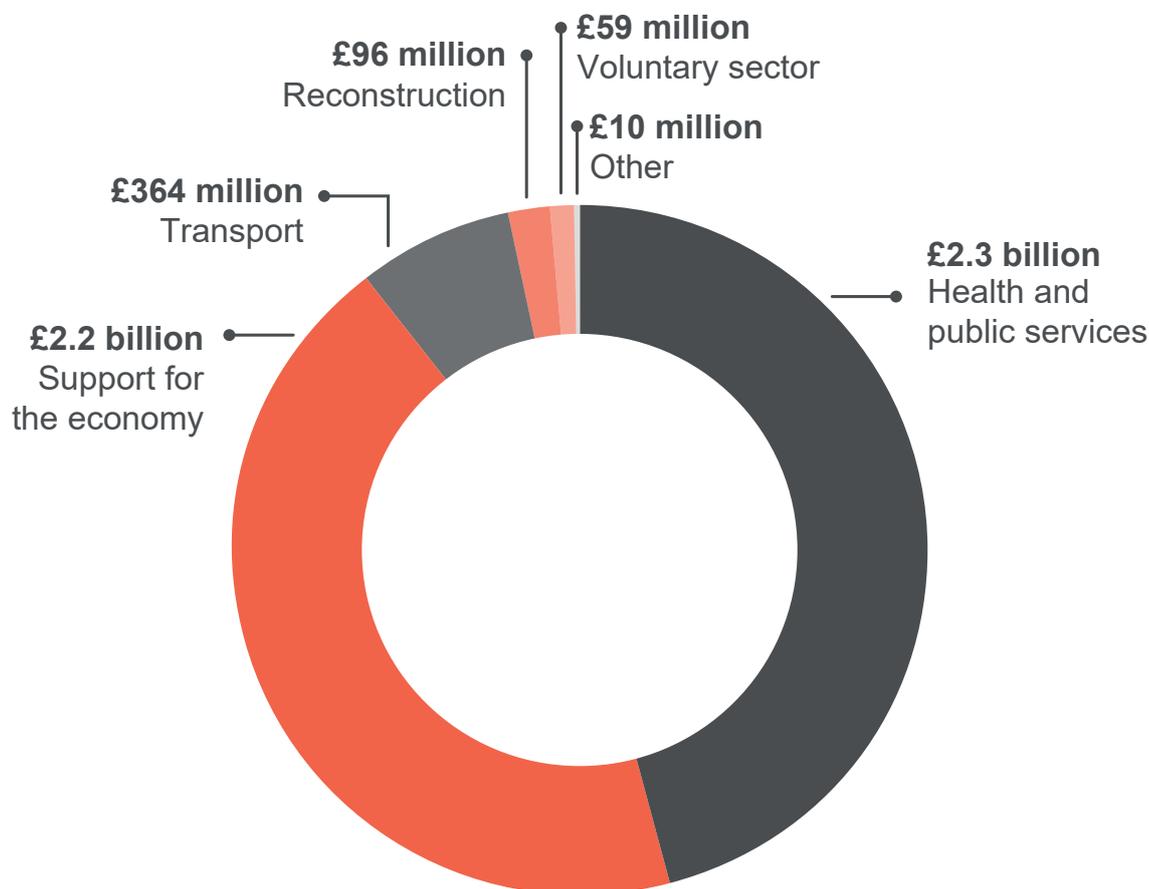
Note: 'Reconstruction' covers several funding pots the largest components of which relate to education (**paragraph 2.10)**.

Source: Audit Wales analysis of Welsh Government data

2.8   The Welsh Government has allocated £2.3 billion to supporting the NHS and other public services in dealing with the pandemic. This figure includes an £800 million stabilisation fund for the NHS alongside specific funding for programmes such as vaccinations, Test, Trace and Protect and PPE. The funding also includes a £660 million[20] Crisis Fund for local government, which covers a range of general costs as well as specific items such as free school meals, additional costs in social care, and supplementing the loss of income from fees with services closed.

20 Although the Welsh Government allocated £660 million, by the end of the financial year it reports having spent £587 million.

2.9   The Welsh Government allocated £2.7 billion to support the economy, the transport sector and the voluntary sector. This funding includes around £1 billion for the Economic Resilience Fund, around £730 million in grants related to non-domestic rates for small and medium businesses, £350 million in rates relief for retail, hospitality and leisure businesses and £130 million to support the higher education and further education sectors. The Welsh Government also allocated £170 million to support rail services and £95 million for bus services. The Welsh Government has allocated £59 million to support voluntary services. This includes £29 million for Third Sector Support, £15 million for the Discretionary Assistance Fund and £13 million towards provision of food for people who were shielding.

2.10 The Welsh Government allocated £96 million in 2020-21 to support what it is calling 'reconstruction'. This is made up of a range of smaller pots of funding, the largest being £11 million to cover free school meals during the holidays, and £10 million for three education programmes: to support children during exam years; to support the further education sector; and for mental health, student support and a hardship fund for the higher education sector.

2.11 Compared to the UK government's equivalent spending in England, Wales Fiscal Analysis notes that the Welsh Government has spent less of its COVID-19 funding on the NHS while spending more supporting businesses and communities[21]. In part, these differences may be down to the Welsh Government being able to secure better value for money. For example, on Personal Protective Equipment and Test, Trace, Protect, the Welsh Government appears to have got similar or better results compared to England while spending proportionately less.

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21 This comparison does not include the furlough scheme which is run and funded by the UK Government.

Our COVID-related work paints a broadly positive picture of aspects of the way Welsh public services responded but this is not necessarily indicative of the overall management of the pandemic

2.12 In response to the pandemic[22], our key initial piece of work was a COVID-19 Learning Project. This involved gathering emerging intelligence on good practice from public services' response and sharing learning in real time through a combination of blogs and updates to our audited bodies. Examples included public bodies working together and with communities to deliver food parcels, provide information to the public on how and where they could get tested and a range of other practical responses. As the pandemic progressed and the first wave came to an end, we identified examples and lessons for public services as they started to re-open services to the public. In November 2020, we produced a short report on the work to provide free school meals to pupils while at home[23].

2.13 Since early 2021, we have published more detailed reports on areas of the response: the Test, Trace and Protect programme, the supply and procurement of PPE, NHS governance arrangements during the pandemic, and the rollout of the vaccinations programme[24]. All these reports paint a broadly positive picture of aspects of the response, although all highlight lessons to learn as well. They show public bodies rapidly putting in place collaborative systems and flexible governance arrangements.

2.14 These reports reflect only aspects of the response to COVID-19 in Wales. While our reports paint a positive picture of aspects of the management and governance of individual programmes, they should not be taken as a positive view on the response in the round. Our report on the supply and procurement of PPE, for example, highlighted some of the weaknesses with the pre-pandemic preparations and that we cannot ignore the views expressed by some of those on the frontline about their own experience.

2.15 The UK government intends to set up a public inquiry in due course, which is likely to take a much broader and more in depth look at the overall pandemic response. The Welsh Government has stated its view that the Welsh response should be reviewed as part of that inquiry.

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22 At the start of the pandemic, we significantly adjusted our work programmes, recognising the impact on our own capacity and to ensure we could contribute to public services' response while not adding to the pressures public services were facing.

23 Auditor General for Wales, Providing Free School Meals During Lockdown, November 2020

24 Auditor General for Wales: Doing it Differently, Doing it Right?, January 2021; Test, Trace, Protect in Wales, March 2021; Procuring and Supplying PPE for the COVID-19 Pandemic, April 2021; Rollout of the COVID-19 vaccination programme in Wales, June 2021
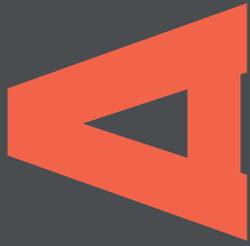
Public services need to manage the ongoing response to the pandemic and start to recover while adapting to new demands

03

3.1   The previous decade threw up many challenges for public services and there will be little respite in the near future. This part of the report looks at some of the key issues for public services in the coming years and important aspects of service transformation where we will be focusing our attention (**Exhibit 10**). This section is not intended to be comprehensive in setting out all the areas public services need to address, and other review bodies will have their own perspective on the key issues.

Exhibit 10: some key opportunities and challenges for public services
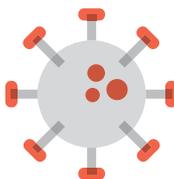
A changing world
- Climate change: achieving a fair and just transition
- Equalities: responding to demands for a fairer and more equal society
- Constitution: managing the opportunities and risks of new relationships within the UK

The ongoing pandemic
- Direct costs of response
- Economic hit knocks-on to public finances
- Legacy costs of long-term impacts

Transforming service delivery
- Systems and culture to support new approaches to service delivery
- Purposeful collaboration
- Long-term planning and prevention
- Harnessing technology where appropriate
- Using data to learn across the whole system

3.2   Several of these areas, particularly in relation to a changing world, are reflected in the Welsh Government's Programme for Government for 2021 to 2026[25]. Our commentary builds on some of the messages in our 2020 report on implementation of the Well-being of Future Generations (Wales) Act 2015[26].

25 Welsh Government, Programme for Government, June 2021
26 Auditor General for Wales, So What's Different? Lessons from the Auditor General's Sustainable Development Examinations, May 2020

The Welsh Government has at least an additional £2.6 billion to support the ongoing pandemic response in 2021-22

3.3   The pandemic is not over, and further public spending will be needed in 2021-22. As at July 2021, the Welsh Government had received a total of £2.1 billion additional funding related to COVID-19 for 2021-22. In addition, it has the £485 million carried forward (**paragraph 2.7**), taking the extra funding in 2021-22 to £2.6 billion on top of an increase in the core non-COVID budget.

3.4   As of July 2021, the Welsh Government's internal plans show it had allocated £1.5 billion, with £884 million to health and public services, £470 million to support the economy, £107 million for transport and £14 million for the third sector and communities. The situation remains fluid and, depending on the path of the pandemic and the UK government response, further funding may be announced in the coming months.

The UK government has promised no return to austerity, but funding is still likely to be tight given the cost pressures facing public services

The economic hit from the pandemic means public finances are likely to be tight for some time

3.5   The funding position beyond 2021-22 is unclear but UK public finances are in a challenging position. Economic activity fell during the pandemic, with companies and individuals paying less tax. Coupled with higher spending, the UK's overall debt and the annual deficit – the gap between income and expenditure – have grown significantly.

3.6   The UK government has said there will not be a return to austerity as it seeks to reduce the level of debt. It revised its spending plans downwards in March 2021 but still intends for overall public spending to grow in real terms. Wales Fiscal Analysis projected the Welsh Government's revenue budget to 2025-26 based on the UK government's March 2021 plans (**Exhibit 11**). It shows a 1.5% a year real terms budget increase between 2021-22 and 2025-26, excluding COVID-specific funding. It is possible these projections will change when the UK government produces a fuller spending review later in 2021.

Exhibit 11: projected funding for Welsh Government day-to-day spending, 2019-20 to 2025-26
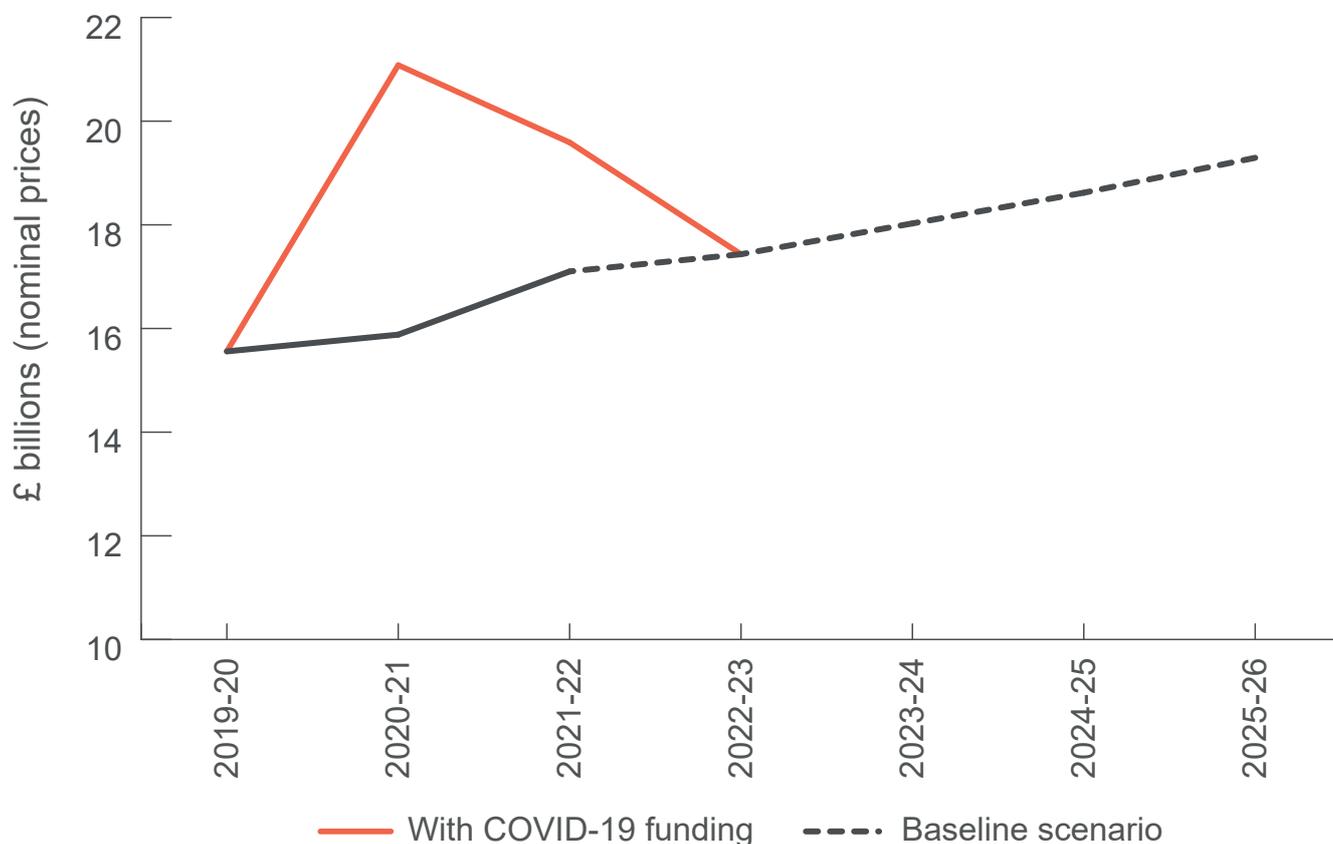
Note: The Wales Fiscal Analysis projections in this chart are on a nominal basis, which means they are not adjusted for the impact of inflation. Figures for 2020-21 reflect a fall in non-domestic rate revenues associated with the rates relief, a budget switch to capital spending and the transfer of farm subsidies to the Welsh budget. The 2021-22 figure does not include additional funding, mostly for the COVID-19 response, set out in the Welsh Government's June 2021 Supplementary Budget.

Source: Wales Fiscal Analysis, Welsh Election 2021: Fiscal outlook and challenges for the next Welsh Government, April 2021

Cost pressures from the pandemic and demographic change will mean difficult choices for public funding

3.7   Life for public services remains far from normal and that is likely to remain the case for some time. Once the pandemic is fully over, public services face a huge job of recovery. They will need to catch up on activity that was paused and deal with new problems created by the pandemic. The most obvious challenges are in the NHS where there are backlogs of patients on waiting lists and, unquantified pent-up demand from people who have put off seeking help.

3.8 There are other backlogs, for example the challenge of making up lost learning for pupils and students across the education system. These backlogs all have a significant cost attached: Wales Fiscal Analysis calculated that addressing the backlog in planned care would cost between £152 million and £292 million a year over four years[27]. Applying the Barnett formula to its estimates for England, the Education Policy Institute has estimated that an extra £600 million to 900 million could be needed over three years to support education recovery in Wales[28].

3.9 Some, or even all, of the requirements around social distancing, wearing PPE, ensuring adequate ventilation in indoor spaces may be with us for some time, depending on policy choices and public health advice. These restrictions affect the productivity of public services. The shift to online and telephone-based services may offset some of the effect of these restrictions on productivity. But many services, notably surgery and other personal interventions, cannot take place online. As a result, public services need either more capacity or to find ways to reduce demand and activity just to stand still, let alone address backlogs.

3.10 There are potential longer-term implications. The long-term direct health implications of COVID-19 are still being studied. The extent to which these will create new demand and cost pressures on the NHS is unclear. There is evidence of an impact on the mental wellbeing of households, which may increase the need for ongoing health and social care support. There are also other as yet unknown impacts on the public service workforce: there is speculation that some staff may not wish to continue as before or may accelerate retirement plans after the pandemic[29], creating potential capacity and/or pay pressures, for example if gaps need to be filled by expensive agency or locum staff. There may also be costs involved in helping parts of the public service workforce recover from what has been a traumatic experience.

27 Wales Fiscal Analysis, The NHS and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

28 Education Policy Institute, Analysis Paper: Preliminary Research Findings on Education Recovery, April 2021

29 For example, evidence from a British Medical Association survey, which is based on a self-selecting sample, suggests more than a doubling of doctors considering early retirement and many considering reduced hours or a career break. British Medical Association, COVID-19 tracker survey snapshot, April 2021.

3.11 Cost pressures also arise from changes in the population. Currently, Wales' population is expected to increase by around 117,000 by 2043 (**Exhibit 12**). We do not know yet if changes such as increased remote working will be long lasting and potentially affect population trends. For public services, the bigger challenge will be from the change in the age profile because of birth-rates and migration within the UK and beyond. The proportion and number of children and young people is now expected to fall while the number of older people (60-79) and very old people (80 and over) increases. By 2043, it is estimated that 9.1% of the population will be aged 80 and over, compared to 5.4% in 2018. The overall number aged 80 and over is expected to increase by around 126,000 (74%).

Exhibit 12: population projections – change in age groups from 2018 to 2028 and 2043
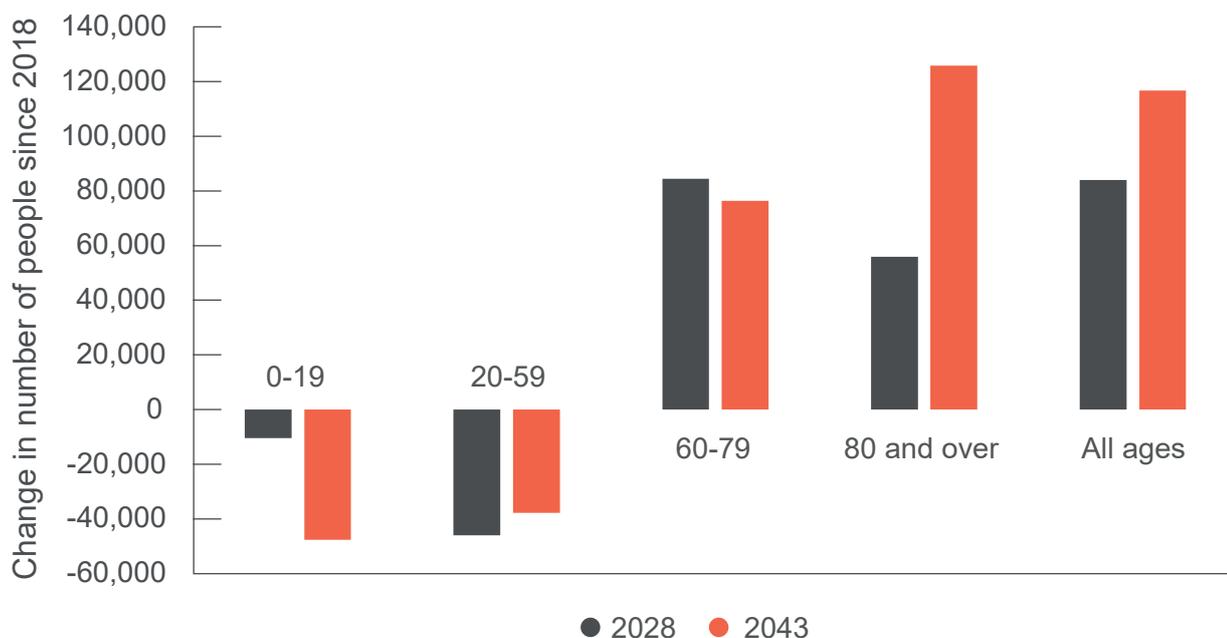
Source: Office for National Statistics, Principal projection – Wales population in age groups, October 2019

3.12 The aging population is likely to increase demands for health and social care. While fewer children and young people may lead to less demand for some services; there are less obvious cost pressures. For example, in education, the cost of schooling per pupil tends to increase as the number children and young people falls because of the higher costs per head associated with providing small schools.

3.13 Given a likely tight funding settlement and ongoing cost pressures, the Welsh Government faces some difficult immediate choices on funding priorities. Wales Fiscal Analysis reports looking at the NHS (**paragraph 3.8**) and local government[30] suggest that the funding set to come to the government to 2025-26 seems unlikely to cover all the cost and demand pressures faced by these two large sectors. There are also demand and cost pressures in other areas of public service. The Welsh Government and other public services therefore face continued difficult choices about prioritisation.

Other factors including the climate emergency and the push for greater equality will affect public services in the short and long term

Public services face the challenge of achieving a just and fair transition to net zero

3.14 Since our last Picture of Public Services report, the Welsh Government and the majority of local authorities have declared a climate emergency. In March 2019, the Welsh Government's low carbon action plan[31] drew together 100 ongoing and planned actions across government. In March 2021, the Senedd approved a net zero target by 2050 with an ambition to achieve the target earlier[32]. It also approved interim targets for 2030 and 2040 and carbon budgets.

3.15 The Independent Climate Change Committee's 2020 report[33] highlighted the scale of the challenge ahead for the Welsh Government and, by extension, other public bodies. The report showed that, in 2019, Wales' emissions have fallen 31% since 1990. This is less than the fall in the UK as a whole (41%). Achieving the Welsh Government's target of a 63% cut in emissions compared with 1990 by 2030 will require the same fall in the next nine years as has been achieved in the last 30 years.

30 Wales Fiscal Analysis, Local Government and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

31 Welsh Government, Prosperity for All: A Low-Carbon Wales, March 2019. Work to update and revise the plan is currently underway.

32 Under the 2008 Climate Change Act, Wales is required to contribute to the UK 2050 net zero target and the UK's carbon budgets. The Act committed the UK to an 80% reduction in carbon emissions relative to the levels in 1990, to be achieved by 2050. In June 2019, secondary legislation was passed that extended that target to 'at least 100%'. In April 2021, the UK government announced its intention to legislate for a target to reduce emissions by 78% by 2035.

33 The Independent Climate Change Committee is a statutory body established under the Climate Change Act 2008. Its remit covers the UK. It advises the Welsh Government on its targets and strategy. It reports progress against targets annually to the UK and Parliaments of the devolved nations. Climate Change Committee, Progress Report: Reducing emissions in Wales, December 2020.

3.16 As the Committee's report states, achieving net zero will require an integrated approach that puts climate mitigation and adaptation at the heart of public services in every sector. Some public bodies have produced plans for achieving net-zero by 2030. The Welsh Government is producing guidance for public bodies including a Public Sector Route Map to Net Zero and a common methodology for reporting emissions. We will be undertaking an ongoing programme of audit commentary on public sector action to address climate change. This will include a baseline review of action across the public sector during 2021-22.

3.17 Achieving these goals is also dependent on close working and coordination with the UK government: within the Committee's recommended pathway, around 60% of all the abatement in Wales in 2050 is in areas where key policies are mostly reserved to the UK government. Emissions in Wales fell by 20% in just two years (2016-2018) when the last coal-fired power station closed. However, this kind of major energy policy change is reserved to the UK government[34]. The report concluded that public bodies need to make progress in devolved areas such as agriculture, land-use, forestry, buildings and surface transport.

3.18 The most vulnerable are more likely to be directly affected by climate change. However, as both our 2019 report on fuel poverty[35] and the Decarbonisation of Homes in Wales Advisory Group[36] found, there are some difficult trade-offs between social justice and carbon reduction goals. In our 2020 report on the Well-being of Future Generations Act, we drew attention to the challenge facing the Welsh Government and other public bodies to ensure a fair transition to a low carbon economy and protecting the most disadvantaged from the effects of climate change and biodiversity loss.

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34 Large scale energy generation policy (over 350 megawatts) is reserved to the UK government.

35 Auditor General for Wales, Fuel Poverty, October 2019

36 Decarbonising Homes in Wales Advisory Group, Better Homes, Better Wales, Better World: Decarbonising existing homes in Wales, July 2019

Reducing inequality will require long-term action and investment

3.19 In 2018, the Equality and Human Rights Commission highlighted ways in which equality had improved in Wales, including a falling number of young people not in education, employment or training, increased employment and improved mental health services[37]. It also documented more evident divisions in society and rising poverty particularly affecting disabled people, and some ethnic minority groups, in Wales compared to others. It called for a 'spotlight on race inequality' in Wales.

3.20 The COVID-19 pandemic has highlighted and deepened these existing inequalities. Young people, women and Bangladeshi workers are more likely to work in sectors shut-down. Disabled people have had the highest death rates from COVID and many experienced prolonged isolation. Progress towards equality in some areas has been reversed: for example, the gap in attainment of the highest grades between pupils eligible for free school meals and others and between those with additional learning needs and others has been stable or reducing in recent years but generally widened in 2019/20 at GCSE, AS and A level.

3.21 Black, Asian and Minority Ethnic people have been particularly affected by the pandemic with higher death rates. As concern increased, the First Minister commissioned work to look at the impact of the pandemic on Black, Asian and Minority Ethnic people. Professor Emmanuel Ogbonna's report[38] made 37 recommendations to tackle race inequality, focusing on the impact of long-standing racism and disadvantage and a lack of representation. The 'Black Lives Matter' movement has increased pressure for action. The Welsh Government has recently committed in its Programme for Government to funding and implementing the commitments in its draft race equality plan[39].

3.22 The Welsh Government commenced the 'Socio-economic Duty' in March 2021 requiring relevant public bodies to give due regard to the need to reduce inequalities that exist as a result of socio-economic disadvantage when taking strategic decisions. The Duty sits alongside other requirements in the Equality Act 2010 and the Well-being of Future Generations (Wales) Act 2015 to consider the impact of their decision-making on equality and community cohesion.

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37 Equality and Human Rights Commission, Is Wales Fairer?, October 2018

38 Welsh Government, First Minister's BAME COVID-19 advisory group report of the socioeconomic subgroup, June 2020

39 Welsh Government, An Anti-Racist Wales: The Race Equality Action Plan for Wales, March 2021

3.23   At the start of the pandemic, the speed of decision-making meant that the
       Welsh Government did not conduct some equality impact assessments
       on key decisions[40]. Others were not published for scrutiny. In some cases,
       these omissions have been rectified but, as a first step to addressing the
       unequal impact of the pandemic, public bodies will need to collect better,
       disaggregated data to understand the impact of previous as well as future
       decisions on disadvantaged people and communities.

**A new post-Brexit constitutional relationship poses a range of challenges as
well as opportunities**

3.24   Since 1999, the Welsh Government has taken on more powers, including
       over taxation, for the first time in over 800 years, in 2016. Following Brexit,
       the Welsh Government has taken on over 4,000 new functions from the
       EU while the UK government has taken on powers in areas such as
       immigration and border control. In the coming years, negotiations over the
       boundaries of these responsibilities will affect the Welsh Government and
       public bodies.

3.25   In the past, Wales benefitted from substantial EU funding – around £375
       million per year during the 2014-2020 structural and investment funding
       period. The Conservative Party's 2019 UK government manifesto said that
       future funding would at least match the size of EU funds for each nation.
       This could lead to parts of Wales receiving more than comparable areas in
       England[41].

3.26   At present, the Welsh Government manages EU funds within parameters
       set by the EU. In October 2020, the House of Commons Welsh Affairs
       Committee acknowledged that the Shared Prosperity Fund – which
       replaces EU funding – could be an opportunity to develop a funding
       system that better reflects Wales' needs than previous EU funding
       streams. However, the Welsh Government's role in decision-making was
       unclear at the time[42].

3.27   Since the Committee reported, the UK government has announced that
       the Shared Prosperity Fund will be managed by the UK Treasury using
       powers under the Internal Market Act 2020 to spend directly on devolved
       areas of policy. The UK government is using the same powers for the
       Levelling Up Fund. It invited bids for the first round from local councils and
       other public bodies in January 2021: at least 5% of the fund is set aside for
       Wales.

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40 Welsh Parliament, Equality, Local Government and Communities Committee, Into sharp
   relief: inequality and the pandemic, August 2020

41 Alex Davenport Samuel North David Phillips – Institute for Fiscal Studies, Sharing
   prosperity? Options and issues for the UK Shared Prosperity Fund, July 2020

42 House of Commons Welsh Affairs Committee, Wales and the Shared Prosperity Fund:
   Priorities for the replacement of EU structural funding, 20 October 2020

3.28 There is already a complex crowded partnership landscape in Wales (**paragraph 3.33**). Getting value for money from this new way of working, in which UK government works directly with Welsh public bodies, will need care to align with existing local provision and Welsh Government policies. The UK government said it will seek advice from the devolved governments in shortlisting bids for the Levelling Up Fund. The role of devolved governments in the Shared Prosperity Fund's governance is not yet clear.

The recovery from COVID-19 provides an opportunity to learn lessons and progress long-standing ambitions for transforming public services

3.29 The Welsh Government has long-standing ambitions to transform the way public services provide services to the people of Wales. As set out in various strategies and legislation, notably the Well-being of Future Generations (Wales) Act 2015, public services should be citizen-centred, using the principles of co-production to involve service users and communities in the design and delivery of services. They should be collaborative and seek to prevent problems before they escalate. As part of this, public services should be shifting their focus from outputs and activity – how much are they doing and how quickly – to outcomes and the things that matter to communities and individuals.

3.30 Our work suggests public services are moving towards these new ways of working but that there are some long-standing barriers still to overcome. Below are some of the key aspects of service transformation we will be focusing our attention on in the coming years.

Systems and culture to support new approaches to service delivery

3.31 Changing the way public services operate involves changing some of the thinking, management processes and governance arrangements that underpin the status quo. Underlying systems of governance and accountability can help or hinder progress towards new ways of working. They incentivise behaviours by setting out what people and organisations will be held to account for. In the past, governance and accountability have often been focussed on targets for delivery of timely outputs and activity. Different arrangements will be required to encourage a stronger focus on outcomes and wellbeing and to encourage greater experimentation with new approaches.

3.32 In response to the pandemic, many performance management and accountability arrangements have been suspended or modified. There is an opportunity to learn lessons from what happened when these arrangements were relaxed. In future, we will expect to see greater thought being given to how the approach taken to governance and accountability will support the ambitions for service delivery, including the sorts of behaviours and relationships these arrangements incentivise.

Purposeful collaboration

3.33 Collaboration between public services is essential to delivering resilient services that improve the wellbeing of the people of Wales. We have on several occasions raised concerns that the partnership landscape is overly complex and incoherent, with varying geographical coverage, and unclear and overlapping remits. Servicing partnerships occupies a significant amount of the time and energy of senior public servants. Similar concerns have also been expressed by the Future Generations Commissioner[43] and the Public Accounts Committee[44].

3.34 One of the key lessons from the pandemic has been how collaboration has involved getting the right people together working across organisational and professional boundaries towards a common purpose. With a sense of urgency and strong, common goals, public services have demonstrated how pragmatic and flexible partnership arrangements can work to great effect.

3.35 Looking ahead, we will be expecting public services to demonstrate that their partnership working and collaboration are purposeful and leading to tangible benefits for the significant investment of time and effort involved.

Long-term financial and service planning that supports a rigorous and realistic approach to prevention

3.36 Delivering the ambitions of the Well-being of Future Generations Act requires a shift in focus and resources from short-term needs to prevention. There is an inherent tension between the desire for long-term prevention programmes and short and medium-term financial planning cycles. It can be difficult to shift resources needed to manage short-term problems in the anticipation of uncertain benefits at some distant point in the future. This is particularly the case where there are immediate pressures such as gaps between demand and supply with people experiencing delays to services and harm as a result.

43 Future Generations Commissioner for Wales, Future Generations Report 2020, May 2020
44 Public Accounts Committee, Delivering for Future Generations: the story so far, March 2021

3.37 Our report on the findings from our sustainable development examinations (**paragraph 3.2**) highlighted that short-term budget setting remained a barrier to progress. We will be looking for all public services to demonstrate progress towards longer-term financial planning. However, there is a particular responsibility on the Welsh Government to provide longer-term clarity about its priorities and plans for funding.

Harnessing digital technology to make services more accessible

3.38 Our work has highlighted the potential benefits but slow roll out of digital services in the NHS and social care[45]. However, the response to the pandemic has shown that public services can move swiftly to roll out and adopt new digital technology. From the outset, the public sector has used digital technology in new ways, including supporting staff working from home; online teaching for pupils and students; online committee and board meetings; digital needs assessments and virtual clinics and consultations (including telephone consultations).

3.39 The Welsh Government's vision for 'digital change' across Wales includes designing services around user needs to deliver simple, secure and convenient services[46]. We will be expecting public services to demonstrate that they are pursuing opportunities to make services more effective and efficient by using new technologies, where it makes sense to do so. In particular, we will expect public services to be able to demonstrate that digital services are accessible, of a high quality and meet the needs and expectations of users in line with aspirations for holistic citizen-centred services. We will also expect public bodies to learn lessons from the use of digital services introduced during the pandemic, including lessons around their effectiveness and user experiences.

Using data and information to learn and improve across the whole public service system

3.40 Before the pandemic, public services had been grappling with how best to use data to understand how well they were doing. In particular, public services were trying to focus more on measuring outcomes and the wellbeing of the population. Measuring outcomes is hard in and of itself. Understanding what has caused those outcomes when there has been a complex mix of interventions from different bodies in different environments is even harder.

45 Auditor General for Wales: Informatics systems in NHS Wales, January 2018; Welsh Community Care Information System, October 2021

46 Welsh Government, Digital Strategy for Wales, March 2021

3.41 In our 2018 report on local government's use of data[47], we highlighted the challenge of local government sharing information with partners. With collaboration key to delivering better services and better outcomes, public bodies need to get better at sharing information with partners.

3.42 In the coming years, we will expect public bodies to strengthen their ability to understand and demonstrate how they are using their resources to impact on individual and population wellbeing. In particular, we will be looking for them to do more to understand how whole systems are working to achieve outcomes, including the role of the Welsh Government and other funders in setting the rules, and how services can collectively work better for service users and communities.

47 Auditor General for Wales, The maturity of local government in use of data, December 2018

Appendices

1　Audit approach and methods

1   Audit approach and methods

1   The report is based on a synthesis of our published work as well as research by other organisations. Our work includes:

- the annual audit of accounts of the main devolved public bodies in Wales;

- local work looking at governance, management and delivery of services by NHS bodies and local government bodies;

- national reviews, looking at specific services and programmes as well as efforts to improve the wellbeing of particular groups of the population;

- reviews of public bodies' application of the sustainable development principle in line with the requirements of the Well-being of Future Generations (Wales) Act 2015; and

- data tools, which pull together information on particular sectors or areas of interest.

2   Underpinning this report is a series of sector-specific summaries, setting out some key facts and analysis, which we will publish during September and October 2021. We have not done a separate summary for the Welsh Government, as much of the analysis and key issues are covered in this report. We have also not sought to summarise the position across the many Welsh Government sponsored bodies and subsidiary companies. Where relevant, we refer in this report to some of the common issues and pressures they face.

3   Below are some of the key sources of data presented in this report.

- **Welsh Government funding:** for data to 2015-16, we have used the figures we used in our 2015 Picture of Public Services Report. The basis of data for 2015-16 to 2019-20 is the annual HM Treasury Public Expenditure Statistical Analyses dataset to which we have added data on revenues raised (or expected) from devolved taxation.

- **Health revenue:** This data is set out in our NHS Wales Finances Data Tool. It is based on the Welsh Government's final supplementary budget in each year and covers all health-related revenue budget lines from within the Department of Health and Social Services.

- **'Core' local government funding:** this comes from the Local Government Revenue Settlement dataset on StatsWales.

- **Local government spending on services:** this comes from the Local Government Outturn dataset on StatsWales and is based on 'gross revenue' expenditure on services.

- **Comparative UK spending analysis:** this primarily comes from the data that underpins our Public Spending data tool. We have carried out some further analysis using the underlying HM Treasury Country and Regional Analysis dataset, for example to look at social care expenditure.

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DIGITAL HEALTH AND CARE WALES
AUDIT ACTION LOG REPORT

Agenda Item	3.6

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance & Business Assurance
Prepared By	Julie Ash, Head of Corporate Services
Presented By	Julie Ash, Head of Corporate Services

Purpose of the Report	For Discussion/Review
Recommendation	
The Committee is being asked to: **RECEIVE** and **DISCUSS** this report.	

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
LASPAR	Losses and Special Payments Admin Register	NWIS	NHS Wales Informatics Service
WG	Welsh Government		

1   SITUATION/BACKGROUND

1.1   This paper details the current position with respect to audit recommendations that have been made, including those that have been completed during the period, those that are on schedule, those that are overdue and those anticipated to not meet target dates. The audit recommendation analysis (2.1) shows how progress is being made against the recommendations and illustrates the on-going movement and change of status.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The audit log shows the current reported status against recommendations received. The analysis below shows all recommendations giving the current status of each recommendation which remained open at the last Digital Health & Care Wales (DHCW) Audit and Assurance Committee and also those presented in report form to the Committee since presentation of the last log.

2.2   There were 10 actions reviewed at the last meeting where 6 were closed leaving a total of 4 open actions. The Committee did not receive any reports at the last meeting so no further actions were added.

2.3   The number of reportable actions now totals 4 relating to LASPAR, Data Centre Transition, Resilience and Cyber Security (note: Cyber Security actions detail to be reviewed in private Committee).

Number	RAG	Status
1	GREEN	Complete
2	YELLOW	Indicates that the action is on target for completion by the agreed date
0	AMBER	Indicates that the action is not on target for completion by the agreed date
1	RED	Indicates that the implementation date has passed and management action is not complete

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2.4   In particular, the Committee are requested to note:

- The completion of an action raised as part of a recent Resilience audit relating to the publication and communication of the organisation's strategic vision.
- Actions relating to the Data Centre Transition and Cyber Security on are track for completion by the target date.
- The action relating to LASPAR is overdue and a revised target date is requested whilst discussions take place with Welsh Government around future system requirements.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   The requirement to agree a revised target date for the LASPAR action with Audit Wales whilst discussions are ongoing with Welsh Government.

4   RECOMMENDATION

4.1   The Committee is being asked to:

RECEIVE and **DISCUSS** this report.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	ISO 9001
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A	
No, (detail included below as to reasoning)		Outcome:

Audit Action Log Report   Page 3 of 4   Author: Julie Ash
                                                                                                 Approver: Claire Osmundsen-Little
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Statement: EQIA not required for Audit Action Log Report.

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Monitoring of progress against audit recommendations.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	Some actions arise as a result of new legislation.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Audit Action Log Report   Page 4 of 4   Author: Julie Ash
Approver: Claire Osmundsen-Little
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Audit Action Plan

	Green - Action complete
	Yellow - Action on target to be completed by agreed date
	Orange - Action not on target for completion by agreed date
	Red - Implementation passed management action not complete

Digital Health & Care Wales
Outstanding Actions

	Recommendation	Priority	Management Action	Responsible Manager/ Department	Accountable Officer	Current/ Revised Implementation Date	Status	Comments Audit Committee
External Audit - WAO - Nationally Hosted NHS IT Systems Annual Audits								
2020.1	LASPAR is written in an old programming language in which NWIS have NWIS have limited skills and application development capacity. We understand that the application technology platform is de-supported in 2020 and NWIS should plan to migrate to a controlled environment to enable support for LASPAR to continue or consider a new technology platform.	Medium	Migrate to a controlled environment to enable support for LASPAR to continue or consider a new technology platform.	Gary Bullock/ Stephen Price	Helen Thomas	PROPROSED TO DISCUSS WITH WG	Red - Implementation passed management action not complete	An options paper has been prepared.
2020.2	We were made aware in our 2019-20 fieldwork that the management of one of the two National Data Centres notified NWIS of their intention to exit from Data Centre Services during 2021/22.	High	NWIS should identify alternatives for additional data centre services, plan and manage the transition to the new data centre site by October 2021	Carwyn Lloyd-Jones/Jamie Graham	Helen Thomas	Oct-21	Yellow - Action on target to be completed by agreed date	The contract for the existing Data Centre will end in late 2021 and NWIS have a timetabled plan to leave by Summer 2021. A new datacentre location has been procured, and the contract awarded.
NWSSP Findings								
RES4	The NWIS vision should be prominent on staff communication channels such as the website and newsletters in order to further develop the shared culture and mission.	Low	As part of the transition to the new Special Health Authority, Digital Health & Care Wales, we will be confirming the Strategic Objectives and Vision for the new organisation with our new Board and ensure that this is widely communicated.	Michelle Sell/Gill Friend	Helen Thomas	Jun-21	Green - Action Complete	Complete. Strategic Objectives are defined and the Vision as set out in our Plan is communicated

CS1	Cyber Security Action	Medium	Planned Action	Carwyn Lloyd-Jones/Jamie Graham	Helen Thomas		Mar-22	Action on target to be completed by agreed	Planned for Q4 2021/22 following planning sessions and other exercise to idenifty an appropriate area

Audit Action Plan

Green	Green - Action complete
Yellow	Yellow - Action on target to be completed by agreed date
Orange	Orange - Action not on target for completion by agreed date
Red	Red - Implementation passed management action not complete
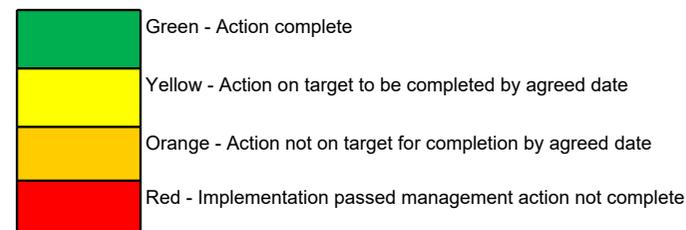
Third Party Actions
Outstanding Actions

	Recommendation	Priority	Management Action	Responsible Manager/ Department	Accountable Officer	Current/ Revised Implementation Date	Status	Comments Audit Committee
External Audit - WAO - Nationally Hosted NHS IT Systems Annual Audits								
2016.1	NHS Digital (formerly known as HSCIC) are decommissioning the NHAIS system and replacing the functionality with a third party supplier system from Capita for the payments engine for calculating general medical services payments. NHS Digital are also developing the demographic registration and reporting systems required to replace NHAIS functionality. For NHS Wales, NWIS and NWSSP are considering the system replacement options for Welsh requirements as NWIS also support and develop the Welsh Demographic System (WDS).	Medium	NWIS should, as they manage, support and develop the Welsh Demographic System (WDS) plan to provide the required functionality for NHS Wales in developing the WDS for patient demographic purposes.	Gary Bullock/Ken Leake	Helen Thomas	Jul-22	Yellow - Action on target to be completed by agreed date	NWIS met with NHS Digital in November 2020 where they confirmed they are still not in a position to give us revised dates for the start of decommissioning. NHS Digital are currently not in a position to provide dates for key Capita deliverables. The WDS Phase 3 development will be aligned with these timescales but more clarity is needed from England before substantive work can take place. We are advised that the implementation date is unlikely to be before January 2022, and may take up to 6 months to complete.

| 2018.1 | Review the age of the NHAIS servers used, some of which are approaching nine years old. NWIS should then liaise with NWSSP to agree a server replacement schedule or consider what mitigating controls can be put in place for service availability and resilience. | Medium | Although the NHAIS infrastructure is approaching 10 years of age, the team have contacted HP to enquire as to the EOSL (End of Support Life). Hewlett-Packard (HP) have confirmed that for key pieces of hardware, the c7000 Blade Enclosures and the BL860c blades, no EOSL is in place currently. Based on this response, there is no pressing need to consider replacements. NWIS will contact HP every six months to confirm the position. | Gary Bullock/ Stephen Price | Helen Thomas | Mar-22 | Yellow - Action on target to be completed by agreed date | A key part of the NHAIS intrastructure will reach IOSL on 31.12.2021. Adoption of the replacement PCRM (Primary Care Registration Management) product is scheduled for December 2021 with the decommissioning ot NHAIS due to start in January 2022.
Meeting held on Tuesday 17th Aug with Client Service and NWSSP. All parties now agree that replacement hardware needs to be procured as NHAIS likely to be operational until at least August 2022 and there is no appetite for supporting the infrastructure for 8 months past EOSL. Another meeting held 19th Aug with SCC (DHCW 3rd party supplier), HP and client services where HP advised that they now think they might be able to just replace the EVA disk array as the servers haven't reached EOSL yet. They are now working to establish whether this is a viable option and will feedback in the next two weeks. If this is a viable option, then it will mean we we will essentially just be replacing the hard disks. Further config extracts performed 26/08/2021 at the request of SCC and HP but no definite decision made yet.
An alternate virtualisation plan received from David Rew (ex Waverley), this has been forwarded to Client Services for information. |

DIGITAL HEALTH AND CARE WALES
COUNTER FRAUD REPORT

Agenda Item	3.7

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance & Business Assurance
Prepared By	Nigel Price, Local Counter Fraud Specialist
Presented By	Nigel Price, Local Counter Fraud Specialist

Purpose of the Report	For Noting
Recommendation	
The Committee is being asked to: asked to: **NOTE** the progress report	

Acronyms			
LCFS	Local Counter Fraud Specialist	DHCW	Digital Health and Care Wales
CFA	Counter Fraud Authority		

1   SITUATION/BACKGROUND

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

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   This report provides the Audit Committee with an update for the period ending 30th September 2021. It provides updates on the 4.5 days of counter fraud work for the organisation.

Activity	Status
Current Cases	Nil
Fraud Awareness Training	2 presentations delivered this quarter, additional dates have been confirmed
National Fraud Initiative	Not applicable to DHCW this financial year
Counter Fraud Plan	Submitted

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   Counter Fraud Risk Assessments

3.2   Counter Fraud Resources

4   RECOMMENDATION

The Committee is being asked to:
NOTE the progress report

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

Counter Fraud Cover Report   Page 2 of 3   Author: Nigel Price
Approver: Claire Osmundsen-Little
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CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A prosperous Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	ISO 9001
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Staff & Resources
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:
No, (detail included below as to reasoning)	Outcome:
Statement: EQIA is not required for the Counter Fraud Update Report.	

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	Good financial governance and management
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Counter Fraud Cover Report   Page 3 of 3   Author: Nigel Price
Approver: Claire Osmundsen-Little
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Digital Health & Care Wales

**Audit & Assurance Committee 5th October 2021
Counter Fraud Update**

**Nigel Price
Counter Fraud
Cardiff and Vale University Health Board**

AUDIT COMMITTEE 5th October 2021

COUNTER FRAUD UPDATE

1:   **Introduction**

2:   **Case updates**

3:   **Progress & general matters**

Appendix 1: Summary

Mission Statement

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

1. INTRODUCTION

1.1 In compliance with the Directions on Countering Fraud in the NHS, Counter Fraud is required to provide updates to the Audit and Assurance Committee on the work that has been carried out against the agreed work-plan. This report provides the Audit Committee with an update for the period ending 30th September 2021.

2. CURRENT CASE UPDATE

2.1 for the period ending 30th September 2021 a total of 10.5 days has been spent on counter fraud work for DHCW, a breakdown of this is detailed in **Appendix 1**.

2.2 There are no investigations linked to DHCW

3. PROGRESS AND GENERAL ISSUES

3.1 Fraud Awareness Presentations

Face-to-face fraud awareness sessions for all staff are temporarily cancelled due to COVID-19 restrictions. However, during this reporting period 2 sessions have been delivered through Microsoft Teams and more are scheduled. A counter fraud newsletter was sent to the organisation on 13th May 2021.

3.2   Future Counter Fraud Work

Following a meeting on the 23rd August 2021, with the Director of Finance and the Head of Management Accounting it was agreed that the LCFS will deliver a counter fraud presentation focused on mandate frauds and conduct a risk-assessment exercise on pre-employment checks conducted by recruiting agencies that provide staff to DHCW. The date for that presentation is to be arranged with the Head of Management Accounting.

3.3   Counter Fraud Resources Update

The full compliment for the Cardiff & Vale UHB is three accredited LCFSs, one of whom is the also the team manager, and one admin support. The days allocated to DHCW for counter fraud work was calculated on the on the four whole-time equivalents.
In December 2020 the manger went on sick leave and will not be returning. In September 2021 the admin support left for a new post; reducing the counter fraud availability by 50%.
The decision has been made that the role of admin support will be replaced by an accredited fraud investigator. The manager's role will also be filled.
The advert for the investigator post will be published before the end of September and the manager's post will be advertised in October. Taking into account the lack of available resources until those posts are filled, it is unlikely all the days allocated to the organisation will be completed.

COUNTER FRAUD SUMMARY PLAN ANALYSIS 2021-2022

AREA OF WORK	Planned Days	Days to Date
General Requirements		
LCFS Attendance at All Wales Meetings	1	1
Planning/Preparation of Annual Report and Work Programme	1	1
Production of Reports and attendance at Audit & Assurance	4	3
Liaison with the DoF, NHS CFA, Welsh Government	0	0.5
Self Review Tool (SRT) and QA Assessment	1	0
Annual Activity		
Create an Anti-Fraud Culture	1	1
Presentations, Briefings, Newsletters etc.	10	4
Fraud Awareness Events	0	0
Deterrence		
Review/develop Policies/Strategies	2	0.5
Prevention		
The reduction of opportunities for Fraud and Corruption to occur.	0	0
Detection		
National Pro-Active Exercises (e.g. Procurement)	2	1
National Fraud Initiative 2020/21	4	0
Investigation, Sanctions and Redress		
The investigation of any alleged instances of fraud	11	0
Ensure that Sanctions are applied to cases as appropriate	1	0
Seek redress, where fraud has been proven to have taken place	2	0
TOTAL	**40**	**10.5**

DHCW
COUNTER FRAUD UPDATE
AUDIT COMMITTEE – 5th October 2021

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DIGITAL HEALTH AND CARE WALES
RISK MANAGEMENT REPORT

Agenda Item	4.1

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Sophie Fuller, Corporate Governance and Assurance Manager
Presented By	Chris Darling, Board Secretary /Risk Owners

Purpose of the Report	For Noting
Recommendation	
The Audit and Assurance Committee is being asked to: **NOTE** the status of the Corporate Risk Register. **DISCUSS** the Corporate Risks, particularly those assigned to the Audit and Assurance Committee. **NOTE** the Risk and Board Assurance Milestone Plan and progress to date.	

Acronyms			
DHCW	Digital Health and Care Wales	ISD	Information Services Directorate
BAF	Board Assurance Framework	SHA	Special Health Authority

1   SITUATION/BACKGROUND

1.1   The DHCW Risk Management and Board Assurance Framework (BAF) Strategy was endorsed by the Audit and Assurance Committee, Digital Governance and Safety Committee and approved formally at the SHA Board on the 27 May 2021. This outlined the approach the organisation will take to managing risk and Board assurance.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   DHCW's Corporate Risk Register currently has 19 risks on Register, 15 of which are detailed at item 4.1i Appendix A. The other 4 are cyber related risks which are considered in the private sessions of the Audit and Assurance Committee. Noting the Cyber risks were reviewed in detail at the Digital Governance and Safety Committee held on the 11 August 2021.

2.2   Committee members are asked to note the following changes to the Corporate Risk Register (new risks, risks removed and changes in risk scores) for the period ending 31 August 2021:

One critical risk was **removed** from the risk register:

DHCW0271 – My Health Online (MHOL) - Following successful dialogue with the supplier, MHOL will continue to be supported up to July 2023. There is now sufficient time to establish a project for development and implementation of a replacement service as part of the Digital Services for Patients and the Public Programme.

One critical risk score was **reduced:**

DHCW0270 – Legacy Load Balancers - All services have now moved to new supported equipment, testing is being scheduled to ensure no unknown connections remaining. The risk likelihood and impact downgraded as a result; the score has moved from 20 to 6.

There were no other major changes to the Corporate Risk Register in August.

2.3   The Committee are asked to consider the DHCW Corporate Risk Register Heatmap showing a summary of the DHCW risk profile. The key indicates movement since the last risk report.

Risk Management Report   Page 2 of 6   Author: Sophie Fuller
Approver: Chris Darling
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CONSEQUENCES	LIKELIHOOD				
	RARE (1)	UNLIKELY (2)	POSSIBLE (3)	LIKELY (4)	ALMOST CERTAIN (5)
CATASTROPHIC (5)			**DHCW0257 ↔ **DHCW0261 ↔	DHCW0204: Canisc System ↔	
MAJOR (4)		DHCW0205: DMZ/Internet Failures at Data Centre ↔ **DHCW0218 ↔	DHCW0207: Document Management Strategy ↔ DHCW0259: Staff Vacancies ↔ DHCW0208: Welsh Language Compliance ↔ DHCW0260: Shielded Patient List ↔ DHCW0263: DHCW Functions ↔ DHCW0264: Data Promise ↔ DHCW0228: Fault Domains ↔ DHCW0201: Infrastructure Investment ↔	DHCW0269: Switching Service ↔ DHCW0237: Covid-19 Resource Impact ↔	
MODERATE (3)		DHCW0270: Legacy Load Balancers ↓	DHCW0268: Data Centre Transition	DHCW0267: Host Failures ↔ **DHCW0229: ↔	
MINOR (2)					
NEGLIGIBLE (1)					

★ New Risk   ↔ Non-Mover   ↓ Reduced   ↑ Increased

2.4 The Committee are also asked to consider the DHCW current risk score in relation to target and risks that may be identified for further investigation and action.

Current risk score status compared to initial scoring	Number of risks
Decreased	7
Same	10
Increased	2
Total	19

Those highlighted with a red circle have a score higher than their initial scoring, those in green have reduced their current score below initial scoring.

**Private Risks

INITIAL VS CURRENT VA TARGET
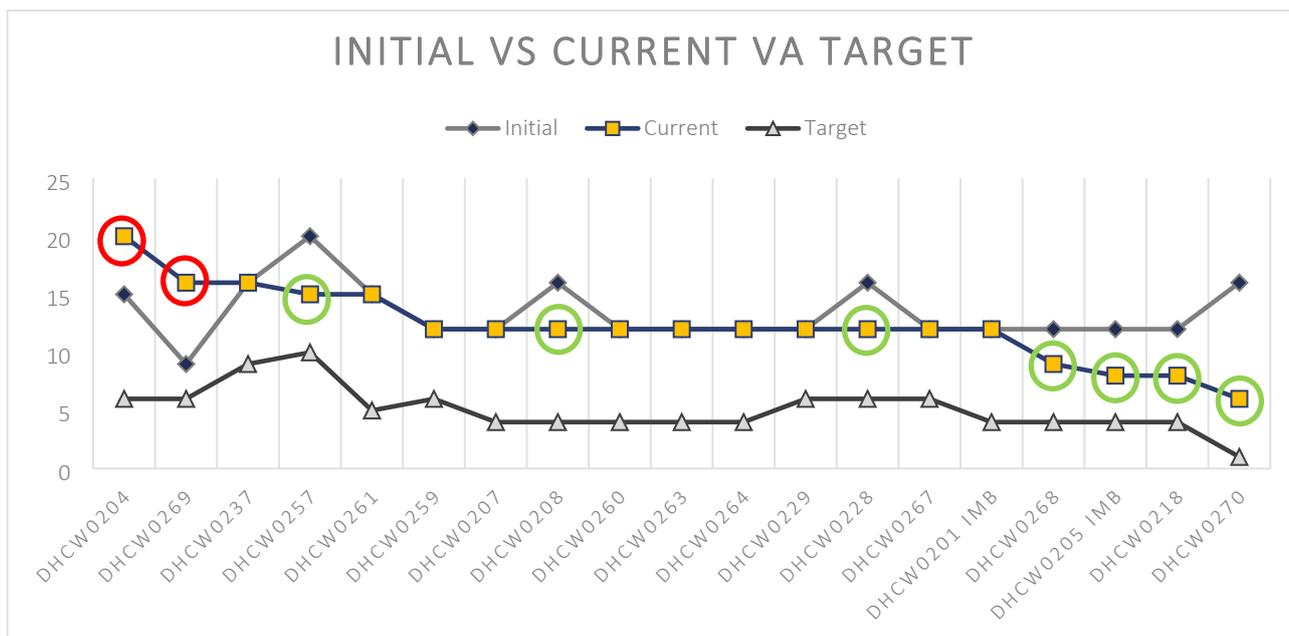
2.5 All the risks on the Corporate Risk log are assigned to a Committee as outlined in the Risk Management and Board Assurance Framework Strategy to provide the SHA Board with the necessary oversight and scrutiny. These include the private risks, which were all recently reviewed in detail by the Digital Governance and Safety Committee in a private session of the August meeting. The next Digital Governance and Safety Committee will receive deep dives into the Information Governance and Information Services risks on the Corporate Risk Register. The risks assigned to the Audit and Assurance Committee are:

- DHCW0259 – Staff Vacancies
- DHCW0207 – Document Management Strategy
- DHCW0208 – Welsh Language Compliance

3 KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 The Committee is asked to note the changes in the risk profile during the reporting period as a result of the removal of one critical risk and reduction in score of another critical risk.

3.2 The Committee are also asked to note the new layout of the Action Status of the Corporate Risks designed to provide a clearer overview of the actions taken to date and those planned to further mitigate the risk with the associated timeframe.

3.3 The Risk Management and Board Assurance Framework plan is included at item 4.1iii Appendix C which details the progress to date for the Risk Management and Board Assurance Framework Strategy implementation. A number of workshops to develop the Board Assurance Framework and define the risk appetite of the organisation have been undertaken, the next steps will include a session with Directors to progress this work. This will then be reviewed and discussed by the full Board in early November. Please note the amended timeframe for the implementation of the strategy and presentation of the Board Assurance Framework Report for SHA Board.

Risk Management Report   Page 4 of 6   Author: Sophie Fuller
Approver: Chris Darling
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4   RECOMMENDATION

4.1   The Committee is being asked to:

NOTE the status of the Corporate Risk Register and **DISCUSS** the Corporate Risks.
NOTE the Risk and Board Assurance Milestone Plan.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	All are relevant to the report

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	ISO 9001
If more than one standard applies, please list below: ISO 14001 ISO 20000 ISO 27001 BS 10008	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below: Safe Care Effective Care	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A
No, (detail included below as to reasoning)	Outcome: N/A
Statement: Risk Management and Assurance activities, equally affect all. An EQIA is not applicable.	

APPROVAL/SCRUTINY ROUTE:
Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Risk Management Group	31 August 2021	Discussed and Verified
Management Board	16 September 2021	Discussed
SHA Board	30 September	For Discussion

Risk Management Report   Page 5 of 6   Author: Sophie Fuller
Approver: Chris Darling
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IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Additional scrutiny and clear guidance as to how the organisation manages risk has a positive impact on quality and safety.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	Should effective risk management not take place, there could be legal implications
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	Should effective risk management not take place, there could be financial implications
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
	The members of the Management Board will be clear on the expectations of managing risks assigned to them.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

4.1ii Appendix B DHCW Corporate Risk Register

Risk Matrix

		LIKELIHOOD				
		RARE (1)	UNLIKELY (2)	POSSIBLE (3)	LIKELY (4)	ALMOST CERTAIN (5)
CONSEQUENCES	CATASTROPHIC (5)	5	10	15	20	25
	MAJOR (4)	4	8	12	16	20
	MODERATE (3)	3	6	9	12	15
	MINOR (2)	2	4	6	8	10
	NEGLIGIBLE (1)	1	2	3	4	5

Key – Risk Type:

Critical	Significant	Moderate	Low

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
DHCW0204	Security	Canisc System IF there is a problem with the unsupported software used within the Canisc system THEN the application will fail RESULTING IN disruption to operational service requiring workarounds.	08/02/2018	02/09/21	15	AIM: REDUCE Impact and REDUCE Likelihood FORWARD ACTIONS: Collaborative working with Programme Partners to deliver further development including the palliative care and Screening (colposcopy) work planned for Q4 21/22. ACTIONS TO DATE: The Canisc replacement MVP is in development in readiness for testing in September for Cancer services.	20	5	4	6	3	2	Medical Director	Non-Mover	Digital Governance and Safety Committee

4.1ii Appendix B DHCW Corporate Risk Register

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
DHCW0269	Business & Organisational	Switching Service IF the current switching service fails THEN no data new will be acquired into the ISD Data Warehouse RESULTING IN the inability to provide updates to multiple reporting systems.	07/12/2020	02/09/21	9	AIM: REDUCE Impact and REDUCE Likelihood FORWARD ACTIONS: ISD working with the National Data Resource project to ensure appropriate priority given to this work. ACTIONS TO DATE: Engagement with National Data Resource Team to consider acceleration of the switching service replacement as part of the wider requirement for the acquisition of data into NDR. Switching Service is now over 20 years old, running on old hardware and software with an increasing potential to fail. The impact of a failure of the switching service will also be greater now due to the increased dependency on data acquired through this route that is used for COVID-19 monitoring	16	4	4	6	3	2	Deputy Director of Information	Non-Mover	Digital Governance and Safety Committee
DHCW0237	Project	Covid-19 Resource Impact IF new requirements for digital solutions to deal with Covid 19 and recovery of services continue to come in, THEN staff may need to be moved away from other deliverables in the plan RESULTING in non-delivery of our objectives and ultimately a delay in benefits being realised by the service.	30/03/2020	02/09/21	16	AIM: REDUCE Impact and REDUCE Likelihood FORWARD ACTIONS: Actions from the Q1 lessons learned report will be managed by Planning and Performance Management Group. This includes strengthening any formal re-baselining expected emerging from Programme Boards as a result of new requirements. Impact of anticipated recruitment lags is being investigated further as this will impact ability to meet existing and new requirements. Still experiencing significant TTP new requirements. ACTIONS TO DATE: Lessons Learnt for Q1 was presented to Management Board for review and comment. -	16	4	4	9	3	3	Chief Operating Officer	Non-Mover	Digital Governance and Safety Committee

4.1ii Appendix B DHCW Corporate Risk Register

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
DHCW0259	Business & Organisational	Staff Vacancies IF DHCW are unable to recruit to vacancies due to skills shortages and unavailability of suitable staff THEN this will impact on service deliverables and timescales RESULTING in delays to system support and new functionality for NHS Wales users.	11/12/2020	02/09/21	12	AIM: REDUCE Impact FORWARD ACTIONS: Continue to monitor the situation via the recruitment task force and support managers with the additional resources to increase the speed of the recruitment process. ACTIONS TO DATE: A recruitment task force was established including all areas of the organisation to focus on recruitment with support from a co-ordinated communications approach. Additionally, agency support was procured to aid with the volume of recruitment required and support managers with vacancies to ensure speed of appointment.	12	4	3	6	2	3	Chief Operating Officer	Non-Mover	Audit and Assurance Committee Local Partnership Forum
DHCW0207	Business & Organisational	Document Management Strategy IF DHCW do not update their Document Management Strategy in light of the adoption and roll-out of Microsoft 0365 THEN their processes may not be the most effective they can be RESULTING in sub-optimal use of resources.	05/06/2018	02/09/2021	12	AIM: REDUCE Likelihood FORWARD ACTIONS: Final workshops to review the draft policy in preparation for review by Directors will be completed by the end of September. The next step will be to define the operational parameters for each technology in conjunction with the new policy. ACTIONS TO DATE: A number of workshops have been undertaken to date with Trustmarque to create a draft document management policy in conjunction with department leads across the organisation	12	4	3	4	4	1	Director of Finance & Business Assurance	Non-Mover	Audit and Assurance Committee

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
DHCW0208	Business & Organisational	Welsh Language Compliance IF DHCW are unable to comply with Welsh Language Standards outlined in the Welsh Language Scheme under development THEN they would not be compliant with national legislation applicable to other public bodies RESULTING in the potential for reputational damage	21/05/2018	02/09/21	16	AIM: REDUCE Likelihood FORWARD ACTIONS: Advertise Welsh Language Services Manager by end of August Issue Scheme for consultation by end of September ACTIONS TO DATE: Welsh Language Scheme created in draft, now in consultation with the Welsh Language Commissioners Office in readiness for public consultation. Job Description for Welsh Language Services Manager matched, Job advert being translated in readiness for advertising. All Wales Welsh Language Preference System in development.	12	4	3	4	4	1	Board Secretary	Non-Mover	Audit and Assurance Committee
DHCW0260	Clinical Risk	Shielded Patient List IF ISD are required to maintain the Shielded Patient List using current processes with significant manual intervention THEN the inherent risk of human error will persist RESULTING IN the possible incorrect identification of patients on the list.	08/01/2021	02/09/21	12	AIM: REDUCE Likelihood FORWARD ACTIONS: Review of the current approach and exploration of any on premise alterations available to minimise manual intervention. The work with the National Data Resource to automate the process has identified a clear dependency on DHCW's move to Cloud to be able to productionalise the data automation. This will be explored as part of the approach to cloud. ACTIONS TO DATE: Work with the National Data Resource Programme to create an automated process.	12	4	3	4	4	1	Deputy Director of Information	Non-Mover	Digital Governance and Safety Committee

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
DHCW0263	Information Governance	DHCW Functions IF directions from Welsh Government do not provide a sound legal basis for the collection, processing and dissemination of Welsh resident data THEN (i) partners, such as NHS Digital, may stop sharing data, (ii) DHCW may be acting unlawfully if it continues to process data RESULTING IN (i) DHCW being unable to fulfil its intended functions regarding the processing of data, or, in the case of continued processing, (ii) legal challenge, or (iii) the need to submit a further application to the Confidentiality Advisory Group (which may not be successful) to assess the public interest in processing confidential data without a legal basis or consent.	26/01/2021	02/09/21	12	AIM: REDUCE Likelihood FORWARD ACTIONS: Continue discussions with Welsh Government colleagues to define the parameters of the functions. ACTIONS TO DATE: Actions set against Welsh Government to define a set of Directions that will enable DHCW to move forwards on BAU and to provide cover for important functions such as NDR	12	4	3	4	4	1	Deputy Director of Information	Non-Mover	Digital Governance and Safety Committee
DHCW0264	Information Governance	Data Promise IF the national conversation regarding the use of patient data (Data Promise) is delayed THEN stakeholders and patients will not be assured that the proposed uses of Welsh resident data include sufficient controls to ensure data is treated responsibly, handled securely and used ethically. RESULTING IN (i) potential challenges to proposed uses of data, and/or a loss of	26/01/2021	02/09/21	12	AIM: REDUCE Likelihood FORWARD ACTIONS: Continue discussions with Welsh Government colleagues to define the Data Promise. ACTIONS TO DATE: The specific responsibilities for implementation of the Data Promise have been given to the Head of Digital Strategy/Technology, Digital & Transformation, WG	12	4	3	4	4	1	Deputy Director of Information	Non-Mover	Digital Governance and Safety Committee

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
		public/professional confidence, and (ii) a failure to realise the desired outcomes regarding 'data and collaboration' (effective and innovative uses of data, joined up services, better outcomes for individuals) set out in Welsh Government's Digital Strategy.													
DHCW0228	Service Interruption	Fault Domains IF fault domains are not adopted across the infrastructure estate THEN a single infrastructure failure could occur RESULTING IN multiple service failures.	05/06/2019	02/09/21	16	AIM: REDUCE Likelihood and REDUCE Impact FORWARD ACTIONS: A Cloud Strategy Business Case is being drafted by December 21 which will means fault domains will be provided by the host for those services. Additional new equipment deployment will continue to increase the number of fault domains planned for the remainder of the year ACTIONS TO DATE: Fault domains installed in all new equipment installations. Additional new equipment installed to increase availability of hosted services. Fault domains were incorporated into new areas of infrastructure as part of the Data Centre Exit Project where cloud provisions is being utilised to provide some of the fault domains required.	12	4	3	6	3	2	Director of ICT	Non-Mover	Digital Governance and Safety Committee
DHCW0267	Service Interruption	Host Failures IF a host fails on one of the virtual server environments THEN some guests may fail to migrate seamlessly to other hosts RESULTING IN some servers failing to recover automatically and therefore service	23/03/2021	02/09/21	12	AIM: REDUCE Impact and REDUCE Likelihood FORWARD ACTIONS: Install new hardware and review system performance ACTIONS TO DATE: The periodic crashing issue continues. Previous recommendations from the manufacturer have not fixed the	12	4	3	6	3	2	Director of ICT	Non-Mover	Digital Governance and Safety Committee

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
		interruption to the end users.				problem. Latest recommendation is to install some new hardware in the servers. This is on order and will be installed in a controlled way when they are delivered.									
DHCW0201 IMB	Service Interruption	Infrastructure Investment IF recurrent funding is not available to support the replacement of obsolete infrastructure THEN the risk of failure and under performance will increase RESULTING in service disruption.	10/08/2017	02/09/21	12	AIM: REDUCE Impact and REDUCE Likelihood FORWARD ACTIONS: A revised infrastructure Business Case and Funding Requirement needs to be developed and submitted to secure additional funding for the longer term. ACTIONS TO DATE: A number of different funding streams have been identified to date to support the requirements for upgrading legacy infrastructure for 21/22. These include the Digital Priorities Investment fund with high priority risks being addressed first.	12	4	3	4	4	1	Director of ICT	Non-Mover	Digital Governance and Safety Committee
DHCW0268	Business & Organisational	Data Centre Transition IF the dates for the data centre physical transition need to moved from Quarter 2 into Quarter 3, THEN there may be a resource constraint in various teams RESULTING IN a risk of failing to deliver some items in the annual plan and the risk of increased costs.	06/05/2021	02/09/21	12	AIM: REDUCE Impact FORWARD ACTIONS: Reissue guidance on PPE by 20/08/21 Continue to have dedicated go/no-go meetings ahead of planned weekend transition activity to review and minimise risk to planned work. ACTIONS TO DATE: 31/08/21 Five batch transitions have been completed successfully, there are 3 of material risk to the organisation remaining to undertake. The key risks to the project remain Covid-19 infection within the technical workforce and service disruption due to unforeseen technical issues.	9	3	3	4	1	4	Director of ICT	Non-Mover	Digital Governance and Safety Committee

4.1ii Appendix B DHCW Corporate Risk Register

Risk Ref	Risk Title	Risk Description	Opened Date	Review Date	Risk Score (Initial)	Action Status	Risk Score (Current)	Current Impact score	Current Likelihood score	Risk Score (Target)	Target Impact score	Target Likelihood score	Risk Owner	Trend	Committee Assignment
DHCW0205 IMB	Service Interruption	DMZ/Internet Failure at Data Centre IF a failure of the DMZ network or Internet Circuit in Datacentre 1 occurred THEN DHCW patient facing digital services would be unavailable for users RESULTING in service downtime and reputational damage.	12/03/2018	02/09/21	12	AIM: REDUCE Impact FORWARD ACTIONS: Continue to identify the 'owners' of services in the DMZ in the new datacentre to raise the risk with a target date of end of December 2021 for that to be completed. ACTIONS TO DATE: All migrations of the planned services from Data centre 1 DMZ to Azure have now completed. Improvements have been made to resilience, so likelihood reduced to 'unlikely'.	8	4	2	4	2	2	Director of ICT	Non-Mover	Digital Governance and Safety Committee
DHCW0270	Service Interruption	Legacy Load Balancers If one of the legacy load balancers fails then there is a risk that Services would lose Load Balancing functionality and high availability for a protracted period resulting in service outages for end users and reputational damage for DHCW. Services are reliant on the legacy Load Balancers which are end of life, out of support and unable to support current good security practices.	28/04/2021	02/09/21	16	AIM: REDUCE Impact and REDUCE Likelihood FORWARD ACTIONS: Continue testing until all known connections are known and tested. ACTIONS TO DATE: All services moved to new supported equipment; tests are scheduled to ensure no unknown connections remaining. Risk likelihood and impact downgraded as a result.	6	3	2	1	1	1	Director of ICT	Reduced	Digital Governance and Safety Committee

4.1IIi APPENDIX C RISK MANAGEMENT & BAF MILESTONE PLAN

	TASK	TIMELINE	STATUS UPDATE
DHCW Approach to Risk Management and Board Assurance Framework	1. Develop Risk Management and Board Assurance Framework Strategy, to be considered via the Risk Management Group, Audit and Assurance Committee, Management Board, DHCW Board.	May 2021	Approved at Special Health Authority Board on 27th May 2021.
	2. Write and ask that new risks are articulated with; IF (this happens - cause) THEN (event) RESULTING IN (impact will be – effect). Ask that high risks and those on the corporate risk register are re-worded to use: IF, THEN, RESULTING IN.	May – July 2021	This approach has been discussed at the risk management group on the 1st June. The Corporate Risk Register will now be re-written using this approach.
	3. Arrange time on the Risk Group agenda to: • Review the draft Risk Management and BAF Strategy • Discuss/confirm proposed process to include triggers and hierarchy, how risks get into the corporate risk register and Principal risks onto the BAF (informed by the Annual Plan/IMTP) • The role of Management Board in owning the corporate risk register and initial identification of principle risks. • The role of the DHCW Board in overseeing the Principal risks and BAR • Review risk scores on risk registers • Consider how DHCW risks with potential impact on the wider health and care system are best communicated to partners	May – July 2021	The detail of the Risk and Board Assurance Framework Strategy was discussed at the risk management group on the 1st June. The risk narrative and scores were reviewed, and suggestions made at the risk management group on the 1st June for the owners of the risk to review and update where necessary.
	4. Board Risk Management and Board Assurance Training Provided. Amberwing to provide the training. *NB: DHCW Annual Plan to include Strategic Objectives to be reviewed/discussed at the Board Development Session on 01.07.2021*	1 July 2021	Session took place on 1st July 9am – 11am to include all Board member.
	5. The identification of principle risks to the organisation are considered at the Management Board (and the DHCW Risk Group) in June 2021. Facilitated by Amberwing.	22 July 2021 & 9 August	Facilitated sessions took place on 22nd July and 9th August, to include Management Board staff and Independent Board members. The output from the session was a draft principle risk analysis for each DHCW Strategic aim.
	6. Assurance and controls mapping exercise undertaken by Directorates based on the principle risks identified and agreed.	22 July – end of November 2021	Further work on the principle risks will be considered and taken forward over the coming months.
	7. Risk Management training to be provided to relevant DHCW staff / Directorates to cover (building on training provided to Board members): • The basics of risk management • The process for escalating risk • The triggers for escalating risk • How risk will be discussed and reviewed at the Management Board 8. The DHCW risk appetite and what this means for the organisation.	September 2021 – January 2022	Training dates being scheduled for all Directorates for once the work on the DHCW risk appetite has been commenced.
	9. Board Development session to consider and agree the DHCW Board risk appetite. Facilitated by Amberwing.	2 September 2021 – end of November	Session on the 2nd September as part of the Board Development day has taken place, addition session to take place on risk appetite with Directors on the 6 October before further discussion with the full Board to allow agreement of the risk appetite statement.
	10. Principle risks presented to DHCW Board at the November Board meeting, and first draft Board Assurance Report/update on Board Assurance Report.	25 November 2021	
	11. DHCW risk appetite statement to be presented to Board if ready to go to the November Board.	25 November 2021	See action point 9.
	12. Board Assurance Report to Board to be updated to include DHCW risk appetite	25 November 2021 or 27	

4.1IIi APPENDIX C RISK MANAGEMENT & BAF MILESTONE PLAN

	statement, and statement to be added to Risk Management and BAF Strategy.	January 2022	
	13. DHCW objectives agreed via the IMTP process for 2022/23 – 2024/25.	March 2022	
	14. Principle risks considered and agreed against the DHCW plan for 2022/23	March – May 2022	Included in the Annual Cycle of Business for the SHA Board.

DIGITAL HEALTH AND CARE WALES
DECLARATIONS INTERESTS AND DECLARATIONS OF GIFTS, HOSPITALITY, SPONSORSHIP AND HONORARIA REPORT

Agenda Item	4.2

Name of Meeting	Audit and Assurance Committee
Date of Meeting	05 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Julie Robinson, Corporate Governance Coordinator
Presented By	Chris Darling, Board Secretary

Purpose of the Report	For Assurance
Recommendation	
The Committee is being asked to: **RECEIVE** the report for **ASSURANCE**.	

1   SITUATION/BACKGROUND

1.1   In accordance with the requirements of the DHCW's Standing Orders and Standards of Behaviour Policy, approved by the DHCW Board on 1 April 2021, a report is required to be received by the DHCW Audit & Assurance Committee as a standing agenda item which will detail the Declarations of Interest, Gifts, Declarations of Interest, Gifts Hospitality, Sponsorship activities.

1.2   Following approval of the DHCW Standards of Behaviour Policy by the DHCW Board on 1 April 2021 all Board members declarations of interest have been captured on the register which was shared as part of the Audit and Assurance Committee on 6 July 2021. This information is included as part of the organisations Declaration of Interest Register included as Appendix A (item 4.2i) and published on the DHCW website.

1.3   All declarations of interest are reviewed and checked by the Board Secretary and any queries addressed prior to entry on the register.

1.4   The Standards of Behaviour Framework summary from the Standards of Behaviour Policy is set out in Appendix B (item 4.2ii)

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   Following the next steps as outlined in the report to the Audit and Assurance Committee in July work commenced to capture the declarations of interest of all DHCW staff band 8a and above. At the time of writing 147 of 195 staff band 8a and above's declarations of interest have been received and captured on the register which is included as Appendix A (item 4.2i).

2.2   The Committee are asked to note that 4 declarations for gifts, hospitality and honoraria were received since the last meeting detailed in the table below:

Nature of Declaration	Accepted	Declined	Grand Total	Value accepted	Value of declined
Gifts	0	0	0	£0	£0
Honorarium	0	1	1	Unknown as declined	Unknown as declined
Hospitality	2	1	3	£400	£200
Grand Total	2	2	4	£400	£200

Declarations of Interest, Gifts, Hospitality and Honoraria Report   Page 2 of 4   Author: Julie Robinson
                                                                                                          Approver: Chris Darling

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2/4   229/351

The Hospitality that was accepted was for a work-related conference called the Healthcare Strategy Forum which was held in July.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

2.3   Members are asked to note the work completed to date to populate the DHCW Declarations of Interest forms and note the predicted timeframe of end of October for the completion of the declarations of interest for the year 21/22.

4   RECOMMENDATION

The Committee is being asked to:
RECEIVE the report for **ASSURANCE.**

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	All Objectives apply

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Effective Care
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:	
No, (detail included below as to reasoning)		Outcome:
Statement: The Annual Cycle of Business and Forward Workplan do not require an EQIA.		

APPROVAL/SCRUTINY ROUTE:
Person/Committee/Group who have received or considered this paper prior to this meeting

Declarations of Interest, Gifts, Hospitality and Honoraria Report   Page 3 of 4   Author: Julie Robinson
Approver: Chris Darling

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COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	The declarations of interests process ensures DHCW staff adhere to the organisation's statutory responsibilities.
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	The hospitality received was to the value of £400.
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

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Appendix 4.2i

ID	Date Received	Name	Title	Nature of Declaration	Relevant Dates from	Relevant Dates to	Description of Declaration	Comment
1	29/03/2021	Ruth Glazzard	Is-gadeirydd Aelod Anibynnol Iechyd a Gofal Digidol Cymru/Vice Chair and Independent Member Digital Health and Care Wales	Other	01/04/2021	31/03/2021	Partner is working for Hywel Dda in an informatics project delivery role.	Paid
2	15/04/2021	Rhidian Hurle	Cyfarwyddwr Clinigol / Prif Swyddog Gwybodaeth Clinigol/Medical Director	Other		Ongoing	Partner is a GP in NHS Wales	Paid
3	15/04/2021	Chris Darling	Ysgrifennydd Bwrdd/Board Secretary	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health and social care;	01/05/2019	Ongoing	Chair, Tir a Mor St Brides Major Scouts Unit	Unpaid role
4	15/04/2021	Claire Osmundsen-Little	Cyfarwyddwr Cyllid a Sicrhau Busnes/Executive Director of Finance Digital Health and Care Wales	I confirm a nil declaration;				
5	16/04/2021	Helen Thomas	Cyfarwyddwr Dros Dro Gwasanaeth Gwybodeg GIG Cymru/ Chief Executive Officer	I confirm a nil declaration;				
6	19/04/2021	Rowan Gardner	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies;	05/03/2001	Ongoing	Personal Director of BioLauncher Ltd	Paid
8	21/04/2021	Michelle Sell	Prif Swyddog Gweithredu/Chief Operating Officer	I confirm a nil declaration;				
9	22/04/2021	David Selway	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other;	01/09/2019	Ongoing	Part time Management Consultant for Amey Consulting Ltd	Paid
10	28/04/2021	Marian Wyn Jones	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health and social care;		Ongoing	Cadeirydd y Cyngor/ Chair of Council, Prifysgol Bangor University	Paid
11	12/05/2021	Robert Noel Hudson	Cadeirydd Dros Dro Iechyd a Gofal Digidol Cymru/Interim Chair Digital Health and Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies;Other		Ongoing	Hudson Coaching and Consultancy Ltd	Paid
12	12/05/2021	Gary Bullock	Cyfarwyddwr Cymorth a Datblygu Cymwysiadau/Director of Application Development and Support	I confirm a nil declaration;				
13	14/05/2021	Rachael Powell	Dirprwy Gyfarwyddwr Wybodaeth /Deputy Director of Information	I confirm a nil declaration;				
14	17/05/2021	Carwyn Lloyd-Jones	Cyfarwyddwr Technoleg Gwybodaeth a Chyfathrebu / Director of Information and Communications Technology	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	Family own Arfordir Holdings Ltd.	Is not paid by company.
16	26/05/2021	Sophie Fuller	Rheolwr Llywodraethu Corfforaethol a Sicrwydd/Corporate Governance and Assurance Manager	I confirm a nil declaration;				
17	19/04/2021	Rowan Gardner	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Interest in Companies and Securities - Substantial interest is ownership or part ownership, more than 1/100th (i.e. share) of private companies, businesses or consultancies ;	12/09/2013	Ongoing	PrecisionLife	Paid PrecisionLife has a public relationship with HDRUK https://precisionlife.com/partners/ and the University of Nottingham who have collected some Asthma datasets. The Nottingham datasets are hosted at SAIL in their trusted secure research environment. Therefore there are discussions taking place with SAIL to access the Nottingham data (not SAIL data).
19	21/04/2021	Sian Elin Doyle	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	01/05/2021	Ongoing	Provision of consultancy advising a software company for research application in US and telecoms business in Wales	Paid
20	28/04/2021	Marian Wyn Jones	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health and social care;			Aelod o Fwrdd/Board Member Canolfan Gerdd William Mathias, Ymddiriedolwr/ Trustee	
21	28/04/2021	Marian Wyn Jones	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health and social care;			Family member is a BBC Journalist	Paid
22	12/05/2021	Robert Noel Hudson	Cadeirydd Dros Dro Iechyd a Gofal Digidol Cymru/Interim Chair Digital Health and Care Wales	Other		Ongoing	Visiting professor of University of South Wales	Unpaid
23	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	2016	Ongoing	Grace Quantock Trailblazing Wellness Ltd	Paid
25	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	2016	Ongoing	Board Member & Deputy Chair of Regulation and Standards – Social Care Wales	Paid
26	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	2019	Ongoing	Associate Non-executive Director - Wye Valley NHS Trust	Paid
27	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	2020	Ongoing	Wales Committee – Equality and Human Rights Commission	Paid
28	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	01/03/2021	Ongoing	Senior Independent Panel Member – Welsh Government	Paid

No	Date	Name	Role	Declaration	Date	Status	Details	Paid/Unpaid
29	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	2020	Ongoing	Partner is a paid Director of Grace Quantock Trailblazing Wellness Ltd	Paid
30	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Interest in Companies and Securities - Substantial interest is ownership or part ownership, more than 1/100th (i.e. share) of private companies, businesses or consultancies ;	2016	Ongoing	Grace Quantock Trailblazing Wellness Ltd	Paid
31	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Interest in Companies and Securities - Substantial interest is ownership or part ownership, more than 1/100th (i.e. share) of private companies, businesses or consultancies ;	2020	Ongoing	Grace Quantock Trailblazing Wellness Ltd	Paid
32	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health and social care;		Ongoing	Spouse is Access to Elected Office Fund Wales Panel Member – Disability Wales	Unpaid
33	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health and social care;		Ongoing	Spouse is Independent Advisory Group Panel Member – South Wales Police	Unpaid
34	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other		Ongoing	Spouse is Social Care Worker – Mirus Wales	Paid
35	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other		Ongoing	Brother is Social Care Worker – National Autism Society	Paid
36	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other		Ongoing	Brother-in-law is Social Care Manager – Pobl	Paid
37	23/05/2021	Grace Quantock	Aelod Anibynnol Iechyd a Gofal Digidol Cymru/ Independent Member Digital Health Care Wales	Other		Ongoing	Cousin is Social Worker – Caerphilly County Council	Paid
38	27/05/2021	Ruth Glazzard	Is-gadeirydd Aelod Anibynnol Iechyd a Gofal Digidol Cymru/Vice Chair and Independent Member Digital Health and Care Wales	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	25/08/2020	Ongoing	Non-executive director and Chair of Governance, Remuneration and Audit Committee – Coastal Housing	Paid
39	27/05/2021	Ruth Glazzard	Is-gadeirydd Aelod Anibynnol Iechyd a Gofal Digidol Cymru/Vice Chair and Independent Member Digital Health and Care Wales	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	01/03/2020	Ongoing	Non-Executive Director at Greenstream Flooring CIC	Unpaid
40	27/05/2021	Ruth Glazzard	Is-gadeirydd Aelod Anibynnol Iechyd a Gofal Digidol Cymru/Vice Chair and Independent Member Digital Health and Care Wales	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	01/04/2021	Ongoing	Member of the Independent Remuneration Panel for Wales	Paid
41	18/07/2021	Sarah Brooks	OD Culture and Engagement Lead	Nil Declaration		Ongoing		
42	18/07/2021	Anne Marie Cunningham	Associate Medical Director of informatics (Primary Care)	Nil Declaration		Ongoing		
43	19/07/2021	Martin Prosser	Head of Infrastructure Operations	Nil Declaration		Ongoing		
44	19/07/2021	Frances Beadle	National Clinical Informatics Lead for Nursing	Nil Declaration		Ongoing		
45	19/07/2021	Andrew Warburton	Programme Lead - Information Services and Health Boards	Nil Declaration		Ongoing		
46	19/07/2021	Shikala Mansfield	Head of Workforce and Organisational Development	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	Non Executive Director of Chwarae Teg	
47	19/07/2021	Shikala Mansfield	Head of Workforce and Organisational Development	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	Non Executive Director of Cardiff City Football Club Foundation	
48	19/07/2021	Shikala Mansfield	Head of Workforce and Organisational Development	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	Vice Chair Governor of Fitzalan High School	
49	19/07/2021	Shikala Mansfield	Head of Workforce and Organisational Development	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	School Governor of St. Peter's Primary School	
50	19/07/2021	Paul Evans	Acting Head Clinical and Informatics Assurance	Nil Declaration		Ongoing		
51	19/07/2021	Caroline Busby	Primary Care Planning and Coordination Lead	Nil Declaration		Ongoing		
52	19/07/2021	Donna Charley	Primary Care Services Lead	Nil Declaration		Ongoing		
53	19/07/2021	Andrew Bond	Head of Service Improvement	Nil Declaration		Ongoing		
54	19/07/2021	Cecilia Jones	Engagement Lead	Nil Declaration		Ongoing		
55	19/07/2021	Julie Ash	Head of Corporate Services	Nil Declaration		Ongoing		
56	20/07/2021	Trevor Hughes	Information Programmes and Planning Lead	Nil Declaration		Ongoing		
57	21/07/2021	Tracy Norris	Service Desk Lead	Nil Declaration		Ongoing		
58	21/07/2021	Harriet Stone	Business Change Manager	Nil Declaration		Ongoing		
59	22/07/2021	David Sheard	Assistant Director of Service Transformation	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	Wife works for Capita Healthcare and is the main supplier contact for the NHS Wales Benchmarking contract (CHKS). Capita Healthcare also have other contracts with NHS Wales such as 111 Solution.	
60	23/07/2021	Alison Maguire	Programme Lead	Nil Declaration		Ongoing		
61	27/07/2021	Gillian Friend	Head of Communications	Nil Declaration		Ongoing		
62	27/07/2021	Heather Bickers	Primary Care Services Lead	Nil Delaration		Ongoing		
63	29/07/2021	Roberta Houghton	Primary Care IT Support Services Lead	Nil Declaration		Ongoing		
64	30/07/2021	Martin Dickinson	Head of Primary Care	Nil Declaration		Ongoing		
65	04/08/2021	Simon Williams	Head of Service Management	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	From 2011	Ongoing	Co Director / Owner of Pulse Form & Fitness Ltd	
66	19/08/2021	Julian Jones	Cyber Security Operations Lead	Nil Declaration		Ongoing		
67	19/08/2021	Matthew Thomas	Lead Applications Design Architect	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies	February 2020	Ongoing	From incorporation of Architrace Ltd in Feb 2020	
68	19/08/2021	Gethin Bateman	Serious Clinical Incident Investigation	Nil Declaration		Ongoing		
69	19/08/2021	Sarah Roberts	Business Lead Client Services	Nil Declaration		Ongoing		
70	19/08/2021	Jonathan Punt	Senior Product Specialist	Nil Declaration		Ongoing		
71	19/08/2021	Nadia Simpson	Business Change Manager	Nil Declaration		Ongoing		
72	19/08/2021	Laurence James	Programme Manager	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies -		Ongoing	Sallie Davies - Deputy Medical Director Cwm Taf Morgannwg UHB - cousin	
73	19/08/2021	Matthew Thomas	Design Architect (Client Services)	Nil Declaration		Ongoing		
74	19/08/2021	Eluned Cousins	Rheolwr Arweiniol Gwybodaeth (Gofal Sylfaenol)	Nil Declaration		Ongoing		

75	19/08/2021	Peter Dunn	Infrstructure Design Architect	Nil Declaration		Ongoing
76	19/08/2021	Ben Rowlands	Principal Project Manager	Nil Declaration		Ongoing
77	19/08/2021	Jonathan Jones	Senior Solutions Architect	Nil Declaration		Ongoing
78	19/08/2021	Carl Owen	Monitoring Services Manager	Nil Declaration		Ongoing
79	19/08/2021	Laura Panes	Strategic Procurement and Contracts	Nil Declaration		Ongoing
80	19/08/2021	Heather Wallace	Lead Application Design Architect	Nil Declaration		Ongoing
81	19/08/2021	Rebecca Cook	NDR Programme Director	Nil Declaration		Ongoing
82	19/08/2021	Andy Shanahan	Cyber Security	Nil Declaration		Ongoing
83	19/08/2021	Rhys Dauncey	Client Services Development Lead	Nil Declaration		Ongoing
84	19/08/2021	Phil Samuel	Primary Care Systems Development Lead	Nil Declaration		Ongoing
85	19/08/2021	Kimberley Chapman	Infrastructure Principal Project Manager	Nil Declaration		Ongoing
86	19/08/2021	Abby Forster	Principal Planning Manager	Nil Declaration		Ongoing
87	19/08/2021	Joanna Dundon	National Clinical Informatics Lead	Nil Declaration		Ongoing
88	19/08/2021	John Sweeney	Information Sharing and Integration Governance Manager	Nil Declaration		Ongoing
89	19/08/2021	Rhodri Evans	Senior Solutions Architect	Nil Declaration		Ongoing
90	19/08/2021	Mat Friedlander Moseley	Principal Project Manager	Nil Declaration		Ongoing
91	19/08/2021	Phil Ransome	Principal Project Manager	Nil Declaration		Ongoing
92	19/08/2021	Rob Ludman	Service Management Team Manager	Committee member, South Wales Branch of British Computer Society (Charity) `	Sept 2017	Ongoing
93	19/08/2021	Mohamed Amin	Operations Lead (Core Services)	Nil Declaration		Ongoing
94	19/08/2021	Huw Angle	Senior Solutions Architect	Nil Declaration		Ongoing
95	19/08/2021	Chris Habberley	Senior Project Manager	Nil Declaration		Ongoing
96	19/08/2021	Stephen Winder	Lead Application Design Architect	Nil Declaration		Ongoing
97	19/08/2021	Donald Kennedy	Lead Infrastructure Design Architect	Wife employed by organisation that has SLA with DHCW	Throughout employment	Ongoing	My wife is Business Manager for SAIL Databank within Swansea University. She has close involvement with the SLA between SAIL Databank and DHCW
98	19/08/2021	Karen Shepherd	Clinical Specialist Configuration Lead	Nil Declaration		Ongoing
99	19/08/2021	Ed Brown	Primary Care Business Services Lead	Nil Declaration		Ongoing
100	19/08/2021	Rachel Sully	NHS Wales e-Library and Knowledge Services	Nil Declaration		Ongoing
101	19/08/2021	Jeannette Short	Primary Care Support and Information	Nil Declaration		Ongoing
102	19/08/2021	Karla Scott	Programme Manager	Nil Declaration		Ongoing
103	20/08/2021	James Goddard	Hospital e-Prescribing lead	Nil Declaration		Ongoing
104	20/08/2021	Keith Reeves	Service Management Team Manager	Nil Declaration		Ongoing
105	23/08/2021	Matt Palmer	Head of Infrastructure Design	Nil Declaration		Ongoing
106	23/08/2021	Rachel Stirrup	Contracts Manager, Commercial Sservices	Nil Declaration		Ongoing
107	23/08/2021	Stephen Price	Application Manager	Nil Declaration		Ongoing
108	23/08/2021	Jennifer May Selby	Senior Product Specialist	Nil Declaration		Ongoing
109	23/08/2021	Mark Catherall	Lead Infrastructure Design Architect	Nil Declaration		Ongoing
110	23/08/2021	Rhys Bryant	ICS Manager	Nil Declaration		Ongoing
111	24/08/2021	Alex Percival	Strategic Commercial and Contracts Manager	Nil Declaration		Ongoing
112	19/08/2021	Tom England	Product Lead - NDR	Nil Declaration		Ongoing
113	25/08/2021	Fiona Churchill	Senior business analyst	Nil Declaration		Ongoing
114	25/08/2021	Noel Bevan	Service Management Lead	Nil Declaration		Ongoing
115	25/08/2021	Robert Jones	Chief Architect	Nil Declaration		Ongoing
116	25/08/2021	Gillian Bell	Software Development Clinical Specialist Configuration Lead	Nil Declaration		Ongoing
117	26/08/2021	Rebecca McGrane	Programme Manager	Nil Declaration		Ongoing
125	24/08/2021	Nigel Payne	Principal Project Manager	Nil Declaration		Ongoing
133	29/08/2021	Sophie Kift	Principal Project Manager	Nil Declaration		Ongoing
134	31/08/2021	Ian Williams	Assistant Director (Digital Architecture)	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health	2019	Ongoing	Trustee of charity 'Minster Christian Centre'
135	31/08/2021	Marcin Haberski	Senior Solutions Architect	Nil Declaration		Ongoing
136	31/08/2021	Griff Williams	Product Manager	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health		Ongoing	Wife is Head of Patient Experience in Welsh Government
137	01/09/2021	Richard Matthews	Lead Infrastructure Design Architect	Nil Declaration		Ongoing
138	02/09/2021	Angela Hagget	Organisational Performance Lead	Nil Declaration		Ongoing
139	02/09/2021	David Owen	Infrastructure Operations Lead	Nil Declaration		Ongoing
140	02/09/2021	Lindsay Price	Principal Project Manager	Nil Declaration		Ongoing
142	02/09/2021	Mike Evans	Design Architect (Client Services)	Nil Declaration		Ongoing
143	02/09/2021	Jonathan Pinkney	Principal Project Manager	Nil Declaration		Ongoing
144	02/09/2021	Simon Scourfield	Primary Care Operations Management	Nil Declaration		Ongoing
145	02/09/2021	Amit Patel	Senior Solutions Architect	Nil Declaration		Ongoing
146	02/09/2021	Christopher Dalgety	Senior Solutions Architect	Nil Declaration		Ongoing
147	02/09/2021	Allan Bateman	Arweinydd Ffurfweddiad Arbenigol Clinigol / Biofeddygol Cenedlaethol	Nil Declaration		Ongoing
148	02/09/2021	Sian Williams	Head of Financial Services and Reporting	Nil Declaration		Ongoing
149	02/09/2021	Oliver Morrisey	Infrastructure Operations Technology Lead	Nil Declaration		Ongoing

			Directorships - Public or private appointments, employment or consultancies.			
150	02/09/2021	Edward Bertram	WCCIS Programme Manager	Company directorship's in private or limited companies	since 2004	Ongoing	Manager Director of Enterprise Information Technologies Ltd
152	02/09/2021	Hywel Williams	Senior Product Specialist	Nil Declaration			
153	02/09/2021	Naveen Madhavan	Senior Product Specialist (Pathology)	Nil Declaration		Ongoing	
154	02/09/2021	Cheryl Way	National Pharmacy and Medicines Manager	Other position of authority not included in Directorships - A position of authority (i.e. Director, Chairman. Trustee etc.) in a charity or voluntary body in the field of health	Board member of RPS since 2015, Vice Chair 2019-2021, Chair and Assembly	Ongoing	Chair, Welsh Board Royal Pharmaceutical Society (RPS) and RPS Assembly member
155	03/09/2021	Amanda Carter	Senior Product Specialist	Nil Declaration			
156	03/09/2021	Jodi Hughes	National Clinical /Biomedical Specialist	Nil Declaration			
157	03/09/2021	Paul Owen	Senior Product Specialist	Nil Declaration			
158	03/09/2021	Nigel Pearce	Operations Manager (Client Services)	Nil Declaration			
159	03/09/2021	Geoff Norton	Software Development Manager	Nil Declaration			
160	03/09/2021	Brent Varley	National Diagnostic IT Programme Lead	Nil Declaration			
161	03/09/2021	Rowena Jones	Service Management Team Manager	Nil Declaration			
185	02/09/2021	Tracey Francis	Welsh Reference Data and Terminology	Nil Declaration		Ongoing	
189	14/09/2021	Ian Taylor	Finance Manager	Nil Declaration		Ongoing	
190	14/09/2021	Michelle Cook	Principal Project Manager	Nil Declaration		Ongoing	
191	13/09/2021	Robin Burfield	Senior Product Specialist	Nil Declaration		Ongoing	
192	13/09/2021	Matthew Harper	Intrastructure Design Architect	Nil Declaration		Ongoing	
193	13/09/2021	Jamie Graham	Infrastructure Programme Manager and Interim Head of Cyber Security	Nil Declaration		Ongoing	
194	13/09/2021	Ruth Chapman	Assistant Director of Planning	Nil Declaration		Ongoing	
195	13/09/2021	Tim Dawe	Senior Product Specialist	Nil Declaration		Ongoing	
196	13/09/2021	Ian Cox	Head of Client Services	Nil Declaration		Ongoing	
197	13/09/2021	Mark Evans	Senior Solutions Architect	Nil Declaration		Ongoing	
198	13/09/2021	Michael Gibbs	Infrastructure Design and Support Architect	Nil Declaration		Ongoing	
199	13/09/2021	John Meredith	Head of Application Design	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	Co-Chair Person, Open Platforms Committee, The Apperta Foundation CIC (limited company (registration number 09483987))
200	09/09/2021	Rhys Hopkins	Senior Solutions Architect	Nil Declaration		Ongoing	
201	08/09/2021	Stuart Davies	Application Manager	Nil Declaration		Ongoing	
202	06/09/2021	Cora Suckley	DPO Service Manager	Other position of authority not included in Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies		Ongoing	School Governor
203	06/09/2021	Alan Boyce	Senior Product Specialist	Directorships - Public or private appointments, employment or consultancies. Company directorship's in private or limited companies - Questions 8, 9, 10,11;Interest in Companies and Securities - Substantial interest is ownership or part ownership, more than 1/100th (i.e. share) of private companies, businesses or consultancies	2016	Ongoing	DragonfiAR Limited
204	06/09/2021	Michael Jenkins	Senior Product Specialist	Nil Declaration		Ongoing	
205	06/09/2021	Gareth Evans	Diagnostic Applications Manager	Nil Declaration		Ongoing	
206	06/09/2021	Carl Davies	Applications Manager	Nil Declaration		Ongoing	
207	09/09/2021	Barry McDermid	Senior Solutions Architect	Nil Declaration		Ongoing	
208	06/09/2021	Eugene O'Sullivan	Senior Product Specialist	Nil Declaration		Ongoing	
209	14/09/2021	Julian Jones	Cyber Security Operations	Nil Declaration		Ongoing	
210	14/09/2021	Martin Williams	Business Intelligence & Health Analytics Lead	Nil Declaration		Ongoing	

Item 4.2ii Appendix B Standards of Behaviour Framework Summary

The Board has described its vision that underpin the way that services are provided and to support this, all employees must ensure that they carry out their roles with dedication and commitment to the Special Health Authority and its core values.

All staff must have the highest standards of corporate and personal conduct and behave in an exemplary manner based on the following seven principles:

- **Selflessness** – Individuals should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or friends;

- **Integrity** – Individuals should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties;

- **Objectivity** – In carrying out public business, including making public appointments, awarding contracts, recommending individuals for rewards and benefits, choices should be made on merit;

- **Accountability** – Individuals are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate for their position;

- **Openness** – Individuals should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it;

- **Honesty** – Individuals have a duty to declare any private interests relating to their duties and to take steps to resolve any conflicts arising in a way that protects the public interest, and;

- **Leadership** – Individuals should promote and support these principles by leadership and example.

To uphold these principles you must:-

- Ensure that the interests of patients and the public remain paramount;
- Be impartial and honest in the conduct of your official business;
- Use NHS resources to the best advantage of the service and the patients, always seeking to ensure value for money;
- Not abuse your official position for personal gain or to benefit your family or friends;
- Not seek advantage or to further private business or other interests in the course of your official duties, and;
- Not seek or knowingly accept, preferential rates or benefits in kind for private transactions carried out with companies, with which they have had, or may have, official dealings on behalf of the SHA.

The Standards of Behaviour Framework Policy outlines the arrangements within the Special Health Authority to ensure that staff comply with these requirements, including recording and declaring potential conflicts of interest and handling of gifts, hospitality and sponsorship (even if these are declined). Further guidance is available via the Standards of Behaviour Policy on the intranet site.

It is your responsibility to ensure that you are familiar with the requirements of the Policy and supporting guidance. The relevance of this information will vary depending on your role within the Special Health Authority and your interests outside of your employment.

In summary:-

<u>DO:</u>

Make sure that you are not in a position where your private interests and NHS duties may

Remember that the need to declare an interest also includes those of your close family and possibly friends.

Seek your manager's permission before taking any outside work, in accordance with employment terms and conditions.

Obtain your Directors permission before accepting any commercial sponsorship or hospitality;

conflict.	Declare offers of gifts, hospitality or sponsorship using the appropriate form where required.
Declare any relevant interests. These include:-	
	DO NOT:
- Directorships, including Non-Executive Directorships held in private companies or PLCs.;	
- Ownership or part-ownership, of private companies, businesses or consultancies likely or possibly seeking to do business with the Special Health Authority.	▪ Accept any gifts from suppliers or commercial organisations unless they are of low value e.g. pens, diaries;
- A position of authority in a charity or voluntary body in the field of health and social care;	▪ Accept any gifts over the value of £25 from patients or their relatives, these should be politely declined;
- A personal or departmental interest in any part of the pharmaceutical or healthcare associated industries that could be perceived as an influence on decision making or on the provision of advice to members of the team;	▪ Accept any inappropriate hospitality or sponsorship from suppliers or commercial organisations;
	▪ Abuse your position to obtain preferential rates for private deals;
- Sponsorship or funding from a known NHS supplier or associated company/subsidiary;	▪ Unfairly advantage one competitor over another or show favouritism in your dealings with commercial organisations;
- Employment where there could be a perceived or actual conflict with NHS duties. This includes the undertaking of private practice;	▪ Use NHS resources for your own private use.
- Anything else that could cause a potential for conflict.	If you need any further guidance please contact the Board Secretary via email or Teams. DHCW.CorporateGovernance@wales.nhs.uk

DIGITAL HEALTH AND CARE WALES
HIGH VALUE PURCHASE ORDER REPORT

Agenda Item	4.3

Name of Meeting	Audit and Assurance Committee
Date of Meeting	05 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen Little
Prepared By	Mark Cox, Deputy Director of Finance
Presented By	Mark Cox, Deputy Director of Finance

Purpose of the Report	For Noting
Recommendation	

The Audit and Assurance Committee is being asked to:
NOTE the details of major procurements reported since the last Audit Committee meeting.

Acronyms			
VAT	Value Added Tax	DHCW	Digital Health and Care Wales
GP	General Practitioners		

1   SITUATION/BACKGROUND

1.1   The purpose of this report is to provide the Audit & Assurance Committee with an update in relation to high value purchase orders over £0.750m (excluding VAT) raised and issued to suppliers over the stated period. The relevance of the £0.750m threshold is that this is consistent with the scheme of delegation financial limits for All Wales Digital Contracts & Agreements (detailed within Schedule 1 page 56 of the organisations Standing Orders). As previously reported , due to the sensitive nature of the transactions, exact order amounts are not detailed within the public portion of this report in order to minimise any possible fraud activity.

1.2   The report also details instances where cumulative order values to suppliers have amounted to over £0.750m during the financial year.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   During the period June 23rd, 2021 and September 20th 2021 four orders over £0.750m were raised totalling £27.762m giving a cumulative total of £36.039m for the financial year.

2.2   Of the four orders raised since the last audit report, three were related to COVID-19 Response (ref A5,A6 &A7) covering Microsoft CRM licencing supporting Test, Trace & Protect Services. Solgari licences covering Telephony and text messaging requirements and finally letter, and text messaging solution provided by the Cabinet Office GOV.Notify solution used in the scheduling of vaccinations. Item reference A8 refers to the final year of the current All Wales Microsoft Enterprise Agreement and is placed centrally on behalf of all organisations in order to maximise financial gains and operational congruence.

2.3   The details of all orders raised to date and individual governance approval is presented within Appendix A agenda item 4.3i – High Value Purchase Order Tracker. An extract is detailed within table 1.

Table 1: High Value Orders (redacted extract) June 23rd – September 20th

Ref	Date Raised	Area	Supplier	Description
A5	18/06/2021	COVID-19 Response	Trustmarque Solutions Ltd	TTP 3500 Microsoft CRM licences for 12 mth coverage
A6	02/07/2021	COVID-19 Response	Solgari Ltd	Microsoft Dynamics Integrated Telephony Solution for Test Trace Protect (TTP), 1 year Extension

A7	21/07/2021	COVID-19 Response	Cabinet Office	Vaccination Programme GOV Notify Platform
A8	28/06/2021	All Wales Licence Provision	Trustmarque Solutions Ltd	All Wales Microsoft Enterprise Agreement Year 3

2.4 As requested at Audit Committee of 06/07/21 , the details of suppliers whose cumulative orders for the year have also reached the £0.750m threshold are also presented within this report and itemised further in Appendix B item 4.3ii and within table 2 of this report. During the period April 1st June 23rd 2021 and September 20th 2021 three suppliers have had a cumulative order request of over £0.750m (excluding single orders/contracts reported with Appendix A – agenda item 4.3i.

2.5 For note the material services supplies within orders ref B1 refer to the Public Sector Broadband Aggregation agreement relating to network upgrade and rental (including Prisons). Item B2 encompasses standard laptop procurement to new and staff qualifying for a refresh allied to IT infrastructure purchases and support & maintenance contracts. Item B3 relates to underpinning subject matter experts and professional services supporting the roll out and optimisation of Microsoft 0365 on an All-Wales basis.

Table 2: Cumulative Supplier Orders reaching £0.750m for the financial year April 1st – September 20th

Ref	No of Orders	Area	Supplier	Description
B1	17	Networking	British Telecommunications PLC	PSBA Circuit Upgrade and rental costs
B2	33	Computer Hardware	Dell Computer Corporation	Misc. hardware, laptops and server support
B3	4	All Wales Office 365 Implementation	Redcortex Ltd	Misc. Professional Technical Services

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 None

4   RECOMMENDATION

4.1 The Audit and Assurance Committee are asked to **NOTE** the contents of this report and the high value & cumulative high value orders raised to date.

High Value Purchase Order Report   Page 3 of 5   Author: Mark Cox
Approver: Claire Osmundsen Little
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3/5   240/351

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	All Objectives apply

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	N/A
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:	
No, (detail included below as to reasoning)		Outcome:
Statement:		

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Executive Director of Finance & Business Assurance	22/6/21	Approved

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL	No, there are no specific financial implication related to the activity outlined in this report

IMPLICATION/IMPACT	
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

4.3i Appendix A

HIGH VALUE PURCHASE ORDER TRACKER

				2021/22 Purchase Orders		
Ref	Area	Supplier	Service/Good Detail	Date Order Raised	Amount £	Procurement Approved by DHCW Board (Date)
Reported at Audit & Assurance Committee 6th July 2021						
1	GP Systems	HEWLETT PACKARD	Managed Print Service	14/06/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
2	GP Systems	IN PRACTICE SYSTEMS LTD	GP Software Systems Maintenance (Vision) 2021-	14/06/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
3	Datacentres	BT PLC	Datacentre 1 Rental to 2023	14/04/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
4	Datacentres	CDW LTD	Datacentre 2 Rental to 2026	14/04/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
	Total				**£8.277m**	
Reported at Audit & Assurance Committee 5th October 2021						
5	COVID-19 Response	TRUSTMARQUE SOLUTIONS LTD	TTP 3500 Microsoft CRM licences for 12 mth coverage	18/06/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
6	COVID-19 Response	SOLGARI LTD	Microsoft Dynamics Integrated Telephony Solution for Test Trace Protect (TTP), 1 year Extension	02/07/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
7	COVID-19 Response	CABINET OFFICE	Vaccination Programme GOV Notify Platform	21/07/2021	>£0.750m	May-21
8	All Wales Licence Provision	TRUSTMARQUE SOLUTIONS LTD	All Wales Microsoft Enterprise Agreement Year 3	28/06/2021	>£0.750m	N/A Velindre NHS Trust novated approved NWIS contract
	Total				**£27.762m**	
Reported at Audit & Assurance Committee 4th January 2022						
TBC	TBC	TBC	TBC	TBC	TBC	TBC
	Total				**TBC**	
Grand Total High Value Purchase Orders					**£36.039m**	

CUMULATIVE HIGH VALUE PURCHASE ORDER TRACKER

Ref	Area	Supplier	Service/Good Detail	Number of Orders	Amount £
			2021/22 Purchase Orders		
	Reported at Audit & Assurance Committee 6th July 2021				
			Emerging Requirement - None Reported		
	Total				
	Reported at Audit & Assurance Committee 5th October 2021				
B1	Networking	BRITISH TELECOMMUNICATIONS PLC	PSBA Circuit Upgrade and rental costs	17	>£0.750m
B2	Computer Hardware	DELL COMPUTER CORPORATION	Misc. hardware, laptops and server support	33	>£0.750m
B3	All Wales Office 365 Implementation	REDCORTEX LTD	Misc. Professional Technical Services	4	>£0.750m
	Total				**£3.256m**
	Reported at Audit & Assurance Committee 4th January 2022				
TBC	TBC	TBC	TBC		TBC
	Total				**TBC**
Grand Total Cumulative High Value Purchase Orders					**£3.256m**

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DIGITAL HEALTH AND CARE WALES
CAPITAL MANAGEMENT PROCEDURE REPORT

Agenda Item	4.4

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Mark Cox, Deputy Director of Finance
Presented By	Mark Cox, Deputy Director of Finance

Purpose of the Report	For Approval
Recommendation	
The Audit and Assurance Committee is asked to: **APPROVE** the contents of the report	

Acronyms			
DHCW	Digital Health and Care Wales	SO	Standing Orders
SHA	Special Health Authority	SFI	Standing Financial Instruction
IMTP	Integrated Medium-Term Plan	IFRS	International Financial Reporting Standards

1   SITUATION/BACKGROUND

1.1   This Procedure provides guidance to the SHA, its Directors and officers on the management of Capital investments and expenditure within DHCW. This procedure must be read in conjunction with the organisations Standing Financial Instructions (SFI's), Standing Orders (SO's), Scheme of Delegation and relevant policies, which provide the framework within which a reliable system of management of Capital.

1.2   The effective management of the Capital Programme is required in order to carry out financial and related activities in an orderly and efficient manner, safeguarding the SHA's assets and secure the completeness and accuracy of records.

1.3   It is key the management of Capital is integrated within other departments within DHCW and the structures within the document will be essential to reflect this.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The Capital Management Procedure sets out how the organisational management and governance of Capital operate within DHCW. The document sets out the roles and responsibilities in regard to Capital management and governance structures. This procedure provides advice on how to prepare bids for consultation by the Capital & Non-Pay Planning and Delivery Group and for successful bids, the procedure introduces a standardised approach for producing discretionary capital Business Cases.

2.2   The procedure clarifies the required engagement between Capital scheme leads and the Planning & Performance Management Group in terms of ensuring congruence between proposed investments, the IMTP/Annual plan and any resource requirement.

2.3   The approval route is also documented with the necessary authorisation by lead Directors, Capital & Non-Pay Planning and Delivery Group, Planning & Performance Management Group (for assurance), DHCW Management Board and finally SHA Board. The procedure also presents the required reporting and monitoring arrangements.

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3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   The implementation of IFRS 16 from April 2022 IFRS 16 takes a totally new approach to accounting for leases, called the 'right-of-use' model. This means that if an organisation has control over, or right to use, an asset they are renting, it is classified as a lease for accounting purposes and, under the new rules, must be recognised on the organisational balance sheet. This no longer allows for significant financial liabilities to be held off-balance sheet, as permitted for certain types of leases (operating leases) under the previous rules. The objective is to ensure that companies report information for all of their leased assets in a standardised way and bring transparency on companies' lease assets and liabilities.

3.2   All expenditure will need to be tested in order to ensure the correct accounting treatment is applied.

4   RECOMMENDATION

4.1   The Audit and Assurance Committee are requested to:

APPROVE the Capital Management Procedure, subject to any amendments following organisational consultation.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	ISO 9001
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability

If more than one standard applies, please list below:

EQUALITY IMPACT ASSESSMENT STATEMENT

Date of submission:17/09/2021

Yes, applicable	Outcome: Positive

Statement:
This procedure is predominantly intended as an internal facing procedure which describes the staff responsibilities and the organisational responsibilities required to effectively manage capital under strong governance arrangements.

The procedure is intended to make provide clarity and a framework for the management of capital. It is therefore felt that the impact is largely positive.

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	Yes, please see detail below
	The procedure outline the process required for administering management of Capital including the associated roles and responsibilities.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

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CAPITAL MANAGEMENT PROCEDURE

This procedure is to ensure that DHCW has appropriate management and governance arrangements in place around capital investment and expenditure

Document Version	1.0

Status	Add Status

Document author:	Sian Williams
Approved by	Mark Cox
Date approved:	10/09/2021
Review date:	09/09/22

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	ISO 9001
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:
No, (detail included below as to reasoning)	Outcome:
Statement:	

APPROVAL/SCRUTINY ROUTE: Person/Committee/Group who have received or considered this

AUDIT COMMITTEE	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

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1 DOCUMENT HISTORY

1.1 REVISION HISTORY

Date	Version	Author	Revision Summary

1.2 REVIEWERS

This document requires the following reviews:

Date	Version	Name	Position

1.3 AUTHORISATION

Signing of this document indicates acceptance of its contents.

Author's Name:	Sian Williams
Role:	Head of Financial Reporting and Services
Signature:	X_____ Author

Approver's Name:	Mark Cox
Role:	Deputy Director of Finance
Signature:	X_____ Approver

1.4   DOCUMENT LOCATION

Type	Location
Electronic	Sharepoint/FinBus/Management System/Forms

2   PURPOSE

This procedure has been developed to ensure that Digital Health and Care Wales has appropriate management and governance arrangements in place around capital expenditure. These will determine how capital is planned, prioritised and managed in-year within the SHA.

This procedure provides advice on how to prepare bids for consultation by the Capital & Non-Pay Planning and Delivery Group and for successful bids, the procedure introduces a standardised approach for producing discretionary capital Business Cases.

This procedure does not offer a definitive guide to the procurement of projects.

3   SCOPE

This procedure is intended for use by all DHCW staff and anyone involved, or with an interest in, capital bids and allocation.

The finance department will look to assess spend against the following international accounting standards and and Urgent Issue Task Force (UITF) Abstracts when accounting for tangible and intangible fixed
assets and are the basis on which capital accounting in NHS Wales should be applied :

IAS 16, 'Property, Plant and Equipment';
IAS 17, 'Leases';
SIC 15, 'Operating Leases – Incentives';
SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease';
IFRIC 4, 'Determining whether an arrangement contains a lease';
IFRIC 12, 'Service Concession Arrangements';
IAS 20, 'Accounting for Government Grants and Disclosure of Government Assistance';
IAS 23, 'Borrowing Costs';
IAS 36, 'Impairment of Assets';
IAS 38, 'Intangible Assets';
IAS 40, 'Investment Properties';
IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations';
IFRS 13 'Fair Value Measurement.'

IFRS 16 (due to become "live" 01/04/2022)

3.1   What Is Capital?

3.1.1   Capital expenditure

Whilst all investment or material spend will need to be assessed individually capital expenditure will generally

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be classified as either "tangible" or "intangible". Tangible assets have a physical existence such as property owned by DHCW (e.g qualifying equipment, buildings, and inventory), Intangible assets are non-physical assets that have a monetary value (e.g. licences, copyrights etc).

The asset should also have a useful life greater than one year.

Capital expenditure is generally expenditure in excess of £5,000 (including VAT where this is not recoverable) on:

a) Acquisition of land and premises, lump sum and payment for related rights (including capitalised rents), and payments made under the Land Compensation Act 1973 and associated fees.

b) Individual works schemes for the initial provision, extension, improvement of, adaptation (including upgrading), renewal, replacement or demolition of buildings, building elements (e.g. roofs), external works, engineering services or plant.

c) A single item of equipment.

d) All vehicles.

3.1.2   Grouped assets

Grouped assets are a collection of assets which individually may be valued at less than £5,000 but which together form a single collective asset with a group value of £5,000 or more because the items fulfil all the following criteria:

- The items are functionally interdependent;
- The items are acquired at about the same date and are planned for disposal at about the same date;
- The items are under single managerial control; and
- Each individual asset thus grouped has a value of at least £250, however this de minimus value does not apply in dealing with the initial equipping of hospitals.

This is applicable to both tangible and intangible assets.

IT hardware may be considered interdependent if it is attached to a network, the fact that it may be capable of stand-alone use notwithstanding. The effect of this will be that all IT equipment purchases, where the final three criteria above apply, will be capitalised.

Software which is integral to the operation of hardware (e.g. an operating system) is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware (e.g. application software) is capitalised as an intangible asset.

A purchase of any software is essentially the purchase of a licence to use software code developed by, and which remains the property of, a 3rd party. NHS developed software has always been capitalised (and should be capitalised as a tangible fixed asset) if the NHS body owns the code such that it could copy and sell the application at its discretion.

3.1.3   Qualifying Attributable costs

The cost of an item of property, plant and equipment comprises its purchase price, any directly attributable costs and the initial estimate of the costs of dismantling and removing the item and restoring the site on

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which it is located.

Directly attributable costs include the following:

- Costs of employee benefits arising directly from the construction or acquisition of the item of property, plant and equipment.
- Costs of site preparation.
- Initial delivery and handling costs.
- Installation and assembly costs.
- Costs of testing whether the asset is functioning properly.
- Professional fees.

Included in these definitions would be items forming part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost. In addition, any expenditure incurred relating to costs in relation to safety regulations or statutory legislation should be capitalised.

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

- Costs of opening a new facility.
- Costs introducing a new product or service (including costs of advertising and promotional activities).
- Costs of conducting business in a new location or with a new class of customer (including costs of staff training).
- Administration and other general overhead costs.
- Training costs.

3.1.4   Maintenance

Expenditure on maintaining capital assets in effective working order, or in good repair, is charged to revenue irrespective of cost. The exception is where the repairs include improvements to the original standard, in which case that cost will be charged to capital if it falls within the above definition of capital expenditure.

3.1.5   Reporting

Items charged against the Capital Programme shall be in accordance with the above definition. Compliance is also required with International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) and the capital section of the Manual for Accounts, on the identification of and accounting for, capital expenditure.

3.1.6   Leases

A **lease** is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Finance leases where the NHS body is the lessee will be accounted for as if the underlying asset is owned by the NHS body and consequently should be regarded as capital expenditure.

A finance lease is a lease 'that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred'.

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As mentioned IFRS 16 will become "live in NHS Wales on 01/04/22. IFRS 16 takes a totally new approach to accounting for leases, called the 'right-of-use' model. This means that if an organisation has control over, or right to use, an asset they are renting, it is classified as a lease for accounting purposes and, under the new rules, must be recognised on the organisational balance sheet.

This no longer allows for significant financial liabilities to be held off-balance sheet, as permitted for certain types of leases (operating leases) under the previous rules. The objective is to ensure that companies report information for all of their leased assets in a standardised way and bring transparency on companies' lease assets and liabilities.

All expenditure will need to be tested in order to ensure the correct accounting treatment is applied.

3.2   Where Does Capital Funding Come From?

Each year the SHA receives a capital resource limit (CRL) allocation from the Welsh Government (WG). The SHA has an annual financial duty to ensure that its capital expenditure does not exceed this allocation. The funding comprises two elements:

- **Capital Funding issued by WG for a Specific Purpose** – WG has a number of capital budgets (e.g. All Wales Capital Building Programme, All Wales Capital Equipment Replacement Programme, Digital Priority Investment Fund, Invest to Save etc) which the SHA can bid against.

- **Discretionary Capital –** This is an annual allocation given to the SHA by Welsh Government to meet statutory obligations (such as health and safety and firecode), to maintain the fabric of the estate and to support timely replacement of equipment. As the title implies, the SHA is free to prioritise the sum allocated as it best sees fit in accordance with it priorities, risk appetite and objectives.

At present the SHA is not anticipating capital funding obtained from alternative sources such as:

- Charitable Funds.
- Donated Monies
  Should this change then the policy will be reviewed and updated as appropriate.

4   PROCEDURE

4.1   The Capital Planning Process

4.1.1   Capital & Non-Pay Planning and Delivery Group

Directorates will develop a prioritised list of capital schemes that have been signed off by their respective Senior Management Teams. These will be forwarded to the Capital & Non-Pay Planning and Delivery Group for scruitiny and consideration (see appendix D). The CNPPG will the submit these cases to PPMG for assurance and feedback..

The Capital Non-Pay Planning and Delivery Group will meet and recommend how discretionary capital is

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allocated, managed and monitored on an annual basis taking into account both the short term and long term investment plans of the SHA.

There may be pre-commitments to the Capital Programme in any one year to fund, for example:

- Capital slippage from the previous year.
- Agreed top-slicing of discretionary capital funding for IM&T infrastructure.
- Agreed rolling programmes of equipment.
- Agreed projects whose timescales mean that funding straddles two or more financial years.
- Agreed contingency sums to address in year equipment breakdowns and minor works.

This funding is top-sliced from the discretionary capital allocation before any other bids are considered. The Capital & Non-Pay Planning and Delivery Group membership ensures equitable access and a transparent process for all areas of the organisation to bid for the available discretionary capital and provides a Group which has an overall view of discretionary capital prioritisation and investment at any one particular time and monitors the expenditure of capital. The terms of reference of this Group are attached in Appendix 2.

The Capital Non-Pay Planning and Delivery Group considers the bids for discretionary capital funding and recommends which should be submitted for approval. The Group will also include in the recommended capital programme any All Wales capital funded schemes.

The recommended capital programme is then submitted to the Planning & Performance Management Group for planning congruence/impact assurance before formally being forwarded to the DHCW Management Board for approval with subsequent authorisation by the full SHA Board alongside the financial plan.

The management Board will also be provided with details of those schemes not being progressed and the reason for being declined.

4.1.2   Type of Business Case

Scheme leads should liaise with the finance department to determine the type of case either Five Case model or discretionary template to be completed. The type of case required will be dependent upon an assessment of scheme complexity, risk, whether it is novel or contentious and the expected value.

4.1.3   Management of the Capital Programme

The Capital & Non-Pay Planning and Delivery Group will then oversee the management of the SHA's approved Capital Programme. The Group meets regularly (usually monthly but more frequently towards the end of the financial year) and is responsible to the Executive Management Board for the effective and efficient use of the discretionary capital monies available to the SHA as dictated by the Capital Resource Limit.

The Planning and Performance Management Group will be required to assure the approved capital programme at the start of the financial year and be given regular updates thereafter.

A draft three year capital plan will be approved by the Management Board and SHA Board as part of the

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Three Year Integrated Medium Term Plan (IMTP) process.

4.2 Making Capital Bids against the DHCW Discretionary Capital Programme

4.2.1 Whilst All Wales Funded schemes will have their own requirement (whether 5 case model or external templates), internal bids against discretionary capital will follow the following steps.

4.2.2 Listing capital schemes

Towards the end of the quarter two of the financial year information will be issued to the members of the Capital & Non-Pay Planning and Delivery Group by the Deputy Director of Finance, which will include the SHA's discretionary capital allocation and pre-commitments against this for the next financial year.

The SHA Head of Financial Services & Reporting will provide the Capital Planning and Delivery Group with a list of tangible and intangible assets (by Directorate and then Department) which has been taken from the SHA's Fixed Asset Register. This should assist Divisions in identifying goods that are approaching the end of their useful asset life.

Directorates will then be asked to submit their list of prioritised capital schemes for consideration for the following year.

Directorates may also submit any discretionary capital bids for future years that may need early approval because they have a long lead-in time.

4.2.3 Analysis of bids

Identifying capital requirements for the year ahead must be undertaken at a Directorate level and ultimately approved by the lead Director. All bids should be analysed from a service and patient value perspective. A range of options should be considered and analysed with the best approach identified (records of the selection criteria and short-listing process should be maintained to demonstrate the worthiness of the selected option). If this requires investment of a capital nature then the following must be considered:

a) What will be the benefits and costs both in financial (including VAT where it is not recoverable) and non-financial terms?

b) Can the required investment be justified? Although a new piece of equipment may be desirable, if it cannot be justified on the grounds of achieving the SHA's IMTP then it should be rejected at this early stage.

c) If a proposal is deemed justifiable then the next stage is to consider the impact on other services. Although a scheme may appear to achieve corporate aims and be efficient in isolation, the broader costs/aims may reverse this assessment and lead to rejection of the proposal.

d) Revenue implications and affordability must also be taken into account. Increases in revenue costs (such as staff, maintenance, fuel costs, consumables, insurances etc) are

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rarely funded, which means service managers must identify ways of funding these increased costs within existing resources. The fact that revenue funding cannot be identified does not preclude a proposal from being submitted, as funding may be available from else-where, however the chances of success are diminished, especially where these costs are significant.

e) Directors/Service Leads must consider the broader picture and appraise how the proposal in question will affect other activities that are envisaged in the forthcoming year, or timescale of the proposed project and to ensure that the correct approach is being put forward..

4.2.4 Submission of proposals

Ultimately it is the responsible Director that submit discretionary capital scheme proposals to the Capital Non-Pay Planning and Delivery Group. Each bid must have sufficient supporting documentation accompanying it for a reasonable appraisal to be made and decided upon (see Appendix B to be completed).

All bids should include:

- Value Added Tax (VAT) and take into account enabling works and revenue costs i.e. consumables and/or utility costs associated with the bid.

- Proposals to replace existing equipment must identify the equipment being replaced by noting the asset identification number and the net book value of the item as detailed in the asset register. This information can be obtained from the SHA's Financial Accountant. Assets which are shown as not having reached the end of their designated life, and therefore having a positive net book value, will not be replaced without an explanation as to the circumstances and an assessment that the need to replace is unavoidable.

- An estimate of purchase and whole life costs must be provided and validated wherever possible by the Procurement Department.

- Bids for building/refurbishment projects and those which include enabling works/utility costs must be validated by the Facilities Department.

- All digital related bids or those with digital implications must be reviewed by the appropriate organisational subject matter experts or service leads (e.g Client Services, Datacentre technical leads).

The Capital & Non-Pay Planning and Delivery Group will consider and assesses all the bids submitted in order to develop a draft Discretionary Capital Programme, criteria will include (see appendix c for details):

- o **Strategic Fit** – Mission Critical, Highly Desirable, Desirable
- o **Impac**t – Complexity, Benefit, Risk Mitigation, Immediacy and Affordability

Qualifying bids will then be assured by PPMG and submitted to the Executive Management Board for approval. This programme once approved the budget will be formally assigned to the designated lead and will be monitored by the Capital Non-Pay Planning and Delivery Group alongside established Finance Business Partner directorate and budget holder reporting arrangements.

4.2.5 Adjustments and additional bids

It may be necessary during the financial year to adjust the approved allocation for capital schemes either as a result of savings or increased spends. Adjustments to planned expenditure (both increases and decreases) must be reported via the Capital Non-Pay Planning and Delivery Group to the Executive Director of Finance & Business Assurance and   DHCW Management Board.

Where there is an emergency request for capital to address urgent equipment, estates maintenance or statutory compliance issues and there is no time to wait until the next meeting of the Capital Non-Pay Planning and Delivery Group, the Chair of the Capital Non-Pay Planning and Delivery Group can take forward the approval of the scheme with the appropriate individuals and Boards according to the SHA's Standing Orders and Standing Financial Instructions.

Occasionally there are opportunities to bid for additional discretionary capital allocations in year when the Welsh Government identify slippage or monies available for specific developments. The bids for these monies are also co-ordinated via the Capital & Non-Pay Planning and Delivery Group.

4.3 Discretionary Capital Business Case Development

A standardised approach for producing discretionary capital Business Cases will ensure:

- Consistency of approach in the presentation of Business Cases.
- The provision of relevant information to support decision making.
- Business Cases align with the SHA's strategic aims and objectives.
- A consistent approach is provided to processing proposed Divisional developments in order to achieve approval from the appropriate body.
- The concentration of time and effort on proposals which are a priority for the SHA.
- A suitable audit trail is provided in relation to investment decision making.
- There is an opportunity to share proposed developments with other Divisions and identify the potential impact on other Divisions across the SHA.
- The SHA is able to supply copies of Business Cases, and associated documents when requested.

The template to be used for Business Cases that require discretionary capital funding is detailed in Appendix B and B2. The information required includes:

- A summary of the proposal.
- Identities of the project lead and sponsor.
- The key drivers behind the changes and the benefits of the proposal.
- Identification of the options and selection of the preferred option.
- An assessment of risk, both strategic and operational, associated with the proposal.
- A financial analysis of the preferred option which covers capital costs and revenue costs and/or savings.
- An equality impact assessment.
- A procurement plan
- Expected Spend Profile
- An outline of the IM&T and Estates resources required to complete the project.
- Project management arrangements and timescales.
- Details of any existing assets being replaced or traded in.
- An accompanying excel template which will also collect detail upon which to assess cashflow and the commissioning plan to inform depreciation considerations.

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Sustainability must be a central planning tenet when a Business Case is developed. All new buildings or extensions to existing buildings must be designed in a manner that delivers environmentally responsive architecture, offering high levels of efficiency, sustainable materials and excellent internal environments.

4.4 Bids for All Wales Capital Funding

For any capital schemes, which are required to be funded via the Welsh Government's All Wales Capital Programme, a business case must be submitted to the Welsh Government for approval. The schemes identified must align to the SHA's Integrated Medium Term Plan. A business case must demonstrate that the proposed investment has been properly scoped and planned; offers optimum value for money; is commercially viable; affordable and achievable. In addition a case for any investments should show that the proposal has clearly identified service delivery benefits.

Before embarking on the preparation of the business case, the SHA is required, in the majority of cases, to agree the nature, type and content of each business case with the WG via a scoping document.

For major investment proposals the Better Business Case approach using the five-case model should be followed (unless a separate template has been issued by Welsh Government). Programmes should be developed and cost justified using Programme Business Case (PBC). Major, novel or contentious projects should be developed and cost justified through three key iterations of the Business Case where formal approval to proceed is required; Programme Business Case (PBC), Outline Business Case (OBC) and Full Business Case (FBC).

The Business Justification Case (BJC) provides the SHA with a simpler, truncated approach for smaller and less complex investments. The shorter approach retains compliance with the major requirements of good corporate governance and details strategic context, case for change, option appraisal, procurement route, affordability and management. The BJC should be adopted as the standard approach for most schemes under £4million for its whole life and are not novel or contentious.

The costs associated with developing these business cases may have to be funded initially out of the Discretionary Capital Programme which would be reimbursed if the scheme was successful in securing Welsh Government funding.

As soon as any All Wales capital projects are approved by the Welsh Government an appropriate Project Board will be established to ensure projects are completed both within budget and agreed timescales.

The financial state of each All Wales capital funded scheme must be reported to the Welsh Government on a monthly basis as part of the SHA's financial monitoring returns. Comments must be included in the letter accompanying the monitoring returns if there are any issues being experienced with a particular scheme. The Executive Director of Finance & Business Assurance shall be responsible for submitting the return.

Digital Priority Investment funded schemes will also have quarterly financial returns submitted to Welsh Government as part of their project briefings.

4.5 Capital Purchases

Once a discretionary capital scheme has been approved, the capital scheme lead/project manager should

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obtain refined costs from the SHA's Procurement department based on a given specification. The indicative costs should also include ongoing revenue consequences such as maintenance. Advice should also be sought as to how the equipment can be procured i.e. National Framework, Quotation/Tender etc.

The scheme lead/Project Manager shall then arrange for the purchases to be made in accordance with the procurement rules contained within the SHA's Standing Financial Instructions.

The Directorate shall be responsible for raising capital requisitions. Authorisation of all capital requisitions must be in accordance with the SHA's financial limits.

4.6   Monitoring and Reporting on the Capital Programme

The Capital Programme is monitored throughout the financial year as an ongoing process, by the Capital Non-Pay Planning and Delivery Group, chaired by the Deputy Director of Finance and the established financial governance processes. The approved Capital Programme will form the basis of the capital monitoring process.

Commitment and spend against the approved Capital Programme is reported to the Capital Non-Pay Planning and Delivery Group on a monthly basis and more frequently at the end of the financial year.

The Head of Financial Services & Reporting shall oversee the analysis of all capital expenditure processed through the general ledger and ensure that all expenditure is allocated to the correct cost centre. A monthly expenditure statement for each capital scheme and for the Capital Programme as a whole will be produced for perusal.

The Deputy Director of Finance shall report progress and spend position on the Capital Programme to the Executive Management Board, the Planning and Performance Management Group, SHA Board and the Welsh Government.

The key monitoring functions of the Capital Non-Pay Planning and Delivery Group are:

- Monitor the implementation of the approved Capital Programme and material non pay spend items.
- Review projects currently in progress and just completed. This enables additions to and depletions from the available resources, owing to over and under spends, to be identified.
- Receive and review any reports, cost or otherwise, for discretionary capital schemes that are not on target on an exception reporting basis.
- Recommend changes to the Capital Programme as required.
- Administer any reserve within the Capital Programme.
- Receive monthly reports on major capital projects including outturn figures.
- Advise the DHCW Management Board on expected and actual projected outturn figures.

4.7   Fixed Asset Register

The Director of Finance is required to compile and maintain an up to date Fixed Asset Register to ensure proper management and control over SHA assets. This responsibility is delegated to the Finance team. The minimum data set to be held within these registers shall be in accordance with the Welsh Ministers' guidance.

Directorates will regularly be provided with a list of assets they hold on the SHA's Fixed Asset Register. To ensure the accuracy of the SHA's Fixed Asset Register, it is important to verify the existence and continued use of assets. Therefore, on an annual basis, the Finance team will lead a validation of all SHA assets with support

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from service leads.

Where practical, assets should be marked as SHA property with an asset reference number.

4.8   Project Bank Accounts

Project Bank Accounts (PBA) Welsh Government have instructed that from April 2020 onwards, any WG funded scheme valued at £2 million or over (net of VAT, insurance and other costs/overheads, preliminary/design stage costs) and for a duration longer than six months, will be required to set up a Project Bank Account (PBA).

4.8.1   Governance

PBAs are ring-fenced bank accounts from which payments are made directly and simultaneously by a client to members of its supply chain. PBAs have trust status which secures the funds in it and can only be paid to the beneficiaries ie the supply chain members named in the account. The account is held in the names of the trustees; likely to be the client and lead contractor (but could also be members of the supply chain). The advantage of trust status is that in the case of insolvency monies in the account due for payment to the supply chain is secure and can only be paid to them. Two methods for operating a project bank account have been developed. These are the Dual Authority and the Single Authority. The Single Authority approach requires that only the contractor is named on the bank mandate while the Dual Authority requires both the Client and Lead Contractor to be joint signatories. Where 'compelling reasons' are identified not to apply a PBA, a decision report detailing those reasons must be completed and filed to allow for audit.

4.9   Training

Whilst there are no formal training programmes in place to ensure implementation of this procedure the finance department will expand the capital item of there finance awareness sessions to cover this procedure. Each Executive Director, Divisional Director, and Head of Departments must ensure that managers and all staff, are made aware of the procedure provisions and that they are adhered to at all times.

4.10   Implementation and Monitoring

This procedure will be implemented and monitored by the Capital & Non-Pay Planning and Delivery Group.

Please refer to the responsibilities section for further information in relation to the responsibilities in connection with this procedure.

The SHA will be audited against the delivery of the procedure by Internal and External Audit.

4.11   Procedure Conformance / Non Compliance

If any SHA employee fails to comply with this procedure, the matter may be dealt with in accordance with the SHA's Disciplinary Policy. The action taken will depend on the individual circumstances and will be in accordance with the appropriate disciplinary procedures. Under some circumstances failure to follow this

procedure could be considered to be gross misconduct.

4.12 Review

The Capital Non-Pay Planning and Delivery Group will review this procedure when necessary and at least annually.

5 ROLES AND RESPONSIBILITIES

The <u>Capital Non-Pay Planning and Delivery Group</u> is responsible for making recommendations to the SHA's Executive Management Board as to which discretionary capital schemes should be approved. The Capital Non-Pay Planning and Delivery Group is also responsible for overseeing the management of the SHA's Capital Programme and for providing regular reports to the <u>Executive Management Board</u>, the Planning and Performance Committee and the SHA Board.

The Planning & Performance Management Group (PPMG) will assure any capital bids in order to ensure congruence with the annual plan and that the necessary resource implications have been considered and are achievable. The group will also consider possible risks and impact to other plan deliverables with any issues forming part of the Management Board submission.

To assist scheme leads/Project Managers in managing discretionary capital schemes, a discretionary capital schemes Project Manager's checklist has been devised (Appendix A).

Successful delivery of the Capital Programme will be achieved if named individuals have clear roles and responsibilities as well as delegated authority. These have all been set out below.

5.1 The Chief Executive

Responsibilities include:
- The Chief Executive has overall responsibility for delivery of the SHA's Capital Programme.
- The Chief Executive may act as Project Owner and has overall responsibility for the management of capital schemes at all stages of the process, from inception to post project evaluation and for ensuring the recording of assets once acquired.
- The Chief Executive must ensure that the Project Manager appointed to manage an approved capital scheme receives notification of delegated authority to commit expenditure, to proceed to tender or to accept a successful tender as required.
- The Chief Executive may delegate capital investment management in accordance with Welsh Government guidance and the SHA's Standing Orders.
- The Chief Executive shall have the delegated authority to approve capital investment up to a value of £750,000.
- The Chief Executive shall ensure that any capital investment above the Welsh Ministers' delegated limit is not undertaken without approval of the Welsh Ministers and that confirmation of capital resources has been received.

5.2 Director of Finance

Responsibilities include:

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- Fulfil the role of Senior Responsible Owner for the Discretionary Capital Programme.
- Ensure that the decision to invest capital is in accordance with the SHA's overall strategic aims.
- Ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- Seek the approval of the Executive Management Board for inclusion of a capital investment proposal within the SHA's Capital Programme.
- Support the development of a rolling five-year capital programme for inclusion in the SHA's Integrated Medium Term Plan (IMTP).
- Lead liaison with the Welsh Government with reference to capital funding.
- Lead and chair as required Project Teams delivering major projects.
- Report as required to the SHA on capital project progress and issues.
- Ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance all relevant consequences, including capital charges.

5.3 Deputy Director of Finance (or role delegated by the Director of Finance)

Responsibilities include:
- The Deputy Director of Finance will Chair the Capital & Non-Pay Planning and Delivery Group and shall have the delegated authority to approve capital investment up to a value of £50,000.
- Ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- Seek the approval of the Executive Management Board for inclusion of a capital investment proposal within the SHA's Capital Programme.
  - o Support the development of a rolling five-year capital programme for inclusion in the SHA's Integrated Medium Term Plan (IMTP).
  - o Lead liaison with the Welsh Government with reference to capital funding.
  - o Be responsible for all capital financial planning, the capital programme and capital financial advice to all business cases.
  - o Report as required to the SHA on capital project progress and issues.
  - o Maintain links with external groups or bodies who have a key role in the allocation of capital resources. This includes the Welsh Government.
  - o Ensure that a lead or project manager are appointed for each capital project and that there are adequate project management, monitoring and control arrangements in place.
  - o Ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance all relevant consequences, including capital charges.

5.4 Head of Corporate Services & Estates

Responsibilities include:

- o Developing a programme for Statutory Compliance, Health and Safety issues and Backlog Maintenance.
- o Management of Statutory Compliance, Health and Safety and Backlog Maintenance programme element of the SHA approved capital programme.
- o Provide routine reports on progress, cost control and any changes to the Statutory Compliance, Health and Safety and Backlog Maintenance programme to the Capital Planning and Delivery Group.

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5.5 Head of Financial Services & Reporting

Responsibilities include:

o Provide financial support for the development, co-ordination and monitoring of capital investment proposals and to encourage the use of good practice in the preparation of business cases that identify a requirement for capital investment.

o Advise on areas of priority capital spend and will be responsible for capital accounting, including capital charges, International Financial Reporting Standard implications and revenue implications of all capital schemes.

o Ensure that all necessary information is provided and action initiated to successfully meet the requirements of the Capital Resource Limit.

o Lead and/or assist in the production of, appropriate documentation and analysis, Business cases and Capital Programmes and Reports for the SHA and other SHA meetings.

o Apply capital investment techniques including development of strategic and financial contexts, identification of benefits criteria, option and financial appraisals and risk analysis to capital investment proposals and overall appraisal of capital investment proposals.

o Contribute to the ongoing development of the SHA's Capital Investment protocols and practices.

o Providing advice and assistance to all staff that are completing the discretionary capital Business Case template.

o Reviewing all authorised discretionary capital Business Cases to ensure they have been completed in full and are fit for purpose.

o Keeping a record of all authorised discretionary capital Business Cases and circulating them to Capital & Non-Pay Planning and Delivery Group members for information.

o Ensure the upkeep and future development of the capital asset register.

o Reconcile the Capital Programme to the Capital Expenditure Limit received from the Welsh Government.

o Produce capital monitoring information for the monthly Welsh Government financial return.

o Carry out a monthly reconciliation of capital expenditure to the general ledger.

o Produce periodic estimates of capital charges resulting from the SHA's Capital Programme, in accordance with WG guidelines and timescale.

5.6 Directorate Finance Business Partners

Directorate finance business partners are responsible for:

o Providing support and assistance to staff who have been asked to write a discretionary capital Business Case.

o Ensuring all discretionary capital Business Cases are completed in full and are authorised correctly ultimately by the Divisional Director.

o Sending a copy of all authorised discretionary capital Business Cases to the Head of Financial Services & Reporting.

o Ensuring copies of discretionary capital Business Cases are attached to capital requisitions to ensure they can be approved quickly.

o Report to the Capital & Non-Pay Planning and Delivery Group on delivery of all discretionary capital projects.

5.7 Scheme Lead or Project Manager

o Lead and direct the successful delivery of the project objectives as agreed with the Chief Executive and SHA Board.

- o Be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.

Ensure that:

- o A clearly established structure (including a Project Board and Project Team where appropriate), which include as required appropriate skills and expertise, representatives of all interested departments and stakeholders, has been given responsibility for the project and appropriate training is available.
- o There is a clear scheme of delegation that supports each individual's levels of responsibility.
- o A timetable for key events; co-ordinated plans; guidance notes; monitoring information.
- o Project documentation and records.
- o Lines of communication are clearly specified.
- o Reports on a regular basis using financial and non-financial monitoring.

Appropriate project files and documentation are kept. These should include:

- o Business case documentation.
- o All correspondence including approvals
- o Project approach and procurement strategy output specifications.
- o Project plans, quality plans and risk log.
- o Communications plan.
- o Records of all meetings and decisions taken.
- o File notes of conversations where actions are agreed, decisions taken and authorisations given.
- o Details of the appointment of the Project Team and Job Descriptions (for capitalisable staff).
- o Details of the appointment of any external experts or advisers.
- o Records of all reports made and approvals received.
- o Change controls.
- o Details of the appointment of the Supply Chain Partner contract documentation.
- o Scheme development and design.
- o Cost changes and authorisations
- o Ensure that adequate procedures are in place to monitor and control cost, time and quality thereby ensuring Capital Resource Limit compliance
- o To obtain robust project costs and act in accordance with standing orders and standing financial instructions utilising appropriate delegated input such as provision of build costs.
- o To take overall responsibility for the project being delivered within budget, including being informed of and agreement of works budget variations, and direct control of non-works variations (e.g. equipment and fees).
- o To include reporting of pre-contract costs e.g. survey and feasibility work, including agreement of budgets.
- o To submit timely monthly financial reports of actual cost and accurately forecast costs; and forecast and actual cash flows on the forms provided by finance.
- o To ensure that an equipment schedule is derived to an appropriate stage to enable both initial and final budget estimates, the latter schedules to contain identified suppliers, lead times and itemised costs.
- o To co-ordinate the user commissioning programme, providing time allocations and responsibilities.
- o A post-completion evaluation of the scheme takes place.

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6   REFERENCES

DOCUMENT	VERSION

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7 APPENDICES

7.1 APPENDIX A : Discretionary Capital Scheme – Scheme Lead/Project Manager's Checklist

Directorate	
Scheme Name	
Budget:	
Date Approved:	
Project Manager:	

Task	Completed	Date
Project Initiation		
Project Team Established		
Appropriate Project Management Tools Used		
Strategic Assessment/Business Case Completed and Authorised		
Project Plan Developed and Signed Off		
Commercial Engagement		
a) Familiarisation and compliance with SFI procurement requirements.		
b) Consultation with Procurement on availability of resources to deliver the scheme within timeframes.		
c) Quality/Cost assessment (including whole life costs) have been agreed and approved prior to tendering.		
d) Project Team "sign off" of final agreed tender documents (approved scheme).		
e) Tender evaluation of tenders received and verified.		
f) Completion of "Contract Acceptance paper" upon receipt of an acceptable tender.		
g) Develop contract monitoring record and method of agreeing contract variations.		
Estates Engagement		
a) Discussion with Estates. Estates requirements in scheme agreed.		
b) Consultation with Estates on availability of resources to deliver the scheme within timeframes.		
c) Project Team "sign off" of design layouts (where applicable).		
Operational Engagement		
a) Discussion with digital subject matter experts and IT requirements in scheme agreed.		

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b) Consultation with IT on availability of resources to deliver the scheme within timeframes.		
c) Project Team sign off of final agreed specification (approved scheme).		
Finance Engagement		
a) An appropriate capital budget has been allocated and cost centre established with accounting treatment .		
b) Revenue consequences determined and agreed.		
c) Financial responsibilities for agreeing variations.		
d) An order(s) been raised for the scheme(s).		
e) Monthly monitoring procedures and protocols established for reporting back to the Capital & Non-Pay Planning and Delivery Group and the Welsh Government (if applicable).		
f) Orders goods receipted in timely manner.		
g) Invoices monitored especially any that are "on hold" with a view to resolving any issues as soon as possible to ensure 30 day payment policy is complied with.		
Project Evaluation & Benefits Realisation		
Report evaluating whether the project met its objectives timelines and was within budget (including lessons learned)		
Benefits measurement approach set		
Impact on risk scores assessed and amended		

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7.2 APPENDIX B: Discretionary Capital Bid Template

1. Overview of Scheme

Directorate	
Department	
Business Case Title	
Business Case Prepared By	
Project Sponsor (Senior Responsible Owner)	

2. Brief Description of Proposal, Reasons for Proposal and Benefit/Impact of Proposal

Brief Description of Proposal	
Reasons for Proposal e.g. urgent risk, spend to save	
Underpinning IMTP/Risk Reference	
Is this Proposal Identified in the SHA's Integrated Medium Term Plan	
Benefit/Impact of Proposal	

3. List of Options Considered and Preferred Option

List of Options Considered	
Preferred Option	
Identify any Dependencies/ Constraints	

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4. Risk Assessment

SHA Risk Assessment Completed and Attached	YES/NO
Risk Rating	SIGNIFICANT / HIGH / MODERATE / LOW
Brief Outline of Risks and Consequences of Not Proceeding	
Detail any countermeasures that can be put in place to reduce the risk	
How long we can potentially delay the scheme for before it becomes critical and what the risks are of doing this?	
Risks Highlighted on SHA Risk Register	YES/NO
Risks Highlighted on Directorate Risk Register	YES/NO

5. Financial Analysis of Preferred Option

You should provide an indication of the anticipated capital and revenue costs and savings for the whole project. A financial analysis may be attached as an appendix to the business case if preferred.

Please estimate capital costs (including VAT where applicable):

Capital Cost	Year 1 £'000	Year 2 £'000	Year 3 £'000	Total £'000
Building Works				
Fees				
Equipment				
Commissioning				
IT				
Software Development				
Other (please specify)				
Total				

Estimated Life of Any Equipment (Years)	

Have any alternative sources of funding been explored? If yes, give details.	

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Please estimate revenue costs and savings (including VAT where applicable):

Revenue Costs & Savings	Year 1 £'000	Year 2 £'000	Year 3 £'000	Total £'000
Staff Costs				
Maintenance Costs				
Training				
Other Costs (please specify)				
Savings (please specify)				
Total				

Detail how these revenue costs are to be funded	

6. Equality Impact

Areas (please tick as appropriate)	Impact		
	Positive	Negative	Neutral
Protected Areas:			
Sex			
Race			
Disability			
Sexual orientation			
Religion, belief or non belief			
Age			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Additional Areas:			
Carers			
Welsh Language			
Human Rights			
Comments:			

7. Procurement Plan

Is Single Tender Action Required?	YES/NO

Which procurement route is to be followed:

OJEC Advert Required	YES/NO
Existing Framework	YES/NO
Tenders Required	YES/NO
Quotes Required	YES/NO

Will any lease options need to be explored before committing to outright purchase?	YES/NO

Approximate Lead In Time	
Latest date that scheme would need to be approved in order to ensure the scheme was completed in this financial year	

8. Implications for Other Departments

State below what support will be required from other DHCW operational departments in order to complete this scheme and have they been contacted about the scheme:
State below what support will be required from the Commercial Department to complete this scheme and have they been contacted about the scheme:
Confirmation that discussions regarding the proposed investment have taken place with the relevant Directorate (Please tick the appropriate box and enter any relevant comments).

Clinical Informatics :	Yes ☐	N/A ☐
Contact : Comment(s) :		
Commercial Services :	Yes ☐	N/A ☐

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Contact : Comment(s) :			
Finance & Business Assurance :	Yes ☐	N/A ☐	
Contact : Comment(s) :			
Information Services :	Yes ☐	N/A ☐	
Contact : Comment(s) :			
Infrastructure Services & Support :	Yes ☐	N/A ☐	
Contact : Comment(s) :			
Service Management :	Yes ☐	N/A ☐	
Contact : Comments :			
Software Development :	Yes ☐	N/A ☐	

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Contact :			
Comments :			
Technical Design & Assurance :	Yes ☐	N/A ☐	

9.   Project Management and Timescales

Project Manager	
Other Key People Involved with the Project	
Project Management Arrangements	
Project Start Date	
Project Finish Date	

10.   Details of Any Existing Assets Being Replaced

Description of Asset being Replaced	
Make/Model/Serial Number	
Year Acquired	
Cost £	
Asset Number & Tag Number (if appropriate)	
Asset Disposal Method	SELL/TRADE-IN/SCRAP

11.   Authorisation

<u>Lead/Project Manager:</u>

Name:			
Signed:		Date:	

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Project Sponsor (if applicable):

Name:			
Signed:		Date:	

Finance Manager:

Name:			
Signed:		Date:	

Director:

Name:			
Signed:		Date:	

7.3   APPENDIX B2 : Capital Requirement Profile

DHCW%20Capital%2
0Requirement%20Ter

Template includes detailed monthly profiling at a component level of:

Capital Expenditure

DIGITAL HEALTH AND CARE WALES

Capital Scheme Spend Plan

Scheme Title

| Budget | | | | | | | | | | | | | 0 |

Expenditure Item	April	May	June	July	August	September	October	November	December	January	February	March	Total
													0
													0
													0
													0
													0
													0
													0
													0
													0
													0
													0
													0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

| Check | | | | | | | | | | | | | 0 |

Revenue Expenditure

DIGITAL HEALTH AND CARE WALES

Revenue Impact

Scheme Name

Revenue Cost Code & Subjective

| Issued Revenue Budget | | | | | | | | | | | | | | | 0 |

Expenditure Item	Cost Centre	Subjective	April	May	June	July	August	September	October	November	December	January	February	March	Total
															0
															0
															0
															0
															0
															0
															0
															0
															0
															0
Total			0	0	0	0	0	0	0	0	0	0	0	0	0

| Check | | | | | | | | | | | | | | | 0 |

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Procurement activity and milestones

DIGITAL HEALTH AND CARE WALES
Procurement Plan

Scheme Name

Milestone	April	May	June	July	August	September	October	November	December	January	February	March
Quotes/Framework												
PAF Sign Off												
Quotes Requested												
Evaluation Complete												
Director Sign Off												
Order Raised												
Full Tender												
Publication of the 'Invitation to Tender'												
Clarification period starts												
Clarification period closes												
The Authority's deadline for the publication of responses to Tender Clarification questions												
DEADLINE FOR SUBMISSION OF A TENDER TO THE AUTHORITY												
Evaluation Period												
Contract Award and Notification to Suppliers												
OJEU												
OJEU notice, ESPD and ITT published												
Clarification Period Starts												
Closing date for suppliers to submit clarification questions												
Closing date for clarification responses												
Tender Closing date												
Stage 1 Selection Evaluation (ESPD) Completed												
Stage 2 Award Evaluation – Part 1 (ITT Responses)												
Stage 2 Award Evaluation – Part 2 (Supplier Demonstrations)												
Suppliers Notified of Award Decision												
Standstill Period commences (10 days)												
Standstill period concludes												
Contract Award and Contract Initiation												

Planned Implementation & Commissioning

DIGITAL HEALTH AND CARE WALES
Capital Scheme Implementation & Commisioning Plan

Scheme Name

Activity	April	May	June	July	August	September	October	November	December	January	February	March
						Completion Date						

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7.4   APPENDIX C : Assessment Approach

Step 1: Establish Scale of Strategic Fit
(Prioritising the IT investment in terms of Strategic Imperative and Business Priority)

Programme & Project Rating categories	Criteria:
Mission Critical	A. ESSENTIAL to the successful delivery of: - a major policy initiative announced and owned by Welsh Heath Minister - a major legislative requirement B. If Investment is not successful there are catastrophic implications for the delivery of Health Services
Highly Desirable	A. IMPORTANT (but not essential) for the delivery of: - a major policy initiative announced and owned by Welsh Heath Minister - a major legislative requirement B. ESSENTIAL to the successful delivery of: - a minor legislative requirement - a high profile target - other WG policy initiatives C. If the programme or project is not successful there are serious (but not catastrophic) implications for the delivery of a **KEY Health Service** or internal operation of a Health Organisation D. If the programme or project is not successful there are Catastrophic implications for the delivery of a **NON KEY Health Service** or internal operation of a Health Organisation or Realisation of significant Business Benefits
Desirable	All Programmes or Projects that do not meet critical or highly desirable criteria

Based on OGC's Project rating categories to assess the scale of strategic alignment

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Step 2: Determine the Scale of Impact that will be achieved

For each category of Strategic Fit, we prioritise the IT investment in terms of Difficulty, Benefit, Immediacy and Affordability)

Impact Categories	Criteria	Assessment
Difficulty:	Degree of Complexity, Project Independency & Technical Design, Information Governance and Supplier Capability Skills & Capacity: the resource(s) and feasibility of the scheme	Low: (Hard to Do) Medium High: (Easy to Do)
Benefit:	Benefits and or Outcome Maximisation: Impact on Patient Care and/ or Business Change - prioritising those schemes that can provide the maximum benefits Delivering maximum Value for Money (efficiency, economy and effectiveness) *Included in this section would be the Ranking (Comparison around Project Options/ Investments) of Net Present Values & Qualitative Scores using the (L-M-H) criteria*	Low Medium, High
Immediacy:	Time to implement - (can we spend capital in the financial period) On All Wales "Critical Path" of Planned Activity Time taken to deliver benefits to users	Long Term (3 years more) Medium Term (in 1-2 Years) Immediate (In Year)
Affordability	Funding whole life costs and identifying the revenue consequences to hosting and recipient organisations *Payback Period: Where possible calculation of how long it will take project benefits to match cost- recoup initial cost to recipient organisation)*	Low (£): Long P/Back & High Cost) Medium (£) High (£): Short P/Back & Acceptable Cost)

Evaluation Methods that could be applied to the "Two Step IT Project Prioritisation Model"
A: Qualitative Approach- for Prioritising Investment Proposals
Activity required:
1. *Complete Step1: Strategic Fit by assigning a RAG Status to the Project*
2. *Complete Step2: Assign values (L-M-H) to Difficulty, Benefits, Immediacy and Affordability*

The two tables below illustrate the Standard Step 1 template and a indicative Qualitative Results of applying the methodology.

Step1: Strategic Fit	Categories: *Prioritising the IT investment in terms of strategic imperative and business priority*	Priority (RAG Status)
Mission Critical	A: Essential- Welsh Health Minister Mayor Initiative	RED
	B: Catastrophic Implications to delivery of Health Service(s)	RED
Highly Desirable	A: Important (not essential) to Welsh Health Minister Major Initiative	AMBER
	B: Essential: minor legislation, high profile target or WG Policy Initiative	AMBER
	C:Serious Implications to delivery of Key Health Service	AMBER
	D:Catastrophic Implication to Non Key Health Service	AMBER
Desirable	All Other Investments	GREEN

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Indicative Qualitative Results:

Priority Ranking	Step 1: Strategic Fit	Step 2: Scale of Impact Achieved
Highest Ranking	*Mission Critical*	*Difficulty: Low* *Benefits: High* *Immediacy: Start Now* *Affordability: Low*
Moderate Ranking	*Highly Desirable*	*Difficulty: Medium* *Benefits: Medium* *Immediacy: Start Now* *Affordability: Medium*
Lowest Ranking	*Desirable*	*Difficulty: High* *Benefits: Low* *Immediacy: Medium* *Affordability: High Cost*

B: Quantitative Approach – for Prioritising Investment Proposals

Activity required:

1. *Complete Step1 – as above*

2. *Complete Step 2:*

   a. *Assign Scores to each category for Difficulty, Benefits, Immediacy and Affordability*

   b. *Then apply weighting to the scoring*

   c. *Rank Results for Investment Portfolio accordingly*

All numbers used are illustrative

Step2: Scale of Impact that will be Achieved		**Range**
Difficulty	Degree of Complexity, Project Independency & Technical Design, Information Governance and Supplier Capability Skills & Capacity: the resource(s) and feasibility of the scheme	0-20
Benefit	Benefits and or Outcome Maximisation: Impact on Patient Care and/ or Business Change - prioritising those schemes that can provide the maximum benefits Delivering maximum Value for Money (efficiency, economy and effectiveness) *Included in this section would be the Ranking (Comparison around Project Options/ Investments) of Net Present Values & Qualitative Scores using the (L-M-H) criteria*	0-20
Immediacy	Time to implement - (can we spend capital in the financial period) On All Wales "Critical Path" of Planned Activity Time taken to deliver benefits to users	0-20
Affordability	Funding whole life costs and identifying the revenue consequences to hosting and recipient organisations *Payback Period: Where possible calculation of how long it will take project benefits to match cost- recoup initial cost to recipient organisation)*	0-20

The value factors are prioritised by allocating weightings:

Value Factor	Weighting
Difficulty	20%
Benefit	45%
Immediacy	20%
Affordability	15%

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7.5 APPENDIX D : Capital & Non Pay Planning and Delivery Group Terms of Reference

PURPOSE OF THE GROUP

Responsible for defining the organisations capital plan and monitoring progress of capital schemes alongside major non pay expenditure items.

OBJECTIVES OF THE GROUP
- Advise and make recommendations to the Director of Finance & Management Board on all matters relating to Capital & Non Pay Expenditure (discretionary and non-discretionary) and any other relevant Non Pay matters.
- Develop short and medium term Capital & Non Pay Expenditure plans for inclusion in the DHCW IMTP that includes the digital pipeline schemes.
- Manage and monitor DHCW discretionary capital and non- discretionary Non Pay expenditure (including Digital Funding Schemes).
- Produce monthly report for the Director of Finance on progress against DHCW Capital & Non Pay schemes.
- Challenge Procurement activity and ensure Value for Money.
- Identify opportunities for and monitor approved non pay cost saving/avoidance schemes.

Policy and Procedures:
- Review Capital & Non Pay procedures and make recommendations.
- Ensure that appropriate systems are in place to prioritise discretionary Non Pay bids.
- Ensure that appropriate systems are in place to manage and safeguard assets.
- Review impact of HMRC VAT rules on Non Pay Expenditure.

Planning:
- Receive and consider priorities and bids for discretionary Non-Pay funding and make recommendations as necessary.
- Review discretionary Non-Pay scheme business cases.
- Comment on the Non Pay and revenue implications of DHCW Non Pay initiatives and cost avoidance/reduction exercises.
- Develop short (one year) and medium term (three-five years) discretionary Non-Pay plans in accordance with organisational aims and business needs for inclusion in the DHCW IMTP.
- Ensure the planning timetable for DHCW is adhered to.
- Ensure compliant procurement routes are factored into the planning stage to ensue delivery in the respective financial year.

Management and Delivery:
- Monitor, review and update on operational progress on Capital & Non-Pay schemes from implementation through to completion and any associated operational and financial risks.
- Assist in the preparation of and review of Non-Pay programme cashflow forecasts.

Assurance:
- Highlight and monitor the risks associated with not proceeding with certain discretionary Capital & Non Pay schemes.

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                                                                       Approver: [Mark cox]
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- Ensure that policies and procedures (including standards) are adhered to for Capital & Non Pay purposes.
- Review any relevant internal and external audit reports and take any necessary action when appropriate.
- Ensure appropriate governance is applied to expenditure relating to procurement activity.
- Ensure contract reviews are undertaken, logged and fed to the group (with escalation to DoF as required).

MEETINGS

Monthly – last week of the month to feed through into the following months reporting timetable

MEMBERSHIP

Membership is made up of senior managers acting as Portfolio, Objective and Resource Leads.

- Deputy Director of Finance
- Head of Financial Services & Reporting
- Head of Commercial Services
- Infrastructure Programme Manager
- Infrastructure Operations Manager
- Infrastructure Cyber Security Lead
- Infrastructure Datacentre Services Lead
- DHCW Technical Assets Manager
- Client Services Business Lead
- Information Services Representative
- eLibrarian Specialist
- Senior Lead Application Development & Support
- Senior Lead Integration Services

KEY RELATIONSHIPS

- DHCW Director of Finance
- DHCW Project leads & Budget Holders
- DHCW Planning & Performance Group
- DHCW Management Board
- Welsh Government Capital & Estates Division
- Welsh Government Digital Directorate

GOVERNANCE

Reports to DHCW Management Board either via the monthly financial report or separately where appropriate)

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DIGITAL HEALTH AND CARE WALES
PROCUREMENT AND SCHEME OF DELEGATION COMPLIANCE REPORT

Agenda Item	4.5

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Michelle Sell, Chief Operating Officer
Prepared By	Nathan Beynon, Senior Category Manager
Presented By	Julie Francis, Head of Commercial Services

Purpose of the Report	For Noting
Recommendation	
The Committee is being asked to: **NOTE** the content of the report	

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
PCR 2015	Public Contracts Regulations 2015	0365	Office 365 (Microsoft)
CCN	Change Control Note	TTP	Track Trace Protect
WIS	Wales Immunisation System		

1   SITUATION/BACKGROUND

1.1   The purpose of this report is to provide the Audit and Assurance Committee with an update in relation to procurement activity undertaken during the period 1st June 2021 to 31st August 2021 and in accordance with reference 1.2 (Schedule 2.1 Procurement and Contracting for Goods and Services) of the standing Financial Instructions.

1.2   An explanation of the reasons, circumstances and details of any further action taken is also included.

SFI Reference	Description	Items
12.9.4	Free of Charge Services	0
12.13	Single Quotation Actions	0
12.13	Single Tender Actions	4
12.13	Single Tenders for consideration following a call for Competition under PCR2015.	0
12.17	Contract Extensions: Award of additional funding outside the terms of the contract (executed via Contract Change Note (CCN) or Variation of Terms)	3

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The Committee is required to note the following DHCW activity in item 4.5i Appendix A:

- Single tender and single quotation activity
- Change control notes

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   None to note.

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4   RECOMMENDATION

The Committee is being asked to:
NOTE the content of the report

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Mobilising digital transformation and ensuring high quality health and care data
	Delivering High Quality Digital Services
	Driving value from data for better outcomes

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below: A globally responsible Wales	

DHCW QUALITY STANDARDS	ISO 20000
If more than one standard applies, please list below: ISO 27001 ISO 9001 BS 10008	

HEALTH CARE STANDARD	Effective Care
If more than one standard applies, please list below: Staff and Resources	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A	
No, (detail included below as to reasoning)		Outcome: N/A
Statement: Not required.		

Workforce EQIA page

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Chief Operating Officer	17/09/21	Approved

Procurement and Scheme of Delegation Compliance Report   Page 3 of 4   Author: Nathan Beynon
Approver: Julie Francis
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IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Appropriate management of procurement activity ensure high quality of commercial activity for the organisation
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	The contracts within the report are legally binding and there could be legal implications arising from activity within the contracts awarded,
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	There are financial implications from single tenders and potentially change notices.
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Item 4.5i Appendix A – DHCW Single Tender and Quotation Activity and Change Control Notes

The following are all DHCW activity.

PROGRAMME/DIRECTORATE	Procurement Reference	Agreement Period	SFI Reference	Agreement Title/ Description	Supplier	Anticipated Value	Reason	Compliance Comment	First Submission or Repeat
Trace, Track Protect (TTP)	P642.15C	01/07/2021 - 31/12/2021	STA	Ongoing Microsoft Development for TTP	Microsoft	£150,000.00	This is to provide specialist resources required to continue to support and develop the TTP solution. Only Microsoft can continue to develop the solution in the short term as it is bespoke and specialist. It is on this basis that the single tender was requested. In parallel a competitive procurement has been undertaken to test the market and provide a longer-term solution for development of the TPP solution in line with new national requirements.	No further action	Repeat Submission
Wales Immunisation System (WIS)	P642.19.A	01/06/2021 - 31/05/2022	STA	Vaccination Programme	The Cabinet Office	£5.700,000.00 (maximum subject to	To support the emerging needs of the COVID vaccination Programme additional messaging templates were required to support the Programme across Wales. The UK Government established a platform to undertake this work for all public sector organisations to use for emergency staff and citizens to ensure critical messages are delivered smoothly and efficiently from each Health Board to its patients.	No further action	Repeat Submission
Application Development	P713	01/07/2021 - 30/06/2024	STA	Mura CMS and License Support	Blue River	£41,400.00	The Mura CMS was selected several years ago as a replacement for Cascade CMS. The Mura CMS now hosts over 100 websites in Azure Cloud. These include	No further action	First submission

Item 4.5i Appendix A – DHCW Single Tender and Quotation Activity and Change Control Notes

PROGRAMME/DIRECTORATE	Procurement Reference	Agreement Period	SFI Reference	Agreement Title/ Description	Supplier	Anticipated Value	Reason	Compliance Comment	First Submission or Repeat
							Health Boards, Trusts, national programmes/networks, Community Health Councils and GP Practices. The Mura product was originally available as open source at no cost however the software provider is now only making it available under a commercial license from August 2021.		
Finance	P716	17/08/2021 - 16/08/2022	STA	Physical Asset Register	RAM	£24,915.00	This solution has been mandated by the Capital Technical Accounting Group (TAG) and is utilised across NHS Wales to enable organisations to track and manage its assets and provide ongoing reporting to the Welsh Government in terms of the status of the asset lifecycle from purchase to disposal. The solution procured is a cloud based one in line with Government Policy. The Contract Term is for a period of 12 months with an option to extend for a further 12 months to allow flexibility for a longer-term national solution to be procured by NWSSP Procurement.	No further action	First submission
Core Services	P493	01/08/2021 - 31/07/2022	CCN	HSCN Connection	MLL	£30,117.04	This CCN is for an extension outside of the original term of the Contract for a maximum term of 12 months for the HCSN network services links to be able to access NHS Services. Digital Health and Care Wales ("DHCW") is required to maintain the existing HSCN circuits until the migration onto the new provider has been completed as there are critical	No further action	First submission

Item 4.5i Appendix A – DHCW Single Tender and Quotation Activity and Change Control Notes

PROGRAMME/DIRECTORATE	Procurement Reference	Agreement Period	SFI Reference	Agreement Title/ Description	Supplier	Anticipated Value	Reason	Compliance Comment	First Submission or Repeat
							services that are dependent on these circuits. As the current contract is due to expire on 31 July 2021 and the migration is scheduled for 26 July 2021, DHCW is seeking to extend the original contract for the Health and Social Care Network ("HSCN") Connection outside its existing contract term, to ensure service continuity for our critical services		
Office 365 (O365)	P642.06	13/05/2021 - 13/07/2021	CCN	O365 Rollout	RedCortex	£295,700.00	The CCN was required to provide further support and resources for the O365 rollout in response to Covid-19 to maintain essential progress during a period of remote working. A competitive procurement is currently being planned to support the longer-term needs of the Organisation.	No further action	First submission
Core Services	P658	09/08/2021 - 08/08/2022	CCN	SaaS Monitoring Tool	Softcat	£2,227.59	CCN to onboard additional licenses required for Azure monitoring	No further action	First submission
					Total Value ex VAT	£6,244,359.63			

DIGITAL HEALTH AND CARE WALES
ESTATES COMPLIANCE REPORT

Agenda Item	4.6

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen-Little, Director of Finance & Business Assurance
Prepared By	Julie Ash, Head of Corporate Services
Presented By	Julie Ash, Head of Corporate Services

Purpose of the Report	For Noting
Recommendation	
The Committee is being asked to: **NOTE** this report.	

Acronyms

DHCW	Digital Health and Care Wales	SHA	Special Health Authority
PPM	Planned Preventative Maintenance	NHS	National Health Service

1   SITUATION/BACKGROUND

1.1   The Audit & Assurance Committee will, at each meeting, review the latest available Estates Compliance Report. This report covers performance as at end of August 2021.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   Estates Compliance

Good progress has maintained since the last report, with overall compliance remaining at over 90% although there has been a slight drop due to a delay in receiving documentation from Landlords. This current rate is vastly improved from compliance rates earlier in the year, which were lower largely due to our new Media Point office and the requirement to put in place contracts for testing.

We have improved our overall compliance by conducting a large number of testing across all premises and liaising with our landlords to locate documentation. During Quarter 2 we plan to undertake additional testing in North Wales, which will help to further improve overall compliance.

Planned preventative maintenance is currently at 97%. Actions resulting from legionella/fire risk assessments and asbestos surveys are 92% compliant.

We are looking at our long-term estates strategy and are working with agility during this period following Covid-19 to develop new ways of working.

2.2   Environment

Our Environment annual trend is positive. We continue to measure water, energy usage and waste disposal in order to reduce CO_2 levels. We plan to review the structure and frequency of environmental reporting.

There has been a very small increase in electricity usage as people return to the office but the overall reduction from the baseline year (2017-18) of 73% is very positive.

DHCW will be seeking to influence contracts held by Landlords for utilities to ensure that green options are explored and implemented where possible. We will also be considering options around a move to electric or hybrid fleet vehicles.

We are pleased to report that 98% of waste produced by DHCW has been recycled, repurposed

or reused.

WHC/2021/24 : NHS Wales Decarbonisation Strategic Delivery Plan has recently been issued. This Welsh Health Circular confirms that all NHS Organisations must incorporate the NHS Wales Decarbonisation Strategic Delivery Plan in their local plans, and:

- Should cascade the NHS Wales Decarbonisation Strategic Delivery Plan across their organisation.

- Action Plans should be developed, which will form the basis of how NHS Wales organisations will implement the Delivery Plan initiatives. These need to be developed two-yearly and committed to within Integrated Medium-Term Plans

- Share best practice initiatives that reduce carbon with Welsh Government policy leads.

DHCW will be aiming to develop their own Decarbonisation Plan, forming part of an Estates and Sustainability Strategy which will be presented to Board in early 2022 for approval.

3 KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 DHCW will continue to work with Landlords to improve the level of compliance testing data which has dropped slightly over the reporting period as a result of reduced on-site presence.

4 RECOMMENDATION

The Committee is being asked to:
NOTE this report.

5 IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A resilient Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

Estates Compliance Report   Page 3 of 4   Author: Julie Ash
Approver: Claire Osmundsen-Little
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HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:	
No, (detail included below as to reasoning)		Outcome:
Statement: The Estates Compliance Report does not require an EQIA.		

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Health &Safety Incidents are contained in the report for monitoring purposes
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	Ensures compliance with legislation and good governance.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	Yes, please see detail below
	This activity is essential to ensure the health & safety of staff
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Estates Compliance Report   Page 4 of 4   Author: Julie Ash
Approver: Claire Osmundsen-Little
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August 2021

ESTATES COMPLIANCE REPORT

CONTENTS

Executive Summary

Estates Compliance

In August 2021 our overall compliance was 90%. This is a slight decrease from last month's compliance rate of 93%, this can be attributed to a number of certificates expiring at the same time, within our landlords area of responsibility.

Our overall compliance has generally been maintained by conducting a large number of testing across all premises and effectively liaising with our landlords to locate documentation. We plan to continue to focus at each site on prioritising the undertaking of out of date services to help to improve overall compliance.

Planned preventative maintenance is currently at 98%. Actions resulting from legionella/fire risk assessments and asbestos surveys are 90% compliant.

We are looking at our long term estates strategy and are working with agility during this period following Covid-19 to develop new ways of working.

Environment

Our Environment annual trend is positive. We continue to measure water, energy usage and waste disposal in order to reduce CO_2 levels. We plan to review the structure and frequency of environment reporting.

Estates Compliance

At DHCW, we are fully aware of our responsibilities for ensuring that the workplace is kept safe by compliance with legislation.

We have a robust programme of planned, preventative maintenance (PPM) and schedule of inspections that need to be undertaken across the entire Estate.

We monitor, on a monthly basis, progress of actions arising as a result of various surveys and inspections, such as Fire, Legionella and Asbestos.

KEY

Compliance

Regulations

Guidelines

This report details the statutory and mandatory compliance performance of systems and equipment within Digital Health and Care Wales (DHCW) premises, to confirm that they meet with legal requirements, and to safeguard DHCW employees.

Throughout this report compliance is measured by site, type of system or equipment and based on DHCW or Landlord responsibility.

Green

Systems and equipment that are fully compliant

Yellow

Systems and equipment that are due to be serviced in one month or less

Red

Systems and equipment that are no longer compliant

Arrows denote:-

▲ Percentage is higher than previous month

▼ Percentage is lower than previous month

◄ Percentage is the same as the previous month

All percentages include ▇ and ▇ totals added together.

OVERALL COMPLIANCE

Number of System & Equipment that Require Testing.

This Month	Last Month
▼ 90%	93%

Overall Compliance of plant systems and equipment has seen an decrease from 93% last month to 90% this month, against our target of 90%. This is mainly due to a number of certificates that our landlords are responsibly for, expiring at the same time.

This means that as of the end of August 2021 we have 185 services complete, 21 out of date and 9 that require testing within one month, to prevent them from going out of date.

COMPLIANCE RESPONSIBILITY

Landlord Compliance Responsibility

DHCW Compliance Responsibility

81%	SERVICED	90%
2%	SERVICE DUE	6%
17%	OUT OF DATE	4%
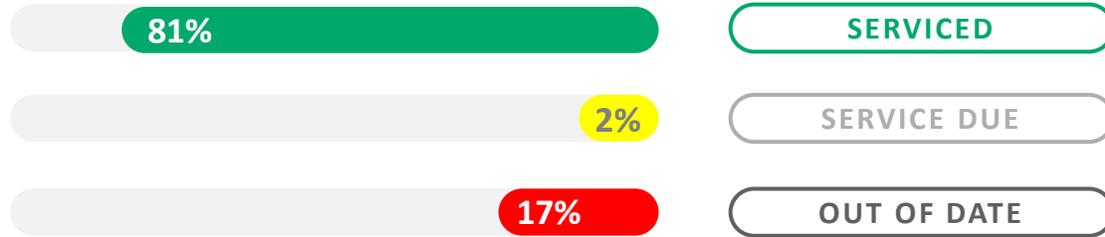
We plan to liaise with our Landlords in order to locate the required compliance documentation.

This Month	Last Month
▼ 83%	87%

This Month	Last Month
◀ 96%	96%

Through increased servicing we have maintained DHCW compliance responsibility.

Castlebridge	Bocam	Technium 2	Tŷ Glan-yr-Afon	Mamhilad	Media Point	Castlebridge	Tŷ Glan-yr-Afon	Technium 2	Mamhilad	Bocam
4	1	3	4	5	4	1	4	2	1	1

The above chart shows a breakdown per site of the 9 service due and 21 out of date compliance items. We are arranging testing for the 9 service due items. In regards to the out of date services, we are awaiting documentation from our contractors for the 5 services that DHCW are responsible for and we are liaising with our landlords for the remaining 15 out of date services, which are within their areas of responsibility.

MONTHLY COMPLIANCE TREND

— Compliant

This line denotes the minimum % compliance requirement of 90%
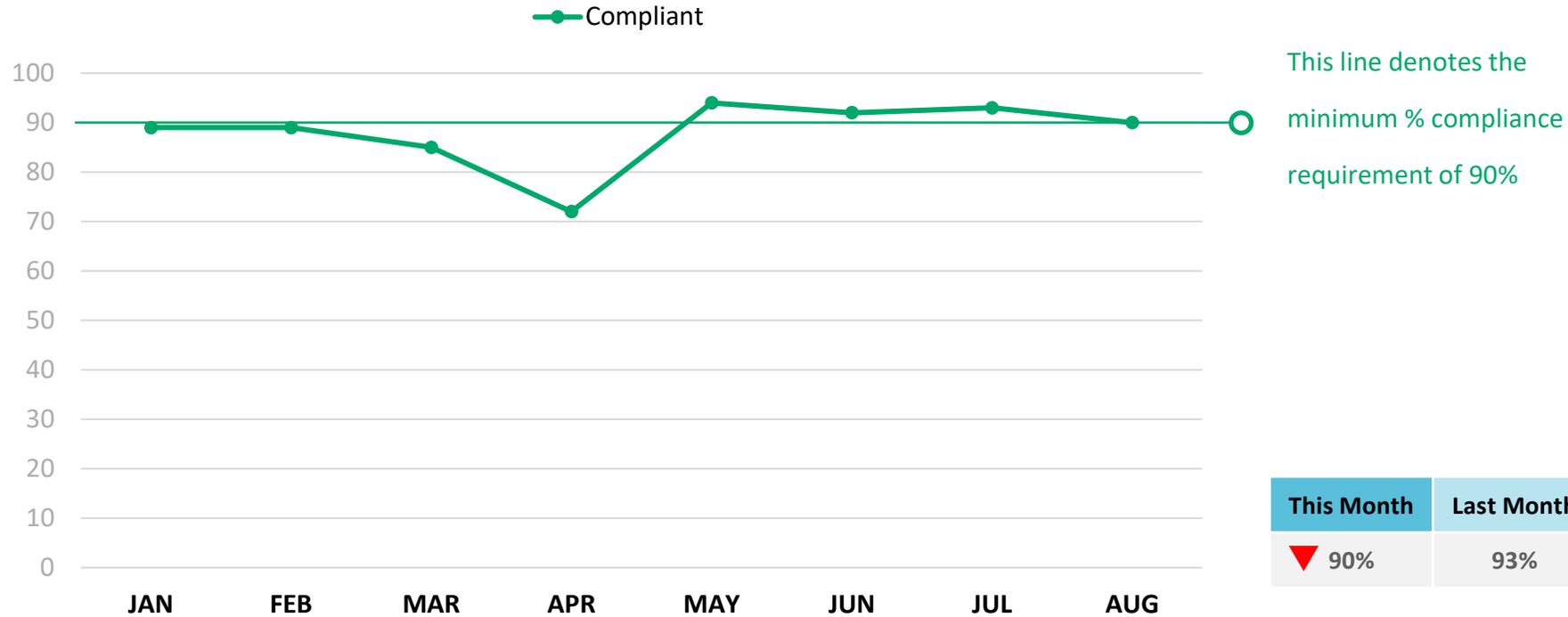
DEC	-
NOV	-
OCT	-
SEP	-
AUG	90%
JUL	93%
JUN	92%
MAY	94%
APR	72%
MAR	85%
FEB	89%
JAN	89%

This Month	Last Month
▼ 90%	93%

Chart axis values: 100, 90, 80, 70, 60, 50, 40, 30, 20, 10, 0

Months: JAN, FEB, MAR, APR, MAY, JUN, JUL, AUG

As you can see in the above chart, we have recovered from our poor performance in early 2021 (which can be attributed to DHCW incorporating our new accommodation; Media Point in to the data). Since May 2021 we have maintained an above target compliance performance, however we have recently experienced a drop from 93% to 90% compliance, this can be attributed to a number of certificates expiring at the same time, within our landlords area of responsibility.

ESTATES COMPLIANCE REPORT

KEY AREAS

■ Compliance   ■ Compliance due / awaiting confirmation   ■ Non Compliance
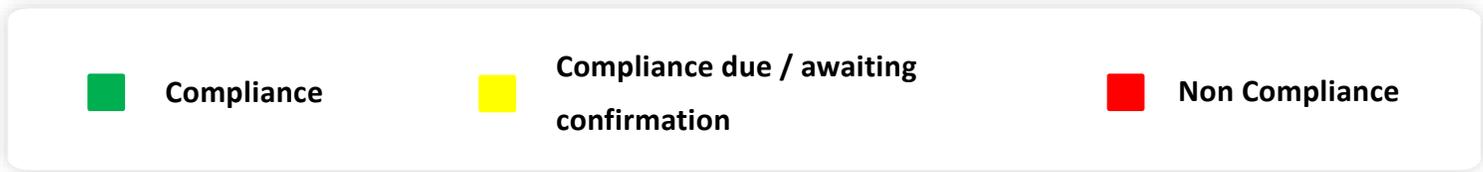
Asbestos Compliance Percentage

0%

Mamhilad (Landlord)

Last Month
◀ 100%

100%
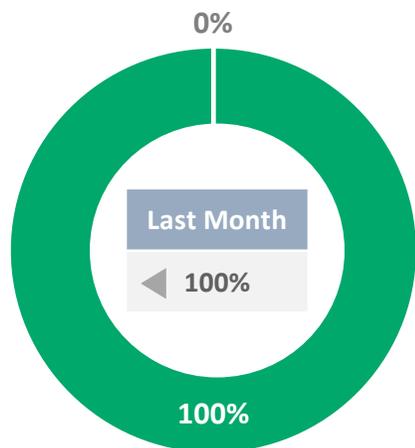
Legionella Compliance Percentage

11%

Last Month
◀ 89%

89%
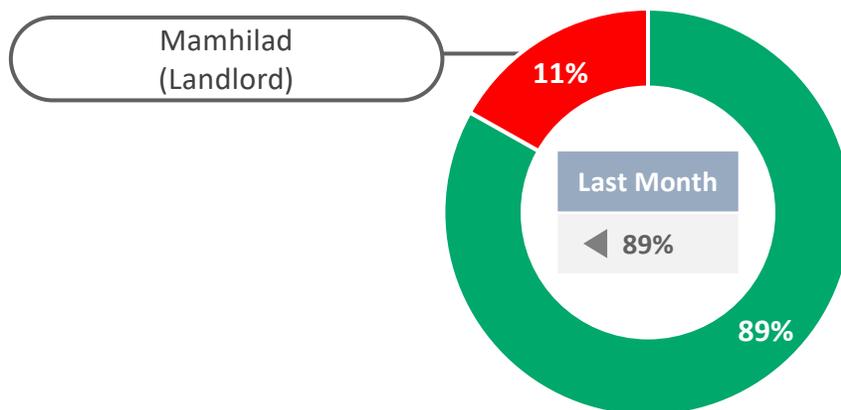
Fire Risk Assessment Compliance Percentage

Mamhilad (Landlord) Castlebridge (DHCW)

Technium 2 (Landlord)

20%

10%

Last Month
▼ 90%

70%
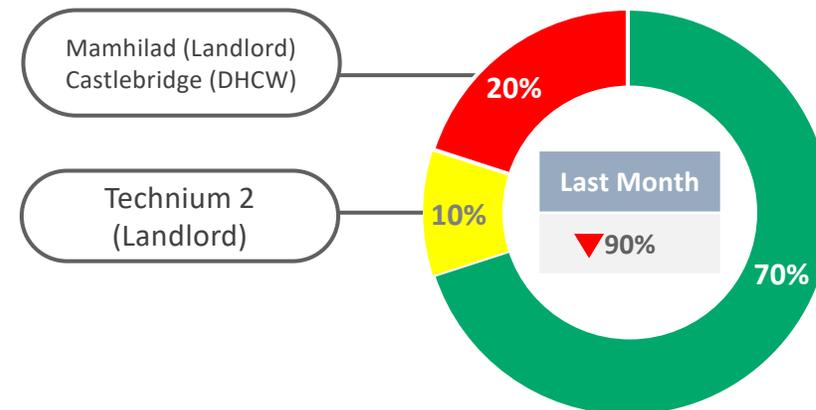
The graphs show the compliance percentage of Asbestos surveys as well as Legionella (Water) and Fire risk assessments. All Asbestos surveys have been carried out and documentation received. We have contacted our landlords at Mamhilad and Technium 2 to request updated Legionella (Water) and Fire Risk assessments and we have instructed our contractor to conduct a Fire Risk Assessment at our Castlebridge premises.

Compliance Action Plan Overview

| This Month	Last Month
▲ 93%	92%

Compliance Criteria	Overall Compliance
🟩 **Green** – Action complete	82%
🟨 **Yellow** – Action on target to be completed by agreed date	11%
🟧 **Orange** – Action not on target for completion by agreed date	8%
🟥 **Red** – Implementation passed management action not complete	0%

A number of actions have been completed recently raising our compliance to 93%. Eleven actions are past there agreed completion date, we will review these actions in the next quarter. 102 actions have been complete and no actions have turned red.

Compliance Category	Compliance Subcategory	Reference	Number of Actions across DHCW by Priority											
			High				Medium				Low			
Fire	Fire Risk Assessment	FR2018.1	0	0	0	0	24	2	4	0	46	3	1	0
Water	Legionella Risk Assessment	LR2018.1	13	10	2	0	3	0	4	0	1	0	0	0
Asbestos	Asbestos Risk Assessment	AR2018.1	0	0	0	0	4	0	0	0	24	0	0	0

PLANNED PREVENTATIVE MAINTENANCE (PPM) OVERVIEW

Routine testing has been completed as planned and is currently at 98%, which is a slight decrease of 1% from last month. All DHCW sites are 96% and above compliant. Routine testing at Media Point (our new site) has not yet begun.

Compliance Criteria	
🟩	**Green –** PPM above 90% compliant
🟨	**Yellow –** PPM 80% - 89% compliant
🟥	**Red –** PPM 79% compliant and below

Tŷ Glan-Yr-Afon		% Complete
Total Inspections	324	**99%**
Total Complete	320	

Mamhilad		% Complete
Total Inspections	123	**98%**
Total Complete	120	

Media Point		% Complete
Total Inspections	0	**N/A**
Total Complete	0	

DHCW – 2021		% Complete
Total Inspections	918	**98%**
Total Complete	904	

Bocam		% Complete
Total Inspections	194	**99%**
Total Complete	193	

Technium 2		% Complete
Total Inspections	76	**96%**
Total Complete	73	

Castlebridge 2		% Complete
Total Inspections	201	**99%**
Total Complete	198	

| This Month	Last Month
▼ 98%	99%

Environmental Performance

At DHCW, we acknowledge the potential impact that we may have on the environment due to the nature of our business practices; therefore, we are fully committed to reducing this impact across the scope of our operations and the services that we deliver.

This report details how DHCW has performed against our goals to reduce water consumption and energy (gas and electricity) emissions, and increase the amount of waste that we recycle as an organisation.

IT waste and other emission reporting categories performance is also communicated.

Electricity emissions target: **12% reduction against 2017/18 baseline year**

ELECTRICITY FIGURES QTR 1 21/22

Total Electricity Accumulative CO2 Emissions per m2

The graph shows DHCW's accumulative CO2 emissions, from electricity usage, per m2, in QTR 1 2021-22 as well as a comparison to previous years.

From the data we can see –

- **19% increase** in 2021-22 compared to 2020-21*
- **73% reduction** in 2021-22 compared to the baseline year (2017-18)

*Increase can be attributed to a higher number of staff on site compared to 20/21 where COVID-19 restrictions were in place.

WATER FIGURES QTR 1 21/22
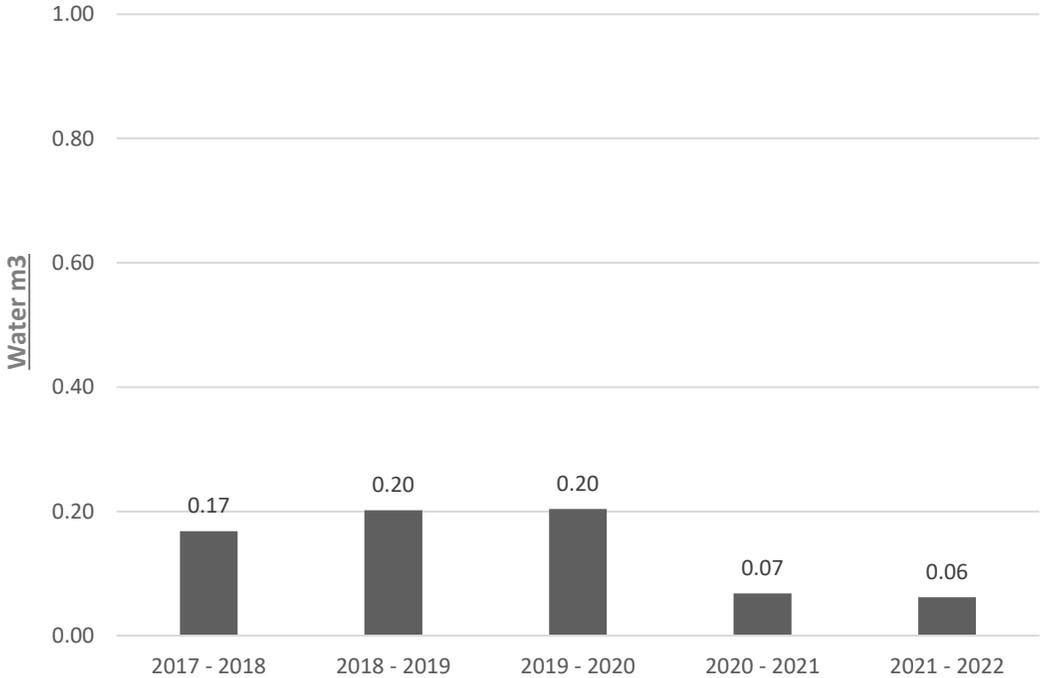
Water consumption target: **16% reduction against 2017/18 baseline year**

**Water Accumulative Consumption Per m2**

The graph shows DHCW's accumulative water consumption per m2 in QTR 1 2021-22, as well as a comparison to previous years.

From the data we can see –

- **14% reduction** in 2021-22 compared to 2020-21
- **65% reduction** against the baseline year (2017-18)

| Type	Units Collected
Boxes of cables, chargers, adapters	8
Docking Port	203
Laptops	110
Mixed WEEE	15
Mobile phones	20
Monitors (flatscreen)	262
Networking gear, switches, hubs	30
PC's	171
Printers - desktop	50
Printers - free standing	1
Scanners	8
Servers	10
Tablet	7
Telephones	61
TV's	1
UPS	7
Battery	3
IT Parts	18
Grand Total	**985**
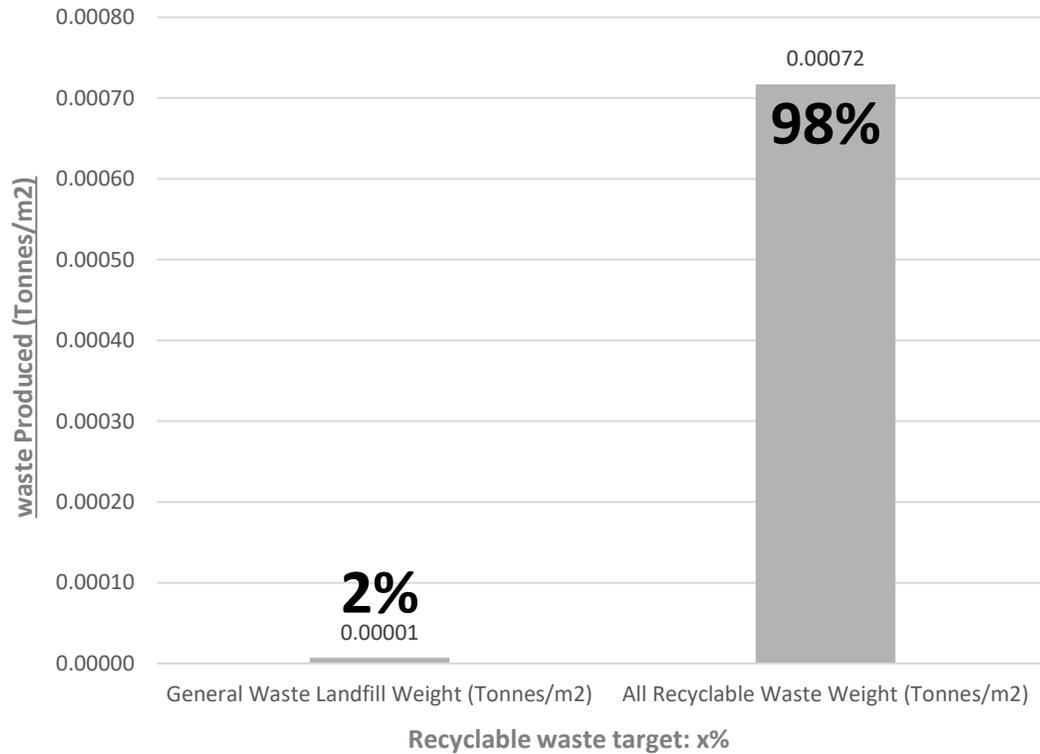
IT WASTE FIGURES YTD

DHCW IT Waste Produced

The table shows the total number of IT equipment units that have been recycled, repurposed or reused, so far in 2021/22.

Total Units: 985

NHS Digital Health and Care Wales

ESTATES COMPLIANCE REPORT

ADDITIONAL EMISSION REPORTING CATEGORIES

Tonnes of CO2 Emissions YTD 21/22

The graph shows Fleet Vehicle, Business Mileage and F-Gas emissions (MtCO2e) data, as well as EV Charging emissions offsetting data, which is enabled by the Electric Vehicle (EV) charging points located at our Tŷ Glan-yr-Afon and Media Point sites.
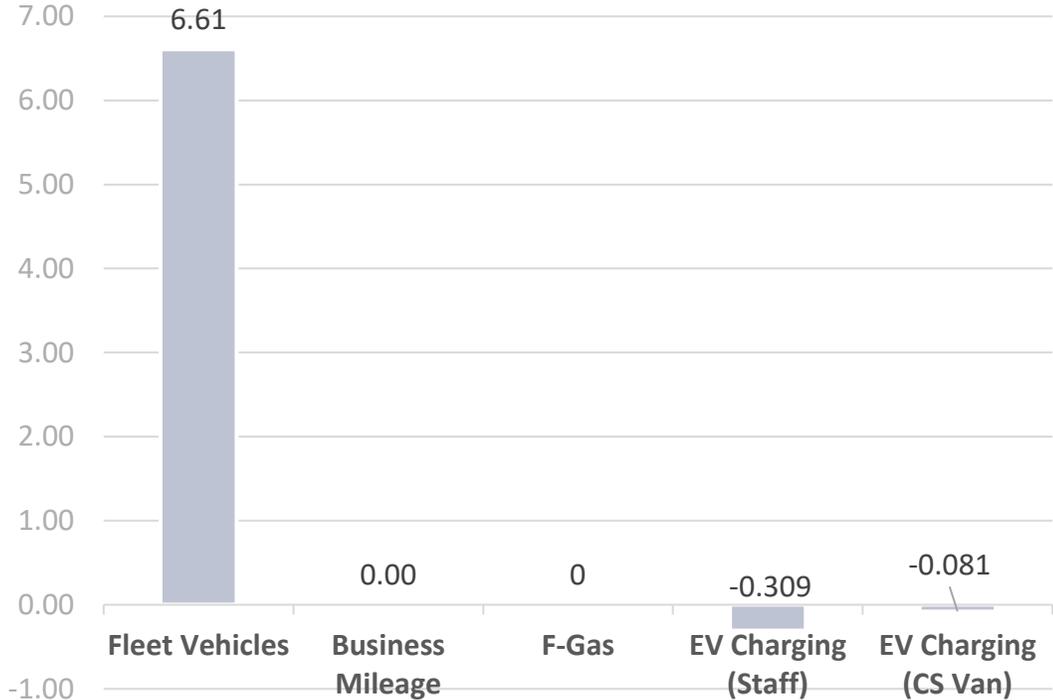
Environmental, Waste and Energy Training

61%

CARBON FOOTPRINT

DHCW total carbon footprint 2020-21: **36.453 MtCO2e**

DHCW total carbon footprint per m2: **0.006 MtCO2e**

DHCW total carbon footprint per person: **0.048 MtCO2e**

Carbon Footprint Emissions Breakdown 2021-2022 YTD

Category	Value
EV Charging (CS Van)	-0.081
EV Charging (Staff)	-0.309
F-Gas	0.00
Fleet Vehicles	6.61
Business Mileage	0.00
WEEE Recycled	0.05
Recycling	0.06
General Waste WtE	0.04
General Waste Landfill	0.02
Water Treatment	0.39
Water Supply	0.14
Gas	11.90
Electricity	17.64
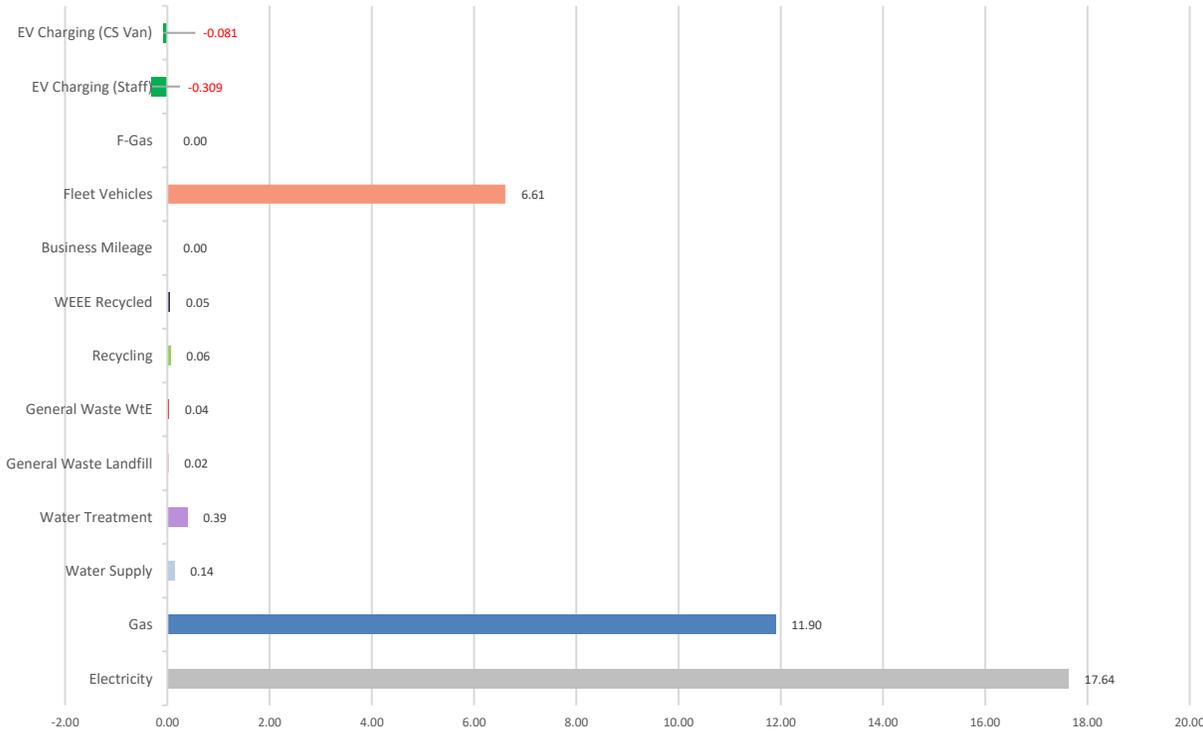
Carbon Footprint Type Percentage Breakdown 2021-2022 YTD

- Electricity — 47.87%
- Gas — 32.30%
- Water Supply — 0.37%
- Water Treatment — 1.05%
- General Waste Landfill — 0.06%
- General Waste WtE — 0.10%
- Recycling — 0.17%
- WEEE Recycled — 0.14%
- Business Mileage — 0%
- Fleet Vehicles — 17.95%
- F-Gas — 0%
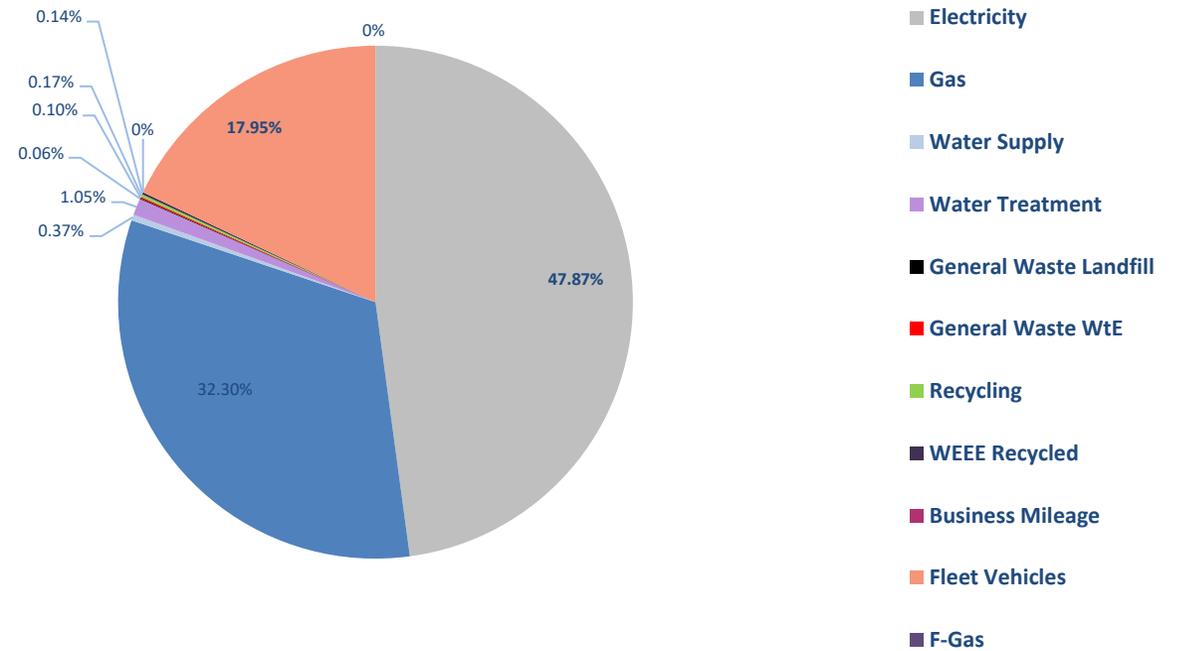
DIGITAL HEALTH AND CARE WALES
QUALITY AND REGULATORY UPDATE REPORT

Agenda Item	4.7

Name of Meeting	Audit and Assurance Committee
Date of Meeting	05 October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Claire Osmundsen-Little, Executive Finance Director
Prepared By	Konrad Kujawinski, Head of Quality and Regulation
Presented By	Konrad Kujawinski, Head of Quality and Regulation

Purpose of the Report	For Noting
Recommendation	
The Committee is being asked to: **Note** the content of this report.	

Acronyms			
DHCW	Digital Health and Care Wales	QIAL	Quality Improvement Action List
KPI	Key Performance Indicators	ISO	International Organization for Standardisation
eQMS	electronic Quality Management System	LR	Lloyd Register
NWIS	NHS Wales Informatics Service	IMS	Integrated Management Systems

1   SITUATION

There were two external International Organisation for Standardisation (ISO) quality audits in the months of June to August (ISO 20000 Service management upgrade 24th & 25th June and a 5-day ISO 20000 Certification renewal in August). Both audits were successful with some minor non-conformances raised and documented. There have been no notable changes in regulation over this period.

The monthly Quality and Regulatory meeting have been held and observations noted below:

- The new Quality and Regulatory Team are working on objectives in line with the annual plan and individual requirements. The 1st quarter objectives have been achieved and focus is on delivering the quarter 2 ones. Two of the objectives are to increase the visibility of Quality and Regulatory across the organisation and to strengthen compliance with a view to meeting the requirements of the Medical Device Regulations.

- A new portal has been designed and rolled out to support all the Quality and Regulatory needs of the organisation and increase visibility of the team.

- The roll out and on-boarding of the electronic Quality Management System (eQMS) known as the iPassport is continued with the focus on document module and developing particular key modules within the system and bringing the departments online on a needs basis. This is being considered as part of the work of the wider Documentation strategy for the whole organisation.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   There are upcoming audits planned; ISO 14001 Environmental Standard and ISO 9001 Quality Management System Standard and ISO 27001 Information Security Management. The Quality and Regulatory group is working to support the standard leads in delivery of these (dates to be confirmed).

2.2   Internal audits compliance has not been a strength across all the standards, impacted by the additional significant Covid-19 related activities in key areas. As a result of this and in-line with the new Quality and Regulatory structure we have recruited a specialist resource to come and

Quality and Regulatory Update Report   Page 2 of 5   Author: Konrad Kujawinski
Approver: Claire Osmundsen-Little
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support the organisation in developing, training and roll out of internal audit programme. This resource has now been recruited and offer in place with a view to establishing a start date by the beginning of October. Work has already started on defining a compliant schedule that will cover all aspects of all the standards we maintain and under recommendation from external audit by risk. Some internal audits have been undertaken across the organisation to maintain current schedule.

2.3   Evidence of the review of the legislation register is now under way with review at the IMS group and Quality and Regulatory Group meetings. The formal procedure and review of the content and structure of the register is now in place.

- Due to the change in organisation name from NWIS to DHCW there is an additional audit required to confirm the change. The dates / requirements are awaiting confirmation.

- All the outstanding audit actions are inputted into the Quality Improvements Action Log and their progress is tracked through the performance reporting that is reviewed in the Quality and Regulatory Group.

- The Quality and Regulatory Group met in the month had focus on audit outcomes and formulating of annual plans for the forthcoming year. Introduction to Medical devices and requirements of Regulations alongside the introduction of the Medical Devices Action Group (MDAG). There was also a review of the key quality metrics and performance.

2.4   Quality Improvement Action List (QIAL) figures have improved over the last 4 months from 204 open to 98 with 147 overdue items now reduced to 40. The new team are working with individuals to improve this further. Integrated Management Systems (IMS) document reviews noted a decrease in reviews from 96% to 84% (this was flagged at the Quality and regulatory group and efforts now mean it is back to 92%) and working with areas to ensure these documents are completed we are now working towards a target of 95% compliance.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

In summary:

3.1   The Quality and Regulatory Group KPIs will target a standard and directorate view of quality compliance, focus will be on integrating the plans as part of the directorate Annual Plans.

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Approver: Claire Osmundsen-Little
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Further development of metrics will be developed in line with organisational performance reporting.

3.2   The importance of good document management practices and the strengthening of the quality management systems is underway with the on-boarding of departments to iPassport. Moving forward this will be part of the annual plan process.

3.3   Improved Compliance and commitment to the internal and external audit programme with a view to becoming more aware of impact of regulatory requirements in the organisation.

4   RECOMMENDATION

The Audit and Assurance Committee as ask to:
Note the content of the report.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

CORPORATE RISK (ref if appropriate)	N/A

WELL-BEING OF FUTURE GENERATIONS ACT	A globally responsible Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	Choose an item.
If more than one standard applies, please list below: All standards are reflected	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT		Date of submission: N/A
No, (detail included below as to reasoning)		Outcome: N/A
Statement: N/A		

APPROVAL/SCRUTINY ROUTE:
Person/Committee/Group who have received or considered this paper prior to this meeting

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Approver: Claire Osmundsen-Little
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COMMITTEE OR GROUP	DATE	OUTCOME

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Ref section 2.2 Impact of internal audits
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Quality and Regulatory Update Report   Page 5 of 5   Author: Konrad Kujawinski
Approver: Claire Osmundsen-Little
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DIGITAL HEALTH AND CARE WALES
IT ASSET MANAGEMENT POLICY COVER REPORT

Agenda Item	4.8

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5th October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Michelle Sell, Chief Operating Officer
Prepared By	Julie Francis, Head of Commercial Services
Presented By	Julie Francis, Head of Commercial Services

Purpose of the Report	For Approval
Recommendation	

The Committee is being asked to:
APPROVE the IT Asset Management Policy

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

Acronyms				
ISO	International Standards Organisation	DHCW	Digital Health and Care Wales
IT	Information Technology		

1   SITUATION/BACKGROUND

1.1   The appropriate management of IT Assets are essential to:

- minimize the risk that investments made in technology (hardware, software, and training) will be lost due to failure, theft, destruction or other damage and related harm.
- to ensure that technology assets are properly allocated to end-users to optimize usage and workplace productivity
- used to simplify technical support and maintenance requirements
- to lower IT "cost of ownership" and maximize the return of investment.
- to ensure that software and hardware licensing are fully compliant, minimizing the risk of financial, legal, and regulatory problems.

1.2   This policy is essential to provide the guidance, consistency, accountability, efficiency, and clarity in terms of how DHCW operates in relation to the management of IT Assets. A policy has been in place for the management of IT Assets for a decade and this policy represents the third iteration to reflect the current strategic and operational direction of the organisation and to also meet the ISO accreditation standards.

1.3   It is the responsibility of all employees to comply with this policy.   Failure to do so will result in disciplinary procedures being pursued.

2   SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1   The Policy sets out the processes that must be in place to manage IT assets (software and hardware) owned, developed & supported by Digital Health & Care Wales. These include the following:
- Third Party Software Support and Maintenance
- Planning and procurement of IT Assets
- Documenting IT Assets
- Provisioning of IT Assets for the Use of DHCW Employees
- Lifecycle policies
- Retirement and Disposal
- Clarity on the roles and responsibilities around lifecycle management from identification of need to disposal
- Ownership and commissioning of the IT assets from a strategic to an operational level (both internally and externally)
- Relationships to standards, policies, and associated documentation

2.2   The scope of the policy applies to all IT assets whether developed internally or purchased from 3rd parties operated by or on behalf of Digital Health and Care Wales.

2.3   The Information Governance Register of Data Assets and the Finance Fixed Asset Register are out of scope of this policy.

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   The IT Asset Management Policy for recommendation is included at item 4.8i.

4   RECOMMENDATION

The Committee is asked to:
APPROVE the IT Asset Management Policy.

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	All Objectives apply

CORPORATE RISK (ref if appropriate)	Not applicable

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	ISO 20000
If more than one standard applies, please list below: ISO/IEC 19770 ISO/IEC 27001	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A	
No, (detail included below as to reasoning)		Outcome:N/A
Statement: No impact upon EQIA		

Workforce EQIA page

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APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

PERSON OR COMMITTEE OR GROUP	DATE	OUTCOME
Michelle Sell Chief Operating Officer	27th September 2021	Approved

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	This policy is a deliverable under the ISO Quality Standards and ensures the highest level of quality is maintained.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	As previously stated, appropriate application of this policy is essential in compliance with Procurement Regulations and other regulatory requirements
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	Appropriate application of this policy is essential to financial manage all IT assets, there could be financial implications should the policy not be followed accordingly
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

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DIGITAL HEALTH AND CARE WALES
IT ASSET MANAGEMENT POLICY

This document sets out the overarching Policy on IT Asset Management within Digital Health & Care Wales

Document Version	v1.0

Status	Approved

Document author:	Jonathan West
Approved by:	Julie Francis Claire Osmundsen-Little
Date approved:	23/08/2021
Review date:	23/08/2022

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

STRATEGIC OBJECTIVE	Driving value from data for better outcomes

WELL-BEING OF FUTURE GENERATIONS ACT	A more equal Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Dignified Care
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:
Choose an item.	Outcome: No Impact

Statement:

DHCW has undertaken an Equality Impact Assessment (EQIA) and received feedback on this policy/procedure and the way it operates. The organisation wanted to know of any possible or actual impact that this policy/procedure may have on any groups in respect of gender (including maternity and pregnancy as well as marriage or civil partnership issues) race, disability, sexual orientation, Welsh language, religion or belief, gender identity, age or other protected characteristics.

The assessment found that there was no impact to the equality groups mentioned and this policy will have a positive impact on all the 'protected characteristic' groups. Where appropriate, the organisation will make plans for the necessary actions required to minimize any stated impact to ensure that it meets its responsibilities under the equalities and human rights legislation.

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

COMMITTEE OR GROUP	DATE	OUTCOME
Operational Services Board	12/08/2021	Approved

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

POL-COM-002

TABLE OF CONTENTS

1 DOCUMENT HISTORY

1.1 REVISION HISTORY

Date	Version	Author	Revision Summary
04/09/2018	d0.1	Jonathan West	First Draft – merge the two previous ITAM Policies for hardware & software and update.
25/09/2018	d0.2	Jonathan West	Updated in-line with feedback from reviewers.
30/10/2018	d0.3	Jonathan West	Changed formatting and font and added definitions to section 4, Updated sections 5.5 & 5.6 & added sub-headings to section 6 for clarity.
17/01/2019	d0.4	Jonathan West	Updated after follow-up review with Infrastructure Design Lead and Head of Commercial Services.
01/02/2019	d0.5	Jonathan West	Minor amendments from review with Design Lead & Director of ICT.
21/02/2019	d0.6	Jonathan West	Minor amendment from EQIA assessment feedback, to section 5.9. inclusion of statement in support of access to work. EQIA Sign Off.
12/03/2019	d0.7	Jonathan West	Addition of GxP GAMP requirements to cover devices supporting clinical patient systems.
04/06/2019	d0.8	Jonathan West	No further amendments required to sections 6.1 & 6.2 following consultation with application support teams. Feedback from templates available on request.
28/07/2021	d0.9	Jonathan West	Updated to align with revised ISO20000 requirements for OSB review.
12/08/2021	v1.0	Jonathan West	Approved by OSB after minor amendment to wording in section 7.4.

1.2 REVIEWERS

This document requires the following reviews:

Date	Version	Name	Position
12/08/2021	v1.0	Julie Francis	Head of Commercial Services
12/08/2021	v1.0	Claire Osmundsen-Little	Director of Finance & Business Assurance

1.3 AUTHORISATION

Signing of this document indicates acceptance of its contents.

Author's Name:	Jonathan West

Role:	IT Assets Manager
Signature:	Recoverable Signature X _(signature)_ Signed by: Jon West (jo001513)
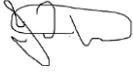
Approver's Name:	Julie Francis
Role:	Head of Commerical Services
Signature:	Recoverable Signature X Julie Francis Signed by: Julie Francis (JU000244)

Approver's Name:	Claire Osmundsen-Little
Role:	Director of Finance & Business Assurance (Executive Sponsor of IT Asset Management Group)
Signature:	Recoverable Signature X _(signature)_ Signed by: Amanda Murray (Am208426)

1.4   DOCUMENT LOCATION

Type	Location
Electronic	Quality Standards and Regulatory - Integrated Management System - All Documents (sharepoint.com)

2   PURPOSE

The purpose of this Policy is to define and clarify the processes that must be in place to manage IT assets (software and hardware) owned, developed & supported by Digital Health & Care Wales. It further sets out to clarify the roles and responsibilities around lifecycle management and ownership of these IT assets.

This Policy supersedes POL-NWIS-003-Technical Asset Management Policy-v3 and POL-NWIS-005-Software Asset Management Policy-v3.

Failure to comply with the requirements set out in this policy may be dealt with in accordance with the NHS Wales Disciplinary Policy.

3   SCOPE OF POLICY

This policy applies to all software whether internally developed or purchased and computer equipment (IT Assets) operated by, or on behalf of, the Digital Health & Care Wales.

The Information Governance Register of Data Assets and the Finance Fixed Asset Register are out of scope of this policy.

4   DEFINITIONS

TERM	DEFINITION
IT Asset	Item, thing, or entity that can be used to acquire, process, store and distribute digital information and has potential or actual value to an organisation. IT assets include: • Software; • Media (physical and digital). • IT equipment (physical and virtual). • Licences (including proof of licence). • Contracts. ITAM system management assets (including ITAM systems and tools, and the metadata needed to manage all IT assets).
IT Asset Management	Co-ordinated activity of an organisation to realize value from IT Assets.
IT Infrastructure	Combined set of IT Assets for developing, maintaining and using IT Services.

System/Service	A coherent grouping of IT facilities to form a single unit to deliver a particular function or functions. In the DHCW context, this is not limited to those services formally defined within the DHCW Service Catalogue, but also supporting services and functions, including shared infrastructure facilities.

5   ROLES AND RESPONSIBILITIES

5.1   ORGANISATION

The organisation is responsible for:
- Providing appropriate resources (including staffing) to fully implement this policy.
- Fully endorsing, supporting and implementing the controls outlined in this policy.

5.2   DIRECTORS OF DIGITAL HEALTH & CARE WALES

The Directors of the Digital Health & Care Wales are responsible for the implementation of this and other associated policies by:
- Ensuring all relevant staff are made aware of this policy and that they comply with it.
- Ensuring that appropriate priority is given to the implementation of controls to meet identified ISO27001 risks.
- Ensuring that relevant resources to meet the requirements of this policy are made available.

5.3   OPERATIONAL SERVICE BOARD (OSB) MEMBERS

OSB members are responsible for:
- Ensuring that service leads are made aware of this policy, and that they comply with its provisions.
- Ensuring IT Asset Owners have an up-to-date IT Asset Register in place that is reviewed on a regular basis and at the very least annually.
- Reviewing the risks, issues and exceptions logged by IT Asset Owners.
- Acting as a point of escalation for service leads within their area of responsibility.
- Monitoring compliance with the IT Asset Management Policy, on the basis of an annual report provided by the DHCW IT Asset Manager.
- Following up areas of non-compliance.

5.4   DHCW IT ASSET MANAGER

The DHCW IT Asset Manager is responsible for:
- Annual reporting on the status of IT Asset Registers to the Operational Service Board.
- Creating and maintaining a software asset register of all DHCW purchased software, which shall include maintenance and licence subscription renewals.
- Creating and maintaining a record of IT Asset Registers in use throughout the organisation.
- Liaising with, and advising, IT Asset Owners with maintenance of their IT Asset Registers.

- Creation of software compliance reports and communication to the relevant audience as required.
- Working with IT Asset Owners, the creation of relevant hardware lifecycle reports, and communication to the relevant audience as required.
- Advice & guidance on implementation and compliance with this Policy.
- Management of this Policy by way of review, update and communication to all stakeholders.

5.5   IT ASSET COMMISSIONERS

IT Asset Commissioners (i.e. Project leads, Service leads where there are Service specific IT assets etc) are those staff with management responsibility for the commissioning and funding of non-shared IT assets, i.e. those used for the delivery of a specific service or project, which are NOT shared with other DHCW systems or services. Normally, IT Asset Commissioners for non-shared IT assets will not be part of the ICT Directorate.

IT Asset Commissioners are responsible for:
- Clearly defining and identifying the hardware and software requirements of their particular project and/or Service(s).
- Ensuring asset ownership of all new IT assets is clearly defined and agreed by all parties (including, where appropriate, the Director of ICT).
- Ensuring that appropriate provision is made for funding to meet any future requirements for the commissioning of new or replacement IT assets.
- Obtaining clear agreement of what has to be done (and who has to pay) when end of life/ end of support is reached for an IT Asset.
- Obtaining expert knowledge from such functions as Infrastructure Design to assist with identification of new/replacement IT Assets, so that they comply with the relevant technical specification to meet the needs of the Service(s).

5.6   IT ASSET OWNERS

IT Asset Owners (those responsible for procuring, operating, supporting & decommissioning their own IT assets) are responsible for:
- Creation and ownership of an IT Asset Register for the IT assets for which they have responsibility (note that where a Service is delivered by a third party under contract, this particular responsibility may be delegated to the third party).
- Appropriate reporting (i.e., end-of-life) on the status of all IT assets (hardware & software) defined within their IT Asset Register in conjunction with the DHCW IT Asset Manager.
- Ensuring the DHCW IT Asset Manager is able to access the location of their IT Asset Register as required.

5.7   OWNERSHIP AND COMMISSIONING OF SHARED IT ASSETS

In most cases, DHCW systems and services are delivered using shared IT assets, as this provides optimum economic use of the available resources. These shared IT assets are funded, procured and managed centrally. In such cases, the IT Asset Commissioner and IT Asset Owner roles will normally be

fulfilled by the ICT Directorate.

Where this is not the case, the Project Board (for a project-led procurement) or relevant Service Management Board for the system in question (or OSB in the absence of such a role) will nominate an IT Asset Owner. On a case-by-case basis, this role may, with the approval of the Director of ICT, be located within the ICT Directorate.

5.8   DHCW CLIENT SERVICES

Client Services are responsible for:
- Assessing the software licence implications of new client devices and ensuring compliance either through licence harvesting or purchasing of new licences.
- Removal of software installed without prior authorisation (e.g., approval by line manager & Head of Client Services) via a Service Request.
- Management (e.g., installation, removal, updating, upgrading, testing, whitelisting) of client software used throughout the Digital Health & Care Wales estate.
- Management of specialist software & hardware required to enable members of staff to carry out their work.

5.9   SERVICE MANAGEMENT BOARDS (REPRESENTING END USER COMMUNITIES)

Service Management Boards are responsible for:
- Understanding and, where necessary, accepting the risks associated with vendor end-of-life (EoL) roadmaps.
- Allowing IT asset replacement to take place in a timely fashion, to ensure the Service(s) are not exposed to unnecessary Risk(s) (i.e., security vulnerabilities due to no patching for products out of extended support

6   DEFINITIONS

6.1   IT ASSET REGISTER

An IT Asset Register is a formal record which specifies the activities, resources and timescales associated with the lifecycle of an individual or collection of IT Assets. It will include, as a minimum:
- A record of the assets associated with the plan, with key service lifecycle dates (date of procurement, anticipated date of replacement/ retirement, end of supplier warranty, end of manufacturer support dates).
- Details of support and maintenance contracts for the relevant assets.
- Details of planned replacement schedules (hardware and software), together with any agreed funding arrangements for these.

Where a Service is delivered by a third party under contract, responsibility for generation of the IT Asset Register for the service may be delegated to the third party. In such circumstances, the Asset Register should be regularly reviewed as part of routine contract management.

The DHCW IT Asset Manager will maintain a list of all IT Asset Registers in use in the organisation.

7   GENERAL PRINCIPLES

7.1   THIRD PARTY SOFTWARE SUPPORT & MAINTENANCE

- All third-party software must have appropriate support and maintenance in place.
- New Services or upgrades to Services must not be deployed on to software that is end-of-life (i.e., SQL 2008).

7.2   PLANNING AND PROCUREMENT OF IT ASSETS

- All new equipment must be purchased in line with the Commercial Services procurement procedures.
- All IT Asset owners are responsible for ensuring software licence compliance.
- Renewal of support is the responsibility of the IT Asset owner.
- All IT Assets coming to end-of-life must be accounted for and relevant replacement works put in place by IT Asset Owners, as part of their IT Asset Management Plans.
- All internally developed and off-the-shelf software coming to or at end-of-life that is providing a Service (i.e., Trak Care, Welsh PAS), must be accounted for and relevant replacement works put in place by Application Service Leads, as part of their Service Lifecycle Statements.
- All projects/services that require any additional infrastructure must clearly identify these, provide the budget and have approval from all the relevant functions. This may include but not be limited to Service Management, Infrastructure Services and Design team, Infrastructure Services and Support team and the Operational Security and Design team.
- On-going revenue consequences will be clearly identified and approved by the relevant Digital Health & Care Wales Service Executive Director before acquisition.
- All National Services, which are to be provided by an external off the shelf software solution require an approved business case and must adhere to Digital Health & Care Wales Procurement standards and procedures.
- All IT Asset purchases must adhere to Commercial Services procurement procedures and in line with all relevant financial procedures.

7.3   DOCUMENTING IT ASSETS

- Details relating to all purchased IT assets must be logged within a suitable IT Asset Register. Where this applies to software licences, detailed must also be provided to the DHCW IT Asset Manager for recording in the DHCW Software Asset Register.
- All IT Assets that are part of a live service must be treated as Configuration Items (CI) and adhere to ITIL best practice following the DHCW Change and Configuration Management Policies.

7.4 PROVISION OF IT ASSETS FOR THE USE OF DHCW EMPLOYEES

- All employees of DHCW must raise a Request on ServicePoint for any installation or purchase of new/upgraded software on their device (e.g., laptop, PC).
- Client Services will install all software to end user devices (PCs, laptops).
- All software acquired by the DHCW will be used only for business purposes unless expressly provided for under other policies (e.g., Use of Internet and Email policies) or explicit consent is given by a Director.
- No personal software may be installed by a DHCW employee on any hardware owned by the organisation unless specific approval is given by their line manager, the relevant Head of Department and the relevant operations lead.
- No employee shall install or make a copy of any software unless this is expressly permitted by DHCW policies, the software licence and the law. Unauthorised installation or copying will be deemed a disciplinary offence and dealt with in accordance with the organisation's Disciplinary Policy and Procedure.
- All new members of staff will have their IT needs taken into account by the appointing department, which includes financial implications (i.e., cost of new laptop, Windows licensing).
- All new or replacement IT assets regardless of whether they have gone through a procurement must have an appropriate service request raised on the organisation's service management tool.
- Software licences available after processes such as harvesting will be checked by the DHCW IT Asset Manager or nominated representative, to ensure they are still supported by the vendor before being made available for redeployment.
- Software that is end-of-life (EoL) must not be re-deployed within the organisation without an appropriate Risk assessment carried out in partnership with the DHCW Cybersecurity Team and appropriate permission granted by the Director of ICT.

7.5 DHCW SERVICE LIFECYCLE POLICIES

- All software changes must adhere to ITIL best practice following the ISO20000 standard for Release Management.
- Digital Health & Care Wales will maintain a set of software development standards for all internal software development. These standards will be approved by the Application Architecture Assurance group.
- All internally developed software will adhere to DHCW software development standards.
- All software will be maintained at the appropriate patch level in accordance with the Digital Health & Care Wales Service's patch management policies/procedures.
- All software will be maintained at the appropriate version/release in accordance with any contract or release management policy/procedure.

7.6 RETIREMENT AND DISPOSAL

- Retirement and Disposal of IT assets must comply with the DHCW Asset Disposal Policy

- All software must be removed from IT hardware assets upon their retirement/disposal and the relevant IT Asset Register and other records updated in line with the DHCW Change and Configuration Management Policies.
- External bodies involved in disposal of IT assets must be appropriately certified and provide evidence of disposal.
- IT assets awaiting disposal must be appropriately labelled and securely stored away from new IT assets awaiting provisioning.

8 RELATED STANDARDS, POLICIES AND ASSOCIATED DOCUMENTATION

The following standards, policies, plans, and associated documentation support or are supported by this overarching policy:
- ISO/IEC 19770
- ISO/IEC 27001
- ISO/IEC 20000
- Digital Health & Care Wales Policy for Patching of Computer Equipment (POL-NWIS-013)
- NHS Wales Disciplinary Policy
- SOP-COM-001 Commercial Services Management and Processes
- SOP-QS-010 IT Hardware Removal, Redeployment & Disposal
- GDN-ADS-001 Software development handbook (draft)
- GDN-ADS-002 Managing software subscriptions

9 DOCUMENT MANAGEMENT

System/Service IT Asset Registers will be stored in accordance with the DHCW Integrated Management System.

DIGITAL HEALTH AND CARE WALES
THE PROTOCOL FOR THE PURCHASE OF "FREE" GOODS AND SERVICES (SOP-COM-008)

Agenda Item	4.9

Name of Meeting	Audit and Assurance Committee
Date of Meeting	5th October 2021

Public or Private	Public
IF PRIVATE: please indicate reason	N/A

Executive Sponsor	Michelle Sell, Chief Operating Officer
Prepared By	Julie Francis, Head of Commercial Services
Presented By	Julie Francis, Head of Commercial Services

Purpose of the Report	For Approval
Recommendation	

The Committee is being asked to:
APPROVE the Protocol for the Purchase of Goods and Services Standard Operating Procedure.

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

Acronyms			
PCR2015	Public Contracts Regulations 2015	SOP	Standing Operating Procedure
ISO	International Standards Organisation		

1 SITUATION/BACKGROUND

1.1 The organisation's Commercial Services team has developed a suite of Standard Operating Procedures (SOPS) to:

- Ensure that procedures and processes are understood and complied with by the Commercial Services team and the organisation's stakeholders/employees who are involved with the purchase of goods and services.
- Meet the requirements of the Standing Financial Instructions and Standing Orders and Procurement Regulations PCR2015.
- Comply with ISO accreditation requirements.

1.2 The Protocol for the purchase of "free" goods and services forms a component of the organisational SOPS developed and maintained by Commercial Services.

2 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 This SOP describes the business conduct and supplier engagement within the organisation in respect of the receipt of "free" of charge goods and services. The same degree of scrutiny and good governance needs to be observed just as it would for all procurement activity.

2.2 Where free goods or services are being offered then:

- a strong rationale setting out the benefits to the organisation and NHS Wales should be provided
- the process by which the supplier has been selected
- a clear and well-defined scope of the goods/services being provided during the term of the agreement
- Development of appropriate terms and conditions of contract setting out the commercial principles under which the agreement will operate
- agreement between the Parties that in providing free goods and services that: (a) it cannot lead to any future paid work without ensuring compliance with SO/SFIs and procurement regulations and processes. (b) any future selection that might appear to favour such a supplier would be open to scrutiny

2.3   Recording, allocation of work and governance

- A central register is maintained by the Commercial Services Team.
- For each "free" offer a Commercial Services Lead will be allocated who will work with the Requirements Lead to develop the key documentation which will be signed off before being issued by Commercial Services to the supplier.
- The supplier will submit a formal response.
- Standard governance procedures will be followed in respect of approval, monitoring the agreement and reporting

3   KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1   The Protocol for Free Goods and Services Standard Operation Procedure is included at item 4.9i.

4   RECOMMENDATION

The Committee is being asked to:
APPROVE the Protocol for the Purchase of Goods and Services Standard Operating Procedure

5   IMPACT ASSESSMENT

STRATEGIC OBJECTIVE	All Objectives apply

CORPORATE RISK (ref if appropriate)	

WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below: All Standards Apply	

HEALTH CARE STANDARD	Governance, leadership and acccountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: N/A
No, (detail included below as to reasoning)	Outcome: N/A

Protocol for Free Goods and Services Cover Report   Page 3 of 4   Author: Julie Francis
Approver: Michelle Sell
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Statement: This SOP does not impact the Equality agenda

Workforce EQIA page

APPROVAL/SCRUTINY ROUTE:

Person/Committee/Group who have received or considered this paper prior to this meeting

PERSON/COMMITTEE OR GROUP	DATE	OUTCOME
Michelle Sell Chief Operating Officer	26th September 2021	Approved

IMPACT ASSESSMENT

QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	This Policy is inextricably linked to all Quality Standards under which we operate.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	As previously highlighted, all goods and services are subject to PCR2015
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

Protocol for Free Goods and Services Cover Report   Page 4 of 4   Author: Julie Francis
Approver: Michelle Sell
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COMMERCIAL SERVICES
PROTOCOL FOR THE PURCHASE OF FREE GOODS AND SERVICES

This procedure describes the processes to follow in the purchase of "free" goods and services

Document Version	V2

Status	Approved

Document author:	Matthew Perrott
Approved by	Michelle Sell
Date approved:	18/06/2021
Review date:	18/06/2022

TŶ GLAN-YR-AFON 21 Heol Ddwyreiniol Y Bont-Faen, Caerdydd CF11 9AD

TŶ GLAN-YR-AFON 21 Cowbridge Road East, Cardiff CF11 9AD

STRATEGIC OBJECTIVE	Delivering High Quality Digital Services

WELL-BEING OF FUTURE GENERATIONS ACT	Choose an item.
If more than one standard applies, please list below: Not applicable	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	N/A
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission:
Choose an item.	Outcome:
Statement: Not required	

APPROVAL/SCRUTINY ROUTE: Person/Committee/Group who have received or considered this

COMMITTEE OR GROUP	DATE	OUTCOME
Audit & Assurance Committee	6th July 2021	

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	No, there are no specific quality and safety implications related to the activity outlined in this report.
LEGAL IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implication related to the activity outlined in this report
WORKFORCE IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

1   DOCUMENT HISTORY

1.1   REVISION HISTORY

Date	Version	Author	Revision Summary
14/04/2020	d0.1	J Francis	First draft
15/04/2020	d0.2	M Sell	Comments on first draft
16/04/2020	d0.3	J Francis	Updates to draft following comments from M Sell
06/05/2020	1.0	J Francis	Final version
18/06/2021	d1.1	A Roblin	Annual review - new DHCW template and minor refinements

1.2   REVIEWERS

This document requires the following reviews:

Date	Version	Name	Position
14/04/2020	D0.1	M Sell J Ash	Chief Operating Officer Head of Corporate Services
18/06/2021	V2	M Sell	Chief Operating Officer

1.3   AUTHORISATION

Signing of this document indicates acceptance of its contents.

Author's Name:	M Perrott
Role:	Deputy Head of Commercial Services
Signature:	Recoverable Signature X _M.T. Perrott_ Author Signed by: Matthew Perrott (Ma009185)

Approver's Name:	M Sell
Role:	Chief Operating Officer
Signature:	Recoverable Signature X Michelle Sell Approver Signed by: Michelle Sell (Ml000317)

1.4   DOCUMENT LOCATION

Type	Location
Electronic	https://informatics.wales.nhs.uk/FinBus/Management System/Forms/AllItems.aspx

2   PURPOSE

The scope and level of investment of the Digital Health and Care Wales (DHCW) will attract the interest of a range of suppliers who will be keen to understand the opportunities available to them and hence to engage with those working at all levels within or on behalf of the organisation. This interest may extend to offers of products, services or support 'free of charge' to the organisation. Whilst this is not unreasonable and in many respects may be beneficial to the organisation and to the wider NHS in Wales, it may also increase the risk of criticism and potential challenge from suppliers and does raise a number of issues relating to probity and transparency, which if not managed in a correct manner, could expose both the individual and the organisation to unnecessary risk/s.

This SOP is considered appropriate guidance on business conduct and supplier engagement within the organisation in respect of the receipt of "free" of charge goods and services.

Anyone working within or on behalf of the organisation is required to adhere to this procedure and in the event that further advice is required this will be provided by the DHCW Commercial Services team.

2.1   CONTEXT

It is a long-established principle that public sector employees must be impartial and honest in the conduct of their business and that they should remain beyond suspicion.

In the case of DHCW anyone working within or on behalf of the organisation shall always seek to uphold and enhance the standing of the organisation and will always act in a manner that ensures:

   a.   the maintenance of the highest possible standard of integrity in all business and supplier relationships;

   b.   the rejection of any business practice or supplier contact which might reasonably be deemed improper and that their authority is never used for personal gain;

   c.   conformance to the highest standards of ethical behaviour;

   d.   compliance both with the letter and the spirit of:

   ▪   the laws and regulations (including PCR2015) of the country;
   ▪   the Standing Orders of the Organisation;
   ▪   Any specific contractual obligations;

Individuals should never allow themselves to deflect from these principles.

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- **Note: Under the prevention of Bribery Act 2010 it is an offence for an employee to accept any gifts or consideration as an inducement for reward for doing or refraining from doing, anything in their official capacity, or**
- **showing favour or disfavour to any person in their official capacity.**

Bribery is a criminal offence and carries with it criminal penalties. This can be up to ten years imprisonment and an unlimited fine for any individual and an unlimited fine for the company.

All DHCW staff must act in accordance with the principles and guidance within this Standard Operating Procedure.

3   GENERAL GUIDANCE

The offer of free goods and services could be made by suppliers at any time and may be highly beneficial to the organisation and NHS Wales to:

- test out particular concepts or educational/research opportunities
- help support resources to deliver key aspects of its business plan
- support the organisation during exceptional circumstances such as during a pandemic or other "force majeure" event.

In such circumstances it is essential that:

- a robust argument is made for the rationale of utilising a supplier including the benefits to the organisation and NHS Wales
- the process by which the supplier has been selected
- a clear and well-defined scope of the goods/services being provided during the term of the agreement
- agreement between the Parties that in providing free goods and services that:
  - (a) it cannot lead to any future paid work without ensuring compliance with SO/SFIs and procurement regulations and processes.
  - (b) any future selection that might appear to favour such a supplier would be open to scrutiny.

3.1   COMPETITION AND FAIRNESS

One of the basic principles of public sector procurement is transparency, fairness and openness. Discussions with suppliers therefore in an isolated manner and appearing to favour a particular supplier with no process or clear criteria for selection could give rise to claims from other suppliers of favouritism and unfair advantage.

Utilising suppliers for free goods and services must be subject to the same degree of scrutiny and good governance as a procurement that results in public expenditure being made. There may also be risks in taking this approach if it is not underpinned by an appropriate form of Agreement, that clearly articulates the goods or services to be provided, the respective roles and expectations of the two parties including respective liabilities and indemnities and the specific duration of the relationship.

In such instance's individuals should do the following:

- Issue requirement to the Central point of Contact - the Strategic Contracts Support Manager within the Commercial Services team via email correspondence.

This correspondence should include the following information:

- Objectives of the requirement and rationale for utilising the specific supplier and the business benefits that this will bring to the organisation
- Details of the scope of supply/service i.e. there needs to be a boundary around the agreement and a clear undertaking that the delivery of such goods and services will not result in any future commitment
- Supplier Contact details
- Timescales for completion of the work
- Any declaration of interest

N.B. Sufficient and reasonable notice is required to address any potential implications appropriately and to ensure the establishment of a formal agreement and associated plan for the delivery of the goods/services

4   RECORDING AND ALLOCATION OF WORK

4.1   MAINTENANCE OF CENTRAL REGISTER

A central register of "free activities" will be maintained in relation to the procurement of "free goods"

This is required to ensure the following:

- That there is visibility of all "free" requirements coming into the organisation
- That the Commercial Services team is able to manage its workload and that where appropriate work is prioritised accordingly
- Work is allocated to the most appropriate person within the Commercial Services team to deliver in terms of expertise and experience
- For audit and reporting purposes
- DHCW acts in a coherent and effective manner in its dealings with commercial suppliers

The register will include the following fields:

- Date
- DHCW Requirements Lead
- DHCW Commercial Services Lead
- Supplier Name
- Details of the scope of supply/service i.e. there needs to be a boundary around the agreement and a clear undertaking that the delivery of such goods and services will not result in any future
- Rationale for utilising a supplier and benefits to the organisation.

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- Term of the Agreement
- Terms and Conditions under which goods or services will be delivered

4.2   ALLOCATION OF WORK AND KEY DOCUMENTATION REQUIRED

Following allocation of work to a Commercial Services Lead contact will be made between the latter and the DHCW Requirements Lead to "scope out" the work required. The minimum document set needs to be developed as follows:

- Scope/Specification including appropriate deliverables to be produced and key performance indicators under which service will be required to operate
- Timescales and associated plan for delivery
- Roles and Responsibilities of the Parties
- Exit provisions
- Set of standard terms and conditions appropriate to what is being procured (i.e. the set of terms and conditions has been developed by DHCW) setting out the key commercial principles under which the agreement will operate
  - o   Term
  - o   Scope and scale of the requirement
  - o   Indemnity
  - o   Warranties
  - o   Liabilities
  - o   Intellectual Property Rights (IPR)
  - o   Information Governance
  - o   Security
  - o   Termination

There will be a number of stages involved in this process to ensure that the Parties are clear about objectives, requirements and appropriate governance arrangements.

A formal sign off process will be required to be undertaken by the Requirements lead stating that they have confirmed that the requirements documentation has been reviewed, authorised and is ready to issue to the supplier.

The final document set will be formally issued to the supplier who is required to submit a formal response to the Commercial Services Lead.

5   GOVERNANCE

As with any commercial activity within DHCW it is essential that good governance, transparency and effectiveness of procedures are maintained.

Under this procedure the following governance is required:

1. Maintenance and updating of the central register of "free" goods and services

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2. Drafting of key documentation – these are to be version controlled and signed off formally. Each document produced requires a versioning and sign off section at the beginning of the documentation

3. The terms of the agreement including if appropriate any variance to the standard terms need to be signed off by the Director of DHCW or in their absence the Chief Operating Officer.

4. The Agreement will need to be monitored to ensure that the supplier has delivered against the agreement

5. A reporting mechanism will be established setting out the free agreements being negotiated for the organisation and issued to the Audit & Assurance Committee, DHCW.