

# Y Pwyllgor Archwilio a Sicrwydd

Tue 13 February 2024, 09:30 - 12:30

## Agenda

09:30 - 09:35  
5 min

### 1. MATERION RHAGARWEINIOL

#### 1.1 Croeso a chyflwyniadau

I'w Nodi Cadeirydd

#### 1.2 Ymddiheuriadau am Absenoldeb

I'w Nodi Cadeirydd

#### 1.3 Datganiadau o Fuddiannau

I'w Nodi Cadeirydd

09:35 - 09:45  
10 min

### 2. AGENDA GYDSYNIO

#### 2.1 Cofnodion heb eu cadarnhau o gyfarfodydd blaenorol

##### 2.1i Cyhoeddus 17 Hydref 2023

I'w Gymeradwyo Cadeirydd

📄 2.1i DHCW Meeting-en-cy-C.pdf (20 pages)

##### 2.1ii Preifat a thalfyredig 17 Hydref 2023

I'w Gymeradwyo Cadeirydd

📄 2.1ii DHCW Meetin2-en-cy-C PA.pdf (5 pages)

#### 2.2 Adroddiad Sicrwydd Pwyllgor Partneriaeth Cydwasanaethau GIG Cymru

I'w Nodi Cyfarwyddwr Gweithredol Cyllid

📄 2.2 SSPC Assurance Report 23 November 2023.pdf (6 pages)

#### 2.3 Blaengynllun Gwaith

I'w Nodi Ysgrifennydd y Bwrdd

📄 2.3 Forward Workplan.pdf (5 pages)

#### 2.4 Diweddariad ar yr Ymchwiliad i COVID-19

I'w Nodi Pennaeth Gwasanaethau Corfforaethol

📄 2.4 Covid-19 Inquiry Update.pdf (6 pages)

#### 2.5 Adroddiad Blynyddol y Pwyllgor Archwilio a Sicrwydd

I'w Gymeradwyo Ysgrifennydd y Bwrdd

📄 2.5 A&A Annual Report.pdf (8 pages)

## 2.6 Hunan-asesiad o Effeithiolrwydd y Pwyllgor Archwilio a Sicrwydd

*Er Sicrwydd*

*Ysgrifennydd y Bwrdd*

 2.6 Effectiveness Self Assessment Survey.pdf (8 pages)

## 2.7 Cylch Gorchwyl y Pwyllgor Archwilio a Sicrwydd

*I'w Gymeradwyo*


*Ysgrifennydd y Bwrdd*

 2.7 Terms of Reference.pdf (4 pages)

## 2.8 Cylch Busnes y Pwyllgor Archwilio a Sicrwydd

*I'w Gymeradwyo*

*Ysgrifennydd y Bwrdd*

 2.8 Committee Cycle of Business.pdf (4 pages)

## 2.9 Adroddiad Cylchlythyr Iechyd Cymru

*I'w Nodi*

*Pennaeth Llywodraethu Corfforaethol*

 2.9 WHC Report.pdf (4 pages)

## 2.10 Diweddariad am Golledion a Thaliadau Arbennig – Ar Lafar


*I'w Nodi*

*Cyfarwyddwr Cyswllt Cyllid*

## 2.11 Cofrestr Sicrwydd Deddfwriaethol

*Er Sicrwydd*

*Pennaeth Llywodraethu Corfforaethol*

 2.11 Standards of Behaviour Report Feb 2024.pdf (5 pages)

## 2.12 Codi Pryderon

*Er Sicrwydd*

*Pennaeth Llywodraethu Corfforaethol*

 2.12 Raising Concerns Report A&A Public Feb 24.pdf (6 pages)

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09:45 - 09:50

## 3. BUSNES Y CYFARFOD

5 min

### 3.1 Cofnod Gweithredu

*I'w Nodi*

*Cadeirydd*

 3.1 Action log1.pdf (1 pages)

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09:50 - 11:00

## 4. ARCHWILIO AC ATAL TWYLL

70 min

### 4.1 Adroddiad Cynnydd yr Archwiliad Mewnol

*I'w Nodi*

*Archwilio Mewnol PCGC*

 4.1 Progress Report Audit Committee Report Cover Sheet February 2024 v2.pdf (4 pages)

### 4.2 Adroddiad ar Adolygiad Archwilio Mewnol

*Er Sicrwydd*

*Archwilio Mewnol PCGC*


- Gwireddu Buddion

 4.2 Audit Committee Audit Reports Cover Sheet February 2024 v2.pdf (4 pages)

### 4.3 Diweddariad Archwilio Cymru i'r Pwyllgor

*Er Sicrwydd*


*Archwilio Cymru*


 4.3 Audit and Assurance Committee Update - February 2024.pdf (12 pages)

### 4.4 Archwilio Cymru - Adroddiad Asesiad Strwythuredig 2023 IGDC

*Er Sicrwydd*

*Archwilio Cymru*

 4.4 DHCW 2023 Structured Assessment Report.pdf (38 pages)

 4.4i 2023 Structured Assessment - Organisational Response.pdf (4 pages)

### 4.5 Archwilio Cymru – Adolygiad o Drefniadau Cynllunio'r Gweithlu

*Er Sicrwydd*

*Archwilio Cymru*

 4.5 DHCW\_Workforce\_Planning\_Eng.pdf (30 pages)

### 4.6 Archwilio Cymru – Adroddiad Archwilio Blynyddol IGDC 2023

*Er Sicrwydd*

*Archwilio Cymru*

 4.6 DHCW Annual Audit Report 2023 - FINAL.pdf (26 pages)

### 4.7 Cofnodion Gweithredu Archwilio

*I'w Nodi*

*Pennaeth Llywodraethu Corfforaethol*

 4.7 Audit Action Log - Public Jan 2024.pdf (6 pages)

### 4.8 Adroddiad Diweddar Atal Twyll Lleol

*I'w Nodi*

*Gwasanaethau Atal Twyll Caerdydd a'r Fro*

 4.8 Counter Fraud Progress cover.pdf (4 pages)

**Egwyl – 15 munud 10:45 – 11:00**

11:00 - 12:30

90 min

## 5. ADRODDIADAU LLYWODRAETHU

### 5.1 Adroddiad ar Gydyffurfiaeth Ansawdd a Rheoleiddio a Seibergadernid

*I'w Nodi*

*Pennaeth Ansawdd a Rheoleiddio*

 5.1 Quality and Regulatory Compliance Report.pdf (8 pages)

#### 5.1i Cynllun Ansawdd Blynyddol 2024-25

*I'w Nodi*

*Pennaeth Ansawdd a Rheoleiddio*

 5.1i Annual Quality Plan 2024-25.pdf (5 pages)

### 5.2 Adroddiad Datgarboneiddio, Ystadau a Chydymffurfiaeth

*I'w Nodi*

*Pennaeth Gwasanaethau Corfforaethol*

 5.2 Estates, Decarbonisation and Compliance Update.pdf (8 pages)

### 5.3 Adroddiad Rheoli Risg Corfforaethol

*I'w Drafid*

*Ysgrifennydd y Bwrdd*

 5.3 Corporate Risk Register.pdf (7 pages)

5.4 Archwiliad Dwfn i Uwchgyfeiriadau Fframwaith Sicrwydd y Bwrdd (Cenhadaeth Strategol 5)

I'w Draford Cyfarwyddwr Pobl a Datblygu Sefydliadol

- Y Gweithlu

5.4 BAF Deep Dive Report 30 Jan 2024- Workforce.pdf (8 pages)

5.5 Adroddiad yr Iaith Gymraeg

Er Sicrwydd Pennaeth Llywodraethu Corfforaethol

- Diweddariad ar Recriwtio gan Adran Pobl a Datblygu Sefydliadol

5.5 Welsh Language Report - Feb 2024.pdf (6 pages)

5.6 Adroddiad Cydymffurfiaeth Caffael a Chynllun Dirprwyo

I'w Nodi Pennaeth Gwasanaethau Masnachol

5.6 Procurement Compliance Report February 2024\_.pdf (5 pages)

5.6i App A Single Tender Quotation and Change Notice Activity Sept-Dec 23 \_.pdf (3 pages)

5.7 Diweddariad Cyllid

5.7i Adroddiad Archeb Prynu Gwerth Uchel a Chronnus

I'w Nodi Cyfarwyddwr Cyswllt Cyllid

5.7i High Value Purchase Orders February 2024 F-01.pdf (8 pages)

5.7ii Dyraniadau Ariannu / Tybiaethau Cynllunio

I'w Nodi Cyfarwyddwr Cyswllt Cyllid

5.7ii Audit Committee Report - Annual Accounts Plan 23-24 Final F-01.pdf (8 pages)

5.7iii Cynaliadwyedd Ariannol/Cyflwyno'r Cyfrifon Blynnyddol

I'w Nodi Cyfarwyddwr Cyswllt Cyllid

5.7iii Audit Committee - Financial Plan Update Final F-01.pdf (8 pages)

12:30 - 12:30  
0 min

6. MATERION I GLOI

6.1 Adroddiad Crynhoi Cynnydd y Pwyllgor i'r Bwrdd

I'w Draford Cadeirydd

6.2 Unrhyw Faterion Brys eraill

I'w Draford Cadeirydd


Dyddiad y cyfarfod nesaf: 16 Ebrill 2024


I'w Nodi Cadeirydd



**Pwyllgor Archwilio a Sicrwydd – CYHOEDDUS**

COFNODION, PENDERFYNIADAU A CHAMAU GWEITHREDU I'W CYMRYD

 09:30 – 12:20

 17/10/2023

 MS Teams

Cadeirydd	Marian Wyn Jones
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Yn Bresennol (Aelodau)		Teitl	Sefydliad
Marian Wyn Jones (Cadeirydd)	MW-J	Aelod Annibynnol, Cadeirydd	Iechyd a Gofal Digidol Cymru (DHCW)
Alistair Klaas Neill	AKN	Aelod Annibynnol, Is-gadeirydd y Pwyllgor Archwilio a Sicrwydd	Iechyd a Gofal Digidol Cymru (DHCW)
Ruth Glazzard	RG	Aelod Annibynnol, Is-gadeirydd y Bwrdd	Iechyd a Gofal Digidol Cymru (DHCW)
Marilyn Bryan Jones	MB-J	Aelod Annibynnol	Iechyd a Gofal Digidol Cymru (DHCW)
Yn bresennol			
Julie Ash	JA	Pennaeth Gwasanaethau Corfforaethol	Iechyd a Gofal Digidol Cymru (DHCW)
Henry Bales	HB	Dirprwy Reolwr Atal Twyll	Atal Twyll Lleol Caerdydd a'r Fro
Stephen Chaney	StC	Dirprwy Bennaeth Archwilio Mewnol	Archwilio Mewnol Partneriaeth Cydwasanaethau GIG Cymru
Nathan Couch	NC	Arweinydd Archwilio Perfformiad	Archwilio Cymru
Mark Cox	MC	Cyfarwyddwr Cyswilt Cyllid	Iechyd a Gofal Digidol Cymru (DHCW)

Chris Darling	CD	Ysgrifennydd y Bwrdd	Iechyd a Gofal Digidol Cymru (DHCW)
Martin Dickinson (ar gyfer eitem 4.3)	MD	Pennaeth Gwasanaethau Gofal Sylfaenol	Iechyd a Gofal Digidol Cymru (DHCW)
Joanne Dundon (ar gyfer eitem 5.2)	JD	Arweinydd Gwybodeg Glinigol Cenedlaethol	Iechyd a Gofal Digidol Cymru (DHCW)
Ifan Evans	IE	Cyfarwyddwr Gweithredol Strategaeth	Iechyd a Gofal Digidol Cymru
Paul Evans	PE	Pennaeth Ansawdd a Rheoleiddio	Iechyd a Gofal Digidol Cymru
Julie Francis	JF	Pennaeth Gwasanaethau Masnachol	Iechyd a Gofal Digidol Cymru
Sam Hall (ar gyfer eitem 4.3)	SH	Cyfarwyddwr Gwasanaethau Digidol Gofal Sylfaenol, Cymunedol ac Iechyd Meddwl	Iechyd a Gofal Digidol Cymru
Carwyn Lloyd-Jones	CL-J	Cyfarwyddwr TGCh	Iechyd a Gofal Digidol Cymru
Shikala Mansfield	SM	Pennaeth Pobl a Datblygu Sefydliadol	Iechyd a Gofal Digidol Cymru
Claire Osmundsen-Little	CO-L	Cyfarwyddwr Gweithredol Cyllid	Iechyd a Gofal Digidol Cymru
Nadine Payne (ar gyfer eitem 5.2)	NP	Pennaeth Ymgysylltu a Phartneriaethau Strategol	Iechyd a Gofal Digidol Cymru
Julie Robinson	JR	Cydlynnydd Llywodraethu Corfforaethol (Ysgrifenyddiaeth)	Iechyd a Gofal Digidol Cymru
Michelle Sell	MS	Cyfarwyddwr Cynllunio a Pherfformiad a Phrif Swyddog Masnachol	Iechyd a Gofal Digidol Cymru
Helen Thomas	HT	Prif Swyddog Gweithredol	Iechyd a Gofal Digidol Cymru
Laura Tolley	LT	Pennaeth Llywodraethu Corfforaethol	Iechyd a Gofal Digidol Cymru
Sabel Wiliam	SaW	Archwilio Cymru	Archwilio Cymru
Sian Williams	SiW	Pennaeth Gwasanaethau Ariannol ac Adrodd	Iechyd a Gofal Digidol Cymru
Ymddiheuriadau			

Gareth Lavington	GL	Arbenigwr Atal Twyll Lleol Arweiniol	Atal Twyll Lleol Caerdydd a'r Fro

Acronymau			
Iechyd a Gofal Digidol Cymru	Iechyd a Gofal Digidol Cymru	AS	Archwilio a Sicrwydd
AIA	Awdurdod Iechyd Arbennig	BAF	Fframwaith Sicrwydd y Bwrdd
H&SC	Pwyllgor Iechyd a Gofal Cymdeithasol	PAPAC	Y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus
Syste m Wybod aeth Gofal Cymun edol Cymru (WCCI S)	System Wybodaeth Gofal Cymunedol Cymru	DPIF	Cronfa Fuddsoddi Blaenoriaethau Digidol
LINC	Rhwydwaith Gwybodaeth Labordai Cymru	GMS	Gwasanaethau Meddygol Cyffredinol
DCW	Cymunedau Digidol Cymru		

Rhif yr Eitem	Eitem	Canlyniad	Cam Gweithredu
1	MATERION RHAGARWEINIOL		
1.1	<p>Croeso a Chyflwyniadau</p> <p>Croesawodd y Cadeirydd, Marian Wyn Jones, bawb i'r Pwyllgor Archwilio a Sicrwydd.</p> <p>Rhodddwyd croeso arbennig i'r rhai a oedd yn bresennol ar gyfer eitemau penodol ar yr agenda a Helen Thomas, Prif Swyddog Gweithredol, a oedd yn bresennol i arsylwi'r cyfarfod.</p> <p>Cynhaliwyd y cyfarfod trwy Microsoft Teams ac atgoffwyd y rhai a oedd yn bresennol bod y cyfarfod yn cael ei recordio ac y byddai'n cael ei bostio ar wefan Iechyd a Gofal Digidol Cymru yn dilyn y cyfarfod.</p>	Nodwyd	Dim i'w nodi

1.2	Ymddiheuriadau absenoldeb Nodwyd yr ymddiheuriadau canlynol:- <ul style="list-style-type: none"> <li>Gareth Lavington, Arbenigwr Atal Twyll Lleol Arweiniol</li> </ul>	Nodwyd	Dim i'w nodi
1.3	Datganiadau o Fuddiannau Nid oedd unrhyw Ddatganiadau o Ddiddordeb.	Nodwyd	Dim i'w nodi
2	AGENDA CYDSYNIO - I'W CHYMERADWYO		
2.1	Cofnodion heb eu cadarnhau o gyfarfodydd 03 Gorffennaf 2023 – Cyfarfod Cyhoeddus a Phreifat Cryno a Chyfarfod Cyhoeddus 18 Gorffennaf 2023. Penderfynodd y Pwyllgor: GYMERADWYO'R cofnodion fel cofnod cywir o'r drafodaeth a fyddai ar gael i'r cyhoedd.	Cymeradwyd	Dim i'w nodi
2.2	Adroddiad Sicrwydd Pwyllgor Partneriaeth Cydwasaethau GIG Cymru Penderfynodd y Pwyllgor: NODI Adroddiad Sicrwydd Pwyllgor Partneriaeth Cydwasaethau GIG Cymru	Nodwyd	Dim i'w nodi
2.3	Blaengynllun Gwaith Penderfynodd y Pwyllgor: NODI cynnwys Blaengynllun Gwaith y Pwyllgor.	Nodwyd	Dim i'w nodi
2.4	Polisiâu Penderfynodd y Pwyllgor: GYMERADWYO'R chwe pholisi: <ul style="list-style-type: none"> <li>TBCPOL-WFOD-025 Gweithdrefn a Chanllawiau Polisi Seibiant i Astudio</li> <li>POL-CG-010 Offer Sgrin Arddangos</li> <li>POL-CG-013 Rheoli Sylweddau Peryglus i Iechyd</li> <li>POL-CG-014 Codi a Chario Diogel</li> <li>POL-CG-008 Adrodd ac Ymchwilio i Ddigwyddiadau</li> <li>POL-CG-019 Polisi Rheoli Gwastraff</li> </ul>	Cymeradwyd	Dim i'w nodi
2.5	Diweddariad ar yr Ymchwiliad i COVID-19 Penderfynodd y Pwyllgor: NODI'R Adroddiad Diweddaru ar yr Ymchwiliad i COVID-19	Nodwyd	Dim i'w nodi
2.6	Ffurflen Datgarboneiddio Penderfynodd y Pwyllgor: NODI ar gyfer SICRWYDD y Ffurflen Datgarboneiddio; gan gynnwys y Ffurflen Allyriadau Blyneddol 2022-2023 a'r Ffurflen Adrodd ar Ddatgarboneiddio (DCR) chwarter	Ar gyfer Sicrwydd	Dim i'w nodi

	1 2023-24		
2.7	<p>Adolygiad y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus a Phwyllgorau Iechyd a Gofal Cymdeithasol y Senedd o Iechyd a Gofal Digidol Cymru – Ymateb i Argymhellion</p> <p>Penderfynodd y Pwyllgor:</p> <p>DDERBYN Ymateb DHCW i Adroddiad y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus ac Adroddiad y Pwyllgor Iechyd a Gofal Cymdeithasol er SICRWYDD.</p>	Ar gyfer Sicrwydd	Dim i'w nodi
2.8	<p>Cynllun Tymor Canolig Integredig</p> <p>Nododd y Cadeirydd newid bach a wnaed i amserlenni yn y papurau o 2023 i 2024, a gwnaeth sylwadau ar yr ansicrwydd ynghylch yr amserlen ar gyfer cyflwyno CTCI 2024/25 – 2026/27 DHCW.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Cynllun Tymor Canolig Integredig</p>	Nodwyd	Dim i'w nodi
2.9	<p>Cofrestr y Fframwaith Sicrwydd Deddfwriaethol</p> <p>Penderfynodd y Pwyllgor:</p> <p>DDERBYN y Gofrestr Fframwaith Sicrwydd Deddfwriaethol ar gyfer SICRWYDD.</p>	Ar gyfer Sicrwydd	Dim i'w nodi
2.10	<p>Cyfleoedd Asesu Strwythuredig ar gyfer Dysgu</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Cyfleoedd Asesu Strwythuredig ar gyfer Dysgu</p>	Nodwyd	Dim i'w nodi
2.11	<p>Colledion a Thaliadau Arbennig</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI nad oedd unrhyw Golledion a Thaliadau Arbennig.</p>	Nodwyd	Dim i'w nodi
2.12	<p>Adroddiad Safonau Ymddygiad</p> <p>Dywedodd y Cadeirydd ei bod yn braf nodi bod dros 90% o ddatganiadau wedi'u casglu ar gyfer staff band 8a+.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Adroddiad Safonau Ymddygiad</p>	Nodwyd	Dim i'w nodi
RHAN 3 – BUSNES Y CYFARFOD			
3.1	<p>Cofnod Gweithredu</p> <p>Gwahoddwyd Chris Darling (CD), Ysgrifennydd y Bwrdd i gyflwyno'r Cofnod Gweithredu. Nododd y Pwyllgor fod pum cam gweithredu wedi'u nodi o'r ddau gyfarfod diwethaf a gynhaliwyd ac a ddogfennwyd yn y Log Gweithredu.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI statws y Cofnod Gweithredu.</p>	Nodwyd	Dim i'w nodi

RHAN 4	ARCHWILIO AC ATAL TWYLL		
4.1	<p>Adroddiad Cynnydd yr Archwiliad Mewnol</p> <p>Rhoddodd y Cadeirydd wybod i Aelodau'r Pwyllgor am drafodaethau i ystyried adolygiad archwilio cynghorol ychwanegol yn rhaglen 2023/24. Rhoddwyd gwybod i'r Pwyllgor fod y Rhaglen Ddigidol Gofal Llygaid wedi trosglwyddo i DHCW o Fwrdd Iechyd Prifysgol Caerdydd a'r Fro ar 1 Mehefin 2023 a'i bod wedi mynd trwy gyfnod o oedi a myfyrio er mwyn galluogi timau o fewn DHCW i ddeall gofynion a dibyniaethau'r rhaglen. I'r perwyl hwnnw, gwnaed cais am asesiad cynnar gan gydweithwyr Archwilio Mewnol a fyddai'n rhoi cyfle da i alluogi'r Pwyllgor i ddeall statws presennol y rhaglen yn well, unrhyw risgiau sy'n cael eu hetifeddu ac unrhyw feysydd i edrych arnynt yn fanylach. Dywedodd y Cadeirydd ei bod yn awyddus iawn i weld adolygiad archwilio cynghorol ar y Digidol Gofal Llygaid yn cael ei gynnwys yn rhaglen 2023/24 a'i fod yn dechrau cyn gynted â phosibl.</p> <p>Cyflwynodd Stephen Chaney (StC), Pennaeth Archwilio Mewnol Dros Dro Partneriaeth Cydwasanaethau GIG Cymru yr uchafbwyntiau o'r Cynllun Cynnydd Archwilio Mewnol a dywedodd:</p> <ul style="list-style-type: none"> <li>• Roedd cynnydd da wedi'i wneud ar gyflawni'r cynllun gyda phedwar adroddiad yn cael eu cyflwyno i'r Pwyllgor a chynnydd sylweddol wedi'i wneud ar y lleill a'u bod ar y trywydd iawn ar gyfer cynllun 2023/24.</li> <li>• Cytunwyd y gallai fod hyblygrwydd yn yr amser i gynnal archwiliad LINC, yn enwedig gan fod DHCW wedi comisiynu adolygiad annibynnol o'r rhaglenni LINC/RISP a oedd ar y gweill ar hyn o bryd. Roedd hyn yn galluogi'r amser i gael ei neilltuo i'r adolygiad o Raglen Ddigiddeiddio Gofal Llygaid, a groesawyd gan aelodau'r Pwyllgor.</li> <li>• Byddai'r cynllun Archwilio Mewnol ar gyfer 2024/25 yn cael ei gytuno yn chwarter 3.</li> </ul> <p>Holodd Claire Osmundsen-Little (CO-L) Cyfarwyddwr Gweithredol Cyllid a oedd unrhyw weithgareddau Archwilio Mewnol y tu allan i DHCW y gallem ddysgu oddi wrthynt.</p> <p>Cadarnhawyd bod mwyafrif y cynlluniau ar gyfer sefydliadau allanol yn eithaf eang a bod agweddau allweddol ar draws y mwyafrif o gleientiaid yn cael eu hadlewyrchu,. Fodd bynnag, roedd nifer o feysydd gwaith cyffredin megis datgarboneiddio.</p> <p>Diolchodd y Pwyllgor i StC am yr hyblygrwydd o ran cynnwys y Rhaglen Ddigiddeiddio Gofal Llygaid yng nghynllun 2023/24.</p>	Er Sicrwydd	Dim i'w nodi

	<p>Penderfynodd y Pwyllgor:</p> <p>NODI'R diweddariad Archwilio Mewnol ar gyfer SICRWYDD.</p>		
4.2	<p>Adroddiadau Adolygiad Archwilio Mewnol</p> <p>Cyflwynodd StC ddau adroddiad adolygiad archwilio.</p> <p>Gweithio Hybrid</p> <p>Cafodd yr adolygiad sgôr Sicrwydd Sylweddol.</p> <p>Canfu'r adolygiad fod gweithio hybrid wedi'i fabwysiadu'n llwyddiannus ar draws y sefydliad. Roedd y staff yn gadarnhaol ynghylch cydbwysedd gwaith cynhyrchiol ynghyd â llai o straen a llai o gymudo.</p> <p>Codwyd ychydig o fân argymhellion ynghylch adolygiad pellach o reoliadau swyddfa allweddol (cymorth cyntaf a wardeniaid tân) i adlewyrchu'r newid mewn patrymau gwaith.</p> <p>Cadarnhaodd Shikala Mansfield (SM) Pennaeth Pobl a Datblygu Sefydliadol fod y tîm Pobl a Datblygu Sefydliadol yn falch o'r sicrwydd sylweddol ac ynghyd â'r tîm Ystadau wedi gweithio'n galed i ddarparu cydbwysedd da rhwng bywyd a gwaith i'r staff. Mae'r ffordd hybrid o weithio wedi'i gwreiddio fel ei fod bellach yn cael ei ystyried yn norm ac wedi helpu i ddenu ymgeiswyr recriwtio o ardal ddaearyddol ehangach.</p> <p>Rhoddwyd sicrwydd i'r Pwyllgor, oherwydd natur fwy parhaol gweithio hybrid, fod DHCW yn ystyried bod yn ystwyth gyda'r asedau a'r ystadau. Roedd tueddiad cynyddol i staff ddod yn ôl i'r swyddfa'n amlach yn ddiweddar felly roedd yn bwysig cael y cydbwysedd yn iawn ac roedd hyn yn cael ei fonitro drwy ddefnyddio apiau archebu ac ati. Roedd swyddfeydd DHCW hefyd yn cael eu harchwilio gyda chyrff eraill y GIG i ystyried sut y gellid eu defnyddio ar y cyd, a lle bo'n bosibl eu defnyddio fel canolfannau i holl sefydliadau'r GIG eu defnyddio.</p> <p>Croesawodd Chris Darling (CD), Ysgrifennydd y Bwrdd, yr archwiliad am nifer o resymau ymarferol o gyfrifoldebau statudol i staff h.y. profion PAT a sut yr oedd hyn yn cael ei wneud gyda mwyafrif yr offer yng nghartrefi staff. Roedd mwy o wybodaeth yn dod i'r fei ac roedd cyfeiriad polisi Llywodraeth Cymru o safbwynt ystadau yn tueddu tuag at gydweithio/gweithio mewn partneriaeth a rhesymoli gofod lle bo hynny'n bosibl ond ei wneud fel ei fod o fudd i'r sector cyhoeddus ehangach. Cwblhawyd arolwg staff diweddar gan DHCW, ac ar gyfer canran fawr o'r ymatebion, roedd gweithio hybrid yn un o'r meysydd pwysig.</p> <p>Cydnabu'r Pwyllgor ei bod yn fwy heriol i staff newydd ymwreiddio eu hunain yn y sefydliad tra'n gweithio mewn capasiti hybrid.</p>	Er Sicrwydd	<p>Cam Gweithredu : Trafodaeth i'w chynnal all-lein gyda CD ac Aelodau Archwilio a Sicrwydd i roi sicrwydd ynghylch y daith a rôl Aelodau Archwilio i drafod Fframwaith Sicrwydd y Bwrdd mewn sesiynau Bwrdd.</p>



	<p>Fframwaith Sicrwydd y Bwrdd</p> <p>Cafodd yr adolygiad sgôr Sicrwydd Sylweddol.</p> <p>Cadarnhaodd StC fod yr un archwiliwr yn cael ei ddefnyddio ag yn yr adolygiadau Llywodraethu Corfforaethol a Rheoli Risg blaenorol ac felly roedd yn gallu gweld y cynnydd a wnaed. Codwyd un neu ddau o argymhellion a oedd yn fwy o welliant i'r broses bresennol.</p> <p>Croesawodd CD yr adroddiad ac roedd y sicrwydd sylweddol yn adlewyrchu mewnbwn Aelodau'r Bwrdd a'u hymgysylltiad yn y broses o ddatblygu'r Fframwaith Sicrwydd y Bwrdd ac i Weithredwyr Arweiniol gymryd perchnogaeth o'u meysydd. Roedd yr Argymhellion yn ddefnyddiol o ran gwella meysydd, ond nododd CD bwysigrwydd cadw'r symlrwydd wrth adrodd am Fframwaith Sicrwydd y Bwrdd h.y. peidio ag ymestyn y prif grynodedd risg dros fwy nag un sleid yr un. Roedd adborth Asesiad Strwythuredig Archwilio Cymru yn ymwneud â'r Fframwaith Sicrwydd y Bwrdd wedi cael sylw ac mae archwiliad dwfn Fframwaith Sicrwydd y Bwrdd bellach yn ddigwyddiad rheolaidd mewn Pwyllgorau.</p> <p>Dywedodd Ruth Glazzard (RG), Aelod Annibynnol, fod ganddi ddiddordeb mewn ehangu ar y bwlch yn y ddarpariaeth gwybodaeth i'r Bwrdd. Teimlai ei bod wedi'i briffio'n llawn ar y Fframwaith Sicrwydd y Bwrdd ond nododd y gallai hyn fod o safbwynt Aelod o'r Pwyllgor Archwilio a Sicrwydd ac efallai y gellid gofyn mwy o gwestiynau ar y Fframwaith Sicrwydd y Bwrdd yn ystod cyfarfodydd Bwrdd AIA, gan adlewyrchu trafodaethau'r Pwyllgor.</p> <p>Cytunodd StC fod yna welededd o wahanol bersbectifau ond rhoddodd sicrwydd i'r Pwyllgor fod goruchwyliaeth dda ac adrodd i fyny i'r Bwrdd ond bod un agwedd fach wedi'i nodi ar yr adrodd a oedd yn fwy o awgrym nag o wendid. Yn gyffredinol, roedd prosesau cryf iawn ar waith.</p> <p>CAM GWEITHREDU 20231017-A01 Trafodaeth i'w chynnal all-lein gyda CD ac Aelodau Archwilio a Sicrwydd i roi sicrwydd ynghylch y daith a rôl Aelodau Archwilio i drafod Fframwaith Sicrwydd y Bwrdd mewn sesiynau Bwrdd.</p> <p>Diolchodd y Cadeirydd i'r tîm Archwilio Mewnol am eu gwaith rhagorol ar y ddau adroddiad hyn.</p> <p>Penderfynodd y Pwyllgor: DDERBYN y ddau adroddiad ar gyfer SICRWYDD.</p>		
4.3	<p>Diweddariad Archwilio Cymru i'r Pwyllgor</p> <p>Cyflwynodd Nathan Couch (NC), Archwilio Cymru</p>	Er Sicrwydd	Cam Gweithredu : NC i godi



Ddiweddariad Pwyllgor Archwilio Cymru a rhoddodd ddiweddariad am y gwaith archwilio ariannol a pherfformiad cyfredol ac a gynlluniwyd a thynnodd sylw at y pwyntiau allweddol canlynol: -

- Roedd cyfrifon ariannol 2022/2023 wedi'u cwblhau ac roedd adroddiad Gwersi a Ddysgwyd ar yr agenda.
- Roedd y cynllunio ar gyfer 2023/24 i fod i ddechrau yn y flwyddyn newydd.
- Roedd y gwaith maes ar gyfer yr Asesiad Strwythuredig wedi ei gwblhau ac amlinellwyd y cynllun ar gyfer mynd â'r Asesiad Strwythuredig drwy'r Pwyllgor ac i'r Bwrdd.
- Byddai trefniadau Deep Dive on Digital yn cael eu haidrefnu ar gyfer 2024.
- Roedd adolygiad o drefniadau ariannol y Gwasanaethau Meddygol Cyffredinol (GMS) ar yr agenda.
- Mae trefniadau cynllunio'r gweithlu wedi'u cyhoeddi fel drafft a byddant yn cael eu trafod yn y Pwyllgor yn y flwyddyn newydd.
- Roedd adolygiad lleol o Drefniadau Ymgysylltu â Rhanddeiliaid i fod i ddechrau yn gynnar yn 2024.

Amlygodd CO-L fod DHCW wedi ymddangos yn Offeryn Data Cyllid GIG Cymru, gan ychwanegu mai un o amcanion Archwilio Cymru oedd ysbrydoli felly roedd yn gadarnhaol eu bod wedi amlygu'r data hwn gan ei fod wedi dod â'r cyd-destun yn fyw.

Ychwanegodd CD mai'r categori a oedd wedi cynyddu fwyaf dros y deng mlynedd diwethaf o fewn GIG Cymru oedd y categori a oedd wedi cynyddu fwyaf dros y deng mlynedd diwethaf o fewn GIG Cymru oedd staff gweinyddol ac ystadau a bod staff digidol yn dod o fewn y categori hwnnw. Roedd hyn yn anodd i DHCW dreiddio i lawr a gweld elfen ddigidol yr agwedd honno o'r categori. Cytunodd NC i archwilio hyn ymhellach gyda chydweithwyr.

CAM GWEITHREDU: 20231017-A02 NC i godi mewn trafodaethau gyda chydweithwyr y mater o staff digidol yn cael eu hychwanegu at y categori gweinyddol ac ystadau o fewn data gweithlu'r GIG.

Parhaodd NC â chyflwyniad Bwrdd Rhaglen Ddigidol y Gwasanaethau Meddygol Cyffredinol (GMS) a thynnodd sylw at ganfyddiadau allweddol yr adolygiad a oedd wedi canolbwyntio ar adolygu dogfennau allweddol a chyfweld ag aelodau o Fwrdd y Rhaglen.

Cadarnhaodd Sam Hall, Cyfarwyddwr Gwasanaethau Digidol Sylfaenol, Cymunedol ac Iechyd Meddwl ei fod wedi bod yn ddarn defnyddiol o waith i'w adolygu gydag

mewn trafodaethau gyda chydweithwyr y mater o staff digidol yn cael eu hychwanegu at y categori gweinyddol ac ystadau o fewn data gweithlu'r GIG.

	<p>Archwilio Cymru a'i fod wedi helpu i ddeall sut roedd y contract GMS yn gweithio. Derbyniwyd yr holl argymhellion a wnaed a byddent i gyd yn cael eu cwblhau erbyn y dyddiad targed, sef<sup>31</sup> Mawrth 2024.</p> <p>Cadarnhaodd Aelod Annibynnol Alistair Klaas Neill (AKN) ei fod yn adroddiad defnyddiol a oedd yn edrych yn fwy ar dynhau safonau a dulliau gweithredu yn hytrach nag unrhyw newid yn y ffordd y mae'n gweithredu. Fodd bynnag, efallai y bydd y Cylch Gorchwyl yn gysylltiedig â mater o reolaeth ariannol dros gyllidebau hy a ddylai rheolaeth ariannol fod yn nwylo'r Bwrdd Rhaglen neu â throsolwg allanol.</p> <p>Hysbyswyd y Pwyllgor, er bod Bwrdd y Rhaglen yn gweithredu'n dda, bod rhai agweddau ar y rôl yr oedd Archwilio Cymru yn cwestiynu ei fod yn cael ei alw'n Fwrdd Rhaglen a oedd angen ystyriaeth bellach. Roedd is-grŵp cyllid yn cael ei sefydlu ac efallai y byddai rhywfaint o gynrychiolaeth gan DHCW o safbwynt cyllid ar y Bwrdd yn fuddiol yn y dyfodol.</p> <p>Cytunodd CO-L ei fod yn adroddiad defnyddiol a chodwyd y cyfleoedd i weithio gyda Llywodraeth Cymru ar gyllid yn y gofod mwy strategol. O ystyried cydestun pwysau chwyddiant roedd cyfle i weithio gyda'r Bwrdd Rhaglen i nodi beth oedd angen i'r gofynion strategol, ariannol cynaliadwy fod.</p> <p>Penderfynodd y Pwyllgor:</p> <p>SYLWER ar Ddiweddariad Pwyllgor Archwilio Cymru gan gynnwys yr archwiliad o Fwrdd Rhaglen Ddigidol y Gwasanaethau Meddygol Cyffredinol (GMS) ar gyfer SICRWYDD.</p>		
4.4	<p>Gwersi a Ddysgwyd o'r broses Archwilio Cyfrifon a'r Adroddiad Blynyddol</p> <p>Cyflwynodd Mark Cox (MC), Cyfarwyddwr Cyswllt Cyllid yr adroddiad Gwersi a Ddysgwyd ynghyd â Sian Williams (SiW), Pennaeth Gwasanaethau Ariannol ac Adroddiadau a oedd wedi deillio o'r broses Archwilio Cyfrifon ac Adroddiad Blynyddol:-</p> <p>Amlygwyd rhai o ganfyddiadau'r adroddiad:</p> <ul style="list-style-type: none"> <li>• Roedd dull newydd Archwilio Cymru yn golygu ei fod yn cymryd mwy o amser a bod angen mwy o adnoddau.</li> <li>• Cynhaliwyd adolygiad gyda gwahanol adrannau i fyfyrion ar yr hyn a ddigwyddodd yn archwiliad y llynedd a sut y gellid gwella'r broses.</li> <li>• Bydd dau archwiliwr yr un fath y flwyddyn nesaf a fydd yn cynorthwyo gwybodaeth am y sefydliad.</li> <li>• Defnyddiwyd y system Inflo am y tro cyntaf. A</li> </ul>	Nodwyd	<p>Cam Gweithredu : MC i ddod ag adroddiad yn ôl ar y gwahaniaeth a wnaeth yr ymarfer Gwersi a Ddysgwyd</p>

	<p>oedd yn blatfform i rannu papurau/ceisiadau archwilio ac ati a bydd hwn yn cael ei ddefnyddio yn y dyfodol.</p> <ul style="list-style-type: none"> <li>Cyflwynwyd cyfrifon ar amser a chynhaliwyd cyfarfodydd rheolaidd gydag Archwilio Cymru.</li> <li>Roedd 18 pwynt dysgu: Nid oedd amser ar gyfer profion interim sydd fel arfer yn cael eu cynnal. Mae profion interim yn helpu i leihau'r baich a bydd hyn yn digwydd y flwyddyn nesaf.</li> <li>Roedd gwaith yn cael ei wneud o fewn DHCW i ehangu hyfforddiant i sicrhau bod mwy o staff ar gael i gymryd rhan yn y broses archwilio.</li> </ul> <p>Roedd y Pwyllgor yn falch o weld dull mor syml o fynd ati i osod y gwersi a ddysgwyd.</p> <p>Lliniarwyd unrhyw drosiant staff, sy'n golygu bod arbenigedd a gwybodaeth wedi'u colli, drwy sicrhau cyfarfodydd cynnar gydag Archwilio Cymru i ymglyfarwyddo â'r prosesau a'r ffordd y mae'r sefydliadau'n gweithredu o fewn archwiliad o gyfrifon. Ychwanegodd MC fod cyfathrebu yn allweddol ym mhob archwiliad a bod DHCW yn ymdrechu i fod mor dryloyw â phosibl.</p> <p>Hysbyswyd y Pwyllgor mai sefydliad cymharol fach oedd DHCW o gymharu ag eraill yn y GIG felly roedd y gallu i ymdopi â llwythi gwaith ychwanegol yn her, a sut yr oedd yn gweithio gydag Archwilio Cymru ar y dull newydd yn seiliedig ar risg er mwyn cryfhau meysydd archwilio allweddol yn hollbwysig. Yn ogystal, roedd angen ystyried iechyd meddwl a lles staff cyllid yn ystod y cyfnod hwn hy roedd yn bwysig eu bod yn gallu cymryd eu gwyliau heb ystyried amserlenni archwilio.</p> <p>CAM GWEITHREDU: 20231017-A03 MC i ddod ag adroddiad yn ôl ar y gwahaniaeth a wnaeth yr ymarfer Gwersi a Ddysgwyd.</p> <p>Diolchodd y Cadeirydd i Archwilio Cymru, yn enwedig Sabel Williams a'i thîm am eu cydweithrediad wrth archwilio Cyfrifon 2022/23.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Gwersi a Ddysgwyd o'r broses Archwilio Cyfrifon a'r Adroddiad Blynnyddol</p>		
4.5	<p>Traciwr Camau Gweithredu Archwilio</p> <p>Cyflwynodd Laura Tolley, (LT) Pennaeth Llywodraethu Corfforaethol y Traciwr Gweithredu Archwilio.</p> <p>Adolygwyd 54 o gamau gweithredu yn y cyfarfod diwethaf a chaewyd 33 gan adael cyfanswm o 21 o gamau gweithredu agored. Derbyniodd y Pwyllgor ddau adroddiad newydd yn y cyfarfod diwethaf a oedd yn cynnwys tri cham gweithredu newydd. Ailagorwyd un cam gweithredu yn ymwneud â Pherfformiad</p>	Nodwyd	Dim i'w nodi

	<p>Sefydliadol wrth i gam gweithredu pellach gael ei nodi. Mae'r rhain wedi'u hychwanegu at y log, a oedd bellach yn cynnwys cyfanswm o 25 o gamau gweithredu, ac adolygwyd pump ohonynt yn y sesiwn breifat oherwydd eu natur dechnegol.</p> <p>Roedd y Pwyllgor yn falch ac wedi'u calonogi o nodi'r cynnydd a wnaed o ran cwblhau'r 18 camau gweithredu a oedd yn weddill.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Traciwr Gweithredu Archwilio</p>		
4.6	<p>Adroddiad Diweddarau ar Atal Twyll Lleol</p> <p>Derbyniodd y Pwyllgor yr Adroddiad Diweddarau Atal Twyll Lleol ar gyfer y cyfnod 2 19 Mehefin 2023 i 30 Medi 2023.</p> <p>Tynnodd Henry Bales, Dirprwy Bennaeth Atal Twyll (HB), sylw at y gwaith a wnaed yn ystod y cyfnod:</p> <ul style="list-style-type: none"> <li>• Cyflwyniad corfforaethol – mae DHCW bellach yn ymgorffori Hyfforddiant Ymwybyddiaeth Atal Twyll yn llawn ym mhob Rhaglen Gynefino Corfforaethol.</li> <li>• Roedd sesiwn hyfforddi staff wedi'i theilwra wedi'i chyflwyno i'r Tîm Pobl a Datblygu Sefydliadol.</li> <li>• E-ddysgu: dim ond un person o DHCW a gwblhaodd yr hyfforddiant Atal Twyll.</li> <li>• Roedd y Fenter Twyll Genedlaethol (NFI) bron wedi'i chwblhau, gydag un yn weddill.</li> <li>• Ni fu unrhyw atgyfeiriadau newydd.</li> <li>• Roedd un ymchwiliad yn parhau.</li> </ul> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Adroddiad Diweddarau ar Atal Twyll.</p>	Nodwyd	Dim i'w nodi
RHAN 5	ADRODDIADAU LLYWODRAETHU		
5.1	<p>Adroddiad Rheoli Risg Corfforaethol</p> <p>Cyflwynodd CD drosolwg o'r Adroddiad Risg Corfforaethol a rhoddodd yr uchafbwyntiau canlynol a oedd yn cynnwys y dadansoddiad Tueddiadau Risg Corfforaethol:</p> <ul style="list-style-type: none"> <li>• Roedd chwe risg newydd, dwy yn eistedd ar y gofrestr risg breifat a phedair ar y cyhoedd.</li> <li>• Tynnwyd chwe risg oddi ar y gofrestr.</li> <li>• Adroddwyd am bedwar newid yn y sgôr yn ystod y cyfnod, tri gostyngiad ac un cynnydd</li> </ul>	Nodwyd	Cam Gweithredu : Plymio dwfn i'w gyflwyno mewn cyfarfod yn y dyfodol ar y broses o adolygu risgiau.

yn y sgôr.

Dadansoddiad Tueddiadau Risgiau Corfforaethol

Cyflwynodd CD sleidiau a oedd yn amlinellu'r dadansoddiad tueddiadol o risgiau rhwng Hydref 2022 a Medi 2023.

- Roedd 26 o risgiau ar gofrestr risg Hydref 2022.
- Rhwng Hydref 2022 a Medi 2023 cafodd 33 o risgiau newydd eu huwchgyfeirio i'r Gofrestr Risg Gorfforaethol.
- Yn ystod y cyfnod hwn tynnwyd 31 o risgiau oddi ar y gofrestr.
- Dangosodd symudiad risg fod nifer tebyg o risgiau wedi cynyddu a'u dad-ddwysáu/cau yn ystod y cyfnod 12 mis.

Trafododd y Pwyllgor yr un risg a oedd wedi bod ar y gofrestr am y 12 mis diwethaf ac a oedd yn gyfrifoldeb y Pwyllgor hy Swyddi Gwag.

Sicrhodd SM y Pwyllgor fod sefydlu'r Grŵp Adnoddau Strategol wedi galluogi'r sefydliad i flaengynllunio ac wedi rhoi gwell syniad o'r adnoddau yr oedd eu hangen ar bob cyfarwyddiaeth ynghyd â'r ymwybyddiaeth bosibl o ble yr oedd yn broblematic i recriwtio. Mae prosesau wedi'u rhoi ar waith i liniaru'r risg hon.

Cadarnhaodd CD mai'r Pwyllgor Llywodraethu a Diogelwch Digidol sy'n gyfrifol am fwyafrif y risgiau, fodd bynnag, gyda chreu Pwyllgor newydd byddai rhaniad mwy cyfartal.

Y risg Darparu Gwasanaeth a Chyllid oedd y risg uchaf o ran categorïau risg.

Ymatebodd CO-L fod y risg ariannol yn adlewyrchu'r risg chwyddiant a chyfraddau cyfnewid a ragwelir. Hyd nes y byddai mater cyllid cynaliadwy wedi'i ddatrys byddai bob amser uchafbwyntiau ac isafbwyntiau ynghylch breuder ariannol.

Trafododd y Pwyllgor ymhellach y risg o Swyddi Gwag a'r risg yr oedd y Pwyllgor Llywodraethu a Diogelwch Digidol yn ei oruchwyllo ac os na ellid eu lliniaru, pe baent yn cael eu derbyn fel rhan o'r sefydliad.

Cytunwyd bod y risg o swyddi gwag wedi bod ar y gofrestr ers tro ond nid oedd y risg wedi diflannu yn ei gyfanrwydd. Mae trafodaethau wedi'u cynnal ar hyn a risgiau eraill a daethpwyd i'r casgliad y dylid ystyried hyn yng nghyd-destun yr adnoddau sydd ar gael drwy gontactwyr trydydd parti a'r cyd-destun ariannol ac o bosibl llai o CTCL o ganlyniad, yn seiliedig ar yr hyn a ariannwyd a'r hyn na chafodd ei ariannu.

Gofynnodd CD am gymeradwyaeth y pwyllgor i blymio'n ddwfn i'r broses o adolygu risgiau.

	<p>Darparodd Helen Thomas (HT) Prif Weithredwr ei sylwadau ar effaith gofynion newydd ar risg cynllun, a oedd yn wreiddiol yn risg uchel wrth ymateb i Covid a byddai'n ddefnyddiol plymio'n ddwfn gyda'r Pwyllgor Llywodraethu a Diogelwch Digidol i ystyried a fyddai mewn gwirionedd yn risg neu'n rhan o nodwedd gweithredu o fewn GIG Cymru fel sefydliad statudol a digidol. Roedd angen ail-flaenoriaethu mewn ffordd ddeinamig a thryloyw i reoli ceisiadau blaenoriaeth uchel am waith.</p> <p>CAM GWEITHREDU: 20231017-A04 Plymio dwfn i'w gyflwyno mewn cyfarfod yn y dyfodol ar y broses o adolygu risgiau.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODYN Y Gofrestr Risg Gorfforaethol a'r Dadansoddiad Tueddiadau Risg Corfforaethol.</p>		
5.2	<p>Uwchgyfeiriadau Fframwaith Sicrwydd y Bwrdd (Cenhadaeth Strategol 5) Archwiliad Dwfn</p> <p>Cyflwynodd CD Uwchgyfeiriadau Fframwaith Sicrwydd y Bwrdd (BAF) a oedd yn dwyn ynghyd argymhellion a wnaed gan Archwilio Mewnol ac adborth o'r Asesiad Strwythuredig a gyflawnwyd y llynedd i drafod meysydd sy'n berthnasol i'r Pwyllgor. Trafodwyd y Plymio Dwfn canlynol:</p> <p>Cyflwynodd Claire Osmunden-Little (CO-L), Arweinydd Gweithredol Cenhadaeth Strategol 5/Prif Risg, yr <i>Ymateb Cyllid i'r her Ariannol</i>.</p> <p>Cyllid - Ymateb Ariannol i Her Ariannol Cadarnhaodd CO-L y gofynnwyd i gyllid edrych ar wella'r sefyllfa ariannol yn ystod 2023/24 a dim ond edrych ar wariant hanfodol dros weddill y flwyddyn. Roedd y gwariant yr ymrwymwyd iddo a'r gwariant heb ei ymrwymo wedi'i adolygu i weld lle y gellid nodi arbedion drwy bob cyfarwyddiaeth. Fel y trafodwyd yn flaenorol, priodolwyd swyddi gweigion i rai o'r arbedion ond yn yr un modd nodwyd 2.5mo gyfleoedd ychwanegol i leihau gwariant i ddechrau. Arweiniodd trafodaeth bellach gyda Llywodraeth Cymru ac arweinwyr DPIF at gyfanswm terfynol arbedion arfaethedig o £4.1m. Roedd disgwyl penderfyniad Llywodraeth Cymru ar y cynllun arbedion.</p> <p>Cadarnhaodd CD fod y risg yn ymwneud â DHCW yn dod yn bartner strategol yr ymddiriedir ynddo, felly wrth weithio gyda'r fath ansicrwydd ariannol, dyma lle'r oedd yr her.</p> <p>Trafododd y Pwyllgor bwysigrwydd cyllid cynaliadwy a sut nad oedd o fewn rhodd DHCW felly roedd yn rhaid cynllunio o fewn y</p>	Trafodwyd	Dim i'w nodi



cyfyngiadau a roddwyd arno. Fodd bynnag, cafodd y Pwyllgor y diweddariad yn ddefnyddiol iawn a chawsant eu sicrhau bod y sefyllfa'n glir er bod ansicrwydd wrth symud ymlaen.

#### Cynhwysiant Digidol

Cyflwynodd Nadine Payne, Pennaeth Ymgysylltu a Phartneriaethau Strategol yr uchafbwyntiau canlynol i'r Plymio i Gynhwysiant Digidol:

Roedd Cynhwysiant Digidol ar ei uchaf yng Nghymru gyda 7% o bobl heb fynediad a rhai o'r rhain oedd y defnyddwyr mwyaf o ran Iechyd a Gofal.

Ym mis Medi 2022 llofnododd DHCW y Siarter Cynhwysiant Digidol a oedd â chwe addewid.

O fewn y Cynllun Tymor Canolig Integredig (IMTP) roedd ymrwymiad pellach wedi'i wneud i gyflawni achrediad y Siarter. Roedd cynnydd da wedi'i wneud ar hyn hyd yma a datblygwyd cynllun gweithredu a oedd wedi gwella dealltwriaeth o'r dirwedd.

Cynhaliwyd sesiynau hyfforddi Cynhwysiant Digidol a neilltuwyd amser i staff i helpu gyda hyn yn y gymuned.

Helen Thomas, (HT) y Prif Weithredwr oedd yr arweinydd Gweithredol ar Gynhwysiant Digidol.

Roedd gweithgor Cynhwysiant Digidol wedi'i sefydlu mewn partneriaeth â phartneriaid GIG ac Allanol eraill.

Roedd dros gant o bobl wedi cael eu hyfforddi i fod yn Hyrwyddwyr Digidol drwy Cymunedau Digidol Cymru (DCW). Mae trafodaethau'n cael eu cynnal i gynnwys Hyrwyddwyr Digidol ar ap y GIG, fel y gall practisiau meddygon teulu gyfeirio cleifion i'r cyfeiriad cywir i gael cymorth.

Cafwyd ymateb da i'r arolwg Cynhwysiant Digidol a oedd eisoes wedi derbyn 101 o ymatebion, gyda 9 yn dweud nad oes ganddynt fynediad, a chyflymder rhyngwyd oedd y rhwystr mwyaf.

Ar hyn o bryd yn adolygu canlyniadau'r Arolwg Cynhwysiant Digidol yr ymatebwyd iddo gan 101 o staff.

Diolchodd HT i'r tîm Cynhwysiant Digidol (DI) am y cynnydd a'r gwaith ar DI a chanmolodd y Pwyllgor hwn am fod eisiau deall beth oedd yn cael ei wneud yn y maes hwn.

Rhodddwyd sicrwydd i'r Pwyllgor fod gan DHCW

	<p>gysylltiadau â sefydliadau cymunedol ac yn ddiweddarach yn y dydd y byddai'n cyflwyno i Hyrwyddwyr Llyfrgelloedd ac yn estyn allan i gynifer o sefydliadau priodol â phosibl.</p> <p>Trafododd y Pwyllgor sut y gallai DHCW ddefnyddio eu llais gyda chysylltedd fforddiadwy i helpu gydag ardaloedd a oedd yn dioddef o gyflymder rhyngrwyd araf, a oedd yn effeithio ar y cyhoedd a staff.</p> <p>Rhodddwyd gwybod i'r Pwyllgor fod Awdurdodau Lleol yn cyflogi 1000au o bobl sy'n byw ledled Cymru ac nad oedd mynediad i'r rhyngrwyd wedi'i wasgaru'n gyfartal ledled y wlad, a bod ardaloedd gwledig yn cael mynediad gwael mewn rhai achosion. Gellir cyrraedd rhai o'r grwpiau anodd eu cyrraedd trwy gyswllt corfforol. Felly, awgrymwyd y dylid cysylltu ag Awdurdodau Lleol i weld sut maent yn goresgyn yr anhawster hwn.</p> <p>Ymatebodd NP fod yna ardaloedd o Gymru sydd â mynediad gwael iawn ac mae DHCW yn gweithio gyda Llywodraeth Cymru i adolygu'r meysydd hyn. Fodd bynnag, nid yw mater diffyg sgiliau yn rhywbeth y gellir mynd i'r afael ag ef ar ei ben ei hun.</p> <p>Awgrymodd y Pwyllgor y byddai cyfeirio at y grŵp yn helpu i godi ymwybyddiaeth a hefyd bod y defnydd o iaith yn cael ei adolygu, hy yn lle 'anodd ei gyrraedd', newid i 'nad yw'n cael ei glywed yn aml'.</p> <p>Penderfynodd y Pwyllgor:</p> <p>DRAFOD archwiliad dwfn Fframwaith Sicrwydd y Bwrdd a NODI'r diweddariad ar Genhadaeth Strategol 5.</p>		
5.3	<p>Adroddiad yr Iaith Gymraeg</p> <p>Cyflwynodd Laura Tolley (LT), Pennaeth Llywodraethu Corfforaethol yr Adroddiad Iaith Gymraeg a thynnodd sylw at y canlynol:</p> <ul style="list-style-type: none"> <li>Mae gan 39.8 % o staff o leiaf sgiliau Cymraeg lefel 1. Y targed oedd cyrraedd 50% erbyn diwedd chwarter 4. Mae gwaith yn mynd rhagddo gyda chyfarwyddwyr i wella lefelau sgiliau eu staff ac roedd staff â sgiliau Cymraeg eisoes yn cael eu targedu i adeiladu eu hyder.</li> <li>Mae cydymffurfiaeth â chyrsiau Ymwybyddiaeth o'r Gymraeg wedi cynyddu'n sylweddol ac roedd bellach ar 84.9%.</li> <li>Yn unol â chais y Pwyllgor roedd gwaith ar ymgysylltu â'r gymuned wedi'i gynnwys yn yr</li> </ul>	Er Sicrwydd	Cam Gweithredu : Nid oedd mwy i'w wneud yn y maes hwn. Gwahodd y Cyfarwyddwr Pobl a Datblygu Sefydliadol i'r cyfarfod priodol nesaf i ddilyn i fyny ar asesiadau swyddi



	<p>adroddiad.</p> <ul style="list-style-type: none"> <li>Darparwyd diweddariad o'r Cynllun Gweithredu. Roedd y system teleffoni wedi ei gohirio tan ddiwedd mis Hydref ond gwelwyd gwelliant gyda nifer y siaradwyr Cymraeg o fewn y Ddesg Gwasanaeth.</li> <li>Roedd derbynnydd sy'n siarad Cymraeg wedi'i benodi ac i fod i ddechrau ym mis Tachwedd 2023.</li> <li>Roedd rheolwr ymgysylltu sy'n siarad Cymraeg wedi'i benodi a disgwylir iddo ddechrau ym mis Rhagfyr 2023</li> <li>Dim ond 7 swydd ddisgrifiad sydd wedi'u hasesu ers y cyfarfod diwethaf. Roedd y gofyniad hwn wedi'i drafod mewn cyfarfodydd diweddar a bydd datblygiad offeryn asesu newydd gan Fwrdd Iechyd Addysgu Powys yn cael ei fabwysiadu gan DHCW.</li> <li>Risgiau allweddol – oherwydd y cynnydd yn y galw am gyfieithu, cytunwyd ar gynnydd dros dro yn y geiriau a gyfieithwyd gyda PCGC. Nid oedd recriwtio cyfieithydd Cymraeg wedi bod yn llwyddiannus y tro cyntaf o hysbysebu ond fe'i hysbysebwyd eto fel swydd lawn amser parhaol. Yn ogystal, roedd cyfieithydd pwrpasol ar gyfer deunydd addysgol yn cael ei recriwtio gan y tîm Newid Busnes.</li> </ul> <p>Dywedodd y Pwyllgor y byddai'n ddefnyddiol dod yn ôl at yr asesiad o asesiadau swyddi i adolygu cynnydd.</p> <p>CAM GWEITHREDU 20231017-A05 Roedd mwy i'w wneud yn y maes hwn. Gwahodd y Cyfarwyddwr Pobl a Datblygu Sefydliadol i'r cyfarfod priodol nesaf i ddilyn i fyny ar asesiadau swyddi Cymraeg.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODER ar yr Adroddiad Iaith Gymraeg neu SICRWYDD .</p>		Cymraeg
5.4	<p>Adroddiad Cydymffurfiaeth Caffael a Chynllun Dirprwyo</p> <p>Cyflwynodd Julie Francis (JF), Pennaeth Gwasanaethau Masnachol yr adroddiad ar Gydymffurfiaeth Caffael a Chynllun Dirprwyo ar gyfer y cyfnod 1 Mehefin 2023 i 31 Awst 2023 a thynnodd sylw at y canlynol:</p> <ul style="list-style-type: none"> <li>Cam Gweithredu Tindr Sengl o £748,650.00 o gaffael i adeiladu ar yr Ateb Archwilio Integredig Deallus Cenedlaethol.</li> <li>Cydymffurfio'n amhriodol â Chyfarwyddiadau Ariannol Sefydlog ar gyfer Ymgynghoriaeth</li> </ul>	Nodwyd	Dim i'w nodi


	<p>Darganfod Data WCCIS. Cwblhawyd diffyg gofynion ysgrifenedig i danategu'r gwaith. Hysbysodd y tîm y bobl briodol o ran llywodraethu a dysgu.</p> <p>Holodd y Pwyllgor pa wersi a ddysgwyd o'r digwyddiad hwn.</p> <p>Dywedodd Michelle Sell (MS) Cyfarwyddwr Cynllunio a Pherfformiad a Phrif Swyddog Masnachol ei bod yn ddefnyddiol bod y mater wedi'i amlygu yn yr adroddiad nad oedd wedi'i wneud o'r blaen. Roedd llawer o waith wedi'i wneud fel y gellid darparu adnoddau'n fwy hyblyg gyda thrylwyrdd priodol. Yn ogystal, roedd angen hyfforddiant ac ymwybyddiaeth ar gyfer staff.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Adroddiad Cydymffurfiaeth Caffael a Chynllun Dirprwyo</p>		
5.5	<p>Trefniadau Llywodraethu Rhaglen</p> <p>Rhoddodd CD ddiweddariad ar y trefniadau Llywodraethu Rhaglen ar gyfer y Pwyllgor newydd.</p> <ul style="list-style-type: none"> <li>Y prif argymhelliad o'r Adroddiad Annibynnol ar Lywodraethu Rhaglenni oedd symleiddio trefniadau llywodraethu i gynnwys llinellau atebolrwydd, sicrhau mwy o eglurder ynghylch rolau a chyfrifoldeb, gan ganiatáu i raglenni a gynhelir gan DHCW weithredu mewn modd agored a thryloyw.</li> <li>Roedd rhai newidiadau wedi'u gwneud i ymgorffori'r trefniadau Llywodraethu Rhaglen newydd yn Rheolau Sefydlog DHCW a chymeradwywyd y rhain gan y Bwrdd ym mis Medi.</li> <li>Cafodd aelodaeth y Pwyllgorau hefyd eu hadolygu a'u diweddarau fel rhan o'r gwaith hwn.</li> </ul> <p>Cadarnhaodd Ifan Evans (IE) Cyfarwyddwr Gweithredol Strategaeth fod y newidiadau wedi mynd i'r afael ag amwysedd atebolrwydd.</p> <p>Penderfynodd y Pwyllgor:</p> <p>DRAFOD Trefniadau Llywodraethu Rhaglen</p>	Trafodwyd	Dim i'w nodi
5.6	<p>Diweddariad Cyllid</p> <p>Rhoddodd Mark Cox (MC), Cyfarwyddwr Cyswllt Cyllid, fanylion am y tair archeb oedd wedi cyrraedd y trothwy o £750,000 a drafodwyd yn ystod y cyfnod adrodd.</p> <p>Hysbyswyd y Pwyllgor y codwyd naw archeb unigol dros £0.75 miliwn yn ystod y cyfnod 12 Mehefin 2023 i 26 Medi 2023, a darparwyd y manylion er gwybodaeth.</p>	Nodwyd	Dim i'w nodi

	<p>Roedd cyfanswm cronnus yr holl orchmynion gwerth mwy na £0.75m yn £46.975m.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Adroddiad Archebion Prynu Gwerth Uchel a'r Archebion Cronnus.</p>		
5.7	<p>Adroddiad Diweddarau ar Gydymffurfiaeth yr Uned Ansawdd a Rheoleiddio a Seibergadernid</p> <p>Cyflwynodd Paul Evans (PE), Pennaeth Rheoleiddio, yr adroddiad a chyflwynodd y prif bwyntiau allweddol i'r Pwyllgor:-</p> <ul style="list-style-type: none"> <li>• Tri archwiliad allanol a gynlluniwyd yn ystod y cyfnod adrodd. Ardystiad Cam 1 ISO 20000 a Cham 2 mewn Rheoli Gwasanaethau TG ac Ardystiad Cam 1 ISO 30415 Rheoli Adnoddau Dynol.</li> <li>• Bydd y Grŵp Ansawdd a Rheoleiddio yn targedu golwg safonol a chyfarwyddedig o gydymffurfiaeth ansawdd.</li> <li>• Mae'r tîm wedi cyrraedd y rhestr fer ar gyfer rownd derfynol gwobrau'r GIG yn y categori 'Cyfoethogi lles, gallu ac ymgysylltiad y gweithlu iechyd a gofal'.</li> <li>• Roedd gweithgarwch i godi ymwybyddiaeth o bwysigrwydd arferion rheoli dogfennau da a chryfhau'r systemau rheoli ansawdd ar y gweill.</li> </ul> <p>Dywedodd y Pwyllgor na chafodd yr Adroddiad Ansawdd a Chydymffurfiaeth Rheoleiddiol ddigon o amser i drafod gan ei fod wedi'i roi ar ddiwedd yr agenda. Roedd DHCW yn arweinwyr ar draws y GIG o ran ansawdd a dylid rhoi mwy o amser i'r adroddiad gael trafodaeth lawn.</p> <p>GWEITHREDU:20231017-A06 Symud yr eitem hon i ddechrau'r agenda/adran llywodraethu er mwyn darparu digon o amser ar gyfer trafodaeth fanwl.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Adroddiad Diweddarau ar Gydymffurfiaeth yr Uned Ansawdd a Rheoleiddio a Seibergadernid.</p>	Nodwyd	<p>Cam Gweithredu : Yr eitem hon i'w symud i ddechrau'r agenda/adran llywodraethu er mwyn rhoi digon o amser ar gyfer trafodaeth fanwl</p>
5.8	<p>Adroddiad ar Ddatgarboneiddio, Ystadau a Chydymffurfedd</p> <p>Cyflwynodd Julie Ash (JA), Pennaeth Gwasanaethau Corfforaethol, y prif bwyntiau canlynol o'r adroddiad:</p> <ul style="list-style-type: none"> <li>• Yn yr un modd â holl sefydliadau'r GIG, roedd DHCW yn ad-drefnu eu hystad a gofynnwyd iddo gan Lywodraeth Cymru i sefydlu Cynllun Rhesymoli Ystadau. Roedd lloriau wedi'u cau yn swyddfa Mamhilad ac roedd gofod a rennir yn cael ei gynnig ar draws yr ystâd. Roedd trafodaethau'n parhau gyda'r landlordiaid yn</li> </ul>	Nodwyd	Dim i'w nodi


	<p>swyddfeydd y Technium i leihau'r ôl troed.</p> <ul style="list-style-type: none"> <li>• Byddai'r Cynllun Gweithredu Datgarboneiddio yn cael ei adnewyddu cyn 2025 fel y cadarnhawyd gan Lywodraeth Cymru.</li> <li>• Roedd gwaith yn mynd rhagddo gyda Phartneriaeth Cydwasanaethau GIG Cymru (NWSSP) ar allyriadau mewn caffael.</li> <li>• Roedd tîm datgarboneiddio newydd wedi'i sefydlu yn PCGC a sefydlwyd trefn adrodd newydd i gyflwyno adroddiadau chwarterol.</li> <li>• Roedd y Ffurflen Allyriadau Blynnyddol wedi'i chyflwyno.</li> <li>• Roedd y cyfraddau allyriadau wedi bod yn is na'r enillion blynnyddol blaenorol.</li> </ul> <p>Penderfynodd y Pwyllgor: NODI'R Adroddiad ar Ddatgarboneiddio, Ystadau a Chydymffurfiaeth.</p>		
<b>RHAN 6</b>	<b>MATERION I GLOI</b>		
6.1	<p>Adroddiad Crynhoi Cynnydd y Pwyllgor i'r Bwrdd</p> <ul style="list-style-type: none"> <li>• Hinsawdd a risgiau ariannol presennol y GIG</li> <li>• Dilyniant Archwilio Mewnol drwy'r rhaglen.</li> <li>• Ychwanegu Rhaglen Ddigidol Gofal Llygaid i'r Rhaglen Archwilio Mewnol.</li> <li>• Adroddiad yr Iaith Gymraeg</li> <li>• Caffael – defnydd amhriodol o fframwaith ar gyfer uwchgyfeirio.</li> </ul>	Trafodwyd	Dim i'w nodi
6.2	<p>Unrhyw Faterion Brys eraill</p> <p>Ni chodwyd unrhyw faterion brys eraill i'w nodi.</p>	Nodwyd	Dim i'w nodi
6.3	<p>Dyddiad ac Amser y Cyfarfod Nesaf:</p> <ul style="list-style-type: none"> <li>• 13 Chwefror 2024</li> </ul>	Nodwyd	Dim i'w nodi

## Pwyllgor Archwilio a Sicrwydd – PREIFAT - CRYNODEB

COFNODION, PENDERFYNIADAU A CHAMAU GWEITHREDU I'W CYMRYD

 12:30 – 13:00

 17/10/2023

 Galwad Teams

Cadeirydd	Marian Wyn Jones
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Yn bresennol		Teitl	Sefydliad
Marian Wyn Jones	MW-J	Aelod Annibynnol, Cadeirydd	Iechyd a Gofal Digidol Cymru (DHCW)
Alistair Klaas Neill	AKN	Aelod Annibynnol, Is-gadeirydd y Pwyllgor Archwilio a Sicrwydd	Iechyd a Gofal Digidol Cymru (DHCW)
Ruth Glazzard	RG	Aelod Annibynnol	Iechyd a Gofal Digidol Cymru (DHCW)
Marilyn Bryan Jones	MB-J	Aelod Annibynnol	Iechyd a Gofal Digidol Cymru (DHCW)
Yn bresennol			
Julie Ash	JA	Pennaeth Gwasanaethau Corfforaethol	Iechyd a Gofal Digidol Cymru (DHCW)
Henry Bales	HB	Dirprwy Bennaeth Atal Twyll	Atal Twyll Caerdydd a'r Fro
Stephen Chaney	StC	Pennaeth Archwilio Mewnol Dros Dro	PCGC
Nathan Couch	NC	Arweinydd Archwilio Perfformiad, (Iechyd)	Archwilio Cymru
Mark Cox	MC	Cyfarwyddwr Cyswllt Cyllid	Iechyd a Gofal Digidol Cymru

			(DHCW)
Chris Darling	CD	Ysgrifennydd y Bwrdd	Iechyd a Gofal Digidol Cymru (DHCW)
Paul Evans	PE	Pennaeth Ansawdd a Rheoleiddio	Iechyd a Gofal Digidol Cymru (DHCW)
Sam Lloyd	SL	Cyfarwyddwr Gweithredol Gweithrediadau	Iechyd a Gofal Digidol Cymru (DHCW)
Carwyn Lloyd-Jones	CL-J	Cyfarwyddwr TGCh	Iechyd a Gofal Digidol Cymru (DHCW)
Claire Osmundsen-Little	COL	Cyfarwyddwr Gweithredol Cyllid	Iechyd a Gofal Digidol Cymru (DHCW)
Julie Robinson	JR	Ysgrifenyddiaeth y Cyfarfod	Iechyd a Gofal Digidol Cymru (DHCW)
John Sweeney	JS	Rheolwr Rhannu Gwybodaeth a Llywodraethu Integreiddio	Iechyd a Gofal Digidol Cymru (DHCW)
Helen Thomas	HT	Prif Weithredwr	Iechyd a Gofal Digidol Cymru (DHCW)
Laura Tolley	LT	Pennaeth Llywodraethu Corfforaethol	Iechyd a Gofal Digidol Cymru (DHCW)
Ymddiheuriadau		Teitl	Sefydliad
Gareth Lavington	GL	Pennaeth Atal Twyll	Atal Twyll Caerdydd a'r Fro

Acronymau			
Iechyd a Gofal Digidol Cymru (DHCW)	Iechyd a Gofal Digidol Cymru	Fframwaith Asesu Seiber (FfAC)	Fframwaith Asesu Seiber



AIA	Awdurdod Iechyd Arbennig	Llywodraethu Gwybodaeth	Llywodraethu Gwybodaeth

Rhif yr Eitem	Eitem	Canlyniad	Cam Gweithredu
1	MATERION RHAGARWEINIOL		
1.1	Croeso a chyflwyniadau Croesawodd y Cadeirydd bawb i gyfarfod preifat y Pwyllgor.	Nodwyd	Dim i'w nodi
1.2	Ymddiheuriadau absenoldeb Cafwyd ymddiheuriadau absenoldeb oddi wrth: <ul style="list-style-type: none"><li>Gareth Lavington, Pennaeth Atal Twyll</li></ul>	Nodwyd	Dim i'w nodi
1.3	Datganiadau o Fuddiannau Ni chafwyd unrhyw Ddatganiadau o Fuddiannau.	Nodwyd	Dim i'w nodi
2	BUSNES Y CYFARFOD		
2.1	Cofnodion y cyfarfod preifat a gynhaliwyd ar 03 Gorffennaf 2023 Penderfynodd y Pwyllgor: GYMERADWYO'r cofnodion fel cofnod cywir.	Cymeradwywyd	Dim i'w nodi
3	ARCHWILIO, ATAL TWYLL A RISGIAU		
3.1	Cofrestr Risg Preifat Cadarnhaodd Chris Darling (CD), Ysgrifennydd y Bwrdd, statws yr un risg breifat ar y Gofrestr Risg Gorfforaethol a neilltuwyd i'r Pwyllgor:- <ul style="list-style-type: none"><li>Cydymffurfedd â'r Cynllun Iaith Gymraeg</li></ul> Penderfynodd y Pwyllgor: NODI'R Gofrestr Risg Breifat ar gyfer SICRWYDD.	Sicrwydd	Dim i'w nodi
3.2	Camau Gweithredu Archwilio (Preifat) Cyflwynodd Laura Tolley (LT), Pennaeth Llywodraethu Corfforaethol y Camau Archwilio ar gyfer y sesiwn breifat a thynnodd sylw at y canlynol: <ul style="list-style-type: none"><li>Roedd pum cam gweithredu a ystyriwyd yn</li></ul>	Nodwyd.	Dim i'w nodi



	<p>dechnegol neu'n sensitif ar y gofrestr.</p> <ul style="list-style-type: none"> <li>Yn y cyfarfod blaenorol, roedd pum cam gweithredu heb eu cwblhau. Derbyniwyd un adroddiad pellach ond nid oedd unrhyw gamau gweithredu. Ystyriwyd bod un cam gweithredu wedi'i gwblhau, roedd tri ar darged ac nid oedd un yn unol â'r targed a gofynnwyd am gymeradwyaeth ar gyfer estyniad.</li> </ul> <p>Cadarnhaodd y Pwyllgor eu bod yn fodlon ar y dull a amlinellwyd yn y papur cais am estyniad ar yr amod ei bod yn amlwg beth oedd y risg pan gyrhaeddwyd y nifer.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R diweddariad ar Gamau Archwilio er SICRWYDD a CHYMERADWYO'N ffurfiol y cais am estyniad fel yr amlinellwyd yn 4.5 o'r adroddiad .</p>		
3.3	<p>Diweddariad ar Ymholiad Covid-19</p> <p>Cyflwynodd Carwyn Lloyd Jones rai sleidiau ar y diweddariad ar yr Ymchwiliad Covid-19.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI'R Adroddiad Diweddarau ar yr Ymchwiliad i COVID-19</p>	Nodwyd	Dim i'w nodi
3.4	<p>Adroddiadau Archwilio</p> <p>Amlinellodd Stephen Chaney (StC), Dirprwy Bennaeth Archwilio Mewnol, Partneriaeth Cydwasanaethau GIG Cymru y gwaith a wnaed yn yr adolygiadau:</p> <p>GDPR y DU – derbyniodd yr adolygiad raddfa sicrwydd Sylweddol gyffredinol</p> <p>Rheoli Stoc – derbyniodd yr adolygiad Sicrwydd Rhesymol cyffredinol.</p> <p>Cadarnhaodd StC fod yr adolygiad yn archwiliad dilynol ac felly roedd tebygrwydd i'r archwiliad blaenorol.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI er SICRWYDD y ddau adolygiad archwilio.</p>	Ar gyfer Sicrwydd	Dim i'w nodi
3.5	<p>Adroddiad Cynnydd Atal Twyll</p> <p>Cyflwynodd Henry Bales (HB), Dirprwy Bennaeth Atal Twyll, yr Adroddiad Cynnydd Atal Twyll a oedd yn cynnwys eitemau yr ystyriwyd eu bod yn rhy sensitif ar gyfer y cyfarfod cyhoeddus.</p> <p>Penderfynodd y Pwyllgor:</p> <p>NODI er SICRWYDD yr Adroddiad Cynnydd Atal Twyll.</p>	Ar gyfer Sicrwydd	Dim i'w nodi
4	MATERION I GLOI		
4.1	<p>Eitemau ar gyfer Adroddiad y Cadeirydd i'r Bwrdd</p> <p>Oherwydd cyfyngiadau amser byddai'r rhain yn cael eu trafod y tu allan i'r cyfarfod.</p>	Trafodwyd	Dim i'w nodi



4.2	Unrhyw Faterion Brys Eraill Ni thrafodwyd unrhyw faterion Busnes Brys eraill.	Nodwyd	Dim i'w nodi
4.3	Dyddiad ac Amser y Cyfarfod Nesaf: 13 Chwefror 2024	Nodwyd	Dim i'w nodi

DRAFT

## ASSURANCE REPORT

### NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE

Reporting Committee	Shared Service Partnership Committee
<b>Chaired by</b>	Tracy Myhill, NWSSP Chair
<b>Lead Executive</b>	Neil Frow, Managing Director, NWSSP
<b>Author and contact details.</b>	Peter Stephenson, Head of Finance and Business Development
<b>Date of meeting</b>	23 November 2023
<b>Summary of key matters including achievements and progress considered by the Committee and any related decisions made.</b>	
<b><u>Matters Arising</u></b> <ul style="list-style-type: none"> <li>• <b>Payroll Modernisation Update</b> – A presentation was given by the Deputy Director of Employment Services and the Head of Payroll. This covered improvements to identifying and monitoring progress with overpayments and improvements to the Staff Movements process. The presentation also highlighted that annual number of pay runs is currently 159 and reductions in this number would produce significant administrative savings. The presentation concluded with the following recommendations which the Committee were content to support: <ul style="list-style-type: none"> <li>○ The use of the Overpayments Portal by Health Boards and Trusts to help reduce the occurrence of overpayments;</li> <li>○ Greater use of the Management Self-Service function in ESR; and</li> <li>○ Establishing a task and finish group to look at payroll runs frequency.</li> </ul> </li> <li>• <b>IMTP</b> – The Director of Planning, Performance and Informatics updated the Committee on progress with the development of the IMTP for the period 2024-27. The NHS Planning Framework has not yet been published but is expected imminently. It is anticipated that ministerial priorities will be consistent with the current year and NWSSP has a key role in supporting NHS Wales organisations to deliver against these priorities. Progress to date includes a World Café event for all NWSSP Directorates in mid-October and the development session with the Committee in November. Going forward, the aim is to bring the IMTP to the January 2024 Committee for formal approval. The plan will be underpinned by the overarching principles of doing the basics well, being financially sustainable, embedding the Duty of Quality, and looking after the welfare of our staff. Whilst the financial climate across NHS Wales imposes severe challenges, it may also provide the opportunity for NWSSP to implement measures on an all-Wales basis that give the potential for significant savings within Health Boards and Trusts.</li> </ul>	

## **Chair's Report**

The Chair referred to a number of meetings that she had attended including the Welsh Risk Pool Committee and the Audit Committee. She also welcomed the opportunity to meet regularly with the Minister with other chairs which she found invaluable. The development session held with SSPC members earlier in the month had been very successful and she thanked those who attended for giving up their time, and for the contributions that they made to the event.

The Committee **NOTED** the update.

## **Managing Director Update**

The Managing Director presented his report, which included the following updates on key issues:

- Conversations continue with Hywel Dda UHB over the closure of the Glangwili Laundry site and the commencement of discussions regarding the TUPE arrangements for the remaining staff within the Cwm Taf Laundry to transfer across to the NWSSP Laundry Service;
- The NWSSP SLG recently endorsed the anti-Racist Action Plan which demonstrates our commitment to being an anti-racist organisation and sets out our plan to address the actions contained in the plan produced by Welsh Government and in meeting the requirements of the Welsh Workforce Race Equality Standard;
- The development of the first phase of a Solar Farm at IP5 where we are currently tendering for the infrastructure works having secured additional capital funding from Welsh Government as part of the decarbonisation agenda;
- The Medical Examiner Service will attain a statutory footing from April 2024 with the relevant legislative amendments being passed in October. The agreed approach allows us to ensure both equity and equality in service delivery across the whole of Wales;
- NWSSP has been accredited with the Corporate Customer Service Excellence Award making it the first organisation within NHS Wales to achieve the highly valued UK Government Standard;
- NWSSP were shortlisted for a number of awards in three different categories and were successful in being the winners of the Evolution award at the recent UK Shared Services Forum Conference in Liverpool; and
- Following publication of the scope of Module 5 (Procurement) of the UK COVID Public Inquiry, and after consultation with our barristers, NWSSP has applied for core participant status for this module.

The Committee **NOTED** the update.

## **Items for Approval**

***Brecon House Patients Medical Relocation*** – the paper related to a business case that was approved by the SSPC in 2022. Following the discovery of Reinforced Autoclaved Aerated Concrete (RAAC) in the existing building (Brecon

House), new accommodation had to be secured urgently for the safety of the staff and the secure storage of the records. This required the signing of a lease for the Du Pont building on the same site and owing to the need to sign this urgently, approval was given through a Chair's Action for both the SSPC and the Velindre Trust Board. The Committee **RATIFIED** the approval.

**Primary Care Services – Provision of Multi-Functional and Professional Printing Devices** – the Committee **APPROVED** a three-year contract for the replacement of the existing devices.

**Contract Award for Replacement Leased HGVs for Supply Chain and Laundry** - The Committee **APPROVED** the contract award for the lease of 15 heavy goods vehicles.

**Speaking Up Safely Action Plan** – The Committee **APPROVED** the Speaking Up Safely Action Plan which formalises a mechanism to ensure concerns raised in relation to Inclusivity and Belonging are captured, reported on, and learnt from.

**All-Wales Supply of Electricity** – The Committee **APPROVED** the recommendation of the Welsh Energy Group to secure Zero Carbon for Business electricity source for the supply period 01.04.2024 to 31.03.2025.

**South-East Wales Radiopharmacy Business Case** - The Committee **APPROVED** the business case for an immediate capital investment in preparative radiopharmacy facilities in the Southeast Wales region. The preferred option site is IP5.

## Items for Noting

### International Recruitment

The Committee was provided with an update on the delivery of the All-Wales International Recruitment Programme supporting the safe and ethical recruitment of International Healthcare Workers, embedding a strategic "Once for Wales" approach and maximising opportunities for collaborative working across organisational boundaries.

Phase 2 of the commercial agency pipeline commenced in December 2022 with the first cohort of Internationally Educated Nurses (IENs) arriving in March 2023. As at 31st October, a total of 248 IENs have been onboarded. All Health Boards now have a proportion of Phase 2 candidates either arrived or in progress.

In addition to the commercial agency route, NWSSP has continued to support the recruitment and onboarding of a direct pipeline of nurses recruited via a partnership with an agency of the state government of Kerala, India. That route has already provided 29 candidates who have been successfully on-boarded following a visit to Kerala in May 2023, and a further visit was undertaken in November. The in-country delegation were successful in recruiting a total of 96 registered nurses, plus 16 Junior and Senior Clinical Fellows supporting General

Medicine and Oncology services.

An important milestone was achieved recently when NWSSP were recognised as an official sponsorship organisation for the General Medical Council, for doctors of all grades and all specialties.

The Committee **NOTED** the update.

### **Procure to Pay (P2P) Update**

Since 2016, the Finance Academy All-Wales P2P Forum had been successful in the approval and delivery of several P2P initiatives, all of which were underpinned by the Once-for-Wales principles e.g. No PO No Pay Policy, standardisation of Invoice tolerances in Oracle. However, in recent years, the All-Wales P2P Forum has struggled in agreeing, supporting, and taking forward P2P initiatives. As a consequence, the Finance Academy Board agreed to close the All-Wales P2P Forum in September 2023. There is, however, still a need for a Forum or Committee to provide effective governance covering the P2P arrangements and agree future work plans.

The Committee **NOTED** the update and **AGREED** to take over the governance arrangements for P2P.

### **Southeast Accommodation Proposal**

The previous option of moving from Companies House to the Welsh Government offices in Cathays Park is now no longer considered viable due to increasing costs, and restrictions on parking and access. We have therefore informed Welsh Government that we will not be pursuing this option. An alternative building has been identified on the Nantgarw estate which would accommodate staff from both Companies House and the existing HQ building in Nantgarw, providing significant annual savings. This is now the preferred option and is being actively investigated on either a lease or purchase basis.

The Committee **NOTED** the update.

### **All-Wales E-Scheduling Procurement**

E-Scheduling software enables the District Nursing workforce in Wales to access a mobile app to schedule their visits, avoiding paper or spreadsheet-based systems.

The all-Wales contract (two year plus one) commenced with Civica (formerly Malinko) on 1st April 2021. The year extension was implemented in April 2023 with the entire contract due to expire on 31st March 2024. Following extensive consultation, and subject to Welsh Government approval, the intention is to re-tender the contract with expected contract award early in 2024.

The Committee **NOTED** the update.

## Finance, Performance, People, Programme and Governance Updates

**Finance** –We continue to forecast a break-even financial position for 2023/24 dependent upon a number of income assumptions relating to pay award funding, the continued demand for and the costs to support increased transactional activity, IP5 running costs and transitional funding for TRAMS. Confirmation that Welsh Government will fund UHBs for the laundry energy cost pressure in 2023/24 has reduced our risk in respect of this. We are anticipating an element of savings achieved to date will be required to support the transitional and removal costs relating to the transfer of significant volumes of medical records to new premises.

**People & OD Update** – Sickness absence remains low and statutory and mandatory performance is good. PADR rates are below target and the position has slightly worsened over recent months.

**Performance** – The in-month September performance was generally good with 36 KPIs achieving the target against the total of 41 KPIs. However, five KPIs did not achieve the target and are considered Red/Amber. These relate to Recruitment (2), Procurement, Digital Workforce and Student Awards Services. Professional influence benefits amount to £83M at end of September.

**IMTP Q2 Progress Report** - 81% (124) of our objectives are on track. 11 objectives are at risk of being off track to complete in 2023-24. All have targeted actions to complete in Quarter 3 and 4 with a view to bringing them back in line. Reporting on objectives remains on a self-assessment basis by the divisional Heads of Service, scrutinised through the Quarterly Review process.

**Project Management Office Update** – There is only one project currently rated as red, relating to the TrAMS project and particularly the affordability of the proposed solution as part of the wider capital programme. This compares with three red-rated projects reported to the last Committee.

**Corporate Risk Register** – There are currently five red risks on the Corporate Risk Register, compared with eight reported to the last Committee. These include Brecon House, TrAMs, the impact on the Single Lead Employer Team of proposed Junior Doctors Industrial action, and the limitations imposed by the overall financial climate.

The Committee **NOTED** the above Reports.

## Papers for Information

The following items were provided for information only:

- Audit Committee Assurance Report;
- PPE Stock Report; and
- Finance Monitoring Returns (Months 6 and 7).

<b>AOB</b>	
<b>N/a</b>	
<b>Matters requiring Board/Committee level consideration and/or approval</b>	
<ul style="list-style-type: none"><li>The Board is asked to <b>NOTE</b> the work of the Shared Services Partnership Committee.</li></ul>	
<b>Matters referred to other Committees</b>	
N/A	
<b>Date of next meeting</b>	Thursday 18 <sup>th</sup> January 2024 10am – 12pm



# DIGITAL HEALTH AND CARE WALES FORWARD WORKPLAN

Agenda Item	2.3
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Choose an Executive Sponsor
Prepared By	Julie Robinson, Corporate Governance Coordinator
Presented By	Chris Darling, Board Secretary

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





## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	The Corporate Risk log is presented at every meeting for oversight and scrutiny
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	Information
<u>DOMAIN OF QUALITY</u>	Effective
If more than one enabler / domain applies, please list below:	

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

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

<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	February 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

## 3 SITUATION / BACKGROUND

3.1	The Audit and Assurance Committee have a <a href="#">Cycle of Committee Business</a> 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.
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## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

4.1 The Forward Workplan has been updated to include the following items to be presented at the February 2024 meeting:

- Audit & Assurance Committee Annual report
- Audit and Assurance Committee Effectiveness Self-Assessment
- Audit and Assurance Terms of Reference
- Audit and Assurance Cycle of Business
- Welsh Health Circular Report
- Audit Wales Annual Audit Report
- Quality and Regulatory Annual Plan 2024/25
- Covid Inquiry Update
- Structured Assessment 2023
- Lessons Learnt from Audit of Accounts
- Finance Update
- BAF Escalation mission 5 – workforce deep dive
- Management of Physical Assets – PRIVATE
- Nationally Hosted NHS Systems Audit Review – PRIVATE

4.2 Additional items identified for the April 2024 meeting are:-

- Counter Fraud Annual Report
- Counter Fraud Annual Self Review
- Counter Fraud Draft Work Plan 2024/25
- Audit Annual Internal Audit Plan
- Audit Wales Audit Plan 2024
- Annual Audit Themes and Learning Report

4.3 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 Director of Finance as Executive lead for the Committee to identify items for the forward workplan on a continued basis.

4.4 The updated forward workplan can be found in full at item [2.3i Appendix 1 A Forward Workplan](#).



## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

5.1 There are no key risks / matters for escalation to Board / Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the report.	



## DIGITAL HEALTH AND CARE WALES COVID-19 INQUIRY UPDATE

Agenda Item	2.4
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Julie Ash, Head of Corporate Services
Presented By	Michelle Sell, Director of Planning & Performance and Chief Commercial Officer

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
<b>NOTE</b> the report providing the latest update in relation to DHCW engagement with the UK Covid-19 Inquiry.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	
<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Resilient Wales
If more than one standard applies, please list below:	
<u>DHCW QUALITY STANDARDS</u>	ISO 9001
If more than one standard applies, please list below:	
<u>DUTY OF QUALITY ENABLER</u>	Information
<u>DOMAIN OF QUALITY</u>	Efficient
If more than one enabler / domain applies, please list below:	
<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: N/A
No, (detail included below as to reasoning)	Outcome: N/A
Statement: EQIA not applicable for this update	

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	Choose an item. Respondents are required by law to answer Rule 9 Requests.
FINANCIAL IMPLICATION/IMPACT	No, there are no specific financial implications 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.



<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
<b>PERSON, COMMITTEE OR GROUP</b>	<b>DATE</b>	<b>OUTCOME</b>
Chris Darling, Board Secretary	31 January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
UK	United Kingdom	NWSSP	NHS Wales Shared Services Partnership
0365	Office 365		



### 3 SITUATION / BACKGROUND

- 3.1 In May 2021, the then Prime Minister, Boris Johnson, announced that an independent public inquiry into the UK Government's handling of the COVID-19 pandemic would take place in Spring 2022. The Inquiry was to play a key role in examining the UK's pandemic response and ensuring that we learn the right lessons for the future.
- 3.2 The Welsh Government agreed to establish a Senedd Covid-19 Inquiry Special Purpose Committee, co-chaired by Joyce Watson and Tom Gifford. The remit and full implications are not yet known but it is anticipated that the Committee will consider any issues arising from the UK Covid-19 Inquiry that require further examination in Wales.
- 3.3 DHCW along with other Health Bodies in NHS Wales have engaged with NWSSP Legal and Risk Services to prepare for the inquiry. DHCW have instructed NWSSP Legal and Risk Services to represent DHCW and have held a number of meetings with the solicitor allocated to DCHW to review progress to date and agree specific next steps. DHCW also instructed external counsel.
- 3.4 This paper provides a summary of the engagement to date between DHCW and the Covid-19 Inquiry Team.





## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The Covid-19 Inquiry Team Solicitors requested a statement/evidence under Rule 9 of the Inquiry Rules 2006 for Module 2B which is looking at the Welsh Governments' core political and administrative decision making in relation to the Covid-19 pandemic on 17 May 2023. The response was reviewed by DHCW's solicitor and external counsel prior to approval by our Chief Executive. The response was submitted by our solicitor to the Inquiry Team on 28 June 2023.
- 4.2 We anticipate potentially being asked for more detailed information as part of Module 3 which focuses on activities/decisions undertaken by NHS organisations.
- 4.3 On 16 February 2023, the DHCW Microsoft 365 Team uncovered an issue with email retention within the NHS Wales Microsoft 365 email service. DHCW advised the Covid-19 Inquiry Team of the event and actions taken on 2 August 2023. We received a request from the Inquiry team for further information relating to this issue which was provided on 25 August 2023. This incident has previously been reported to the September 2023 DHCW Board Meeting and also to the last meeting of the Audit and Assurance Committee.
- 4.4 On 6 October 2023, DHCW received a second Rule 9 Request under Module 2B requesting data which had been provided to Welsh Government. This request had a deadline of 24 November 2023. The Inquiry Team suggested a virtual meeting to talk through the request which was of a complex nature. A meeting was held on 16 October 2023.
- 4.5 The data was compiled and as agreed with the Inquiry Team, a spreadsheet was uploaded to Egress (the Inquiry's document submission system) on 16 November 2023. The Inquiry Team were notified.



## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 DHCW expect to receive further requests for information under Module 3 of the Inquiry which focuses on the impact of the Covid-19 pandemic on healthcare systems of the UK.

## 6 RECOMMENDATION

Recommendation	
	The Committee is being asked to
<b>NOTE</b> the report providing the latest update in relation to DHCW engagement with the UK Covid-19 Inquiry.	



# DIGITAL HEALTH AND CARE WALES ANNUAL REPORT OF THE AUDIT AND ASSURANCE COMMITTEE

Agenda Item	2.5
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Endorsement
Recommendation	The Committee is being asked to
ENDORSE the Annual Report of the Audit and Assurance Committee 2023/24 for APPROVAL to the SHA Board.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	N/A
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QUALITY IMPACT ASSESSMENT (ref if appropriate)	
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<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Globally Responsible Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: N/A
Choose an item.	Outcome: N/A
Statement: N/A	

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

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Laura Tolley, Head of Corporate Governance	January 2024	Reviewed
Marian Wyn Jones, Committee Chair	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
LINC	Laboratory Information Network Cymru	WCCIS	Welsh Community Care Information System



### 3 SITUATION / BACKGROUND

3.1 In accordance with best practice and good governance, the Audit and Assurance Committee produces an Annual Report to the SHA Board which sets out how the Committee has met its Terms of Reference during the financial year.

3.2 This report outlines Audit and Assurance Committee attendance and key items discussed in public and private during the 2023-24 financial year.

3.3 Audit and Assurance Committee Membership

3.3.1 The Committee was appointed by the Board from amongst the Non-Officer Members of the Health Authority and consists of not less than 3 members, comprising:

**Chair:** Independent Member

**Members:** Independent Members x 4 (one of whom is the Chair)  
The Executive Director of Finance and appropriate Internal and External Audit representatives shall normally attend meetings.

However, at least once a year, the Committee will meet privately with External and Internal Auditors without any Executive Director or Officer present. The opportunity to meet with Auditors private will be available at each meeting.

**Other usual expected attendees:**

Executive Director of Finance  
Board Secretary  
Head of Corporate Governance  
Associate Director of Finance  
Head of Corporate Services  
Head of Internal Audit  
External Audit Representative  
Counter Fraud Representative

At least two members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair or Committee Vice Chair.

## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The Committee met six times during the period 1 April 2023 and 31 March 2024, two of these were extraordinary meetings to consider the Annual Report and Accounts. This is in line with its Terms of Reference.
- 4.2 The Audit and Assurance Committee achieved an attendance rate of 87.5% from Committee members (80% is considered to be an acceptable attendance rate) during the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 (excluding extraordinary meetings) as set out below:-

	18.04.23	03.07.23	17.10.23	13.02.24	Attendance
Marian Wyn Jones (Chair)	X	✓	✓	✓	75%
Alistair Klaas Neill (Vice Chair)	✓	✓	✓	✓	100%
Ruth Glazzard	✓	✓	✓	✓	100%
Marilyn Bryan-Jones	X	✓	✓	✓	75%
Total	50%	100%	100%	100%	87.5%

- 4.3 During the financial year 2023/24 the Audit and Assurance reviewed the following key items at its meetings:

### Losses and Special Payments

As defined in the Standing Financial Instructions, the Audit and Assurance Committee is required to approve the write off of all losses and special payments within the delegated limits determined by Welsh Government. There were two payments in the 2023-2024 financial year.

### Procurement and Scheme of Delegation Compliance

The Committee received regular updates on procurement activity undertaken including compliance with the Standing Financial Instructions. Learning was noted from an incident of Inappropriate Adherence with Standing Financial Instructions for WCCIS Data Discovery Consultancy during the period 2023-2024.

### Corporate Risk Register

The Register was received and scrutinised at each meeting. The Committee were assured that risks were assessed by the Risk Management Group; in addition, it was reviewed on a monthly basis by the DHCW Management Board. A deep dive into Board Assurance Framework principal risk relating to mission 5 risk took place during the 2023/24 period.

### Local Counter Fraud Update

The Committee received updates from the Counter Fraud officer at each meeting and were informed that one investigation had taken place in relation to DHCW Staff. In addition, DHCW were added to the National Fraud Initiative, and this was completed during 2023/24.



### Standards of Behaviour

The Committee received a report on a quarterly basis and noted that work was progressing on capturing Declarations of Interest, Gifts and Hospitality for all DHCW staff.

### Decarbonisation and Estates Compliance

The Committee received an update at all regular meetings on Estate Compliance and in addition the Decarbonisation Return on Transport and Procurement.

### Quality and Regulatory Compliance

The Committee received an update at all regular meetings on Quality and Regulatory Compliance, in addition it noted DHCW's progress to implement the Duty of Quality Act.

### High Value Purchase Order Report

Committee members received regular reports on orders which exceeded £750k which included the addition of a log of the cumulative high value transactions.

### COVID-19 Inquiry Update Report

The Committee received updates on the latest position in relation to an UK COVID-19 Inquiry and were informed of the work being undertaken in preparation for this.

### Welsh Health Circulars

The Committee received a bi-annual update on the current status of the Welsh Health Circulars at the July and February Committee meetings.

### Legislative Assurance Framework

The Audit and Assurance Committee received a bi-annual update on the governance assurance framework at the July and April Committee meetings.

### Welsh Language Compliance & Improvement Framework

The Committee received regular updates on progress of compliance to the Welsh Language Standards and received assurance on the work being undertaken regarding recruitment. Additionally, the Report 'More than Just Words' was reviewed.

### Internal Audit

A draft Internal Audit Plan for 2023/24 was developed following meetings and correspondence with the Special Health Authority's Executive Directors, Chief Executive and Committee Chair. The Committee approved the plan at the meeting in April 2023.

Eleven reports were presented during the year:

- Corporate Governance – **Substantial** Assurance rating,
- Estates Compliance – Waste Management – **Substantial** Assurance rating,
- Risk Management – **Substantial** Assurance rating,
- Workforce Planning PADR – **Reasonable** Assurance rating,





- Centre of Excellence – **Reasonable** Assurance rating
- Cyber Security Improvement – **Substantial** Assurance rating
- Hybrid Working – **Substantial** Assurance rating
- Board Assurance Framework – **Substantial** Assurance rating
- UK GDPR – **Substantial** Assurance rating
- Stock Management – **Reasonable** Assurance rating
- Benefits Realisation – **Reasonable** Assurance rating

## Audit Wales

### Structured Assessment

DHCW's second Structured Assessment was presented to Audit and Assurance Committee in February 2024.

### Audit Wales Progress Reports

The Committee received progress reports from Audit Wales on the following:-

- Primary Care
- Review of Workforce Planning Arrangements
- DHCW Nationally Hosted NHS IT System Review

### Audit Action Tracker

The reports and tracker provided Members of the Audit and Assurance Committee with assurance on the implementation of recommendations which had been made by Internal Audit or Audit Wales by means of an internal / external recommendation tracking report and were able to view progress and improvements made from audit recommendations being addressed.

### Committee Effectiveness Self-Assessment

The annual self-assessment questionnaire was reviewed at the February 2024 meeting. The feedback indicated a generally positive response with the culture of the meetings considered conducive to open and productive debate.

### Raising Concerns

In February 2024, the Committee received an update on Raising Concerns and were assured on the processes in place to support this work.

## 4.3. Audit and Assurance Committee Private Agenda items

4.3.1 During the financial year 2023/24 the Audit and Assurance Committee reviewed the following key items at its **private** meetings.

- Verbal update on LINC and Contract Resolution
- Cyber Security Improvement Plan Internal Audit Report
- Programme Governance Independent Review
- Covid-19 Inquiry
- Counter Fraud
- Management of Physical Assets
- Programme Governance
- Raising Concerns

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 The Audit and Assurance Committee is of the opinion that the draft Audit and Assurance Annual Report 2023/24 is consistent with its role as set out within the Terms of Reference and that there are no key risks / matters for escalation to the Board / Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
<b>ENDORSE</b> the Annual Report of the Audit and Assurance Committee 2023/24 for <b>APPROVAL</b> to the SHA Board.	

DIGITAL HEALTH AND CARE WALES

AUDIT AND ASSURANCE COMMITTEE

EFFECTIVENESS SELF ASSESSMENT

REPORT

Agenda Item	2.6
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Laura Tolley, Head of Corporate Governance
Presented By	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Assurance
Recommendation	The Committee is being asked to
RECEIVE the content of the report and its findings for ASSURANCE.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	ALL
QUALITY IMPACT ASSESSMENT (ref if appropriate)	N/A

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

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

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

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	February 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
A&A	Audit and Assurance Committee	SOs	Standing Orders
PSIAS	Public Sector Internal Audit Standards		

## 3 SITUATION / BACKGROUND

- 3.1 The Chair of the Audit and Assurance Committee is required to present an annual report outlining the business of the Committee throughout the financial year to the DHCW SHA Board. The report is designed to provide assurance on the monitoring and scrutiny on behalf of the DHCW Board in relation to their remit. As part of this process the Committee are required to undertake an annual effectiveness self-assessment questionnaire.
- 3.2 Members of the Committee are asked to discuss and review the Committee effectiveness self-assessment questionnaire relating to the activities and performance of the Committee on behalf of the Board during 2023/24.
- 3.3 Members should note ten responses were received. The report does not include comments in order to ensure anonymity.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

### 4.1 Summary report

The report is split into three areas:

- Positive assurance
- Areas requiring further assurance
- Areas requiring further action

Positive Assurance	<p>Area: Composition, Establishment and Duties</p> <p>Members were aware that:</p> <ul style="list-style-type: none"><li>• There were approved <b>Terms of Reference</b> and there was an expectation they would be reviewed before March 2023 and would consider changes or developments throughout the year.</li><li>• The Committee have established an <b>annual cycle of business</b> to be dealt with across the year.</li><li>• The Committee will prepare an <b>annual report</b> on its work and performance for 2023/24 to the SHA Board, with one member not being aware of this.</li></ul> <p>Members felt:</p> <ul style="list-style-type: none"><li>• They have been <b>provided with sufficient authority</b> to perform its role effectively. Executive Directors attend when specifically invited to present reports on areas for which they are accountable.</li><li>• The Committee meet sufficiently <b>frequently to deal with planned</b> matters and there was sufficient time for questions and discussions.</li><li>• The atmosphere is considered conducive to open and productive debate and behaviour is courteous and professional.</li><li>• There was appropriate use of <b>private sessions of the Committee</b>, with it noted that the use of private sessions was more frequent than other NHS organisations but never inappropriately.</li><li>• Agenda items are appropriately '<b>closed off</b>'.</li></ul>
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	<p>Area: Committee Business</p> <p>Finding:</p> <ul style="list-style-type: none"><li>• The Committee formally <b>considered how it integrates</b> with other Committees that are reviewing risk, with one member suggesting that this should be reviewed in light of the new Committee and noting that better use of shared committee members could be made to share intelligence.</li><li>• The Committee <b>had reviewed the robustness and effectiveness of the content of the organisations internal assurance system.</b></li><li>• The Committee considered that the <b>reports received were timely and high quality to enhance it to discharge its internal control and risk management responsibilities,</b> with one member commenting that the quality of papers had improved significantly since DHCW was established.</li></ul>
	<p>Area: Audit</p> <p>Finding</p> <ul style="list-style-type: none"><li>• The Committee have <b>received and approved the Internal Audit plan for 2023/24</b> and would approve any material changes as they occurred i.e. the Eyecare Digitisation Programme.</li><li>• The Committee felt <b>the Internal Audit plan was derived from clear processes based on risk assessment</b> and linked to the systems of assurance and receive regular updates on the progress of the audit work.</li><li>• The Committee <b>received progress reports</b> from the Head of Internal Audit at each meeting.</li><li>• The members noted there were no investigations into management refusal to accept audit recommendations, but should they occur, the Committee would investigate.</li><li>• All Committee members felt there was <b>effective monitoring of the implementation of management actions.</b></li><li>• The Head of Internal Audit <b>provides reports directly</b> to the Committee and its Chair, including the Head of Internal Audit's Annual Report and Opinion as part of the cycle of business.</li><li>• The Committee <b>reviews the effectiveness of Internal Audit and the adequacy of staffing and resources within Internal Audit.</b></li><li>• The Committee <b>evaluated whether Internal Audit complies with the Public Sector Internal Audit Standards</b> which is done as part of the Head of Internal Audit Opinion and Annual Report.</li><li>• The Committee agreed a <b>range of Internal Audit performance measures, the internal Audit Performance measures are included in the Internal Audit Charter.</b></li></ul>





	<p>Area: Audit continued</p> <ul style="list-style-type: none"><li>• Members were aware the Committee will receive the <b>Head of Internal Audit's Annual Report and Opinion</b> within the annual reporting cycle.</li><li>• Members were aware of the Auditor General's representatives (Audit Wales) audit plan and strategy for DHCW.</li><li>• Members were clear the Committee <b>receive and monitor actions taken in respect of prior years' reviews</b>.</li><li>• Members were aware the <b>Committee assesses the quality and effectiveness of</b> External Audit work.</li><li>• Most Members were aware of the <b>nature and value of non-statutory work commissions</b> by DHCW from the Auditor General.</li></ul>
	<p>Area: Counter Fraud</p> <p>Findings:</p> <ul style="list-style-type: none"><li>• The Committee were <b>aware the annual counter fraud plan</b> was reviewed and approved and were satisfied that the Work Plan adequately covers the areas within the NHS Counter Fraud Policy.</li><li>• Members were all <b>aware that any material changes to the planned counter fraud work plan</b> would be reviewed and approved by the Committee.</li><li>• All but one of the members were aware the Counter Fraud Plans were derived from clear processes based on risk assessment.</li><li>• All were aware <b>the Committee received regular reporting</b> and should any management actions arise, the Committee would monitor their implementation.</li><li>• Most of the Committee members were aware of the effectiveness of the Local Counter Fraud services and the adequacy of its staffing is reviewed.</li><li>• Members agreed the Local Counter Fraud Specialist had opportunity for direct access to the Committee and its Chair.</li><li>• Most of the Committee members were aware the effectiveness of the Local Counter Fraud Service and the adequacy of its staffing is reviewed.</li><li>• The Committee expected to <b>review the Local Counter Fraud Specialist's Annual Report</b> and Qualitative assessment.</li><li>• All Members were aware the <b>Committee receive and discuss reports arising to quality inspections</b> by the NHS Counter Fraud Authority.</li></ul>





	<p>Area: Legislative Compliance</p> <p>Findings:</p> <ul style="list-style-type: none"><li>• All Members were aware the <b>Committee review assurance and regulatory/legislative compliance reporting</b>, processes.</li><li>• All Members were aware the Committee have a mechanism to ensure awareness of topical, legal and regulatory issues.</li></ul>
	<p>Area: Committee Leadership and Support</p> <ul style="list-style-type: none"><li>• All Members were unified that meetings are <b>chaired effectively, with clarity of purpose and outcome</b>.</li><li>• Members felt the Committee Chair <b>provided clear and concise information to the Board on the activities</b> of the Committee.</li><li>• All Members felt the committee was <b>adequately supported by Executive Directors in terms of attendance, quality and length of papers</b>. One Member noted that a number of officer members stay for the duration which was not always necessary or added value.</li><li>• All Members agreed the Committee <b>was adequately supported by the meeting secretariat</b>.</li><li>• Most Members considered they did not require any further training to fulfill their roles in the Committee, with one noting that guidance re the impact of new legislation would be beneficial.</li></ul>
	<p>Area: General Feedback</p> <ul style="list-style-type: none"><li>• Members provided positive comments outlining the <b>effectiveness of the committee and the way it has matured</b> in the last year.</li><li>• The Board Assurance Framework Deep Dives <b>were a positive addition to the meetings providing further assurance</b> to the Committee on key areas.</li><li>• </li></ul>
Appendices	<a href="#">Audit and Assurance Effectiveness Self Assessment Survey</a>

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 The outcome of the Audit and Assurance Committee Effectiveness Survey will input to the Committee Annual Report to the SHA Board to include addressing areas where further improvements can be made to the operating of the Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
RECEIVE the content of the report and its findings for <b>ASSURANCE</b> .	

# DIGITAL HEALTH AND CARE WALES

## AUDIT AND ASSURANCE COMMITTEE

### TERMS OF REFERENCE

Agenda Item	2.7
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Laura Tolley, Head of Corporate Governance
Presented By	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Approval
Recommendation	The Committee is being asked to
APPROVE the Audit and Assurance Terms of Reference to go to the SHA Board.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	All
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

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

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 implications 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.

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	February 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
A&A	Audit and Assurance Committee	SOs	Standing Orders
SFI's	Standing Financial Instructions		

## 3 SITUATION / BACKGROUND

3.1	In-line with the SHA's Standing Orders, Terms of Reference for Committees of the Board should be reviewed on an annual basis.
3.2	The Audit and Assurance Committee Terms of Reference were reviewed and agreed by the Committee in February 2023 and approved by the SHA Board in March 2023.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The review of the Audit and Assurance Committee Terms of Reference by Members of the Committee allows for any comments or changes to be incorporated prior to submission to the SHA Board for approval.
- 4.2 The Terms of Reference have been reviewed by the Corporate Governance Team and can be found at item [2.7i Appendix A](#). There are a limited number of changes made to the Terms of Reference, these changes have been tracked and left in the document so that Committee members can easily see the changes made.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 There are no key risks/matters for escalation to Board/Committee

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
APPROVE the Audit and Assurance Terms of Reference to go the SHA Board.	

DIGITAL HEALTH AND CARE WALES

AUDIT AND ASSURANCE COMMITTEE

CYCLE OF BUSINESS 2024-25

Agenda Item	2.8
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Approval
Recommendation	The Committee is being asked to
APPROVE the Audit and Assurance Cycle of Business 2024-25.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	All
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QUALITY IMPACT ASSESSMENT (ref if appropriate)	
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<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
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If more than one standard applies, please list below:

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
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<u>DOMAIN OF QUALITY</u>	N/A
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If more than one enabler / domain applies, please list below:

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

Outcome: N/A

Statement: N/A

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 implications 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.



<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Claire Osmundsen-Little, Executive Director of Finance	January 2024	Reviewed
Chris Darling, Board Secretary	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
A&A	Audit and Assurance Committee	SO's	Standing Orders

## 3 SITUATION / BACKGROUND

3.1	The DHCW Audit and Assurance Committee should, on annual basis, receive an Annual Cycle of Committee Business which identifies the agenda items and reports which will be regularly presented to the Committee for consideration. The annual cycle is one of the key components in ensuring that the Committee is effectively carrying out its role.
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## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The Cycle of Business is presented as item [2.8i Appendix 1](#). The approval of the annual Cycle of Committee Business will take place before the start of the new financial year.
- 4.2 The Cycle of Business covers the period 1 April 2024 to 31 March 2025. The Cycle of Business has been developed to help plan the management of Committee matters and facilitate the management of agendas and Committee business.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 There are no key risks / matters for escalation to Board / Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
APPROVE the Audit and Assurance Cycle of Business 2024-25.	

DIGITAL HEALTH AND CARE WALES

WELSH HEALTH CIRCULARS

COMPLIANCE UPDATE REPORT

Agenda Item	2.9
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the updated provided and take <b>ASSURANCE</b> on the process for recording and monitoring the organisation’s compliance with Welsh Health Circulars.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Globally Responsible Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

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

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

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Laura Tolley, Head of Corporate Governance	January 2024	Reviewed
Chris Darling, Board Secretary	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
WG	Welsh Government	WHC	Welsh Health Circular
MD	Ministerial Directives		



### 3 SITUATION / BACKGROUND

- 3.1 The purpose of this report is to provide an update to the Audit and Assurance Committee on the organisation's compliance with Welsh Health Circulars (WHCs) and Ministerial Directives (MD) that are issued by Welsh Government.
- 3.2 The Corporate Governance Team maintain a tracker for monitoring and recording the WHCs and MDs that are received by DHCW. The WHC's are sent to the Weekly Executive Directors' meeting for review and to agree the relevant Executive Lead for action.
- 3.3 A monthly progress report is presented at the Weekly Executive Directors meeting for information, monitoring and assurance purposes.

### 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The [WHC Register](#) details the WHC's and the one MD received in the period 2023/24, these have been reported to Weekly Executive Directors and Management Board.
- 4.2 All WHCs are completed and have been signed off by the Executive Leads. There were no outstanding circulars on the register for the 2023/24 period at the time of reporting.

### 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 There are no key risks of matters for escalation to the Committee.

### 6 RECOMMENDATION

Recommendation	The Committee is being asked to
<b>NOTE</b> the updated provided and take <b>ASSURANCE</b> on the process for recording and monitoring the organisation's compliance with Welsh Health Circulars.	

DIGITAL HEALTH AND CARE WALES

STANDARDS OF BEHAVIOUR REPORT

Agenda Item	2.11
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Laura Tolley, Head of Corporate Governance
Presented By	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the Standards of Behaviour Report.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	Leadership
<u>DOMAIN OF QUALITY</u>	Effective
If more than one enabler / domain applies, please list below:	

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

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	No, there are no specific financial implications 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.



<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
SoB	Standards of Behaviour	DoI	Declaration of Interest

## 3 SITUATION / BACKGROUND

- 3.1 In accordance with the requirements of the DHCW's [Standing Orders](#) and [Standards of Behaviour Policy](#), a report is required to be received by the Audit & Assurance Committee as a standing agenda item, which details the Declarations of Interest, Gifts, Honoraria, Hospitality and Sponsorship activities.
- 3.2 All declarations of interest are reviewed and checked by the Corporate Governance team and any queries are addressed prior to entry on the register. The register focuses initially on staff band 8a and above, however, DHCW are pursuing best practice and asking all staff to complete a declarations of interest form.
- 3.3 In line with other NHS Trusts, Health Boards and Special Health Authorities, DHCW have agreed to operate a 3-year declaration of interest form. However, [DHCW Board members](#) will be required to complete an annual declaration of interest form.

## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.2 As of 23<sup>rd</sup> January 2024, 97% of band 8a and above declarations of interest have been received and captured on the [Declarations of Interest Register](#). In addition, 29% of staff banded 2-7 have also been received and captured on the register.
- 4.3 Work is ongoing to capture the declarations of interest of all DHCW staff band 8a and above, in line with the SOB Policy requirement and an escalation process is in place to address if staff banded 8a and above have been requested to complete a declaration form, but it has not been submitted.
- 4.4 The Committee are asked to note the [Gifts, Hospitality, Honoraria and Sponsorship Register](#) and note since the last meeting, 7 declarations have been submitted and included on the register, a summary of these can be found in the table below.

Nature of Declaration	Accepted	Declined	Grand Total	Value accepted	Value of declined
Gifts	0	0	0	0	0
Honorarium	0	0	0	0	0
Hospitality	£300	0	£300	£300	0
Sponsorship	£1656.89	0	£1656.89	£1656.89	0
Grand Total	£1956.89	0	£1956.89	£1956.89	0

5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1

Work is ongoing to actively promote the Standards of Behaviour Policy and Declarations of Interest, Hospitality, Honoraria and Sponsorship across the organisation.

6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the Standards of Behaviour Report.	



## DIGITAL HEALTH AND CARE WALES RAISING CONCERNS

Agenda Item	2.12
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Laura Tolley, Head of Corporate Governance
Presented By	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Assurance
Recommendation	The Committee is being asked to
NOTE the report for ASSURANCE.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	Provide a platform for enabling digital transformation
-------------------	--

CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	Culture
<u>DOMAIN OF QUALITY</u>	Person Centred
If more than one enabler / domain applies, please list below:	

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

IMPACT ASSESSMENT	
<b>QUALITY AND SAFETY</b> IMPLICATIONS/IMPACT	Yes, please see detail below Raising Concerns identifies possible risks, wrongdoing or malpractice that can pose a risk to others.
<b>LEGAL</b> IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
<b>FINANCIAL</b> IMPLICATION/IMPACT	No, there are no specific financial implications related to the activity outlined in this report
<b>WORKFORCE</b> IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
POD	People and Organisational Development	TU	Trade Union



### 3 SITUATION / BACKGROUND

- 3.1 The safety and wellbeing of staff and service users is a key priority for DHCW and as an organisation, DHCW are committed to fostering a culture of openness across all parts of the organisation to support and encourage all staff and service users to communicate any concerns they may have, with the confidence that they will be treated with respect and dignity when doing so.
- 3.2 Raising Concerns (also known as Whistleblowing, Speaking up Safely, Freedom to Speak Up) are terms used when a member of staff raises a concern about a possible risk, wrongdoing or malpractice, usually because it threatens or poses a risks to others (e.g. Colleagues, public, service users or patients). This can include:
- Inappropriate behaviours being demonstrated that do not align to the organisations values;
  - Acts of violence, discrimination or bullying towards staff, patients or service users;
  - Illness that may affect a member of the workforce's ability to practise in a safe manner;
  - Substance and alcohol misuse affecting ability to work;
  - Negligence;
  - Where a criminal offence has been committed / is being committed / or is likely to be committed (or you suspect this to be the case);
  - Where fraud or theft is suspected;
  - Disregard of legislation;
  - A breach of financial procedures.
- 3.3 In accordance with Welsh Health Circular [WHC/2021/002](#) , DHCW has an Executive and Non-Executive Board Champion for Raising Concerns.
- 3.4 DHCW has adopted the [All-Wales Procedure for NHS Staff to Raise Concerns](#). In addition, it has an internal dedicated Raising Concerns SharePoint site for all staff to access and a simple process in place which allows staff to raise concerns confidentially, gives the option for anonymity, in addition it provides confidence that all concerns raised will be dealt with appropriately.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 Following the events at the Countess of Chester Trust in 2023 there is a significant focus on Raising Concerns across NHS organisations. Whilst it is recognised this is more aimed at organisations directly delivering patient care, and concerns regarding Quality & Safety, DHCW are taking learning from this forward, to promote the importance of Raising Concerns within DHCW.
- 4.2 In 2023, Welsh Government issued the [Speaking up Safely: A Framework for the NHS in Wales \(gov.wales\)](#) to all NHS Bodies in Wales. Following an internal review and self-assessment against the framework, the following activity is planned to ensure ongoing promotion of Raising Concerns:
- Raising Concerns Policy & Process shared at monthly Corporate Induction;
  - Governance & Training Workshop to be delivered to all DHCW Directorates by the end of the 2023-24 financial year which will have a spotlight on Raising Concerns;
  - Quarterly messaging via internal staff communications;
  - Quarterly social media promotion using All-Wales Speaking up Safely Branding;
  - Board Champions to deliver a bilingual TenTalk on Raising Concerns in March 2024 and February 2025;
  - Quarterly meetings in place with Senior POD leads to triangulate data from a range of sources (such as turnover, exit interviews, TU feedback, staff surveys, work-related stress etc.) to consider if this could trigger for a concern to be raised;
  - Bi-annual reporting to the Audit & Assurance Committee on Raising Concerns.
- 4.3 Committee members are asked to note that as at end of January 2024, DHCW have received one concern through the formal Raising Concerns process which relates to inappropriate behaviours being demonstrated that do not align to the organisations values, this is currently under investigation in line with the Raising Concerns process.





## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

5.1 There are no key risks / matters for escalation to Board / Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
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NOTE the report for ASSURANCE.	
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Agenda item 3.1 Action Log

Reference	Date of Meeting	Action/Decision Detail	Action Lead	Due Date	Status/Outcome Narrative	Status	Revised Action	Revised due date	Session Type
20231017-A01	17/10/2023	A discussion to be taken offline with CD and A&A members to provide assurance around the journey and the role for Audit Members to discuss BAF at Board sessions.	Chris Darling (DHCW - Board Secretary)	05/12/2023	Discussion was held.	Complete			Public
20231017-A02	17/10/2023	Nathan Couch to raise in discussions with colleagues the issue of digital staff being added to the admin and estates category within NHS workforce data.		21/11/2023	Action for Nathan Couch - sent separately. NC raised with colleague responsible for delivering workforce planning reviews across NHS Wales. The data used within the Workforce Planning Tool was obtained from Welsh Government/Stats Wales, therefore DHCW would need to raise the issue with those organisations.	Complete			Public
20231017-A03	17/10/2023	Mark Cox to bring back a report on what difference the Lessons Learnt exercise made.	Mark Cox (DHCW - Finance & Business Assurance)	23/01/2024	On the agenda.	Complete			Public
20231017-A04	17/10/2023	A deep dive to be presented at a future meeting on the process of reviewing risks.	Chris Darling (DHCW - Board Secretary)	23/01/2024	A deep dive into Corporate Risks, the process and trending analysis took place in Oct and Nov 2023, via the Board Committees and then to the SHA Board in Nov 203. The exercise will take place on an annual basis.	Complete			Public
20231017-A05	17/10/2023	Welsh Language - more to do in this area and the Director of People and OD to be invited to the next appropriate meeting to follow up on this.	Chris Darling (DHCW - Board Secretary)	21/11/2023	The Director of People and OD was invited and attending the February Committee meeting.	Complete			Public
20231017-A06	17/10/2023	The Quality and Regulatory Compliance report to be moved to the start of the agenda/governance section to provide sufficient time for an in-depth discussion.	Chris Darling (DHCW - Board Secretary)	23/01/2024	The item was moved to the start of the Governance agenda.	Complete			Public



## DIGITAL HEALTH AND CARE WALES

### INTERNAL AUDIT PROGRESS REPORT 2023/24

### NWSSP AUDIT & ASSURANCE SERVICES

Agenda Item	4.1
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Stephen Chaney, Interim Head of Internal Audit
Presented By	Stephen Chaney, Interim Head of Internal Audit

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the Internal Audit Progress Report.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	N/A
QUALITY IMPACT ASSESSMENT (ref if appropriate)	N/A

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below: All enablers / domains may apply due to the nature of the assurance work completed.	

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

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 The Benefits Realisation Report identified that benefits are not being identified by DHCW, fully tracked, or reported.
WORKFORCE	No, there is no direct impact on resources as a result of

IMPLICATION/IMPACT	the activity outlined in this report.
<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
N/A		

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

## 3 SITUATION / BACKGROUND

3.1	This document sets out a summary of the progress of the Internal Audit Plan for 2023/24 for Digital Health and Care Wales (DHCW), detailing the final assurance rating and a summary of recommendation priorities for the internal audit report, Benefits Realisation (reasonable assurance).
3.2	In addition to the completed audits, five of the remaining audits are in progress and one is progressing through its planning stage.

4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING  
(ASSESSMENT)

4.1 The Committee is asked to note the [4.1i Audit Progress Report](#).

5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 The report contains the current status of the planned audits for 2023/24, including assurance and priority ratings. The delivery of the 2023/24 Internal Audit Plan is progressing as planned.
- 5.2 Furthermore, the number of planned audits has been adjusted, to reflect the reallocation of audit resource to the delivery of the Eyecare Services Digitisation review.

6 RECOMMENDATION

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



# DIGITAL HEALTH AND CARE WALES

## INTERNAL AUDIT REPORT 2023/24

### NWSSP AUDIT & ASSURANCE SERVICES

Agenda Item	4.2
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Stephen Chaney, Interim Head of Internal Audit
Presented By	Stephen Chaney, Interim Head of Internal Audit

Purpose of the Report	For Assurance
Recommendation	The Committee is being asked to
<b>RECEIVE</b> the internal audit report for <b>ASSURANCE</b> , which has been agreed with the relevant Executive Lead.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	N/A
QUALITY IMPACT ASSESSMENT (ref if appropriate)	N/A

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below: All enablers / domains may apply due to the nature of the assurance work completed.	

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

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
	Benefits may not be realised, thus increasing financial costs.
WORKFORCE	No, there is no direct impact on resources as a result of



IMPLICATION/IMPACT	the activity outlined in this report.
<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
N/A		

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

## 3 SITUATION / BACKGROUND

3.1	The following internal audit report is included in <a href="#">Appendix 4.2i</a> :  <b>Benefits Realisation</b>  This audit was rated as <i>reasonable assurance</i> , with one high and three medium priority recommendations included.
-----	--



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

4.1 A summary of the key findings is included below:

### Benefits Realisation

- 4.1.1 We found that a benefits management framework is in place, which sets out the processes to be implemented and to ensure benefits are achieved from investment.
- 4.1.2 Benefits are clearly included within the business cases and are grounded in a realistic assessment of what can be achieved, which is undertaken with stakeholders. However, whilst benefits are being achieved and reported within individual programmes, there is no coordinated approach to benefits realisation as a whole and no reporting on benefits anticipated. In particular, the Benefits Team do not have a mechanism in place to collect or collate the data produced by the projects and programmes with which they are involved.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 Any matters for escalation to the Board (other relevant committees) to be determined by the Committee following the consideration of the reports.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
RECEIVE the internal audit report for <b>ASSURANCE</b> , which has been agreed with the relevant Executive Lead.	

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

Date issued: February 2024

Document reference: 4016A2024

This document has been prepared for the internal use of Digital Health and Care Wales as part of work performed / to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

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# Contents

Audit and Assurance Committee Update

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## About this document

- 1 This document provides the Audit and Assurance Committee with an update on our current and planned accounts and performance audit work at Digital Health and Care Wales.
- 2 We also provide additional information on:
  - Other relevant examinations and studies published by the Audit General.
  - Relevant corporate documents published by Audit Wales (e.g. fee schemes, annual plans, annual reports), as well as details of any consultations underway.
- 3 Details of future and past Good Practice Exchange (GPX) events are also available on our [website](#).

## Accounts audit update

4     **Exhibit 1** summarises the status of our current and planned accounts audit work.

### Exhibit 1 – Accounts audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Audit of 2023-24 financial statements	Claire Osmundsen-Little – Executive Director of Finance	Planning and risk assessment work under International Standard on Auditing (ISA) 315 and audit of the draft financial statements.	In progress – initial planning meeting held to discuss audit risks	Detailed planning work/interim testing to commence March 2024.

## Performance audit update

5     **Exhibit 2** summarises the status of our current and planned performance audit work.

### Exhibit 2 – Performance audit work

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Structured Assessment 2023 – Core	Chief Executive Officer	<p>Our structured assessment work was designed to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. Our 2023 Structured Assessment work reviewed:</p> <ul style="list-style-type: none"><li>• Board and committee effectiveness, cohesion, and transparency;</li><li>• Corporate systems of assurance;</li><li>• Corporate planning arrangements; and</li><li>• Corporate financial planning, management, and performance arrangements.</li></ul>	Report finalised and included in today's committee papers	February 2024



Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
All-Wales thematic on workforce planning arrangements	Director of People and Organisational Development	This work examined the workforce risks that NHS bodies are experiencing currently and are likely to experience in the future. It examined how local and national workforce planning activities are being taken forward to manage those risks and address short-, medium- and longer-term workforce needs.	Report finalised and included in today's committee papers	February 2024
2023 Annual Audit Report	Chief Executive Officer	This report summarises the findings from our 2023 audit work at Digital Health and Care Wales.	Report finalised and included in today's committee papers	February 2024
Structured Assessment 2023 – Deep Dive	Executive Director of Finance	We had previously indicated an intention to undertake deeper dive work to examine digital arrangements. However, given the significantly challenging financial position across NHS Wales, we are now looking at replacing the work on digital with focused work examining the approaches NHS bodies are taking in respect of achieving cost improvements, efficiencies, and financial sustainability.	Planning	To be confirmed

Area of work	Executive Lead	Focus of the work	Current status	Planned date for consideration
Local project work – Review of stakeholder engagement arrangements	To be confirmed	This work will assess the effectiveness of DHCW's stakeholder engagement arrangements and the extent to which they are supporting the organisation to be seen as a trusted digital partner within the NHS in Wales.	Planning	To be confirmed

## Other relevant publications

6     **Exhibit 3** provides information on other relevant examinations and studies published by the Auditor General in the last six months. The links to the reports on our website are provided. The reports highlighted in **bold** have been published since the last committee update.

Exhibit 3 – Relevant examinations and studies published by the Auditor General

Title	Publication Date
<b><u>Corporate Joint Committees – commentary on their progress</u></b>	<b>November 2023</b>
<u>NHS Workforce data briefing</u>	September 2023
<u>NHS Wales Finances Data Tool - up to March 2023</u>	September 2023
<u>Approaches to achieving net zero across the UK</u>	September 2023

## Additional information

7     **Exhibit 4** provides information on corporate documents published by Audit Wales since the last committee update. Links to the documents on our website are provided.

Exhibit 4 – Audit Wales corporate documents

Title	Publication Date
<u>Fee Scheme 2024-25</u>	January 2024
<u>Equality Report 2022-23</u>	November 2023

Title	Publication Date
<a href="#">Fee Scheme 2024-25</a>	January 2024
<a href="#">Estimate of Income and Expenses for Audit Wales for the year ended 31 March 2025</a> <a href="#">Supporting information for the Estimate for Audit Wales 2024-25</a>	October 2023
<a href="#">Interim Report 2023</a>	October 2023

8      There are no relevant Audit Wales consultations currently underway.





Audit Wales

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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.

## Structured Assessment 2023 – Digital Health and Care Wales

Audit year: 2023

Date issued: November 2023

Document reference: 3951A2023

This document has been prepared as part of work performed in accordance with statutory functions.

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# Summary report

## About this report

- 1 This report sets out the findings from the Auditor General's 2023 structured assessment work at Digital Health and Care Wales (DHCW). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement under section 61 of the Public Audit (Wales) Act 2004 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources.
- 2 Our 2023 Structured Assessment work took place at a time when NHS bodies were still responding to the legacy of the COVID-19 pandemic as they look to recover and transform services and respond to the additional demand in the system that has built up during the pandemic. Furthermore, health bodies are also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. More than ever, therefore, NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to themselves, the public, and key stakeholders that the necessary action is being taken to deliver high-quality, safe, and responsive services, and that public money is being spent wisely.
- 3 The key focus of the work has been on DHCW's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on Board transparency, cohesion, and effectiveness. corporate systems of assurance, corporate approach to planning, and corporate approach to financial management. We have not reviewed DHCW's operational arrangements as part of this work.
- 4 Our work has been informed by our previous structured assessment work, which has been developed and refined over a number of years. It has also been informed by:
  - Model Standing Orders, Reservation and Delegation of Powers
  - Model Standing Financial Instructions
  - Relevant Welsh Government health circulars and guidance
  - The Good Governance Guide for NHS Wales Boards (Second Edition)
  - Other relevant good practice guidesWe undertook our work between June 2023 and September 2023. The methods we used to deliver our work are summarised in **Appendix 1**.
- 5 We also provide an update in this report on DHCW's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

## Key findings

- 6 Overall, we found that **DHCW's corporate governance, assurance, planning, and financial management arrangements are generally good, with some opportunities to strengthen them further. However, DHCW is facing significant resource, financial, and investment risks that will need to be carefully managed to ensure it achieves both immediate priorities and longer-term objectives while remaining financially sustainable.**

### Board transparency, effectiveness, and cohesion

- 7 We found that **DHCW has a stable and cohesive Board that conducts its business appropriately, effectively, and transparently. However, opportunities remain to enhance some arrangements further.**
- 8 DHCW's Board and committees operate appropriately, effectively, and transparently. The committee structure is well embedded with well managed meetings, good arrangements to support flows of assurance, and good quality and timely information. There is good scrutiny, challenge, and discussion in Board and committee meetings on the key risks, challenges, and opportunities facing the organisation. DHCW has recently taken responsibility for overseeing delivery of Welsh Government funded digital programmes and is taking positive steps to establish a new committee to maintain oversight of programme delivery as part of its corporate governance arrangements. However, the longer-term chairing arrangements of the new committee will need to be kept under review. The Board is stable, cohesive, and demonstrates a commitment to continuous improvement. The Board is committed to strengthening its arrangements for engaging with DHCW staff, but opportunities remain for it to engage directly with citizens and clinical service-users in other health bodies.

### Corporate systems of assurance

- 9 We found that **DHCW's systems of assurance are robust and operating effectively, but opportunities exist to enhance some of these arrangements further.**
- 10 DHCW is managing its strategic and corporate risks effectively and developing a greater understanding of its risk appetite. DHCW maintains a high-quality Board Assurance Framework (BAF) which is fully owned and actively used by the Board. Whilst committees undertake regular deep dives on principal risks, there is scope to make greater use of the BAF to shape Board and committee business. There are reasonably effective performance management arrangements in place. However, there is scope to improve the content of reports to more clearly articulate actions required to improve underperformance. DHCW has effective quality assurance arrangements and is making good progress in implementing the new

duties of quality and candour. It also has effective arrangements in place for monitoring the implementation of internal and external audit recommendations.

## Corporate approach to planning

- 11 We found that **DHCW's planning arrangements continue to mature, but opportunities remain to develop detailed supporting delivery plans for some corporate plans and strategies to support effective monitoring and oversight. DHCW is facing significant resource and investment risks which may impact on the delivery of its key strategic and transformational priorities.**
- 12 DHCW's approach for developing strategic and corporate plans is generally effective, with good Board-level oversight and involvement. The Integrated Medium-Term Plan (IMTP) for 2023-26 is shorter and more concise as compared to previous versions. It clearly articulates DHCW's priorities, timescales, outcomes, and risks. However, a significant number of priorities in the IMTP have not been resourced, and DHCW often commits to work outside its agreed IMTP which places a further strain on organisational resources. This creates deliverability risks and highlights a need to better engage with partners during the IMTP development process to better understand requirements and the resources to deliver them.
- 13 DHCW is making good progress in developing its long-term strategy and is beginning work on introducing a new product-focussed operating model to support the delivery of its strategic objectives and IMTP priorities. Whilst this new approach should bring several benefits, there are some significant risks associated with its implementation that will need to be managed carefully. DHCW is currently undertaking work to demonstrate its value to the wider NHS in Wales. However, progress has been slow to date, and this work still does not guarantee receipt of additional investment from Welsh Government. It will, therefore, need to plan for this scenario should the risk of not securing additional resources materialise.
- 14 DHCW has reasonably effective arrangements for overseeing and scrutinising IMTP delivery. We also found improvement in the quality of underpinning business / delivery plans for some wider corporate strategies and plans. However, this level of information is not available for all corporate strategies and plans, therefore inhibiting effective progress monitoring. There is also scope to provide clearer strategy and plan progress updates to help the Board understand if they are achieving the intended impact.

## Corporate approach to managing financial resources

- 15 We found that **DHCW continues to have a generally effective approach to financial planning, monitoring, and reporting. However, increasing financial challenges and an over reliance on non-recurrent savings could impact on its future financial sustainability.**
- 16 DHCW achieved financial balance for 2022-23 and is forecasting a break-even position for 2023-24. However, there is uncertainty around the financial position in

future financial years. Whilst it has good financial planning and financial management arrangements, it is facing increasing financial risks and continues to place an over-reliance on non-recurrent (vacancy) savings. These matters will require more organisational focus and rigour to reduce the impact on DHCW's future financial sustainability. Scrutiny and oversight of financial performance is appropriate, but Board may need to strengthen its arrangements should the financial challenges increase.

# Recommendations

17 **Exhibit 1** details the recommendations arising from our work. These include timescales and our assessment of priority. The DHCW's response to our recommendations is summarised in **Appendix 3**.

## Exhibit 1: 2023 recommendations

Recommendations	
<b>Committee chair arrangements</b>	
R1	The Chair of Board is intending to chair the new Programme Delivery Committee. Whilst this is a positive development, given the Committee's infancy and remit, this arrangement should be time-limited to free up the Chair's capacity and support independent and effective flows of assurance. DHCW should seek to appoint a chair for the Committee from the wider cohort of Independent Members. <b>(High Priority)</b>
<b>Service User / Staff Stories</b>	
R2	Board meetings continue to include an agenda item on listening and learning which give Board members some insights into the impact of digital on clinical service users. However, opportunities remain to strengthen these arrangements further. DHCW, therefore, should engage with other health bodies or Llais Wales, to explore options for Board members to hear directly from citizens and clinical service users. <b>(Medium Priority)</b>
<b>Resource and investment risks</b>	
R3	DHCW is experiencing resource challenges to deliver its IMTP priorities, and the scope of its planned transformational work may require significant Welsh Government investment at a time of considerable financial constraint across the NHS in Wales. In light of these challenges, DHCW should: <div>a) Progress its 'value proposition' work at pace to demonstrate the impact of digital across NHS Wales. <b>(High Priority)</b></div>

## Recommendations

- b) Develop plans as soon as possible that carefully consider its own internal and stakeholder priorities and what it is able to deliver within its resource envelope. **(High Priority)**

### Delivery of corporate strategies and plans

R4 Whilst some corporate strategies and plans are underpinned by clear business / delivery plans, this is not case for all of them. Furthermore, there is scope to improve the quality and frequency of the strategy update reports presented to Board. DHCW, therefore, should:

- a) Ensure that all corporate plans and strategies are underpinned by detailed business / delivery plans that include target dates and milestone to facilitate effective progress monitoring and ensure appropriate Board-level assurance and scrutiny. **(Medium Priority)**
- b) Improve the quality of strategy update reports to Board and increase the frequency of oversight to provide assurance to the Board that corporate strategies and plans are achieving the desired impact and benefits. **(Medium Priority)**

### Financial Sustainability

R5 Whilst DHCW has made some progress in addressing the balance of recurrent and non-recurrent savings, it still places an over-reliance on vacancy savings to achieve its overall savings target. This continues to represent a risk should the organisation recruit to the vacancies, particularly considering the forecast deficit positions for 2024-25 and 2025-26. DHCW, therefore, should provide greater assurance to the Board on the development and delivery of recurrent savings in the medium- to long-term to strengthen the future financial sustainability of the organisation. **(High Priority)**

# Detailed report

## Board transparency, effectiveness, and cohesion

- 18 We considered whether the DHCW's Board conducts its business appropriately, effectively, and transparently.
- 19 We found that **DHCW has a stable and cohesive Board that conducts its business appropriately, effectively, and transparently. However, opportunities remain to enhance some arrangements further.**

## Public transparency of Board business

- 20 We considered whether the Board promotes and demonstrates a commitment to public transparency of board and committee business. We were specifically looking for evidence of:
- Board and committee meetings that are accessible to the public
  - Board and committee papers being made publicly available in advance of meetings
  - Board and committee business and decision-making being conducted transparently
  - Board and committee meeting minutes being made publicly available in a timely manner.
- 21 We found that **DHCW's Board continues to demonstrate a strong commitment to public transparency of Board and committee business.**
- 22 DHCW continues to demonstrate a strong commitment to public transparency of Board and committee business. Members of the public can request to observe any public Board and committee meeting by contacting the Corporate Governance Team. DHCW actively encourages this by promoting meetings via its various social media channels in the days leading up to them.
- 23 Board and committee meetings continue to be held virtually. Board meetings are livestreamed and recorded, whereas committee meetings are only recorded. Recordings are generally published on DHCW's website within three to five the working days. The Local Partnership Forum meeting and Remuneration and Terms of Service Committee meeting recordings are not published due to the sensitive and confidential nature of the information they discuss. Welsh language interpretation is available at each public Board meeting, and DHCW also endeavours to provide British Sign Language upon request. DHCW currently has no plans to introduce in-person public Board or committee meetings due to the efficiency and effectiveness of its virtual arrangements.
- 24 DHCW continues to make appropriate use of private Board and committee meetings to discuss sensitive and confidential matters. When decisions are made in private meetings, the details are included in the Chair's Report or Committee Highlight reports which are presented at the next public Board meeting. Abridged minutes of private meetings are also published to further enhance transparency.

Our observations of Board and committee meetings found good openness and transparency amongst Board members, particularly in relation to the challenges the organisation is facing.

- 25 Papers for Board and committee meetings continue to be published on DHCW's website a week in advance in line with Standing Orders, with only one contravention<sup>1</sup>. DHCW continues to make innovative use of QR codes<sup>2</sup> to enable the public and other stakeholders to access Board papers from a digital device. This practice is now also in use for committee meeting papers.
- 26 Draft minutes are produced and agreed in a timely manner, and formally approved at the next public Board or committee meeting.

## Arrangements to support the conduct of Board business

- 27 We considered whether there are proper and transparent arrangements in place to support the effective conduct of Board and committee business. We were specifically looking for evidence of:
- a formal, up-to-date, and publicly available Reservation and Delegation of Powers and Scheme of Delegation in place, which clearly sets out accountabilities;
  - formal, up-to-date, and publicly available Standing Orders (SOs) and Standing Financial Instructions (SFIs) in place, along with evidence of compliance; and
  - formal, up-to-date, and publicly available policies and procedures in place to promote and ensure probity and propriety.
- 28 We found that **DHCW has good arrangements to support the effective conduct of Board business.**
- 29 DHCW continues to have good arrangements to support the effective conduct of Board business. The arrangements are clearly set out in DHCW's Governance Assurance Framework. The Standing Orders, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions are all up-to-date and reviewed annually by the Executive Team, Audit and Assurance Committee, and Board. At its public meeting in September 2023, the Board considered and approved changes to the Standing Orders to reflect the new Duties of Quality and Candour and the role of the new citizens voice body, 'Llais Wales'<sup>3</sup>.

<sup>1</sup> An extraordinary Board meeting was held in April 2023 where papers were not made available within this timeframe. However, the Chair asked all Board members to confirm that they received adequate information and had sufficient time to consider it before making a decision on the matter under consideration at the meeting.

<sup>2</sup> A QR code (quick-response code) is a type of barcode which is a hyperlink to digital information.

<sup>3</sup> Llais Wales is a patient representative body, which replaced the former Community Health Council.



- 30 Declarations of interest continue to be taken at the start of every Board and committee meeting. There are also appropriate arrangements for declaring, handling, and recording declarations of interest from Board members and staff in Band 8a posts and above. The Audit and Assurance Committee maintains effective oversight of these arrangements. The Committee receives a Standards of Behaviour Report at each meeting which includes declarations of interest, gifts, hospitality, and sponsorship and any action taken in response to contraventions of policy. The Standards of Behaviour Policy, and Declarations of Interest and Gifts and Hospitality Register are both available on DHCW's website
- 31 DHCW has strengthened its processes for monitoring, tracking, and reviewing policies. At the time of our review, all policies are were being entered onto the Quality and Regulatory Team's 'iPassport' system which will automatically notify policy owners when their policies are due for renewal. Timescales for reviewing policies have recently been changed from annual to every three years, to reduce the burden on policy owners. The July 2023 Policy Report to the Audit and Assurance Committee noted that of the 88 policies in place across the organisation, 53 are out of date and require review.

## Effectiveness of Board and committee meetings

- 32 We considered whether Board and committee meetings are conducted appropriately and effectively, and receive timely, high-quality information that supports effective scrutiny, assurance and decision making. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;
  - Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well being shaped on an ongoing basis by the Board Assurance Framework;
  - well-chaired Board and committee meetings that follow agreed processes, with members observing meeting etiquette and providing a good balance of scrutiny, support, and challenge; and
  - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board.
  - clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 33 We found that **Board and committee meetings are well chaired, conducted properly, have balanced agendas, and are supported by good quality papers. Furthermore, positive steps have been taken to adapt the committee structure to reflect the Board's new role in overseeing national digital programmes.**

- 34 DHCW continues to have an appropriate, integrated, and well-functioning committee structure. It is currently in the process of establishing a new Programme Delivery Committee following Welsh Government's decision to transfer responsibility for the governance and oversight of national digital programmes to DHCW. Draft terms of reference are due to be considered at the first meeting of the Committee in November 2023, and will be presented to Board for formal approval soon after. The Chair of the Board intends to chair the Committee given its infancy and remit. Whilst this is a positive development, the arrangement should be only a temporary one so as to free up the Chair's capacity, with the committee providing him with the independent assurance required as Chair of the Board (**Recommendation 1**).
- 35 The Board and its committees continue to work effectively. They have up-to-date terms of reference and maintain comprehensive action logs and annual cycles of business. Committee chairs are actively involved in meeting agenda setting, and agendas are well balanced and focus on relevant business. However, opportunities exist for DHCW to make greater use of its Board Assurance Framework to shape Board and committee business (see **paragraph 57**). DHCW continues to make appropriate use of the consent agenda for routine business, this allows more time for Board and committee meetings to focus on critical matters that require more in-depth scrutiny and oversight.
- 36 Board and committee meetings are managed well by their respective chairs, who continue to enable discussion on key issues and encourage contributions from all members. Board and committee members continue to maintain good virtual meeting etiquette. Scrutiny and challenge at Board and committee meetings is appropriate and provided in a supportive way. However, there are concerns around the lack of routine Executive Director attendance at some meetings and there is a resilience concern in Independent Member membership on the Digital Governance and Safety Committee. DHCW is taking appropriate action to address both issues.
- 37 DHCW continues to have effective arrangements in place to support flows of assurance from committees to the Board and refer information between committees. For example, some Independent Members sit on more than one committee and there are routine meetings between the Chair of Board and committee chairs. Committees discuss items for escalation to the Board at the end of each meeting. DHCW has recently enhanced the Committee Highlight Report to incorporate an 'alert, advise, and assure' approach. The new template summarises areas of non-compliance requiring urgent attention, areas of assurance, and items needing ongoing monitoring. While still in its early stages of use, the template should enable the Board to focus on key matters arising.
- 38 DHCW continues to have good arrangements to ensure the quality and timeliness of information presented to the Board and its committees. Papers are generally well structured and of sufficient length. They are not overly detailed or technical, and clearly direct the reader to key risks and matters requiring consideration which supports effective scrutiny, assurance, and decision making. Cover reports

continue to follow an SBAR<sup>4</sup> format, and impact assessments are routinely completed, covering a wide range of criteria.

- 39 Both the Digital Governance and Safety Committee and the Audit and Assurance Committee continue to receive routine assurance reports for areas of the business falling within their remit, including information governance, informatics, information services, research and innovation, and Welsh Language. These reports provide sufficient information for assurance and decision making.
- 40 However, DHCW might wish to consider how it can further refine its Board and committee papers considering the introduction of the new Programme Delivery Committee and the increased burden this may bring on Board members to review and scrutinise the totality of papers.

## Board commitment to hearing from patients/service users and staff

- 41 We considered whether the Board promotes and demonstrates a commitment to hearing from service users and staff. We were specifically looking for evidence of:
- The Board using a range of suitable approaches to hear from service users and staff.
- 42 We found that **whilst the Board is committed to strengthening its engagement with DHCW staff, opportunities remain for it to engage directly with citizens and clinical service-users in other health bodies.**
- 43 Board meetings continue to include an agenda item on listening and learning which focus on programme or service delivery. While this item continues to provide Board members with some insights into the impact of digital on clinical service users, opportunities remain to strengthen these arrangements further by enabling Board members to hear directly from citizens and clinical service users in other health bodies or via 'Llais Wales' (**Recommendation 2**).
- 44 DHCW continues to have effective mechanisms for sharing information and engaging with its own staff via newsletters, 'Board insights' articles, TenTalks<sup>5</sup> meetings, and staff conferences. However, the Board recognises it could do more to engage directly with staff. As a result, it has developed an engagement programme for 2023-24 to enable Board members to engage directly with DHCW staff through senior leadership days, and staff engagement sessions.

<sup>4</sup> Situation, Background, Assessment, Recommendation.

<sup>5</sup> TenTalks are 30-minute, live organisational communication events held on specific topics, for example, counter fraud, organisational behaviour, and Board member introductions.

## Board cohesiveness and commitment to continuous improvement

- 45 We considered whether the Board is stable and cohesive and demonstrates a commitment to continuous improvement. We were specifically looking for evidence of:
- a stable and cohesive Board with a cadre of senior leaders who have the appropriate capacity, skills, and experience;
  - the Board and its committees regularly reviewing their effectiveness and using the findings to inform and support continuous improvement; and
  - a relevant programme of Board development, support, and training in place.
- 46 We found that **DHCW has a cohesive and stable Board along with good induction, board development, and self-review arrangements.**
- 47 DHCW has a cohesive and stable Board, with a broad mix of knowledge, skills, and experience. It has developed a skills matrix which identifies the attributes of Board members against a range of key criteria and maps them to the organisation's strategic missions, portfolios, and enablers<sup>6</sup> to ensure contributions are maximised and to identify any strengths, or gaps. DHCW is taking positive steps to address the gaps identified via the skill matrix. For example, through the skills matrix, the Board has recognised that it does not have a qualified accountant within the Independent Member cohort. This has allowed the Chair and the Board to collectively discuss, assess, and manage the risk this poses to DHCW in an informed manner. At this moment in time, the Board deems this risk to be low. The skills matrix is also being used to enable Board members to understand each other's skills and how they can collectively support the delivery of DHCW's missions and vision.
- 48 DHCW continues to have effective local induction arrangements for Executive Directors and Independent Members. Independent Members also continue to have formal appraisals and feel supported in their ongoing learning and development. 360-degree Board member assessments have been completed and Board members indicate that this was a useful exercise.
- 49 In last year's structured assessment report, we stated that DHCW commissioned Deloitte to undertake work to support Board Development and cohesion. This work is underway with various sessions scheduled throughout the year focussing on areas such as business chemistry, effective scrutiny and challenge, good governance, and strategy. Board members generally commented positively on the Board Development programme.

<sup>6</sup> Enablers are functions that support DCHW in delivering its objectives. These are: people and culture, finance, sustainability, stakeholder engagement, quality and safety and governance, performance, and assurance.

- 50 In addition to the work with Deloitte, DHCW has also established a development and briefing forward work programme for 2023-24 which covers a variety of topic areas, such as risk appetite, cyber security training, and digital programme briefings. It also uses the sessions as a mechanism for considering and discussing corporate strategies and plans. Our observation of one Board Development session was positive. The meeting atmosphere was relaxed with no obvious tensions, which enabled all Board members to actively contribute to the discussion and provide challenge in a supportive way.
- 51 There are effective arrangements to support Board and committee self-review and evaluation. The Board and its committees continue to review their effectiveness annually. The latest report to Board indicates that survey findings were generally positive with no areas for improvement or action identified.

## Corporate systems of assurance

- 52 We considered whether DHCW has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 53 We found that **DHCW's systems of assurance are robust and operating effectively, but opportunities exist to enhance some of these arrangements further.**

## Corporate approach to overseeing strategic and corporate risks

- 54 We considered whether DHCW has a sound corporate approach to identifying, overseeing, and scrutinising strategic and corporate risks. We were specifically looking for evidence of:
- an up-to-date and publicly available Board Assurance Framework (BAF) in place, which brings together all of the relevant information on the risks to achieving the organisation's strategic priorities / objectives; and
  - the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
  - an appropriate and up-to-date risk management framework in place, which is underpinned by clear policies, procedures, and roles and responsibilities;
  - the Board providing effective oversight and scrutiny of the effectiveness of the risk management system; and
  - the Board providing effective oversight and scrutiny of corporate risks.
- 55 We found that **DHCW has effective arrangements for managing its strategic and corporate risks. Its understanding of risk appetite is maturing which should further strengthen these arrangements.**
- 56 DHCW continues to maintain a detailed, comprehensive, and high-quality Board Assurance Framework (BAF), which the Board reviews twice a year (in May and

November). The BAF is fully owned by the Board, which actively uses it as a tool to oversee, scrutinise, and address strategic risks. Our review of the BAF found it accurately captures the principal risks DHCW is currently facing. However, the BAF will need to be updated when the organisation formally adopts a new long-term strategy and becomes formally responsible for overseeing programme delivery.

- 57 Since June 2023, both the Audit and Assurance Committee and the Digital Governance and Safety Committee now undertake deep dives on DHCW's principal risks. While this is a positive development, the organisation is facing increasing financial, resource, and operational risks (see **paragraph 88**) that will require more robust oversight. DHCW, therefore, might wish to consider actively using the BAF to shape Board and committee business on an ongoing basis to ensure they focus on the right issues.
- 58 A review of the BAF by the Internal Audit Service, reported in September 2023, gave a substantial assurance rating but noted opportunities to enhance the Board Assurance Report. Internal Audit recommended that Board Assurance Reports should provide additional information to allow Board Members to easily identify and assess progress over time and challenge the self-assurance ratings provided against each strategic mission and principal risk.
- 59 DHCW continues to have effective risk management arrangements underpinning its BAF, with clear policies and procedures in place. The Corporate Risk Register (CRR) clearly articulates the organisation's highest scoring operational risks and the actions to mitigate them. However, there is still scope to articulate existing controls more clearly to reduce the opportunity for overlap with mitigating actions and assurance.
- 60 Risks in the CRR continue to be reviewed monthly by the Executive Team, allocated to the relevant risk owner and assurance committee, and are actively reviewed and challenged by Independent Members. Committees review commercially sensitive and cyber security related risks in private sessions.
- 61 Risk management arrangements are routinely reported to the Board and its committees, with updates providing a good overview of risks escalated, removed and changes to risk score. The risk heatmap provides a good 'at a glance' assessment of DHCW's risk profile and the movement of corporate risks within it.
- 62 The latest update to Board in September 2023 reported 28 corporate risks on the CRR - 6 new risks, 19 risks with no movement, 2 risks that had reduced, and 1 risk that had increased. This represents a small reduction from the 31 risks reported in March 2023, the highest number to date. The update also highlighted the increase in the number of financial risks added to the CRR over the last ten months and the resulting impact on the organisation's risk profile. We comment on the financial risks in more detail in **paragraph 102**. Board members acknowledge the high number of corporate risks on the CRR. Now that the Board's understanding of risk appetite is maturing, it should regularly review the scoring thresholds used to determine which operational risks appear in the CRR.

- 63 A separate Internal Audit Service review of DHCW's risk management arrangements in March 2023 gave substantial assurance, concluding that significant progress has been made in embedding the Risk Management and Board Assurance Framework Strategy across the organisation.

## Corporate approach to overseeing organisational performance

- 64 We considered whether DHCW has a sound corporate approach to identifying, overseeing, and scrutinising organisational performance. We were specifically looking for evidence of:
- an appropriate, comprehensive, and up-to-date performance management framework in place, underpinned by clear roles and responsibilities; and
  - the Board and committees providing effective oversight and scrutiny of organisational performance.
- 65 We found that **DHCW continues to have reasonably effective performance management arrangements. However, opportunities exist to provide greater assurances to Board on the actions being taken to improve underperformance.**
- 66 DHCW continues to have reasonably effective performance management arrangements in place. The Performance Management Framework, which was approved by the Board in January 2022, sets out an integrated approach to managing performance covering plans, resources, and outcomes. The Framework clearly outlines roles and responsibilities, oversight and accountability arrangements, local escalation arrangements, and associated support and intervention processes.
- 67 Performance is reported to the Board via the Integrated Organisational Performance Report (IOPR), which provides an overview of performance against a range of key indicators relating to;
- finance;
  - people and organisational development;
  - strategic procurement;
  - operational performance;
  - clinical and information governance;
  - corporate governance; and
  - quality and engagement.
- 68 We also note the inclusion of an indicator relating to IT service availability, which provides a comparison of current and previous year's performance and details of key workstreams underway. Whilst the report provides a clear assessment of performance, there is still scope to provide clearer narrative on actions being taken to assure the Board that underperformance or unwanted variation for some key



indicators is being addressed. In general, we found limited Board scrutiny and challenge on organisational performance but note the Management Board completes more detailed scrutiny and challenge of the IOPR at its meetings.

- 69 An Internal Audit review of performance management arrangements in January 2023 gave reasonable assurance and identified opportunities to enhance the format of the IOPR and improve performance management review processes within the directorates and the oversight provided by DHCW's Board and committees.

## Corporate approach to overseeing the quality and safety of services

- 70 We considered whether DHCW has a sound corporate approach to overseeing and scrutinising the quality and safety of services. We were specifically looking for evidence of:

- corporate arrangements in place that set out how the organisation will deliver its requirements under the new Health and Social Care (Quality and Engagement) Act (2020);
- a framework (or similar) in place that supports effective quality governance;
- clear organisational structures and lines of accountability in place for clinical/quality governance; and
- the Board and relevant committee providing effective oversight and scrutiny of the quality and safety of services.

- 71 We found that **DHCW has effective quality assurance arrangements and is making good progress in implementing the new duties of quality and candour.**

- 72 DHCW's arrangements for providing assurance on quality and regulatory compliance, and clinical quality and safety are effective, with clear organisational structures and lines of accountability in place for both areas.

- 73 The Audit and Assurance Committee and the Digital Governance and Safety Committee maintain good oversight of quality and regulatory compliance and clinical quality and safety, respectively. The IOPR also provides a summary of performance relating to clinical and information governance, quality and regulatory compliance, and operations such as IT service availability and major IT incidents. Board members commented that reporting arrangements were clear, and that they are broadly satisfied with the level of assurance provided in these areas.

- 74 The organisation is appropriately implementing Health and Social Care (Quality and Engagement) Act (2020) requirements. Our review of DHCW's Duty of Quality and Candour 'roadmap' found that many of the requirements relating to the organisation were either fully implemented or were in the process of being fully implemented and operationalised. The Audit and Assurance Committee receive brief updates on progress against DHCW's Duty of Quality and Candour



Implementation Plan via the Quality, Regulatory Compliance, and Cyber Resilience Unit Report. Monthly progress updates are also provided to Executive Team via the IOPR.

## Corporate approach to tracking recommendations

- 75 We considered whether DHCW has a sound corporate approach to overseeing and scrutinising systems for tracking progress to address audit and review recommendations and findings. We were specifically looking for evidence of:
- appropriate and effective systems in place for tracking responses to audit and other review recommendations and findings in a timely manner.
- 76 We found that **DHCW has effective arrangements for monitoring and tracking progress against internal and external audit recommendations.**
- 77 DHCW continues to have effective arrangements in place for monitoring and tracking progress against internal and external audit recommendations. Trackers receive detailed scrutiny and oversight at weekly Executive Director meetings when there is a high number of audit actions for enhanced monitoring. Progress is reported to the Audit and Assurance Committee, with reports providing a good overview of the implementation status of all recommendations.
- 78 Our review of the July 2023 Audit Action Log found that DHCW continues to make good progress in closing audit recommendations, with 33 of the 54 actions completed during the period April 2023 to July 2023. Two actions did not meet their agreed target date for completion, however, a request for extension to the implementation timescale for one recommendation was presented at the Audit and Assurance Committee in October 2023 and the other has since been implemented. The remaining nineteen actions were all on target for completion by their target date.

## Corporate approach to planning

- 79 We considered whether DHCW has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 80 We found that **DHCW's planning arrangements continue to mature, but opportunities remain to develop detailed supporting delivery plans for some corporate plans and strategies to support effective monitoring and oversight. DHCW is facing significant resource and investment risks which may impact on the delivery of its key strategic and transformational priorities.**

## Corporate approach to producing strategies and plans

- 81 We considered whether DHCW has a sound corporate approach to producing, overseeing, and scrutinising the development of strategies and corporate plans. We were specifically looking for evidence of:

- a clear Board approved vision and long-term strategy in place which are future-focussed, rooted in population health, and informed by a detailed and comprehensive analysis of needs, opportunities, challenges, and risks;
- appropriate and effective corporate arrangements in place for developing and producing the Integrated Medium-Term Plan (IMTP), and other corporate plans; and
- the Board appropriately scrutinising the IMTP and other corporate plans prior to their approval.

82 We found that **whilst DHCW has an effective corporate approach to producing strategies and plans, it is facing significant risks which may impact on the delivery of key strategic and transformational priorities.**

83 DHCW's vision and strategic objectives are clearly outlined in its Integrated Medium-Term Plan (IMTP) for 2023-26. It has also taken steps this year to more clearly define its purpose which is to focus on developing the right digital tools, and core digital platforms to enable better use of data in partnership with health staff and the people of Wales. The IMTP continues to outline the organisation's priorities around digital innovation and national data standardisation. DHCW's strategic objectives are underpinned by five missions that are aligned to Welsh Government's ministerial priorities and 14 enabling portfolios outlining the work required to support its vision. This year, the IMTP includes 3 new portfolios namely: data platform and reference services; open architecture and interoperability; and urgent and emergency care.

84 The draft IMTP 2023-26 was discussed and approved by the Board in March 2023 and submitted to Welsh Government within the required timeframe. At the time, DHCW was projecting a financial deficit position for each of the financial years during the lifetime of the plan. This led Welsh Government to initially reject the IMTP 2023-26 and ask DHCW to submit a balanced annual plan. As a result, DHCW identified several mitigating actions and savings proposals to deliver a balanced position for 2023-24, which led to Welsh Government formally approving the IMTP 2023-26. We discuss DHCW's financial position in more detail in **paragraph 99.**

85 The IMTP 2023-26 is a shorter and more concise plan compared to previous ones. It clearly articulates the DHCW's priorities, timescales for delivery, outcomes, and risks. However, a significant number of priorities have not been resourced, which highlights a deliverability risk for the organisation. This is further compounded by the concern of some Board members that DHCW commits to work outside of its agreed IMTP which inevitably impacts on its available resources. The internal and external challenges facing DHCW will require it to further enhance its engagement with partners during future IMTP development processes to better understand digital priorities across the healthcare system in Wales to ensure they can be considered and resourced appropriately in corporate strategies and plans.

86 DHCW is introducing a new product-focussed operating model to support the delivery of its strategic objectives and IMTP priorities. The new approach is

anticipated to bring several benefits, such as better resource alignment, sustainable funding streams, cost efficiencies, and product value outcomes. However, there are also some significant change, workforce, and investment risks that the organisation will need to carefully manage as part of its implementation. DHCW has not yet set a 'go live' date for the new operating model as work is still in the development phase.

- 87 Positively, DHCW is making good progress in developing its long-term strategy. Several Board Development Sessions have been held giving Board members opportunities to collectively input into the development of the strategy and discuss the implementation approach. The Board plans to formally approve the strategy at its meeting in March 2024.
- 88 DHCW is entering a key phase in realising its vision to provide 'world leading digital services.' As noted earlier, the organisation is experiencing clear resource issues to deliver on its priorities, and the scope of its transformational work may require considerable Welsh Government investment at a time of significant financial constraint across the wider NHS in Wales. Board members are fully aware of the significant risks associated with this. As a result, DHCW has begun some work to develop its 'value proposition' to demonstrate the impact of digital across NHS Wales and its role as a 'trusted digital partner.' However, progress has been slow to date, and this work still does not guarantee receipt of additional investment. DHCW, therefore, need to plan for this scenario should the risk of not securing additional resources materialise (**Recommendation 3**).
- 89 The process for developing wider corporate strategies and plans, such as the Primary Care Strategy 2023-26 and DHCWs long-term strategy, is effective. Corporate strategies and plans are shared with Independent Members to provide feedback or are collectively discussed as part of Board Development Sessions, or at various committees and advisory groups prior to receiving formal approval at public Board meetings. We also found evidence that they are shared with internal and external stakeholders to maximise input.

## Corporate approach to overseeing the delivery of strategies and plans

- 90 We considered whether DHCW has a sound corporate approach to overseeing and scrutinising the implementation and delivery of corporate plans. We were specifically looking for evidence of:
- corporate plans, including the IMTP, containing clear strategic priorities/objectives and SMART<sup>7</sup> milestones, targets, and outcomes that aid monitoring and reporting; and

<sup>7</sup> Specific, measurable, achievable, relevant, and time bound.

- the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.

91 We found that **whilst DHCW has effective arrangements for overseeing the delivery of its IMTP, its arrangements for overseeing the delivery of other corporate strategies and plans require strengthening.**

92 The 2023-26 IMTP, Strategic Equality Plan, and Communication Strategy approved by the Board during 2023 have clear Executive Director ownership and demonstrate alignment to DHCW's overarching strategic objectives. They contain clear and understandable strategic objectives, which are underpinned by high-level priorities. They also continue to be supported by appropriate governance, delivery, and reporting arrangements.

93 DHCW has effective arrangements for overseeing and scrutinising the implementation and delivery of corporate strategies and plans. The IMTP 2023-26 continues to be underpinned by a clear Business Plan containing target dates and milestones. DHCW's IOPR continues to provide a quarterly update of progress against delivery of the organisation's strategic objectives. The Report's 'plan on a page' provides a useful overview of progress against each portfolio aligned to DHCW's four strategic missions. This is supported by a more detailed narrative update commenting on delivery, intended impact, and situations of note. We also note that the Board is due to receive a IMTP half-year progress report in November 2023.

94 We also note some improvement in the level of information provided in wider corporate strategies and plans, such as the Communications Strategy which is underpinned by a detailed delivery plan. However, this level of information does not appear to be available for some other corporate strategies and plans, such as the Strategic Equality Plan and People and Organisational Development Strategy (see **Appendix 2, R1 2022**). We also found opportunities to improve the quality of the update reports and frequency of Board oversight on the delivery of the People and Organisational Development Strategy. Internal Audit's review on embedding the Stakeholder Strategy also identified areas for improvement relating to developing and implementing a performance framework and an effective tracking process to report and monitor progress in the delivery of actions detailed in the plan. There is also scope to enhance the organisation's arrangements for providing assurance to the Board that corporate strategies and plans are achieving the desired impact and benefits. DHCW indicates that work is ongoing across the organisation to secure improvement in this area (**Recommendation 4**).

## Corporate approach to managing financial resources

95 We considered whether DHCW has a sound corporate approach to managing its financial resources.

- 96 We found that **DHCW continues to have a generally effective approach to financial planning, monitoring, and reporting. However, increasing financial challenges and an over reliance on non-recurrent savings could impact on its future financial sustainability.**

## Financial objectives

- 97 We considered whether DHCW has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of:
- the organisation meeting its financial objectives and duties for 2022-23, and the rolling three-year period of 2020-21 to 2022-23; and
  - the organisation being on course to meet its objectives and duties in 2023-24.
- 98 We found that **DHCW met its financial objectives for 2022-23 and is forecasting a breakeven position for 2023-24. However, there are uncertainties around its financial position in future years.**
- 99 DHCW met its financial objectives to breakeven for both revenue and capital expenditure in 2022-23. In the latest finance report presented to Board in September 2023, DHCW was reporting revenue and capital underspends of £0.152m and £0.069m respectively for the period to 31st August 2023 and forecasted a breakeven end-of-year position. However, in **paragraph 103**, we comment on revenue funding gaps which may potentially create a deficit position in subsequent years.

## Corporate approach to financial planning

- 100 We considered whether DHCW has a sound corporate approach to overseeing and scrutinising financial planning. We were specifically looking for evidence of:
- clear and robust corporate financial planning arrangements in place;
  - the Board appropriately scrutinising financial plans prior to their approval;
  - sustainable, realistic, and accurately costed savings and cost improvement plans in place which are designed to support financial sustainability and service transformation; and
  - the Board appropriately scrutinising savings and cost improvement plans prior to their approval.
- 101 We found that **DHCW has a reasonably effective approach to financial planning and is clear on its financial challenges. However, it continues to place over-reliance on vacancies to deliver savings targets, which is not sustainable in medium- to long-term.**
- 102 The Board approved DHCW's Financial Plan in March 2023 as part of the IMTP approval process. The plan assumes funding of £162.4m, of which:
- £118.9m relates to funding from Welsh Government, NHS Service Level Agreements, All Wales Digital Licencing, and other miscellaneous income;

- £8m funding from the Welsh Government for its COVID-19 response; and
  - £35.5m funding as part of the Digital Priorities Investment Fund (DPIF).
- 103 Whilst there have been slight increases in some funding streams, the initial plan identified a revenue funding gap of approximately £1.9m, £3m, and £2m for the financial years 2023-24, 2024-25, and 2025-26 respectively. This is due to several unavoidable cost increases such as general inflation, supplier cost increases, growth to support core operations, increasing cyber threats, and DPIF funding initiatives transitioning to live services which now require core funding. Furthermore, DHCW is now required to absorb energy costs within its own activities which will have a significant impact on available funds to address service provision pressures. Also, COVID-19 funding will now only cover operational costs going forward and the funding allocation for 2023-24 was slightly less than DHCW has requested.
- 104 In last year's structured assessment report, we commented on the issues around the complexity of the DPIF funding model. While these issues remain, we understand that DHCW and Welsh Government are working closely to agree a more sustainable national and local funding model. We also note that the Board Assurance Framework now includes the funding model as a risk and articulates some high-level controls and mitigating actions (see **Appendix 2, R2 2022**).
- 105 DHCW's approach to identifying savings is reasonably effective but delivering those savings present risks to the organisation's future financial sustainability. The Financial Plan articulates a savings target of £2.4m. Since its initial approval, the savings target was increased by £1.9m to a breakeven position and then further increased by £0.726m in response to Welsh Government's request that all health bodies identify actions to support the overall financial position of NHS Wales in 2023-24. DHCW's Financial Plan now includes an overall savings target of £4.978m. The September 2023 Finance Report to Board indicated that of this target £3.5m savings had been delivered to date.
- 106 Whilst DHCW has made progress in addressing the balance of recurrent and non-recurrent savings, it still places a high reliance on vacancies (£1.764m) to achieve its overall savings target (see **Appendix 2, R2 2022**). This remains a risk should the organisation recruit to these vacancies. Considering the forecast deficit positions for 2024-25 and 2025-26, DHCW will need to provide more focus and rigour to increase the amount of recurrent savings and place less reliance on non-recurrent (vacancy) savings to minimise the risk to its financial sustainability. **(Recommendation 5)**. The Auditor General will be commenting further on DHCW's approach to identifying, delivering, and monitoring financial savings in a separate piece of work that we will report in 2024.

## Corporate approach to financial management

- 107 We considered whether DHCW has a sound corporate approach to overseeing and scrutinising financial management. We were specifically looking for evidence of:



- effective controls in place that ensure compliance with Standing Financial Instructions and Schemes of Reservation and Delegation;
- the Board maintaining appropriate oversight of arrangements and performance relating to single tender actions, special payments, losses, and counter-fraud;
- effective financial management arrangements in place which enable the Board to understand cost drivers and how they impact on the delivery of strategic objectives; and
- the organisation's financial statements for 2022-23 were submitted on time, contained no material misstatements, and received a clean audit opinion.

108 We found that **DHCW has generally effective arrangements for overseeing and scrutinising financial management.**

109 DHCW has a reasonably effective approach to overseeing and scrutinising financial management. During 2023-24, Internal Audit Service reviews of financial sustainability and a recently implemented IT stock management system gave reasonable assurance ratings. The Audit and Assurance Committee continues to receive good quality reports on losses and special payments, high value purchase orders, procurement activity, local counter fraud, and compliance with Schemes of Delegation and Standing Financial Instructions. We continue to note appropriate scrutiny and oversight of the information presented.

110 DHCW has a good understanding of its cost drivers. The Financial Plan outlines several necessary investments such as the Data Centre move and national cyber investments and highlights the increase to Service Level Agreement costs to Health Boards and Trusts to ensure financial sustainability of digital services. This increase has resulted in some health bodies initially refusing to agree to the uplift in funding requirements. While we understand the situation is now resolved, this risk may materialise in future years depending on the significant financial risks facing NHS Wales. DHCW, therefore, will need to continually horizon scan its internal and external environment to ensure it is adequately prepared should this financial risk materialise. Also, as noted previously, it is also crucial that the organisation is clear on its priorities and what is achievable with its available resources (**see paragraph 84**).

111 DHCW's financial statements were prepared to a good standard and submitted for audit on 4 May 2023. Our audit identified two material misstatements, which DHCW corrected, and the revised financial statements were considered by the Audit and Assurance Committee on 17 July 2023. We issued an unqualified audit opinion on the financial statements on 28 July 2023.

## Board oversight of financial performance

112 We considered whether the Board appropriately oversees and scrutinises financial performance. We were specifically looking for evidence of:

- the Board receiving accurate, transparent, and timely reports on financial performance, as well as the key financial challenges, risks, and mitigating actions; and
- the Board appropriately scrutinising the ongoing assessments of the organisation's financial position.

- 113 We found that **there is appropriate financial scrutiny and oversight at present, but this might need to be increased in light of the financial challenges facing the organisation.**
- 114 Financial performance is reported directly to the Board. Finance reports provide sufficient information to enable scrutiny and challenge, including detailed commentary on savings schemes delivery. A deep dive of financial risks was undertaken by the Audit and Assurance Committee in October 2022 which resulted in good scrutiny, discussion, and debate and provided an additional layer of assurance to the Board on financial risks.
- 115 Board members acknowledge the challenging financial position that DHCW is facing. Through our observations of Board meetings during 2023, we have found an increase in the level of scrutiny of DHCW's financial performance and savings delivery in particular. Whilst there appears to be confidence that DHCW will achieve financial balance this year, it may wish to consider introducing a standing agenda item at Audit and Assurance Committee meetings to discuss financial performance and risks on a more frequent basis.



# Appendix 1

## Audit methods

Exhibit 2 below sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from the methods below

Element of audit approach	Description
Observations	<div>We observed Board meetings as well as meetings of the following committees:</div> <ul style="list-style-type: none"><li>• Public Board;</li><li>• Audit and Assurance Committee;</li><li>• Digital Governance and Safety Committee; and</li><li>• Board Development Session.</li></ul>

Element of audit approach	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"> <li>• Board and Committee Terms of Reference, work programmes, agendas, papers, and minutes;</li> <li>• key governance documents, including Schemes of Delegation, Standing Orders, Standing Financial Instructions, Registers of Interest, and Registers of Gifts and Hospitality;</li> <li>• key organisational strategies and plans, including the IMTP;</li> <li>• key risk management documents, including the Board Assurance Framework and Corporate Risk Register;</li> <li>• key reports relating to organisational performance and finances;</li> <li>• Annual Report, including the Annual Governance Statement;</li> <li>• relevant policies and procedures; and</li> <li>• reports prepared by the Internal Audit Service, Health Inspectorate Wales, Local Counter-Fraud Service, and other relevant external bodies.</li> </ul>

## Interviews

We interviewed the following Senior Officers and Independent Members:

- Chair of DHCW;
- Chief Executive;
- Board Secretary;
- Head of Corporate Governance;
- Executive Director of Strategy;
- Executive Director of Operations;
- Executive Director of Finance;
- Independent Member / Chair of Audit and Assurance Committee; and
- Independent Members x 2.

# Appendix 2

## Progress made on previous-year recommendations

Exhibit 3 below sets out the progress made by DHCW in implementing recommendations from previous structure assessment reports

Recommendation	Description of progress
<p><b>Target dates and milestones in corporate plans and strategies</b></p> <p>R1 Whilst the IMTP 2022-25 and associated Business Plan are supported by clear target dates and milestones, this information is not available for other corporate plans and strategies. DHCW, therefore, should ensure that all corporate plans and strategies are underpinned by detailed delivery plans that include target dates and milestone to facilitate effective progress monitoring and ensure appropriate Board-level assurance and scrutiny.</p>	<p>The 2023-26 IMTP continues to be underpinned by a clear Business Plan containing target dates and milestones. We also note some improvement in the level of information provided in wider corporate strategies and plans such as the new Communications Strategy which is underpinned by a detailed delivery plan. However, this level of information does not appear to be available for some existing corporate strategies and plans, such as the Strategic Equality Plan and People and Organisational Development Strategy.</p> <p><b>In Progress</b></p>

Recommendation	Description of progress
<p><b>Financial sustainability</b></p> <p>R2 Arrangements for managing medium to long-term funding and savings risks need to be more visible at Board level. DHCW, therefore, should put arrangements in place to:</p> <ul style="list-style-type: none"> <li>a) demonstrate, via its Board Assurance Framework, that it is actively managing the medium and long-term risks associated with the sustainability of the Digital Priorities Investment Funding model; and</li> <li>b) provide greater assurance to the Board on the development and delivery of recurrent savings in the medium to long term to strengthen the future financial sustainability of the organisation.</li> </ul>	<p>Whilst the issues around the complexity of the DPIF funding model remain, we understand that DHCW and Welsh Government are working closely to agree a more sustainable national and local funding model. We also note that the Board Assurance Framework includes the funding model as a risk and articulates some high-level controls and mitigating actions.</p> <p>There has also been some progress in addressing the balance of recurrent and non-recurrent savings, but there is still an over-reliance on holding open vacancies (£1.764m) to achieve the overall savings target. This continues to represent a risk should the organisation recruit to the vacancies.</p> <p><b>In Progress</b></p>
<p><b>Management of physical assets</b></p> <p>R3 Aside from Internal Audit reports in this area, the Board or its committees do not receive other assurances over the management of DHCW's physical assets. DHCW, therefore, should periodically provide assurance reports to the Board or the relevant committee that its physical assets (over a certain value and/or at risk of misappropriation) are being well managed.</p>	<p>Estate and compliance reports continue to be a standing item at Audit and Assurance Committee. DHCW undertakes annual validations of all current capital assets and will provide twice yearly reports to the Audit and Assurance Committee highlighting additions and disposals of assets.</p> <p><b>In Progress</b></p>

# Appendix 3

## Organisational response to audit recommendations

Exhibit 4: Digital Health and Care Wales response to our audit recommendations

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Chair of Board is intending to chair the new Programme Delivery Committee. Whilst this is a positive development, given the Committee's infancy and remit, this arrangement should be time-limited to free up the Chair's capacity and support independent and effective flows of assurance. DHCW should seek to appoint a chair for the Committee from			

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	the wider cohort of Independent Members. <b>(High Priority)</b>			
R2	Board meetings continue to include an agenda item on listening and learning which give Board members some insights into the impact of digital on clinical service users. However, opportunities remain to strengthen these arrangements further. DHCW, therefore, should engage with other health bodies or Llais Wales, to explore options for Board members to hear directly from citizens and clinical service users. <b>(Medium Priority)</b>			
R3	DHCW is experiencing resource challenges to deliver its IMTP priorities, and the scope of its planned transformational work may require significant Welsh Government			

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	<p>investment at a time of considerable financial constraint across the NHS in Wales. In light of these challenges, DHCW should:</p> <p>a) Progress its 'value proposition' work at pace to demonstrate the impact of digital across NHS Wales. <b>(High Priority)</b></p> <p>b) Develop plans as soon as possible that carefully consider its own internal and stakeholder priorities and what it is able to deliver within its resource envelope. <b>(High Priority)</b></p>			
R4	<p>Whilst some corporate strategies and plans are underpinned by clear business / delivery plans, this is not case for all of them. Furthermore, there is scope to improve the quality and frequency of the strategy update</p>			



Ref	Recommendation	<b>Organisational response</b> Please set out here relevant commentary on the planned actions in response to the recommendations	<b>Completion date</b> Please set out by when the planned actions will be complete	<b>Responsible officer (title)</b>
	<p>reports presented to Board. DHCW, therefore, should:</p> <p>a) Ensure that all corporate plans and strategies are underpinned by detailed business / delivery plans that include target dates and milestone to facilitate effective progress monitoring and ensure appropriate Board-level assurance and scrutiny. <b>(Medium Priority)</b></p> <p>b) Improve the quality of strategy update reports to Board and increase the frequency of oversight to provide assurance to the Board that corporate strategies and plans are achieving the desired impact and benefits. <b>(Medium Priority)</b></p>			

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R5	<p>Whilst DHCW has made some progress in addressing the balance of recurrent and non-recurrent savings, it still places an over-reliance on vacancy savings to achieve its overall savings target. This continues to represent a risk should the organisation recruit to the vacancies, particularly considering the forecast deficit positions for 2024-25 and 2025-26. DHCW, therefore, should provide greater assurance to the Board on the development and delivery of recurrent savings in the medium- to long-term to strengthen the future financial sustainability of the organisation.</p> <p><b>(High Priority)</b></p>			





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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

## Organisational response

**Report title:** DHCW 2023 Structured Assessment

**Completion date:** December 2023

**Document reference:** 3952A2023

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Chair of Board is intending to chair the new Programme Delivery Committee. Whilst this is a positive development, given the Committee's infancy and remit, this arrangement should be time-limited to free up the Chair's capacity and support independent and effective flows of assurance. DHCW should seek to appoint a chair for the Committee from the wider cohort of Independent Members. <b>(High Priority)</b>	The Chair of the Board chaired the first Programme Delivery Committee, to ensure the establishment of the Committee whilst in its infancy. This arrangement is a time-limited arrangement to ensure a smooth transition to the new governance arrangements. The plan from early 2024 is to transition the Chair of the Committee to an Independent Member.	April 2024	DHCW Chair

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R2	Board meetings continue to include an agenda item on listening and learning which give Board members some insights into the impact of digital on clinical service users. However, opportunities remain to strengthen these arrangements further. DHCW, therefore, should engage with other health bodies or Llais Wales, to explore options for Board members to hear directly from citizens and clinical service users. <b>(Medium Priority)</b>	<p>Priority is being given to ensure the listening and learning Board item includes hearing directly from clinical services and where possible citizens, this input is monitored.</p> <p>Arrangements to hear more directly from citizens and clinical service users are being explored, however, it should be noted these opportunities DHCW are not able to take forward in isolation, and co-operation and agreement from partner bodies and citizens is required. Citizen voice feedback to be prioritised once the NHS Wales App has been launched publicly (Spring 2024).</p>	<p>March 2024 – the Shared Listening and Learning Annual Report will include an assessment of input from partners/service users.</p> <p>March 2025</p>	Board Secretary
R3	<p>DHCW is experiencing resource challenges to deliver its IMTP priorities, and the scope of its planned transformational work may require significant Welsh Government investment at a time of considerable financial constraint across the NHS in Wales. In light of these challenges, DHCW should:</p> <p>a) Progress its ‘value proposition’ work at pace to demonstrate the impact of digital across NHS Wales. <b>(High Priority)</b></p>	<p>A) Work alongside Welsh Government and the Directors of Digital Peer Group to complete the national value proposition for digital work.</p> <p>B) Priorities and resource constraints are considered as part of the annual IMTP development cycle. The Board approved an update on the stakeholder engagement strategy in November 2023, Welsh Government issued an updated IMTP Framework and financial allocations in December 2023. These will be used to plan delivery within our</p>	<p>September 2024</p> <p>September 2024</p>	<p>Deputy CEO / Executive Director of Finance</p> <p>Executive Director of Strategy</p>

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	b) Develop plans as soon as possible that carefully consider its own internal and stakeholder priorities and what it is able to deliver within its resource envelope. <b>(High Priority)</b>	forecast resource envelope. Delivery will be reviewed against in-year priorities and pressures throughout the year, with regular updates to the Board.		
R4	<p>Whilst some corporate strategies and plans are underpinned by clear business / delivery plans, this is not case for all of them. Furthermore, there is scope to improve the quality and frequency of the strategy update reports presented to Board. DHCW, therefore, should:</p> <p>a) Ensure that all corporate plans and strategies are underpinned by detailed business / delivery plans that include target dates and milestone to facilitate effective progress monitoring and ensure appropriate Board-level assurance and scrutiny. <b>(Medium Priority)</b></p> <p>b) Improve the quality of strategy update reports to Board and increase the frequency of oversight to provide assurance to the Board that corporate strategies and plans are achieving the</p>	<p>A) New corporate strategies and plans going to Board will have business / delivery plans including target dates and milestones and agree frequency of reporting to Board or a Committee of the Board (if not captured via the IMTP), and be added to the relevant Forward Work-plan.</p> <p>B) All existing corporate strategies and plans will be mapped to the Board or sub-committee of the Board to assess frequency of reporting and Forward-Work-plans updated where necessary with a focus on achieving milestones to delivery impact and benefits. This will be via the IMTP if tracked via this mechanism, otherwise they will be presented via an action plan.</p>	<p>March 2024</p> <p>March 2024</p>	Board Secretary

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	desired impact and benefits. <b>(Medium Priority)</b>			
R5	Whilst DHCW has made some progress in addressing the balance of recurrent and non-recurrent savings, it still places an over-reliance on vacancy savings to achieve its overall savings target. This continues to represent a risk should the organisation recruit to the vacancies, particularly considering the forecast deficit positions for 2024-25 and 2025-26. DHCW, therefore, should provide greater assurance to the Board on the development and delivery of recurrent savings in the medium- to long-term to strengthen the future financial sustainability of the organisation. <b>(High Priority)</b>	The short-term deficit position from digital inflation and energy is acknowledged in our funding allocation. Working alongside WG we are designing a funding and DHCW operating model that enables a product and cloud enabled service catalogue. This will exploit our digital competencies and knowledge and creates system value or improved operational efficiencies. It is planned that this arrangement would be in place for the IMTP in 2025/26.	March 2025	Deputy CEO / Executive Director of Finance



# Review of Workforce Planning Arrangements – Digital Health and Care Wales

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# Summary report

## Introduction

- 1 An effectively planned workforce is fundamental to providing good quality care services. The NHS employs a range of clinical and non-clinical staff who deliver services across primary, secondary and community care, representing one of the largest NHS investments. Over the years, there have been well-documented concerns about the sustainability of the NHS workforce, and workforce challenges are routinely highlighted to us in our audit reviews and ongoing engagement with health bodies. Despite an overall increase in NHS workers, these concerns remain. The workforce gaps are particularly acute for certain professions such as GPs, nurses, radiologists, paediatricians, ophthalmologists ([A Picture of Healthcare \(2021\)](#)) but also for digital professionals. In nursing alone, the Royal College of Nursing Wales reported 2,900 vacancies in their [2022 Nursing in Numbers](#) analysis. In addition, the social-care sector, which is complementary to the health sector, is also facing its own workforce issues. These challenges have been exacerbated by the pandemic as the health sector looks to recover services.
- 2 Given the current challenges, robust and innovative workforce planning is more important than ever. Effective workforce planning ensures that both current and future services have the workforce needed to deliver anticipated levels of service effectively and safely. National and local workforce plans need to anticipate service demand and staffing levels over the short, medium, and long term. But there are a range of complex factors which impact on planning assumptions, these include:
  - workforce age profile, retirement, and pension taxation issues;
  - shifts in attitudes towards full and part time working;
  - developing home grown talent and the ability to attract talent from outside the country into Wales; and
  - service transformation which can change roles and result in increasing specialisation of roles.
- 3 Established in April 2021, Digital Health and Care Wales (DHCW) is a relatively new NHS body which leads on and supports digital transformation across NHS Wales with a view to improving the way health and care services are delivered. The Board approved DHCW's 2022-25 People and Organisational Development Strategy (the People and OD Strategy) in September 2022.
- 4 The key focus of our review has been on whether DHCW's approach to workforce planning is helping it to effectively address current and future NHS workforce challenges. Specifically, we looked at their strategic approach to workforce planning, operational action to manage current and future challenges, and monitoring and oversight arrangements. Operational workforce management arrangements, such as operational deployment of agency staffing, fall outside the scope of this review.
- 5 The methods we used to deliver our work are summarised in **Appendix 1**.

## Key findings

- 7 Overall, we found that **DHCW is improving its strategic approach to workforce planning and is taking steps to manage current workforce challenges, but there is scope to increase focus on the longer term and improve arrangements for monitoring and oversight to ensure that actions are having the desired impact.**

### Key workforce planning challenges

- 8 At the time of writing this report, the key workforce challenge at DHCW related to filling current and future vacancies for digital professionals, in a highly competitive commercial market. DHCW has indicated that demand for digital professionals is expected to continue to grow significantly over the next decade. Since its establishment, DHCW's workforce has grown by around 25% to just under 1,100 full-time equivalent staff in March 2023 (**Exhibit 6**). Although to date it has kept agency costs to a minimum (**Exhibit 8**), these may increase if the organisation's establishment continues to grow at a level that it has in the past. Compared to other NHS bodies, the organisation has relatively low turnover and vacancy rates (**Exhibits 9 and 10**).

### Strategic approach to workforce planning

- 9 **DHCW is improving its strategic approach to workforce planning, but it needs an implementation plan to guide delivery and a greater focus on addressing future risks.**
- 10 The People and OD Strategy, focuses on the short to medium term, and whilst DHCW is taking steps to improve strategic workforce planning it needs a greater focus on longer-term workforce risks. At present though, the organisation does not yet have an implementation plan to deliver the strategy. The organisation is taking positive steps to better understand its current and future workforce demands and is improving workforce intelligence through the development of directorate level workforce plans. There is a commitment to engaging with internal and external stakeholders to help address current and future workforce challenges.

### Operational action to manage workforce challenges

- 11 **DHCW is effectively managing its workforce challenges and current risks, but it will need to keep its resources to support workforce planning under review.**
- 12 In the short term, DHCW has a reasonable level of resources to support workforce planning, but it will need to keep this under review as the organisation continues to grow and change. The organisation understands and actively manages its workforce risks with mitigating actions that are helping to reduce the level of workforce risk. Developing directorate level workforce plans and improving workforce data has the potential to highlight new workforce risks. This will need to be kept under review as directorate plans evolve. DHCW is actively and

appropriately managing its current workforce challenges through a range of recruitment, retention, and workforce development activities.

## Monitoring and oversight of workforce plan/strategy delivery

- 13 **Whilst the Board maintains reasonable oversight of workforce matters, there needs to be stronger focus on the extent to which actions taken are having an impact.**
- 14 The Board has reasonable oversight of the People and OD Strategy, receiving a year-one update in September 2023. It also has oversight over a limited number of workforce performance metrics through its Integrated Organisational Performance Report and workforce performance information. However, there are opportunities to improve workforce metrics, People and OD Strategy update reports, and have a greater focus on impact.

## Recommendations

- 15 **Exhibit 1** details the recommendations arising from this audit. These include our assessment of priority. DHCW's response to our recommendations is summarised in **Appendix 3**.

### Exhibit 1: recommendations

Recommendations	
<b>Implementation plan</b>	
R1	Whilst the People and OD Strategy includes high-level actions and measures, the organisation should develop a detailed implementation plan to help monitor the strategy's delivery. The implementation plan should include milestones, impact measures, targets and a responsible lead for each action or priority <b>(high priority)</b> .
<b>Managing risk</b>	
R2	DHCW is developing directorate level workforce plans and improving workforce data, which has the potential to highlight new workforce risks. The organisation should review the information in its corporate and strategic risk registers using fresh insight from the workforce plans to both identify potential new risks and required additional sources of assurance <b>(high priority)</b> .

## Recommendations

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### Performance monitoring

- R3 We found that the Board receives regular, but limited, workforce performance information in the Integrated Organisational Performance Report. DHCW is improving the basis of its workforce information. As workforce data improves, the organisation should review the workforce metrics presented to the Board with a view to expanding them, including narrative about actions to address underperformance and the impact of evolving workforce changes on service delivery **(high priority)**.
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### Oversight of the People and OD Strategy

- R4 In September 2023, the Board received a one-year progress report on the People and OD strategy's delivery; whilst positive, the narrative format of the report makes it difficult to gauge exact progress and the impact of actions. At least twice a year, the Board should receive an update on the People and OD Strategy's progress against the actions set out in the strategy, and once developed, against the implementation plan including key metrics **(high priority)**.

# Detailed report

## Our findings

- 16
- The following three tables set out the areas that we have reviewed and our findings. These focus on:
- the health body’s approach to strategic workforce planning (**Exhibit 2**);
  - operational action to manage workforce challenges (**Exhibit 3**); and
  - monitoring and oversight of workforce plan/strategy delivery (**Exhibit 4**).

### Exhibit 2: strategic approach to workforce planning

This section focusses on the health body’s approach to strategic planning. Overall, we found that **DHCW is improving its strategic approach to workforce planning, but it needs an implementation plan to guide delivery and a greater focus on addressing future risks.**

What we looked at	What we found
<p>We considered whether DHCW’s workforce strategy or plans are likely to address the current and future workforce risks.</p> <p>We expected to see a workforce strategy or plan which:</p> <ul style="list-style-type: none"><li>identifies current and future workforce challenges;</li><li>has a clear vision and objectives;</li><li>is aligned to the organisation’s strategic objectives and wider organisational plans;</li></ul>	<p>We found that <b>whilst focused on the short to medium term, DHCW is taking steps to improve strategic workforce planning, but the organisation needs a detailed implementation plan to support strategy delivery.</b></p> <p>DHCW’s three-year People and OD Strategy (2022-25) sets out its vision to be ‘a great place to work where our people are fully engaged, high performing and embody our values and behaviours’. To help achieve its vision, the People and OD strategy focuses on six themes, these being: extraordinary leadership, great organisation to work, strategic workforce planning, grow your own, wellbeing and engagement, and new ways of working. Given the age of the organisation, its remit and current workforce challenges, these six areas of focus seem logical.</p> <p>The People and OD Strategy appropriately supports the ambitions set out in the national Workforce Strategy for Health and Social Care, National NHS Workforce Implementation Plan, and aligns to relevant legislation, such as the Well-being of Future Generations (Wales) Act 2015 and Welsh-</p>



What we looked at	What we found
<ul style="list-style-type: none"> <li>• is aligned to relevant national plans, policies, and legislation, including the national workforce strategy for health and social care; and</li> <li>• is supported by a clear implementation plan.</li> </ul>	<p>language standards. As a national body, it also sets out its wider strategic workforce planning intentions<sup>1</sup>.</p> <p>The People and OD Strategy aligns to DHCW's Integrated Medium Term Plan (IMTP). As an enabler, the People and OD Strategy aims to help the organisation deliver its strategic mission to be a 'trusted strategic partner and a high quality, inclusive, and ambitious organisation'.</p> <p>The People and OD Strategy includes high-level actions outlining how the organisation will deliver its workforce priorities. While the organisation has high-level workforce measures, there is no implementation plan to deliver them. DHCW should develop an implementation plan to help monitor the strategy's delivery, the plan should include milestones, impact measures, targets and a responsible lead for each action or priority (<b>Recommendation 1</b>).</p>
<p>We considered whether DHCW has a good understanding of current and future service demands. We expected to see:</p> <ul style="list-style-type: none"> <li>• use of reliable workforce information to determine workforce need and risk in the short and longer term; and</li> <li>• action to improve workforce data quality and address any information gaps.</li> </ul>	<p>We found that <b>DHCW is taking positive steps towards a greater understanding of both its current and future workforce demands and improving workforce data</b>.</p> <p>DHCW collates and analyses workforce information, but its approaches are not yet fully mature. It has established basic workforce information, for example, its establishment, turnover, sickness, and appraisal rates. But there is a need for more sophisticated workforce scenario planning and gap analysis to better predict future workforce need.</p> <p>At the time of our review, the organisation was starting to improve its workforce information using directorate and service level analysis to inform service workforce planning. The information collated included a baseline check on who works within each directorate, verifying requirement need against agreed establishment.</p>

<sup>1</sup> For example, collaborating with the digital profession to develop national plans aligned to the National Digital Strategy and the UK Government's [Digital, Data and Technology \(DDaT\) Profession Capability Framework](#).

What we looked at	What we found
	<p>It also benchmarked roles against the Digital, Data and Technology (DDaT) skills framework, identified skills gaps, and training and resource requirements. It is too early to judge the quality of the additional data captured, but the organisation is starting to report this new data highlighting how future demands and trends will potentially impact and shape the workforce in terms of capability.</p> <p>Taken together, we understand that this work will also allow the People and OD team to verify current funded establishment and take an increasing role in establishment control alongside the Finance Team, as it is currently a gap in the process.</p>

What we looked at	What we found
<p>We considered whether DHCW is working with partners to help resolve current and anticipated future workforce challenges. We expected to see:</p> <ul style="list-style-type: none"> <li>• effective and timely engagement and working with key internal and external stakeholders to tackle current and future workforce issues; and</li> <li>• shared solutions identified with key stakeholders to help address workforce challenges.</li> </ul>	<p>We found that <b>DHCW is committed to engaging with internal and external stakeholders to help address current and future workforce challenges.</b></p> <p>DHCW shows a clear commitment to engaging with internal and external stakeholders. To guide its activities and ensure a sustained focus, the organisation has recently drafted a communications strategy. Internally, the People and OD Strategy was well informed by engagement with staff, for example, through a senior leadership event, working with the Local Partnership Forum and feedback received through the annual staff survey. The People and OD Team is engaging with directorates to develop service level workforce plans and improve workforce data, which will inform future versions of the People and OD Strategy. This process includes directorate engagement, completing a standardised template, and analysing and verifying the submitted data.</p> <p>More broadly, the organisation routinely consults with Trade Union partners through its Local Partnership Forum, which is important to understand the challenges that staff face. Staff survey results also show positive internal working relationships, although there appears to be further work to do around embedding organisational values.</p> <p>DHCW has a reasonably good understanding of the needs, challenges, and ambitions of key stakeholders, and rightly recognises the need to continue to strengthen this including for the longer term. The organisation is working with its partners to address digital, and technology-enabled workforce requirements. For example, working with the Welsh Government and universities to promote NHS digital career opportunities within DHCW and more broadly for the NHS. This includes looking to address current and anticipated digital workforce needs through the Wales Institute of Digital Information (WIDI) partnership<sup>2</sup>, by offering work experience and placements, supporting the development of digital courses which, in turn, support new clinical service models.</p> <p>DHCW also works with HEIW, but less so than other health bodies, owing to HEIW's focus on clinical professional roles. Nevertheless, DHCW does participate in relevant programmes offered by HEIW such as its leadership programmes.</p>

**Exhibit 3: operational action to manage workforce challenges**

This section focusses on the actions the health body is taking to manage workforce challenges. Overall, we found that **DHCW is effectively managing its workforce challenges and current risks, but it will need to keep its resources to support workforce planning under review.**

What we looked at	What we found
<p>We considered whether DHCW has identified sufficient resources to support workforce planning over the short, medium, and long term. We expected to see:</p> <ul style="list-style-type: none"><li>• clear roles and responsibilities for workforce planning;</li><li>• appropriately skilled staff to ensure robust workforce planning;</li><li>• sufficient workforce capacity across the organisation to plan and deliver the workforce strategy or plan; and</li><li>• sufficient financial resources to deliver the workforce strategy or plan.</li></ul>	<p>We found that <b>DHCW is sufficiently resourced to support workforce planning in the short term, but it will need to keep this under review as the organisation continues to grow and change.</b></p> <p>Corporately, roles and responsibilities for workforce planning are clear and with skilled staff to support workforce planning. DHCW is starting to use these skills more extensively, as the organisation develops its directorate level workforce plans. Service leads have access to workforce planning training, for example, HEIW’s introduction to workforce planning based on the six-step model<sup>3</sup>, which seems well attended.</p> <p>Led by the Executive Director of People and OD, the 23-strong People and OD Team has leads supporting various aspects of operational and strategic workforce planning, for example, organisational development, culture, engagement, recruitment, and data analysis. There is also a small team of business partners who routinely engage with directorates. DHCW is a growing organisation and as such the demands on the team will continue to increase. We are also aware that DHCW is developing a new operating and business delivery model, which will require significant input from the People and OD Team. DHCW will need to keep the team’s capacity under review and adapt its resource and workforce plans, as necessary.</p>

<sup>2</sup> [Wales Institute of Digital Information \(WIDI\)](#) is a partnership between Digital Health and Care Wales, University of Wales Trinity Saint David Group, and the University of South Wales.

<sup>3</sup> Health Education and Improvement Wales has developed a workforce planning toolkit based on the following six steps: 1. Define your plan, 2. Map the service change, 3. Define the workforce, 4. Workforce supply, 5. Define actions required, 6 Implement and monitor.

What we looked at	What we found
	<p>DHCW's workforce plan is costed as part of its annual IMTP development process. In the short term this has proven affordable, with DHCW reporting financial balance at the end of 2022-23, although this was in part due to unfilled vacancies. The organisation reported that short-term or temporary funding, such as for the recruitment team and for projects (including staff) funded through the Digital Priorities Investment Fund (DPIF), does not allow for longer-term, sustainable workforce planning.</p> <p>The work the organisation is progressing to further develop directorate workforce plans and improve workforce information should help the organisation better understand its workforce and plan sustainable services, by creating opportunities for joined-up finance and workforce plans.</p>
<p>We considered whether DHCW has a good understanding of the short and longer-term risks that might prevent it from delivering its workforce strategy or plan. We expected to see:</p> <ul style="list-style-type: none"> <li>• a good understanding of the barriers that might prevent delivery of the workforce strategy or plan;</li> <li>• plans to mitigate risks which may prevent the organisation from achieving its workforce ambitions; and</li> <li>• clearly documented workforce risks that are managed at the appropriate level.</li> </ul>	<p>We found that <b>DHCW understands, actively manages, and mitigates workforce risks. As the organisation develops its directorate workforce plans, it may identify new workforce risks and it will need to ensure these are effectively captured and managed.</b></p> <p>DHCW understands the risks that might prevent it from delivering its workforce ambitions. These relate to recruiting skilled staff in a commercially competitive environment. Whilst joiners continue to exceed leavers, the organisation still holds several vacancies. The organisation is also not immune to the wider financial challenges facing the NHS in Wales.</p> <p>The organisation appropriately identifies and manages its strategic and corporate workforce risks through the Board Assurance Framework and its corporate risk management. As of July 2023, the corporate risk register held one workforce risk related to recruitment issues. The risk, which is scrutinised by the Audit and Assurance Committee and Local Partnership Forum, is actively managed and kept under review. It recently downgraded the risk score of 16 to 12, demonstrating that the mitigating actions that the organisation is taking are making a difference.</p> <p>As the organisation continues to develop its directorate workforce plans, it will have a clearer understanding of current workforce capacity and challenges and, as a result, may identify new workforce risks that it needs to manage (<b>Recommendation 2</b>).</p>

What we looked at	What we found
<p>We considered whether DHCW is effectively addressing its current workforce challenges. We expected to see:</p> <ul style="list-style-type: none"> <li>• effective reporting and management of staff vacancies;</li> <li>• action to improve staff retention;</li> <li>• efficient recruitment practices; and</li> <li>• evidence that the organisation is modernising its workforce to help meet current and future needs.</li> </ul>	<p>We found that <b>the organisation is taking positive steps to manage its current workforce challenges, through recruitment, retention, and development activities.</b></p> <p>As explored above, the ability to manage vacancies is DHCW's main corporate workforce risk. As at March 2022, DHCW's vacancies accounted for 7% of its total establishment (<b>Exhibit 10</b>). While this is lower than other health bodies in Wales, the organisation needs to ensure it manages vacancy levels effectively. DHCW faces a competitive environment where digital skills are in need and the private sector can often pay more. In response, the organisation is taking positive action to manage its vacancies, for example, by working with local universities to promote career options through the WIDI partnership, attending recruitment fairs and recruitment campaigns.</p> <p>In addition, the directorate level workforce plans will ensure the organisation has good-quality vacancy data. The organisation spends little on agency staff (<b>Exhibit 7</b>) and has efficient and timely recruitment processes. At the time of our review, DHCW had recently set up the Strategic Resourcing Group. Chaired by the Director of People and OD, and meeting monthly, the group oversees the organisation's resourcing. For example, resource requirements, options, activity, and risks. But it is too early to judge the effectiveness of this group.</p> <p>Staff wellbeing is an important aspect of ensuring the organisation retains its staff. DHCW has one of the lowest sickness rates compared to other health bodies in Wales (<b>Exhibit 11</b>) and is meeting the Welsh Government target for sickness. The organisation is also investing in its staff by developing them for more senior roles. In 2022-23, DHCW's staff turnover (updated figure provided via ESR towards the end of the study) was 8.1% (<b>Exhibit 9</b>); whilst low compared to other health bodies the organisation has set itself an ambitious target of 7.5% or below at that time. It is unclear why most staff leave, as the reasons are either undisclosed or classified as 'other'. But where known, 22% leave because of promotion within the NHS and 12% for a better salary. Once developed, the directorate workforce plans should help highlight and address 'hotspots' where turnover is high.</p> <p>Since the pandemic, like other organisations, DHCW has adopted a hybrid working pattern. To support this new way of working, the organisation has developed and implemented a Hybrid Working Policy and toolkit for staff and managers. Staff surveys indicate that staff appreciate hybrid</p>

What we looked at	What we found
	working and would be reluctant to return to full-time office working. Given DHCW's recruitment challenges, hybrid working is a benefit allowing the organisation to recruit from a wider geographical area.

**Exhibit 4: monitoring and oversight of workforce plan/strategy delivery**

This section of the report focusses on the robustness of corporate oversight of workforce risks. We found that **whilst the Board maintains reasonable oversight of workforce matters, there needs to be a stronger focus on the extent to which actions are having an impact.**

What we looked at	What we found
<p>We considered whether delivery of DHCW's workforce strategy or plan is supported by robust monitoring, oversight, and review. We expected to see:</p> <ul style="list-style-type: none"> <li>• arrangements in place to monitor the progress of the workforce strategy or plan at management and committee levels;</li> <li>• effective action where progress on elements of the workforce strategy or plan are off track;</li> </ul>	<p>We found that <b>the Board has reasonable oversight of the People and OD Strategy and workforce performance information, but there are opportunities to improve workforce metrics and have a greater focus on impact.</b></p> <p>Due to the size of the organisation, DHCW does not have a people committee, instead the Board receives an update on workforce metrics through its Integrated Organisational Performance Report (IOPR). This performance report provides an update against standard workforce metrics such as sickness, turnover, appraisal rates, and compliance with statutory and mandatory training. Given the organisation's growth and that vacancy management is a corporate risk, it is surprising that the report does not include establishment figures or vacancy rates. The organisation is looking at more detail scoping around capability requirements at the directorate level, reviewing skill levels against the DDaT+ (digital, data and technology plus) profile career framework, staff age profile and grades.</p>

What we looked at	What we found
<ul style="list-style-type: none"> <li>• performance reports showing the impact of delivering the workforce strategy or plan; and</li> <li>• the organisation benchmarking its workforce performance with similar organisations.</li> </ul>	<p>As this data matures, the organisation should review the workforce metrics presented to the Board with a view to expanding it and including, where appropriate, narrative about action to address underperformance and the impact of workforce changes on service delivery (<b>Recommendation 3</b>).</p> <p>At an operational level, the Strategic Resource Group and the Senior Management Team review workforce metrics with the aim of improving and addressing performance concerns.</p> <p>In September 2023, the Board received a year-one progress report on the People and OD Strategy. The narrative report gives a good overview of progress. It is clear the organisation has made a good start to delivering its workforce ambitions. It is now continuing the work of the Strategic Resource Group, the people and OD team business partners to support organisational change programmes, and launch the next phase of the strategic workforce planning exercise. Whilst the update is positive, the report would benefit from reporting against the actions set out in the People and OD Strategy, as it is difficult to gauge exact progress and the impact of actions. An implementation plan with impact measures, key milestones, and targets and leads for each action would further improve Board Assurance (see <b>Recommendation 3</b>). As the organisation does not have a specific ‘people/workforce’ committee, reporting against an implementation plan at least twice a year would ensure the Board has a focus on workforce matters, receiving assurance on the People and OD Strategy’s delivery (<b>Recommendation 4</b>).</p> <p>The organisation conducts limited workforce benchmarking and what is undertaken tends to focus on industry salaries and staff turnover. The organisation reported that due to the unique remit of DHCW, there was limited value in benchmarking its workforce information against other health bodies in Wales. Although, like all health bodies, the organisation does routinely submit workforce information to HEIW.</p>



# Appendix 1

## Audit methods

**Exhibit 5** sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from the methods below.

### Exhibit 5: method we used to deliver this work

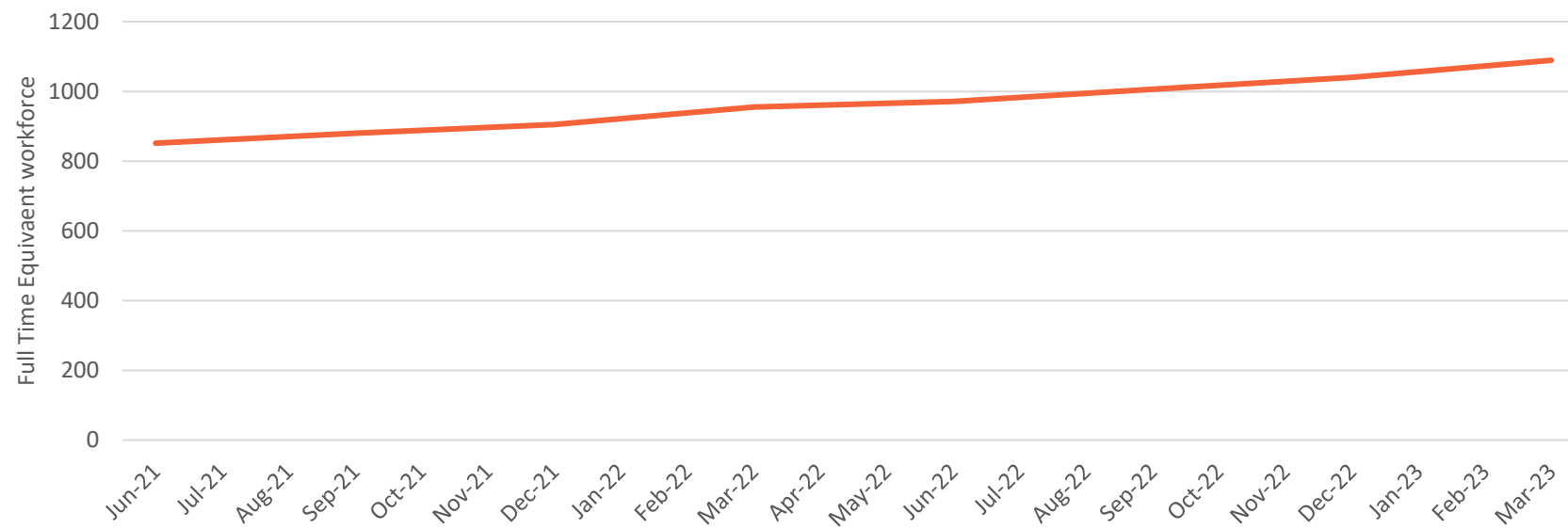
Element of audit approach	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"><li>• Workforce strategy and associated workforce plan(s)</li><li>• Implementation/delivery plans for workforce strategy – high-level and operational</li><li>• Evidence of evaluation of workforce strategy and/or associated initiatives</li><li>• Information feeding into workforce strategy development eg needs assessment, workforce data, benchmarking exercises, demand and capacity planning, skills gap analysis, horizon scanning.</li><li>• Evidence of stakeholder engagement</li><li>• Structure charts for workforce planning functions</li><li>• Examples of workforce planning training offered to staff eg CIPD, other training – formal or informal</li><li>• Workforce finance and resource plans</li><li>• The BAF, corporate and operational risk registers</li><li>• Document showing recruitment process and recruitment and retention initiatives.</li><li>• Corporate and operational level oversight and monitoring of workforce metric and strategy delivery</li></ul>

Element of audit approach	Description
Interviews	<p>We interviewed the following:</p> <ul style="list-style-type: none"> <li>• Director of People and Organisational Development</li> <li>• Senior People and Organisational Development Business Partner</li> <li>• Head of Workforce and Organisational Development</li> <li>• Trade Union Rep, Associate Board Member (Unite)</li> <li>• Deputy Director of Finance</li> <li>• Board Secretary</li> <li>• Head of Internal Audit, SSP</li> </ul>

# Appendix 2

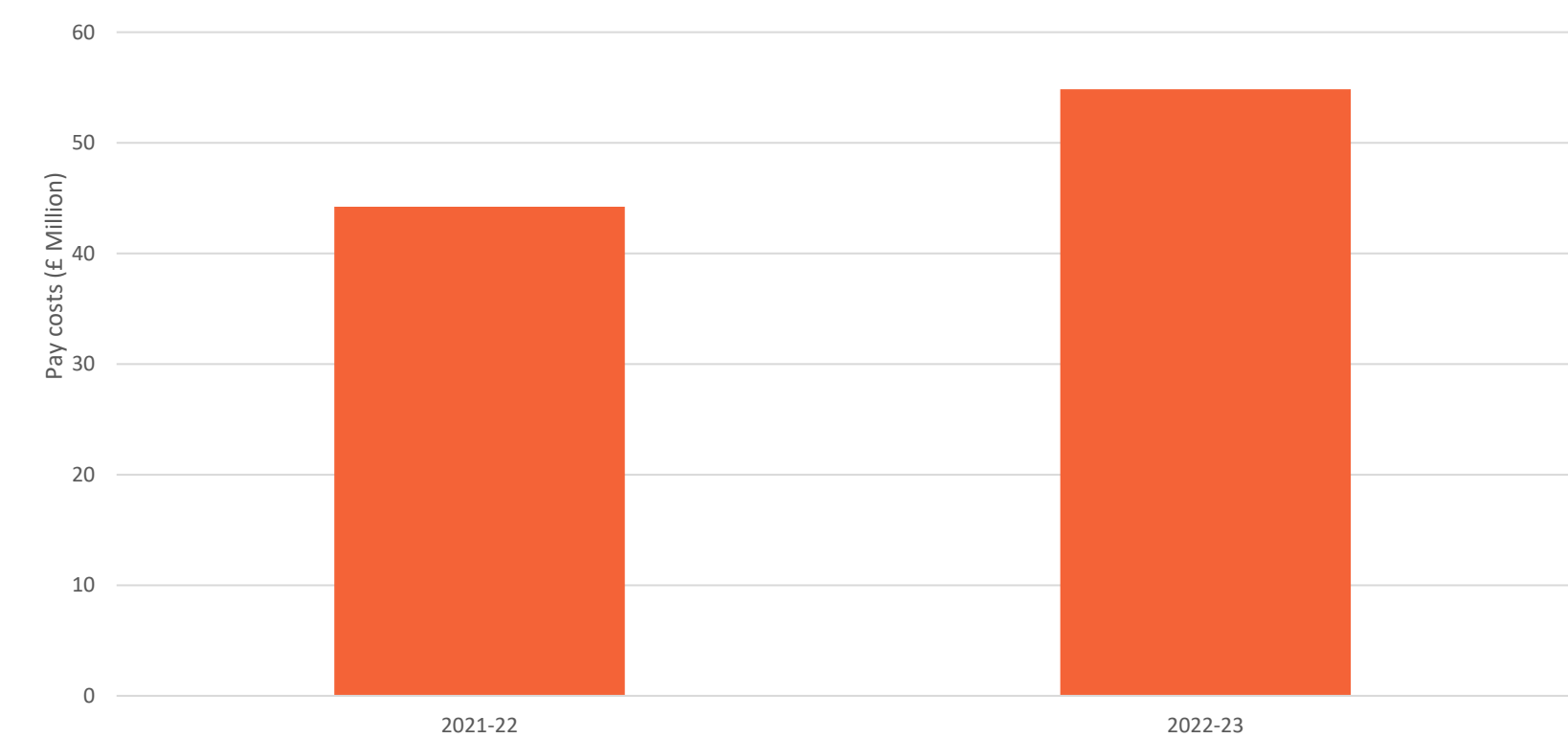
## Selected workforce indicators

**Exhibit 6: trend in workforce numbers (full-time equivalent), Digital Health and Care Wales**



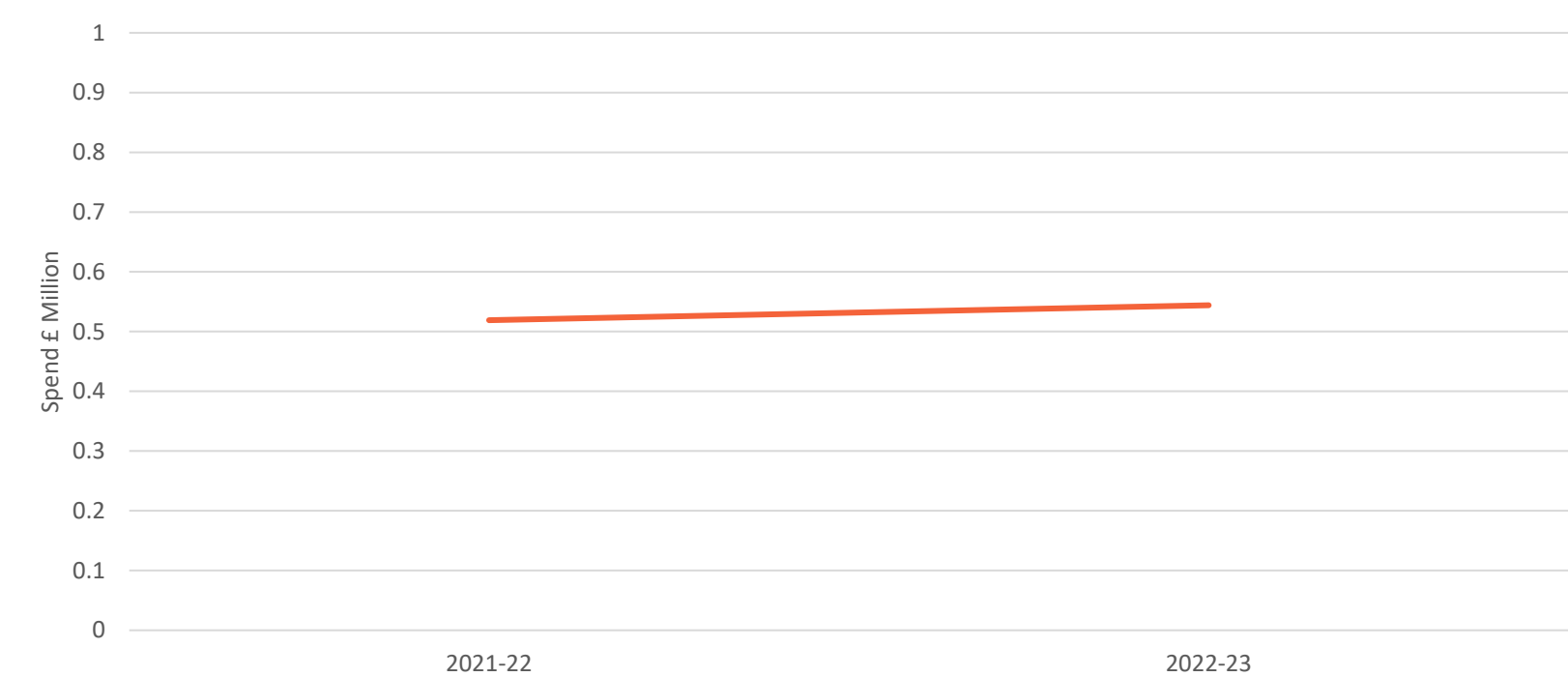
Source: Stats Wales

Exhibit 7: trend in actual workforce costs, Digital Health and Care Wales



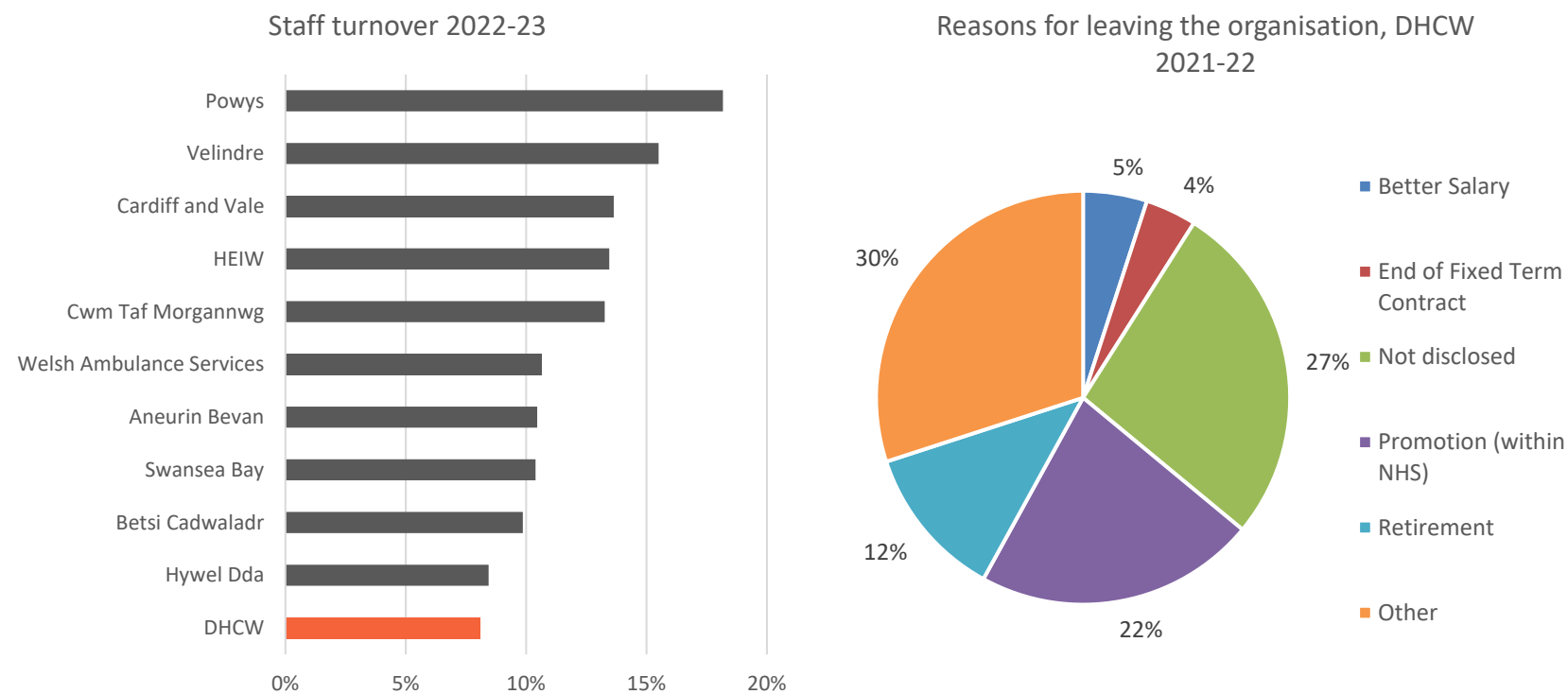
Source: Monthly Monitoring Returns reported to the Welsh Government

Exhibit 8: trend of expenditure on workforce agency £ Million, Digital Health and Care Wales



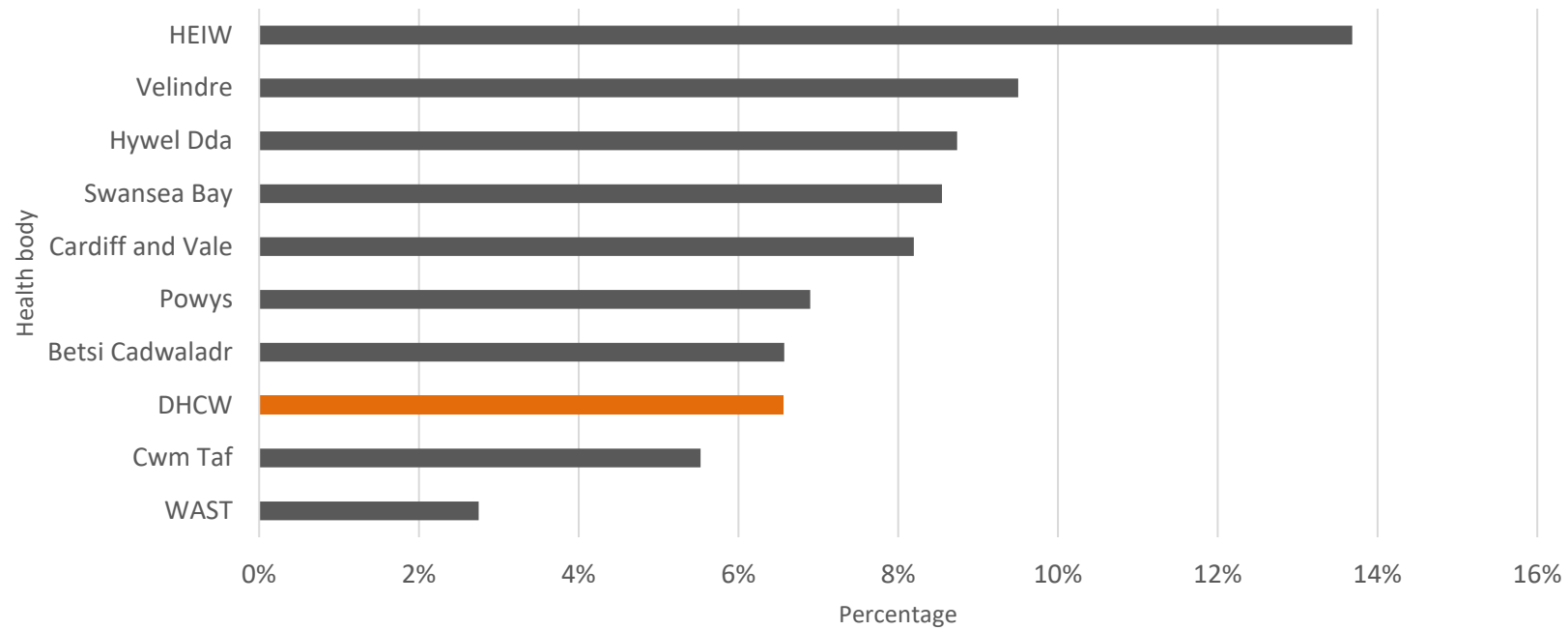
Source: Monthly Monitoring Returns reported to the Welsh Government

Exhibit 9: annual staff turnover and reason for leaving, Digital Health and Care Wales



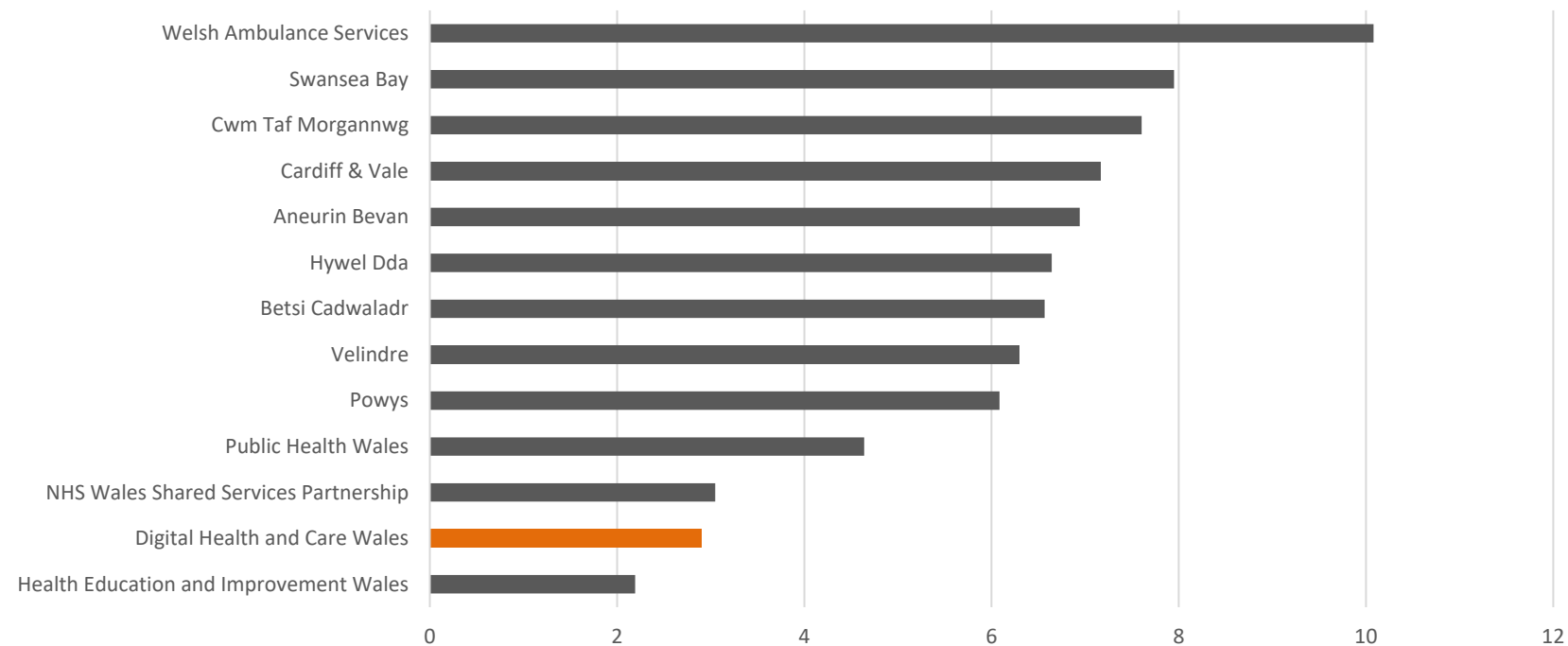
Source: staff turnover data originally sourced from Health Education and Improvement Wales then updated by health body (via ESR). Reason for leaving data sourced from health body data request

**Exhibit 10: vacancies as a percentage of total establishment, as of March 2022**



Source: health body data request

Exhibit 11: sickness absence by organisation, 2022



Source: Welsh Government, Stats Wales



# Appendix 3

## Organisational response to audit recommendations

Exhibit 12: Digital Health and Care Wales response to our audit recommendations

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R1	Whilst the People and OD Strategy includes high-level actions and measures, the organisation should develop a detailed implementation plan to help monitor the strategy's delivery. The implementation plan should include milestones, impact measures, targets, and a responsible lead for each action or priority ( <b>High priority</b> ).	<p>A detailed implementation plan developed to monitor progress of the People and OD Strategy (delivery and impact). The Implementation Plan includes key workstreams, objectives and its owner, measurable impact, timeline, progress assessment.</p> <p>This is reviewed formally on a quarterly basis and informally monthly at the People and OD Senior Leadership Meeting. The quarterly review started in September and monthly review started in August 2023. The updates from the quarterly review will feed into the formal six-monthly update to the DHCW Management Board and the SHA Board. The SHA Board have already received progress report and have confirmed good progress and assurance against key workstreams.</p>	<p>People and OD Implementation Plan developed in May 2023. Monthly informal review started in August 2023.</p> <p>Quarterly formal review started in September 2023 and will be reviewed quarterly thereafter - December 2023, March 2024, June 2024, September 2024.</p>	<b>Head of People and OD</b>

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R2	DHCW is developing directorate-level workforce plans and improving workforce data, which has the potential to highlight new workforce risks. The organisation should review the information in its corporate and strategic risk registers, using fresh insight from the workforce plans to both identify potential new risks and required additional sources of assurance ( <b>High priority</b> ).	<p>Workforce information in the Corporate Strategic Risk Register is reviewed and refreshed regularly during Local Partnership Forum, Strategic Resourcing Group, Management Board, Audit &amp; Assurance Committee, and the SHA Board to provide additional assurance to any changes to risk associate with workforce.</p> <p>Will continue to work with Directorate Managers to identify any new workforce risks and jointly develop plans to mitigate risks which may prevent DHCW achieving its workforce ambitions. This will be achieved through regularly reviewing workforce profile identified from:</p> <ul style="list-style-type: none"> <li>the DHCW IMTP plans and its Digital Strategy;</li> <li>Directorate Managers – identifying delivery of key programmes of work and prioritising skills/knowledge and experience of workforce requirements;</li> <li>Finance Business Partners – to review requirements against established financial envelope; and</li> <li>P&amp;OD Business Partners – horizon scanning to ensure right talent acquisition to support both the short and the long-term goals of DHCW whilst making sure positive employee experience to reduce turnover.</li> </ul>	<p>The Corporate Strategic Risk Register is reviewed in the following meetings:</p> <ul style="list-style-type: none"> <li>Local Partnership Form (Bi-monthly)</li> <li>Strategic Resourcing Group (Monthly)</li> <li>Weekly Directors Resource update (Monthly)</li> <li>Management Board (Monthly)</li> <li>Audit and Assurance Committee (Quarterly)</li> <li>SHA Board (Bi-monthly)</li> </ul>	<b>Head of People and OD</b>

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R3	We found that the Board receives regular, but limited, workforce performance information in the Integrated Organisational Performance Report. DHCW is improving the basis of its workforce information. As workforce data improves, the organisation should review the workforce metrics presented to the Board with a view to expanding them, including narrative about actions to address underperformance and the impact of evolving workforce changes on service delivery ( <b>High priority</b> ).	<p>As the organisation grows and matures, DHCW will continue to review its workforce metrics presented to the Board. This will be achieved by working collaboratively with key stakeholders (Strategic Resourcing Group, Local Partnership Forum, Health and Wellbeing Network, Strategic Equality Network, Execs and the Board) to develop metrics which are most important now and in the future and aligned to the People and OD Strategy.</p> <p>Already developed an in-house Resourcing Database to effectively report and manage staff vacancies – the data is reviewed and discussed at the Strategic Resourcing Group to address any underperformance and its impact on service delivery.</p>	<p>Revised milestones developed and agreed July 2024</p> <p>Reviewed on a monthly basis at the Strategic Resourcing Group</p>	<b>Head of People and OD</b>

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R4	In September 2023, the Board received a one-year progress report on the People and OD Strategy's delivery; whilst positive, the narrative format of the report makes it difficult to gauge exact progress and the impact of actions. At least twice a year, the Board should receive an update on the People and OD Strategy's progress against the actions set out in the strategy, and, once developed, against the implementation plan including key metrics ( <b>High priority</b> ).	Progress report on the People and OD Strategy delivery will be shared with the Board at least twice a year, highlighting progress against key workstreams to ensure it receives assurance on progress of the People and OD Strategy.	May 2024 and November 2024	Head of People & OD



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Rydym yn croesawu gohebiaeth a  
galwadau ffôn yn Gymraeg a Saesneg.



# Annual Audit Report 2023 – Digital Health and Care Wales

Audit year: 2022-23

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# Summary report

## About this report

- 1 This report summarises the findings from my 2023 audit work at Digital Health and Care Wales Special Health Authority (DHCW) undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004. That Act requires me to:
  - examine and certify the accounts submitted to me by DHCW, and to lay them before the Senedd;
  - satisfy myself that expenditure and income have been applied to the purposes intended and are in accordance with authorities; and
  - satisfy myself that DHCW has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.
- 2 I report my overall findings under the following headings:
  - Audit of accounts
  - Arrangements for securing economy, efficiency, and effectiveness in the use of resources
- 3 This year's audit work took place at a time when NHS bodies were still responding to the legacy of the COVID-19 pandemic as they look to recover and transform services and respond to the additional demand in the system that has built up during the pandemic. Furthermore, health bodies were also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. My work programme, therefore, was designed to best assure the people of Wales that public funds are well managed.
- 4 I aimed to ensure my work did not hamper public bodies in tackling the post-pandemic challenges they face, whilst ensuring it continued to support both scrutiny and learning. We largely continued to work and engage remotely where possible through the use of technology, but some on-site audit work resumed where it was safe and appropriate to do so. This inevitably had an impact on how we deliver audit work but has also helped to embed positive changes in our ways of working.
- 5 The delivery of my audit of accounts work has continued mostly remotely. Auditing standards were updated for 2022-23 audits which resulted in some significant changes in our approach. The specific changes were discussed in detail in my 2023 Audit Plan. The audited accounts submission deadline was extended to 31 July 2023. The financial statements were certified on 28 July 2023, meaning the deadline was met. This reflects a great collective effort by both my staff and DHCW's officers.
- 6 I also adjusted the focus and approach of my performance audit work to ensure its relevance in the context of the post-pandemic challenges facing the NHS in Wales. I have commented on how NHS Wales is tackling the backlog of patients waiting for orthopaedic treatments. I have also published an NHS Workforce Data Briefing

that brings together a range of metrics and trends to help illustrate the challenges that need to be gripped locally and nationally. The data briefing complements my assessments of how the workforce planning arrangements of individual NHS bodies are helping them to effectively address current and future workforce challenges. My local audit teams have commented on the governance arrangements of individual bodies, as well as how they are responding to specific local challenges and risks. My performance audit work is conducted in line with INTOSAI auditing standards<sup>1</sup>.

- 7 This report is a summary of the issues presented in more detailed reports to DHCW this year (see **Appendix 1**). I also include a summary of the status of work still underway, but not yet completed.
- 8 **Appendix 2** presents the latest estimate of the audit fee that I will need to charge to cover the costs of undertaking my work, compared to the original fee set out in the 2023 Audit Plan.
- 9 **Appendix 3** sets out the audit of accounts risks set out in my 2023 Audit Plan and how they were addressed through the audit.
- 10 The Chief Executive and the Director of Finance have agreed the factual accuracy of this report. We presented it to the Audit and Assurance Committee on 13 February 2024. The Board will receive the report at a later Board meeting and every member will receive a copy. We strongly encourage DHCW to arrange its wider publication. We will make the report available to the public on the [Audit Wales website](#) after the Board have considered it.
- 11 I would like to thank DHCW's staff and members for their help and co-operation throughout my audit.

## Key messages

### Audit of accounts

- 12 I concluded that DHCW's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in internal controls (as relevant to my audit).
- 13 I made one recommendation in the Audit of Accounts Report. I will review the actions taken by DHCW to implement this as part of my audit of the 2023-24 financial statements.
- 14 My review of the IT environment and application controls applied to the national financial systems hosted by DHCW and used by other NHS organisations in Wales

<sup>1</sup> INTOSAI (International Organisation of Supreme Audit Institutions) is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

assured me that financial values produced by the systems for 2022-23 were likely to be free from material misstatement, although some controls could be strengthened.

- 15 DHCW achieved financial balance for the year ending 31 March 2023, and all other material financial transactions were in accordance with authorities and used for the purposes intended, so I have issued an unqualified opinion on the regularity of the financial transactions within DHCW's 2022-23 accounts.
- 16 DHCW met its financial duty to break even against its Revenue and Capital Resource Limit for the year ending 31 March 2023.
- 17 I placed no substantive report alongside my opinion this year as there were no issues to report.

## Arrangements for securing efficiency, effectiveness, and economy in the use of resources

- 18 My programme of Performance Audit work has led me to draw the following conclusions:
  - The General Medical Services Digital Programme Board has reasonably effective governance arrangements in place, but opportunities exist to clarify its decision-making authority and position within DHCW's wider governance framework. The Programme Board maintains good oversight of risks, performance, and benefits realisations relating to GMS digital services. However, its role in maintaining financial oversight of GMS digital services appears to be limited.
  - From an all Wales perspective, despite an increasing NHS workforce, there remain vacancies in key areas, high sickness and staff turnover resulting in over-reliance on agency staffing. More positively, NHS Wales is becoming a more flexible and equal employer.
  - DHCW is improving its strategic approach to workforce planning and is taking steps to manage current workforce challenges, but there is scope to increase focus on the longer term and improve arrangements for monitoring and oversight to ensure that actions are having the desired impact.
  - DHCW's corporate governance, assurance, planning, and financial management arrangements are generally good, with some opportunities to strengthen them further. However, DHCW is facing significant resource, financial, and investment risks that will need to be carefully managed to ensure it achieves both immediate priorities and longer-term objectives while remaining financially sustainable.
- 19 These findings are considered further in the following sections.

# Detailed report

## Audit of accounts

- 20    Preparing annual accounts is an essential part of demonstrating the stewardship of public money. The accounts show the organisation’s financial performance and set out its net assets, net operating costs, gains and losses, and cash flows. My annual audit of those accounts provides an opinion on both their accuracy and the proper use (‘regularity’) of public monies.
- 21    My 2023 Audit Plan set out the key risks for audit of the accounts for 2022-23 and these are detailed along with how they were addressed in **Appendix 3 Exhibit 4**.
- 22    My responsibilities in auditing the accounts are described in my Statement of Responsibilities publications, which are available on the Audit Wales website.

## Accuracy and preparation of the 2022-23 accounts

- 23    I concluded that DHCW’s accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in internal controls (as relevant to my audit) however I brought some issues to the attention of officers and the Audit and Assurance Committee for improvement.
- 24    The unaudited accounts were submitted by the required deadline. The working papers provided were comprehensive and of good quality, and officers generally responded to audit queries and requests for further information promptly, but delays were experienced in some instances.
- 25    I must report issues arising from my work to those charged with governance (the Audit and Assurance Committee) for consideration before I issue my audit opinion on the accounts. My Financial Audit Engagement Lead reported these issues on 18 July 2023. **Exhibit 1** summarises the key issues set out in that report.

### Exhibit 1: issues reported to the Audit Committee

Issue	Auditors’ comments
Uncorrected misstatements	<p>One immaterial misstatement was identified which was not corrected by management. The misstatement related to a small number of non-current assets which were held at a negative value in the accounts. The combined total of the assets was £112,000.</p> <p>We accepted Management’s view that the issue was essentially a timing difference and that there was little</p>

	benefit in amending the statement of accounts for relatively low values.
Corrected misstatements	There were initially misstatements in the accounts that were corrected by management.
Other significant issues	<p>Two other significant issues were included in my Audit of Accounts Report:</p> <ul style="list-style-type: none"> <li>• The draft staff report was not fully compliant with the Welsh Government Manual for Accounts, requiring additional auditor input and additional time to complete the audit work; and</li> <li>• Officer's engagement with auditors throughout the audit process has been helpful and constructive but although not impacting upon the overall delivery of the accounts as per timetable, in certain instances responses could have been received in a timelier manner.</li> </ul> <p>We completed a post project learning meeting with officers in September 2023 to discuss the issues arising from the 2022-23 audit and are meeting again with officers in January 2024 to discuss more detailed arrangements for the audit of the 2023-24 financial statements.</p>

- 26 I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with DHCW's financial position on 31 March 2023 and the return was prepared in accordance with the Treasury's instructions.

## Regularity of financial transactions

- 27 DHCW's financial transactions must be in accordance with authorities that govern them. DHCW must have the powers to receive income and incur expenditure. Our work reviews these powers and tests that there are no material elements of income or expenditure which DHCW does not have the powers to receive or incur.
- 28 Where DHCW does not achieve financial balance, its expenditure exceeds its powers to spend and so I must qualify my regularity opinion.
- 29 DHCW achieved financial balance for the year ending 31 March 2023, with an underspend of £204,000 against its Revenue Resource Limit and an underspend

of £88,000 against its Capital Resource Limit. All other material financial transactions were in accordance with authorities and used for the purposes intended, so I have issued an unqualified opinion on the regularity of the financial transactions within DHCW's 2022-23 accounts.

- 30 I have the power to place a substantive report on DHCW's accounts alongside my opinions where I want to highlight issues. As DHCW met both of its financial duties: to achieve financial balance and to have an approved one-year plan in place; and there were no other issues warranting report, I did not issue a substantive report on the accounts.

## Review of nationally hosted IT systems

- 31 DHCW hosts a number of national financial systems which are used by other NHS organisations in Wales. These IT systems include the:
- National Health Application and Infrastructure Services system, used for NHS patient demographics and the payments engine for calculating primary care General Medical Services contractor payments by NHS Wales Shared Services Partnership;
  - CareFlow Hospital Pharmacy system, provided by DHCW to NHS organisations and used for ordering, stock receipting and invoicing of Hospital dispensed pharmaceutical items and drugs for payment via Oracle Accounts Payable;
  - Losses and Special Payments Register system, provided by DHCW to NHS organisations for the recording, payments processing and provisioning from Welsh Legal and Risk reports arising on claims for clinical negligence and personal injury from patients and staff; and
  - NHS national ICT infrastructure and Wales wide area network, the communication links between all NHS organisations in Wales, provided by DHCW.
- 32 My IM&T auditors reviewed the IT environment and application controls that are applied to these systems for the purposes of providing assurance for NHS financial audit opinions in 2022-23. My IM&T auditors also considered progress made by DHCW in addressing my 2021-22 audit recommendations as well as any outstanding recommendations made in previous years.
- 33 My IM&T auditors found that the IT controls we examined assured us that financial values produced by the systems for 2022-23 were likely to be free from material misstatement, although some controls could be strengthened. I have made a small number of IT recommendations in the 2022-23 work that should be addressed by DHCW in order to minimise the potential for future application and infrastructure system risks. My IM&T auditors also found that some good progress has been made in addressing prior year IT recommendations.

## Arrangements for securing efficiency, effectiveness, and economy in the use of resources

- 34 I have a statutory requirement to satisfy myself that DHCW has proper arrangements in place to secure efficiency, effectiveness, and economy in the use of resources. I have undertaken a range of performance audit work at DHCW over the last 12 months to help me discharge that responsibility. This work has involved:
- examining the effectiveness and efficiency of the General Medical Services Digital Programme Board's governance arrangements, as well as its approach to financial management.
  - publishing an NHS Workforce Data Briefing that brings together a range of metrics and trends to help illustrate the challenges that need to be gripped locally and nationally.
  - reviewing the effectiveness of DHCW's workforce planning arrangements.
  - undertaking a structured assessment of DHCW's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically.
- 35 My conclusions based on this work are set out below.

## Review of the General Medical Services (GMS) Digital Programme Board<sup>2</sup>

- 36 My work considered the effectiveness and efficiency of the GMS Digital Programme Board's governance arrangements, as well as its approach to financial management. My work found that the Programme Board has reasonably effective governance arrangements in place, but opportunities exist to clarify its decision-making authority and position within DHCW's wider governance framework. The Programme Board maintains good oversight of risks, performance, and benefits realisation relating to GMS digital services. However, its role in maintaining financial oversight of GMS digital services appears to be limited.
- 37 The Programme Board has reasonably effective arrangements in place to conduct its business. Whilst the Programme Board's Terms of Reference clearly set out its role, responsibilities, membership, and operating arrangements, we found that they could be enhanced to:

<sup>2</sup> The GMS Digital Programme Board, established in 2005, is hosted by DHCW. It oversees strategic digital developments and services to GP Practices in Wales as part of the GMS contract.



- provide greater clarity on the Programme Board's decision-making authority as well as its position within DHCW's wider governance and accountability framework to support effective flows of assurance;
  - reference the Standing Orders and Standing Financial Instructions of DHCW, as the host body; and
  - outline the arrangements for declaring and recording conflicts of interest at the start of each meeting.
- 38 The Programme Board has a stable membership, with appropriate senior leadership representation from a wide range of organisations including DHCW, Welsh Government, Health Boards, and individual General Practices. Attendance at meetings is good. Meetings run to time, are of sufficient length, and are conducted appropriately. The Programme Board also has effective arrangements in place to communicate and engage with its various stakeholders. Whilst the Programme Board has an agreed work programme in place, it is not set out in a way that clearly shows how business will be prioritised and managed over the course of the year. The Programme Board's sub-group structure appears to be operating effectively. However, the absence of a Finance Group is limiting the Programme Board's ability to oversee, scrutinise, and challenge the financial performance of GMS digital services effectively.
- 39 The Programme Board generally receives high quality, detailed, and informative papers to enable decision-making, scrutiny, and assurance. However, opportunities exist to strengthen financial reporting to the Programme Board. The Programme Board maintains appropriate oversight of risks, performance, and benefits realisation. There are reasonably effective flows of assurance from the sub-groups to the Programme Board; however, there is scope to strengthen the assurances provided to DHCW, as the host body. The Programme Board has effective and robust systems in place to ensure scrutiny of commissioned and procured suppliers and products. However, its role in maintaining ongoing oversight of project budgets, internal controls, and financial performance is limited. This will need to be addressed as it did not operate within its budget for 2022-23, and is predicting future deficits due to inflationary cost pressures.

## NHS workforce data briefing

- 40 In September 2023, I published a [data briefing](#) which set out key workforce data for NHS Wales. My briefing highlighted continued growth of NHS Wales, and reflected that in some instances, the growth in staff levels, particularly in nursing and some medical specialties hasn't kept up with increasing demand.
- 41 The pandemic clearly had an impact on staff and the workforce remains under significant pressure. The recent key trends show increased staff turnover, sickness absence and vacancies. This has resulted in greater reliance on external agency staffing and notably increased agency costs to £325 million in 2022-23. Wales is growing its own workforce, with increased nurses and doctors in training.

- 42 Despite this, there is still a heavy reliance on medical staff from outside of Wales, demonstrating a need to both ensure that education commissioning is aligned to demand, but also that health bodies are able to recruit sufficient graduates, once they have completed their training. My report also highlights some positive trends that show that the NHS is becoming a more flexible and equal employer.

## Workforce planning arrangements

- 43 My review examined whether DHCW has effective arrangements to support workforce planning. It focussed on the strategic and operational workforce planning, how it uses workforce information and how it works with its stakeholders to develop solutions. The work also considered the organisation's capacity and capability to identify and address key short and long-term workforce challenges and how it monitors whether its approach is making a difference.
- 44 My work found that DHCW is improving its strategic approach to workforce planning and is taking steps to manage current workforce challenges, but there is scope to increase focus on the longer term and improve arrangements for monitoring and oversight to ensure that actions are having the desired impact.
- 45 At the time of my work, the key workforce challenge at DHCW related to filling current and future vacancies for digital professionals, in a highly competitive commercial market. DHCW has indicated that demand for digital professionals is expected to continue to grow significantly over the next decade. Since its establishment, DHCW's workforce has grown by around 25% to just under 1,100 full-time equivalent staff in March 2023. Although it has kept agency costs to a minimum to date, these may increase if the organisation's establishment continues to grow at a level that it has in the past. Compared to other NHS bodies, the organisation has relatively low turnover and vacancy rates.
- 46 DHCW is improving its strategic approach to workforce planning, but it needs an implementation plan to guide delivery and a greater focus on addressing future risks. The People and Organisational Development Strategy, focuses on the short-to medium-term, and whilst DHCW is taking steps to improve strategic workforce planning it needs a greater focus on longer-term workforce risks. At present though, DHCW does not yet have an implementation plan to deliver the strategy. It is taking positive steps to better understand its current and future workforce demands and is improving workforce intelligence through the development of directorate level workforce plans. There is a commitment to engaging with internal and external stakeholders to help address current and future workforce challenges.
- 47 DHCW is effectively managing its workforce challenges and current risks, but it will need to keep its resources to support workforce planning under review. In the short term, it has a reasonable level of resources to support workforce planning, but it will need to keep this under review as the organisation continues to grow and change. The organisation understands and actively manages its workforce risks with mitigating actions that are helping to reduce the level of workforce risk. Developing directorate level workforce plans and improving workforce data has the

potential to highlight new workforce risks. This will need to be kept under review as directorate plans evolve. DHCW is actively and appropriately managing its current workforce challenges through a range of recruitment, retention, and workforce development activities.

- 48 Whilst DHCW's Board maintains reasonable oversight of workforce matters, there needs to be stronger focus on the extent to which actions taken are having an impact. The Board has reasonable oversight of the People and Organisational Development Strategy, receiving a year-one update in September 2023. It also has oversight over a limited number of workforce performance metrics through its Integrated Organisational Performance Report and workforce performance information. However, there are opportunities to improve workforce metrics, People and Organisational Development Strategy update reports, and have a greater focus on impact.

## Structured assessment

- 49 My 2023 structured assessment work took place at a time when NHS bodies were continuing to deal with the legacy of the COVID-19 pandemic in terms of recovering and transforming services and responding to the additional demand in the system that built up during the pandemic. Furthermore, they were also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate.
- 50 My team focussed on DHCW's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on: Board transparency, effectiveness, and cohesion; corporate systems of assurance; corporate approach to planning; and corporate approach to managing financial resources. Auditors also paid attention to progress made to address previous recommendations.

## Board transparency, effectiveness, and cohesion

- 51 My work considered whether DHCW's Board conducts its business appropriately, effectively, and transparently. I paid particular attention to:
- Public transparency of Board business;
  - Arrangements to support the conduct of Board business;
  - Board and committee structure, business, meetings, and flows of assurance;
  - Board commitment to hearing from staff, users, other stakeholders; and
  - Board skills, experiences, cohesiveness, and commitment to improvement.
- 52 My work found that DHCW has a stable and cohesive Board that conducts its business appropriately, effectively, and transparently. However, opportunities remain to enhance some arrangements further.

- 53 DHCW's Board and committees operate appropriately, effectively, and transparently. The committee structure is well embedded with well managed meetings, good arrangements to support flows of assurance, and good quality and timely information. There is good scrutiny, challenge, and discussion in Board and committee meetings on the key risks, challenges, and opportunities facing the organisation.
- 54 DHCW's Board is stable, cohesive, and demonstrates a commitment to continuous improvement. The Board is committed to strengthening its arrangements for engaging with DHCW staff, but opportunities remain for it to engage directly with citizens, and clinical service-users in other health bodies.
- 55 DHCW has recently taken responsibility for overseeing delivery of Welsh Government funded digital programmes and is taking positive steps to establish a new committee to maintain oversight of programme delivery as part of its corporate governance arrangements. However, the longer-term chairing arrangements of the new committee will need to be kept under review.

## Corporate systems of assurance

- 56 My work considered whether DHCW has a sound corporate approach to managing risks, performance, and the quality and safety of services. I paid particular attention to the organisation's arrangements for:
- Overseeing strategic and corporate risks;
  - Overseeing organisational performance;
  - Overseeing the quality and safety of services; and
  - Tracking recommendations.
- 57 My work found that DHCW's systems of assurance are robust and operating effectively, but opportunities exist to enhance some of these arrangements further.
- 58 DHCW is managing its strategic and corporate risks effectively and developing a greater understanding of its risk appetite. It maintains a high-quality Board Assurance Framework (BAF) which is fully owned and actively used by the Board. Whilst committees undertake regular deep dives on principal risks, there is scope to make greater use of the BAF to shape Board and committee business.
- 59 There are reasonably effective performance management arrangements in place. However, there is scope to improve the content of reports to more clearly articulate actions required to improve underperformance. DHCW has effective quality assurance arrangements and is making good progress in implementing the new duties of quality and candour. It also has effective arrangements in place for monitoring the implementation of internal and external audit recommendations.

## Corporate approach to planning

- 60 My work considered whether DHCW has a sound corporate approach to planning. I paid particular attention to the organisation's arrangements for:

- Producing and overseeing the development of strategies and corporate plans, including the Integrated Medium-Term Plan; and
  - Overseeing the delivery of corporate strategies and plans.
- 61 My work found that DHCW's planning arrangements continue to mature, but opportunities remain to develop detailed supporting delivery plans for some corporate plans and strategies to support effective monitoring and oversight. It is facing significant resource and investment risks which may impact on the delivery of its key strategic and transformational priorities.
- 62 DHCW's approach for developing strategic and corporate plans is generally effective, with good Board-level oversight and involvement. The Integrated Medium-Term Plan (IMTP) for 2023-26 is shorter and more concise as compared to previous versions. It clearly articulates DHCW's priorities, timescales, outcomes, and risks. However, a significant number of priorities in the IMTP have not been resourced, and DHCW often commits to work outside its agreed IMTP which places a further strain on organisational resources. This creates deliverability risks and highlights a need to better engage with partners during the IMTP development process to better understand requirements and the resources to deliver them.
- 63 DHCW is making good progress in developing its long-term strategy and is beginning work on introducing a new product-focussed operating model to support the delivery of its strategic objectives and IMTP priorities. Whilst this new approach should bring several benefits, there are some significant risks associated with its implementation that will need to be managed carefully. DHCW is currently undertaking work to demonstrate its value to the wider NHS in Wales. However, progress has been slow to date, and this work still does not guarantee receipt of additional investment from Welsh Government. It will, therefore, need to plan for this scenario should the risk of not securing additional resources materialise.
- 64 DHCW has reasonably effective arrangements for overseeing and scrutinising IMTP delivery. We also found improvement in the quality of underpinning business / delivery plans for some wider corporate strategies and plans. However, this level of information is not available for all corporate strategies and plans, therefore inhibiting effective progress monitoring. There is also scope to provide clearer strategy and plan progress updates to help the Board understand if they are achieving the intended impact

## Corporate approach to managing financial resources

- 65 My work considered whether DHCW has a sound corporate approach to managing its financial resources. I paid particular attention to the organisation's arrangements for:
- Achieving its financial objectives;
  - Overseeing financial planning;
  - Overseeing financial management; and
  - Overseeing financial performance.

- 66 My work found that DHCW continues to have a generally effective approach to financial planning, monitoring, and reporting. However, increasing financial challenges and an over reliance on non-recurrent savings could impact on its future financial sustainability.
- 67 DHCW achieved financial balance for 2022-23 and is forecasting a break-even position for 2023-24. However, there is uncertainty around the financial position in future financial years. Whilst it has good financial planning and financial management arrangements, it is facing increasing financial risks and continues to place an over-reliance on non-recurrent (vacancy) savings. These matters will require more organisational focus and rigour to reduce the impact on its future financial sustainability. Scrutiny and oversight of financial performance is appropriate, but Board may need to strengthen its arrangements should the financial challenges increase.

# Appendix 1

## Reports issued since my last annual audit report

### Exhibit 2: reports issued since my last annual audit report

The following table lists the reports issued to DHCW in 2023.

Report	Date
Financial audit reports	
Audit of Financial Statements Report	July 2023
Opinion on the Financial Statements	July 2023
Performance audit reports	
Review of the General Medical Services (GMS) Digital Programme Board	September 2023
NHS Workforce Data Briefing	September 2023
Structured Assessment 2023	December 2023
Review of Workforce Planning Arrangements	January 2024
Other	
2023 Detailed Audit Plan	May 2023

My wider programme of national value for money studies in 2023 included reviews that focused on the NHS and pan-public-sector topics. These studies are typically funded

through the Welsh Consolidated Fund and are presented to the Public Accounts Committee to support its scrutiny of public expenditure. Reports are available on the [Audit Wales website](#).



**Exhibit 3: performance audit work still underway**

There are several performance audits that are still underway at DHCW. These are shown in the following table, with the estimated dates for completion of the work.

Report	Estimated completion date
Review of Financial Efficiencies	April 2024
Review of stakeholder engagement arrangements	April 2024

# Appendix 2

## Audit fee

The 2023 Audit Plan set out the proposed audit fee of £188,852 (excluding VAT). My latest estimate of the actual fee, on the basis that some work remains in progress, is in keeping with the fee set out in the outline.

# Appendix 3

## Audit of accounts risks

### Exhibit 4: audit of accounts risks

My 2023 Audit Plan set out the risks of material misstatement and/or irregularity for the audit of DHCW’s 2022-23 accounts. The table below lists these risks and sets out how they were addressed as part of the audit.

Audit risk	Proposed audit response	Work done and outcome
<p>There is a presumed risk of fraud from revenue recognition which is viewed as a significant risk [ISA 240]. This risk has been rebutted as there is little opportunity to manipulate revenue recognition as most income is received from Welsh Government and Local Health Boards.</p> <p>As most public-sector bodies are net spending bodies there is an increased risk that expenditure maybe misstated due to improper recognition of expenditure [Practice Note 10]. The requirement for operating expenses not to exceed the Resource Limit gives rise to the risk that year end expenditure and creditor transactions could be materially misstated in an attempt to keep within this level.</p>	<p>We will:</p> <ul style="list-style-type: none"><li>• test the appropriateness of accruals made at the year-end; and</li><li>• perform focussed cut-off testing on post year end payments to ensure expenditure is appropriately accrued.</li></ul>	<p>My team identified that £131,000 of services received in 2023-24 had been incorrectly recognised as expenditure in the 2022-23 financial statements. Management corrected this misstatement.</p>
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>We will:</p> <ul style="list-style-type: none"><li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li></ul>	<p>On a sample basis my team tested both journal entries and accounting estimates and found no evidence of the management override of controls.</p>

Audit risk	Proposed audit response	Work done and outcome
	<ul style="list-style-type: none"> <li>• review accounting estimates for bias;</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business; and</li> <li>• add additional procedures to address any specific risks of management override which are not addressed by the mandatory work above.</li> </ul>	My team were satisfied that the accounts were free from material error
<p>A new accounting standard, IFRS16 Leases, has been adopted by the FReM for 2022-23.</p> <p>IFRS16 will significantly change how most leased assets are accounted for as leased assets will need to be recognised as assets and liabilities in the Statement of Financial Position.</p> <p>There are also significant additional disclosure requirements specific to leased assets that will need to be reflected in the financial statements.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• consider the completeness of the lease portfolios identified by DHCW needing to be included in IFRS16 calculations;</li> <li>• review a sample of calculated asset and liability values and ensure that these have been accounted for and disclosed in accordance with the Manual for Accounts; and</li> <li>• ensure that all material disclosures have been made.</li> </ul>	The work was carried out as proposed. My team did not identify any issues.
<p>Laboratory Information Network Cymru (LINC) and Radiology Informatics System Procurement (RISP) digital programmes were transferred to Digital Health and Care Wales from Public Health Wales NHS Trust on 1 January 2023.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• test the completeness, classification and accuracy of balances transferred from Public Health Wales NHS Trust; and</li> <li>• complete verification procedures to ensure assets transferred still exist at year</li> </ul>	The work was carried out as proposed. My team did not identify any issues.

Audit risk	Proposed audit response	Work done and outcome
	end or have been disposed of during the year.	
<p>Special Health Authorities have a financial duty to ensure their expenditure does not exceed the aggregate of funding allotted to them for a financial year.</p> <p>Although a surplus is reported against both revenue and capital resource allocation, the existence of this duty increases the risk that management judgements and estimates included in the financial statements could be biased to help achieve this financial duty.</p>	<p>We will focus our testing on areas of the financial statements which could contain reporting bias.</p>	<p>My team undertook a range of audit work to provide assurance over the risk of bias to ensure that the actual year end position was true and fair.</p> <p>This included:</p> <ul style="list-style-type: none"> <li>• detailed sample testing of transactions either side of the year-end to ensure that they were recorded in the correct accounting period. This was focussed on the areas of greatest risk.</li> <li>• ensuring that accounting estimates were prepared on a reasonable basis and were supported by appropriate accounting judgements.</li> </ul> <p>My team were satisfied that the accounts were free from material error.</p>
<p>There are material provisions and contingent liabilities included in the draft financial statements. By their nature, provisions and contingencies are subject to management judgements and estimation.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Review provisions and contingencies included against the requirements of International Accounting Standard (IAS) 37; and</li> <li>• Review key documents, minutes of Board and Committee meetings, relevant professional advice</li> </ul>	<p>The work was carried out as proposed. My team did not identify any issues.</p>

Audit risk	Proposed audit response	Work done and outcome
	obtained and discuss with officers to identify any potential omitted provisions or contingencies.	





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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.



DIGITAL HEALTH AND CARE WALES

AUDIT ACTION LOG

Agenda Item	4.7
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Laura Tolley, Head of Corporate Governance
Presented By	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the Audit Action Log.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Resilient Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	ISO 9001
If more than one standard applies, please list below:	

<u>DUTY OF QUALITY ENABLER</u>	Information
<u>DOMAIN OF QUALITY</u>	Effective
If more than one enabler / domain applies, please list below:	

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

IMPACT ASSESSMENT	
<b>QUALITY AND SAFETY</b> IMPLICATIONS/IMPACT	Yes, please see detail below Audit findings contribute towards the improvement of processes and procedures leading to better quality services.
<b>LEGAL</b> IMPLICATIONS/IMPACT	No, there are no specific legal implications related to the activity outlined in this report.
<b>FINANCIAL</b> IMPLICATION/IMPACT	No, there are no specific financial implications related to the activity outlined in this report
<b>WORKFORCE</b> IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

## 3 SITUATION / BACKGROUND

3.1	<p>This report details the current position with respect to audit recommendations that have been made, including:</p> <ul style="list-style-type: none"> <li>• Recommendations that have been completed during the period;</li> <li>• Recommendations scheduled for completion with a target date;</li> <li>• Recommendations that are overdue; and</li> <li>• Recommendations that are anticipated not to meet target dates.</li> </ul>
3.2	<p>The audit recommendation analysis outlines progress being made and illustrates the ongoing movement and change of status.</p>



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The [Audit Action Log](#) shows the current reported status against recommendations received and the analysis shows all recommendations giving the current status of each recommendation which remained open at the last Committee meeting, and also those presented in report form to the Committee since the last meeting.
- 4.2 Following advice from Internal Audit, the one action dependent on a third party is being managed via a separate log for tracking.
- 4.3 There were 25 actions reviewed at the last Committee meeting, where 20 were closed, leaving a total of 5 open actions. The Committee received 5 reports at the last meeting (listed below) which contained a total of 27 new actions. These have been added to the Audit Action Log, which now contains a total of 32 actions.
- Review of the General Medical Services (GMS) Digital Programme Board
  - Board Assurance Framework
  - Hybrid Working
  - Private Status \*\*
  - Private Status \*\*
- 4.4 The status of the 32 open actions is shown below:

Number	RAG	Status
19	GREEN	Complete
13	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
0	RED	Indicates that the implementation date has passed and management action is not complete



4.4 The Committee are requested to note the completion of the following 19 actions:

Area	Actions
Private Status** x 1	DHCW-2324-12 Rec - 1.1
Private Status** x 1	DHCW-2021-22 Rec - 2022.3
Private Status** x 12	DHCW-2324-01 Rec - 1.1 DHCW-2324-01 Rec - 1.2 DHCW-2324-01 Rec - 1.3 DHCW-2324-01 Rec - 2.1 DHCW-2324-01 Rec - 2.2 DHCW-2324-01 Rec - 2.3 DHCW-2324-01 Rec - 3.1 DHCW-2324-01 Rec - 4.1 DHCW-2324-01 Rec - 4.2 DHCW-2324-01 Rec - 5.1 DHCW-2324-01 Rec - 6.1 DHCW-2324-01 Rec - 6.2
Hybrid Working x 5	DHCW-2324-05 Rec - 1.2 DHCW-2324-05 Rec - 3.2 DHCW-2324-05 Rec - 4.1 DHCW-2324-05 Rec - 4.2 DHCW-2324-05 Rec - 4.3

4.5 There are no actions overdue with a **RED** status allocated during the period.

4.6 The remaining 13 actions are reported as on track for completion by the target date.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1

Due to their technical nature, 13 actions have been classified as private and have sensitive details redacted. These will be discussed in detail in the private Committee meeting.
- 5.2

Progress has been made over the period with a total of 19 actions completed. Progress against remaining actions will continue to be monitored by the Head of Corporate Governance in conjunction with Leads on a regular basis.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the Audit Action Log.	



# DIGITAL HEALTH AND CARE WALES COUNTER FRAUD UPDATE REPORT

Agenda Item	4.8
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Gareth Lavington, Counter Fraud Manager
Presented By	Henry Bales – Deputy Counter Fraud Manager

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
<b>NOTE</b> the contents of the report that relate to the Counter Fraud work carried out in Quarter 3 of the financial year 2023/24	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	N/A
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QUALITY IMPACT ASSESSMENT (ref if appropriate)	
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<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Resilient Wales
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If more than one standard applies, please list below:

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
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<u>DOMAIN OF QUALITY</u>	N/A
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If more than one enabler / domain applies, please list below:

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

Outcome: N/A

Statement: N/A

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 implications 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.



<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
<b>PERSON, COMMITTEE OR GROUP</b>	<b>DATE</b>	<b>OUTCOME</b>
Claire Osmundsen Little	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority

## 3 SITUATION / BACKGROUND

3.1 Quarterly reports are required to appraise the Audit and Assurance Committee and provide assurance that the organisation has a robust Counter Fraud Bribery and Corruption provision.

## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The progress made in the Counter Fraud Provision as included in [Appendix 4.8i](#) for DHCW during Quarter 3 of the 2023-2024 financial period.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 There are no key risks/matters for escalation to the Board / Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
<b>NOTE</b> the contents of the report that relate to the Counter Fraud work carried out in Quarter 3 of the financial year 2023/24	



# DIGITAL HEALTH AND CARE WALES QUALITY ASSURANCE & REGULATORY COMPLIANCE AND CYBER RESILIENCE UNIT REPORT

Agenda Item	5.1
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Paul Evans, Head of Quality Assurance and Regulatory Compliance
Presented By	Paul Evans, Head of Quality Assurance and Regulatory Compliance

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



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	Be the trusted strategic partner and a high quality, inclusive and ambitious organisation
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CORPORATE RISK (ref if appropriate)	N/A
QUALITY IMPACT ASSESSMENT (ref if appropriate)	N/A

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Globally Responsible Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	ISO 9001
If more than one standard applies, please list below:	

<u>DUTY OF QUALITY ENABLER</u>	Choose an item.
<u>DOMAIN OF QUALITY</u>	Choose an item.
All Quality standards apply	

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

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Duty of Quality implications throughout 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 implications 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.



<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Claire Osmundsen-Little	24/01/2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
ISO	International Standards Organisation	QIAL	Quality Improvement Action List
eQMS	Electronic Quality Management System	MHRA	Medicines and Healthcare Products Regulatory Agency
NIS	Network and Information Systems regulations	CRU	Cyber Resilience Unit
OES	Operators of Essential services (as defined in the NIS regulations)	CAF	Cyber Assessment Framework
SaMD	Software as a Medical Device	IOPR	Integrated Organisational Performance Report
OFI	Opportunity for improvement		



### 3 SITUATION / BACKGROUND

3.1 There have been three planned external audits during this period:

- ISO 30415:2016 Stage 2 Certification Human resource management – Diversity and inclusion
- BS76000 BS 76000:2015 - Human resource – Valuing people – Management system surveillance visit
- Service Desk Institute surveillance visit

The ISO 30415:2016 audit was successful, and certification was granted to the organisation. During the audit joint ISO 30415 & BS 76000 11 observations/opportunities for improvement were found and spread over both standards. 7 Minor non-compliances were raised against BS 76000. The audit, observations and findings were all added to iPassport and the audit and non-compliance modules for management.

3.2 The monthly Quality and Regulatory meetings have been held with actions and observations noted. The Quality and Regulatory Team quarter three milestone objectives have been achieved in full and focus has now shifted to quarter four deliverables.

3.3 The quality portal has enhanced the awareness and visibility of quality across the organisation, as it is the central hub in relation to all Quality and Regulatory related activities. The portal is under continual development to ensure that information is kept up to date and accurate as it simplifies access to information when performing Internal and External Audits.

Over the past 18 months, there has been 164,885 visitors to the portal, this is a significantly increase from the previous year which was 73,646. As the portal is continuously used within DHCW, the contents have increased as additional pages have been created to provide colleagues with important information regarding Duty of Quality and iPassport updates.

3.4 The CRU has undertaken assessment audits of 5 OES for compliance against the NIS regulations with assurance reports issued to the OES and the Competent Authority. Positive feedback has been received from each OES. Further audits are scheduled during January and February. This performance is line with the audit plan.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 There are 3 upcoming External audits planned in Quarter four 2023/24.
- ISO 9001:2015 Quality Management Systems Surveillance visit 1
  - ISO 14001:2015 Environmental Management Systems Surveillance visit 1
  - BS10008:2020 Evidential weight and legal admissibility of electronically stored information Surveillance visit 1
- 4.2 The risk-based internal audit program consistently maintains 100% compliance with its targeted goal of conducting two audits per month and is on track to achieve the annual quota. The audit programme was shortlisted in the NHS Wales awards in the 'Enriching the wellbeing, capability and engagement of the health and care workforce' category with a submission titled 'Increasing Audit Efficiency and Inspiring Internal Auditors of the Future'. Unfortunately, the award was not awarded on this occasion however the Quality team plan to revitalise the programme, and introduce some other award worthy programmes in the next financial year.
- 4.3 Evidence of the monthly review of the legislation register is now under way within 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, with bi-annual updates to be provided to this committee. Next report due in the next committee meeting.
- 4.4 Quality Management modules have been successfully implemented and rolled out for all users across the organisation within iPassport. The QIAL (Quality Improvements Actions List) was made redundant and archived, all open actions from the 6th October 2023 were migrated to the Non-Compliance Module in iPassport, the applicable audit reports were also migrated onto the system. The transition to iPassport from SharePoint has enabled us to centralise our audits and audit management (planning, conducting, and tracking internal and external audits, as well as managing audit findings and recommendations), related documentation, streamline communication, enhance collaboration, and improve our overall quality management processes.

The specific modules which have been implemented include, which can be intuitively interlinked:

- Checklists
- Standards
- Internal Audits
- External Audits
- Non-Compliances



- 4.5 Open Quality Improvements within target date have dramatically dropped due to extensions of target dates not being extended beyond the 6<sup>th</sup> October 2023, and migration to iPassport. A six-month extension was given prior to this date. Currently there are 76 open Quality Improvements, and 67% of these are within target date. The Quality team hold fortnightly sessions for standard leads, deputies, and Quality Improvement owners to aide with their management and closure.

Currently the document position within review date on the IMS is sitting at 82%, (*not including polices*), this is a 4% increase since October (78%). Work still continues with updating and approving documents on iPassport, and monthly chasing of documents past review date directly to directorate leads.

- 4.6 Work on Medical Device Regulation compliance continues, MHRA have released a roadmap on 9th January 2024 which anticipates publishing updated core legislation in quarter 3 of this year. The new UK legislation will then come into force in 2025.

Engagement with the MHRA continues to confirm the Medical Device status of services identified by an initial assessment of our existing portfolio. Any services identified as a Medical Device will follow UK 2002 legislation until the new UK Medical Device regulations come into force.

Gap analysis against ISO 13485 is expected to be completed during quarter 2, any remedial work will be targeted for completion prior to quarter 4 to allow us to seek certification to this standard.

Work is underway with the Microsoft 365 centre of excellence to develop a qualification and classification tool using Power App, this will be applied to all new services/applications through the WIAG process.





- 4.7 The Health and Social Care (Quality and Engagement) (Wales) Act 2020 came into force on 1st April 2023. This brings into force an updated Duty of Quality. A DHCW specific implementation plan has been developed in line with the Welsh government roadmap. Progress against the plan is in line with Welsh Government targets and is reported monthly to Management Board via the IOPR. Head of quality continues to attend the NHS Wales Duty of Quality reference group, which looks at standardising approaches to Quality across NHS Wales, a subgroup has been created for DHCW, HEIW and NWSSP to discuss approaches that may differ to Health Board requirements. First 'Always On' report has been published (following appropriate governance) with quarter 2 data, this is a relatively small report but will be built iteratively during future reporting periods. Quarter three report is currently being finalized.
- 4.8 The CRU have implemented a significant improvement to our incident reporting process for Operators of Essential Services (OES). The new automated process will allow for more efficient and speedy reporting and improve data availability for reporting and planning.
- 4.9 The CRU team are investigating one NIS reportable incident, recorded in November 2023. Two further incidents were reported In December 2023 however these did not meet the threshold for NIS reporting.
- 4.10 Work is underway to develop a Product based Quality framework in line with Juran's quality quadrilogy. This will also align with Duty of Quality expectations and requirements.



## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

In summary:

- 5.1 In the last period DHCW had successful audits for both BS 7600 and ISO 30415. During the audit joint ISO 30415 & BS 76000 11 observations/opportunities for improvement were found and spread over both standards. 7 Minor non-compliances were raised against BS 76000.
- 5.2 The Quality and Regulatory Group will target a standard and directorate view of quality compliance; focus will be on integrating the quality and regulatory plans as part of the directorate Annual Plans. Further development of metrics will continue in line with organisational performance reporting. This workstream will also contribute to the reporting requirements of the Duty of Quality.
- 5.3 Activity to raise awareness of the importance of good document management practices and the strengthening of the quality management systems is underway alongside the document management strategy and the on-boarding of departments to iPassport. This is now part of the annual plan process with milestones relating to iPassport implementation accepted by directorates. Training videos on the use of iPassport have been uploaded to the Quality Portal to aid staff development across DHCW.
- 5.4 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.
- 5.5 The key activities for the team as we move into quarter four are:
  - Duty of Quality compliance, including piloting workshops on the duty across selected teams prior to a full workshop programme as part of the 2024/25 annual plan.
  - Roll out of quality improvement training and toolkit in line with IMTP milestone.
  - Finalise and rollout Quality Impact Assessment toolkit.
  - Focus on training for all staff (role dependent) in iPassport.
  - Development of the Product based Quality framework.
  - Developing and implementing a robust, compliant document management strategy

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the report.	

DIGITAL HEALTH AND CARE WALES

QUALITY ASSURANCE & REGULATORY  
COMPLIANCE ANNUAL PLAN 2024/25

Agenda Item	5.1i
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Paul Evans, Head of Quality Assurance and Regulatory Compliance
Presented By	Paul Evans, Head of Quality Assurance and Regulatory Compliance

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the Annual Plan.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	Be the trusted strategic partner and a high quality, inclusive and ambitious organisation
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CORPORATE RISK (ref if appropriate)	N/A
QUALITY IMPACT ASSESSMENT (ref if appropriate)	N/A

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Globally Responsible Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	ISO 9001
If more than one standard applies, please list below:	

<u>DUTY OF QUALITY ENABLER</u>	Choose an item.
<u>DOMAIN OF QUALITY</u>	Choose an item.
If more than one enabler / domain applies, please list below: All Quality standards apply	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: N/A
Choose an item.	Outcome: N/A
Statement: N/A	

IMPACT ASSESSMENT	
<u>QUALITY AND SAFETY</u> IMPLICATIONS/IMPACT	Yes, please see detail below
	Duty of Quality implications throughout this plan
<u>LEGAL</u> IMPLICATIONS/IMPACT	Yes, please see detail below
	Legislative requirements around Duty of Quality and Medical Devices Regulations
<u>FINANCIAL</u> IMPLICATION/IMPACT	No, there are no specific financial implications related to the activity outlined in this report
<u>WORKFORCE</u>	No, there is no direct impact on resources as a result of

IMPLICATION/IMPACT	the activity outlined in this report.
<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Claire Osmundsen-Little	24/01/2024	Approved
Audit & Assurance Committee	13/02/2024	
Management Board	15/02/2024	

Acronyms			
DHCW	Digital Health and Care Wales	MDR	Medical Devices Regulations
SOP	Standard Operating Procedure	CDO	Chief Digital Officer
WIAG	Wales Informatics Assurance Group	MDAG	Medical Devices and Alerts Group
IMS	Integrated Management System	QIAL	Quality Improvement Action List
QMS	Quality Management System	SAML	Security Assertion Markup Language



### 3 SITUATION / BACKGROUND

- 3.1 The Quality Assurance & Regulatory Compliance annual plan has been developed in line with the DHCW IMTP. There is a particular focus within the plan on the legislative requirements of the Health and Social Care (Quality and Engagement Act) (Wales) 2020 in regard to the Duty of Quality within the Act.
- 3.2 The Quality Assurance & Regulatory Compliance team have developed a comprehensive implementation plan, based on the Welsh government roadmap, to capture all duty of quality requirements for DHCW. This plan is on track to deliver the first annual quality report at the end of 2023/24. The plan details the DHCW deliverables in 2023/24, the priorities for 2024/25 and the governance and roadmap to delivery.
- 3.3 As part of the plan it is worth noting that the first 'Always On' quality report has been published on the DHCW website. This is the first report under the legislation to be published in NHS Wales.

### 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The Quality Assurance & Regulatory Compliance 2024-25 Annual Plan document is included as [Appendix A 5.1ii](#) and [Appendix B 5.1iii](#). The committee is asked to note its content.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

5.1 There are no key risks / matters for escalation to the Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the Annual Plan.	

# DIGITAL HEALTH AND CARE WALES

## ESTATES, DECARBONISATION AND COMPLIANCE UPDATE

Agenda Item	5.2
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Julie Ash, Head of Corporate Services
Presented By	Chris Darling, Board Secretary

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
<p><b>NOTE</b> the report, specifically:</p> <ul style="list-style-type: none"> <li>• Rationalisation of two units (7 &amp; 8) at Technium 2, Swansea reducing the footprint by approximately 40%, by Deed of Variation</li> <li>• Progress the new lease for Ty Glan-yr-Afon for ten years (with a break option at year 6) and request works in lieu of a rent-free period to improve accessibility</li> <li>• Progress a new lease for Bocam Park for five years (with a break option at year 3)</li> <li>• Continue to progress discussions with partners regarding sharing DHCW office space</li> <li>• Submission of 2023-24 Q3 Decarbonisation Co-ordination Return (DCR)</li> </ul>	





## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Globally Responsible Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	ISO 14001
If more than one standard applies, please list below:	

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: January 2024
Yes, applicable	Outcome: Positive
Statement: The equalities assessment to date has not found that there is a risk that a disproportionately negative impact could exist to one or more groups of people who share a protected characteristic under the Equality Act 2010. However, any office closure would have an impact (positive or negative) for staff who would need to change base (noting the hybrid working protocols in place). A full assessment will provide additional analysis of staff data, to ensure that any risk identified can be removed or reduced through the implementation of the actions to be agreed through consultation.	

IMPACT ASSESSMENT	
<u>QUALITY AND SAFETY</u> IMPLICATIONS/IMPACT	Yes, please see detail below
	Measures are in place to ensure that the DHCW Estate is a safe environment
<u>LEGAL</u> IMPLICATIONS/IMPACT	Yes, please see detail below
	Compliance with legislation and lease arrangements
<u>FINANCIAL</u> IMPLICATION/IMPACT	Yes, please see detail below
	Proposals will be costed and ongoing savings identified

<b>WORKFORCE</b> IMPLICATION/IMPACT	Yes, please see detail below Any change to base as a result of changes will be subject to consultation
<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	Yes, please detail below Social impacts on health are embedded in the broader environment and shaped by complex relationships between economic systems and social structures.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	25 January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
TGYA	Ty Glan-yr-Afon	DCR	Decarbonisation Co-ordination Return



### 3 SITUATION / BACKGROUND

- 3.1 Digital Health and Care Wales (DHCW) have 5 offices across Wales following a review of the estate in 2022 in terms of location, required area and suitability. There are a number of reasons why this review took place and these included the following:
- Decarbonisation challenges and the need to minimise the DHCW carbon footprint
  - Implementation of Hybrid Working
  - DHCW needs to rationalise its Estate to ensure that it optimises the workspaces
  - DHCW has a duty to make the best use of its financial resources and therefore needs to ensure that it demonstrates value for money
  - Lease expiry
- 3.2 Recommendations (presented in an Estates Plan to the December 2022 Local Partnership Forum) concluded that DHCW would:
- Modernise offices, commencing with Ty Glan-yr-Afon during 2022/23, to provide an environment suited to a modern digital collaborative working space.
  - Undertake an option appraisal relating to the Mamhilad Office lease to consider future requirements.
  - Work with Partner Organisations and NHS Wales Shared Services Partnership (NWSSP) to identify suitable local hub arrangements.
  - If agreement to close any offices is reached, then following this agreement and in accordance with policy a consultation exercise will result with staff and trade union representatives.
- 3.3 This paper provides an update on the agreed actions and describes the approach to be taken towards implementing our Estates Plan/Strategy over the next six months.
- 3.4 Proposals for lease extensions at Ty Glan-yr-Afon (TGYA) and Bocam Park have recently been received and approved by the DHCW Board.
- 3.5 We continue to collect data to inform our decarbonisation returns which remain on target and reflect the implementation of new actions undertaken to reduce our carbon footprint. The [2023-24 Quarter 3 DCR Return](#) was approved and submitted on time.
- 3.6 DHCW produced monthly reports on Estates Compliance. The latest available report for [December 2023](#) is attached for the Committee's information.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

### 4.1 Estates Update

The following actions have been taken:

- The 6<sup>th</sup> Floor of TGYA has been reconfigured to improve the desk layout.
- Creation of an additional office to reflect and accommodate DHCW Executive structure
- The 3<sup>rd</sup> Floor of TGYA has been modernised to provide an environment suited to our revised ways of working.
- Additional furniture has been procured in Media Point to improve use of 1-1 meeting space.
- Work has been carried out in Technium 2 to improve the Client Services Build/Store area
- Increased provision of IT equipment in Bocam Park to reflect increased demand for desk space at that location.
- A room (lockable) on the 5<sup>th</sup> Floor of TGYA has been temporarily re-purposed as a secure storage area for IT equipment, proposals for a longer-term solution are currently being worked through.
- We have closed our offices in Mamhilad House (two and a half floors) and entered into an agreement for a significantly reduced space in Cwmbran House on the same estate allowing staff to continue to be able to access a local hub.

We are keen to take account of staff views obtained via the staff survey when modernising our estate. We have also carried out a separate Estates Development Survey, the outcome of which has been shared with Local Partnership Forum and the Board. We have identified a number of common themes and actions that can be taken in response to these.

Welsh Government, following on from discussions at the last round of Capital Review Meetings, have written to all NHS organisations regarding estates rationalisation of non-clinical space. Given the current financial climate we are all operating within, reviewing the utilisation of our estate is now more essential than ever. They were keen that organisations look at estate rationalisation opportunities which can be derived from:-

- Disposing of surplus freehold property
- Terminating leases or renewing leases on a reduced footprint
- Sharing accommodation with other NHS bodies and the wider public sector
- Letting surplus accommodation to the private sector

DHCW presented their Rationalisation Plans to Welsh Government and NWSSP on 4 December 2023.

DHCW, prior to producing their Rationalisation Plan, had already progressed estates rationalisation by surrendering two leases in Castlebridge 5 at the start of the pandemic and by not renewing the lease in Mamhilad House (two and a half floors) which ended in July 2023.



There is further opportunity for rationalisation in Technium 2, Swansea where the Landlord has confirmed that he is happy to discuss a reduction of our footprint. Discussions are currently ongoing with the detail to be worked through and it is anticipated that this will be undertaken by a Deed of Variation once confirmed.

Proposals for new leases for Ty Glan-yr-Afon and Bocam Park have been received for 10 year and 5-year terms respectively. As part of the Ty-Glan-yr-Afon proposal (which has a break option at Year 6), we are able to request works in lieu of a rent-free period and this option has been exercised with a request for improved accessibility. The Bocam Park proposal includes a break clause at 3 years. These lease renewals were approved by the Board in January 2024.

Ty Glan-yr-Afon: £10.50 per sq. ft. (£399,094 pa) for 10 years  
Bocam Park: £12.50 per sq. ft. (£37,500 pa) for 5 years

There is opportunity for shared office space in South Wales to allow for hubs to be created replicating the arrangements in place in North Wales where we share our office space with other NHS workers (Cwm Taf UHB – NCCU, and NHS Executive). We have identified that we could offer further space to organisations needing desk space in the North Wales area and also in our Ty Glan-yr-Afon Office in Cardiff.

We are in active discussions with three organisations interested in sharing our space in Cardiff and Mold and are very open to discussion with other bodies to ensure best used of space.

- NHS Confederation (Cardiff)
- Betsi Cadwaladr UHB (North Wales)
- Welsh Health Specialised Services Committee (North Wales)

## 4.2 Decarbonisation

Digital Health and Care Wales (DHCW) has a clearly defined Decarbonisation Strategic Delivery Plan (which includes actions to be undertaken every year up to 2030). We have established targets in line with those of NHS Wales (that in turn are aligned to the collective public sector ambition of being net zero by 2030), targets are featured within our Delivery Plan.

Hybrid working practices have allowed our workforce (approximately 87%) to work remotely from home, which has contributed to a reduction in our building and commuting emissions.

DHCW intend to proceed with the target date for refreshing our Decarbonisation Action Plan (DAP) in 2025. This has been communicated to Welsh Government. Decarbonisation is reflected in our major plans and strategies, including our Annual Plan, Integrated Medium Term Plan and Estates Plan and it is also being included in the National Benefits Framework that is being developed by our Finance Department.

We will continue to engage with NHS Wales Shared Services Partnership with the aim of improving the calculation mechanisms for procurement emissions, we have seen some recent improvements which have allowed us to more accurately calculate our supply chain emissions which has resulted in a reduction.

A Decarbonisation Reporting Team has been set up with the NHS Wales Shared Services Partnership (NWSSP) to manage a new quarterly Decarbonisation reporting process on behalf of Welsh Government. Our 2023/24 Quarter 3 return was submitted on 25<sup>th</sup> January 2024 ahead of target and demonstrated improvements in a number of key areas.

We have acknowledged the need to understand our digital footprint and with colleagues from operational teams, have started discussions in this area.

### 4.3 Environmental and Compliance Update

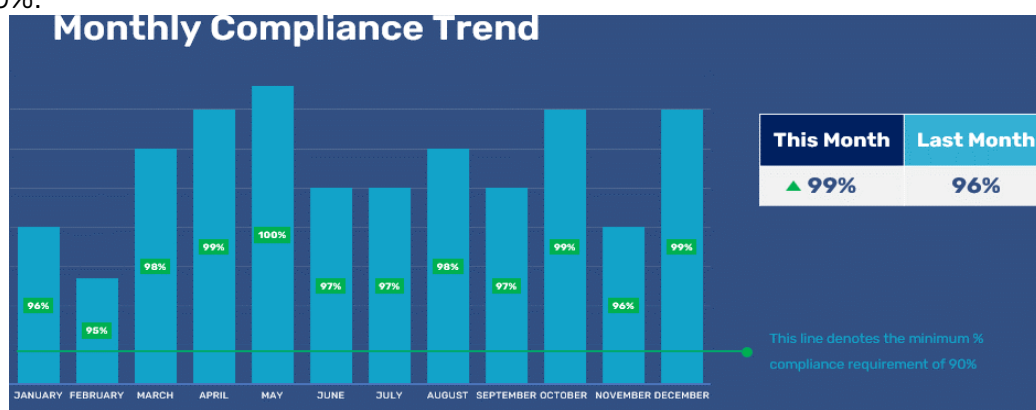
DHCW (via its predecessor organisation, the NHS Wales Informatics Service) has held ISO 14001 Environmental Management System certification since 2014.

ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders:

ISO 14001 EMS  
Assurance Rating

Substantial Assurance  
/ Good Control

Overall Compliance of plant systems and equipment is 98%, well above our target of 90%.



Internal planned preventative maintenance is currently at 100%, which is an excellent position reflecting the focus in this area.



## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 A significant amount of work has been undertaken to modernize our offices and outcomes from the recent Staff Survey and Estates Development Survey are being worked through to ensure staff views are taken into in future modernisation plans.
- 5.2 There is further opportunity for rationalisation in Technium 2, Swansea where the Landlord has confirmed that he is happy to discuss a reduced footprint. Discussions are currently ongoing with the detail to be worked through. We propose to reduce our space by two Units (7 and 8) which is approximately a 40% reduction via a Deed of Variation.
- 5.3 Proposals for new leases for Ty Glan-yr-Afon and Bocam Park have been received for 10 year and 5-year terms respectively. As part of the Ty-Glan-yr-Afon proposal (which has a break option at Year 6), we are able to request works in lieu of a rent-free period and this option has been exercised with a request for improved accessibility. Bocam Park has a break option at Year 3. Lease renewals have been approved by DHCW Board in January 2024.
- 5.4 We are in active discussions with three organisations interested in sharing our space in Cardiff and Mold and are very open to discussion with other bodies to ensure best used of space.
- 5.5 We continue to submit our Decarbonisation Returns on time and they reflect the improvements made in this area to reduce our carbon footprint.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
<p><b>NOTE</b> the report, specifically:</p> <ul style="list-style-type: none"> <li>• Rationalisation of two units (7 &amp; 8) at Technium 2, Swansea reducing the footprint by approximately 40%, by Deed of Variation</li> <li>• Progress the new lease for Ty Glan-yr-Afon for ten years (with a break option at year 6) and request works in lieu of a rent-free period to improve accessibility</li> <li>• Progress a new lease for Bocam Park for five years (with a break option at year 3)</li> <li>• Continue to progress discussions with partners regarding sharing DHCW office space</li> <li>• Submission of 2023-24 Q3 Decarbonisation Co-ordination Return (DCR)</li> </ul>	



## DIGITAL HEALTH AND CARE WALES CORPORATE RISK REGISTER

Agenda Item	5.3
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Bethan Walters, Corporate Risk Manager
Presented By	Chris Darling, Board Secretary

Purpose of the Report	To Receive/Discuss
Recommendation	The Committee is being asked to
<b>NOTE</b> the status of the Corporate Risk Register. <b>DISCUSS</b> The Corporate Risks assigned to the Audit and Assurance Committee	





## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	All Apply
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	ISO 9001
If more than one standard applies, please list below: ISO 14001, ISO 20000, ISO 27001, BS10008	

<u>DUTY OF QUALITY ENABLER</u>	Leadership
<u>DOMAIN OF QUALITY</u>	Effective
If more than one enabler / domain applies, please list below: Safe Care, Governance, leadership and accountability	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	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	

IMPACT ASSESSMENT	
<b>QUALITY AND SAFETY</b> 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.
<b>LEGAL</b> IMPLICATIONS/IMPACT	Yes, please see detail below Should effective risk management not take place, there could be legal implications
<b>FINANCIAL</b> IMPLICATION/IMPACT	Yes, please see detail below Should effective risk management not take place, there could be financial implications
<b>WORKFORCE</b> IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Risk Management Group	02/01/2024	Discussed and verified
Management Board	15/01/2024	Discussed and verified

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
BAF	Board Assurance Framework		

## 3 SITUATION / BACKGROUND

3.1	The DHCW <a href="#">Risk Management and Board Assurance Framework (BAF) Strategy</a> outlines the approach the organisation will take to managing risk and Board assurance.
3.2	A full review of the BAF took place during April 2023 and was approved by the SHA Board in May 2023.

## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 Committee members are asked to consider risk, in the context of assurance 'what could impact on the Organisation being successful in the short term (1 – 12 months) and in the longer term (12 – 36 months).
- 4.2 The Board considered DHCW's risk appetite statement and risk appetite tolerances during a Board Development session held in March 2023. The appetite and tolerances were approved by the Board in May 2023.
- 4.3 DHCW's Corporate Risk Register currently has 19 risks on Register, 3 of which are allocated to the Audit and Assurance Committee. 3 are detailed at item [5.1i Appendix A](#) for consideration by this Committee. The remaining 16 risks are assigned to the Digital Governance and Safety and the Programmes Delivery Committee and are considered in public/private session as per the Committee assignment approach.
- 4.4 Committee members are asked to note the following changes to the Corporate Risk Register as a whole (new risks, risks removed and changes in risk scores) since the last report:

### NEW RISKS (5) 5 Public, 0 Private

RISK REF	RISK TITLE	COMMITTEE ASSIGNMENT
DHCW0329	Choose Pharmacy – DHCW Maintaining Funding Gap	Audit & Assurance Committee
DHCW0330	WCCIS Future Programme Funding	Programmes Delivery Committee
DHCW0331	Fixed Term Resource Funding	Audit & Assurance Committee
DHCW0332	Sustainable Major Programmes Funding	Programmes Delivery Committee
DHCW0333	WICIS Implementation Delay	Programmes Delivery Committee



**RISKS REMOVED** (11) 7 Public, 4 Private

RISK REF	RISK TITLE	STATEMENT	COMMITTEE ASSIGNMENT
DHCW0259	Staff Vacancies	Downgraded, control Measures in place providing mitigation	Audit & Assurance Committee
DHCW0278	**PRIVATE**	Downgraded and closed mitigated	Digital Governance & Safety Committee
DHCW0279	**PRIVATE**	Downgraded and closed being managed under DHCW0317	Digital Governance & Safety Committee
DHCW0237	New Requirements impact on resources and plan	Downgraded as robust mitigation in place	Digital Governance & Safety Committee
DHCW0292	High Concentration of unfunded posts in infrastructure teams	Downgraded mitigation actions have reduced risk	Digital Governance & Safety Committee
DHCW0323	Costs for transition to and ongoing operational support/development of the NHS Wales App and platform of service	Downgraded and linked to DHCW0332 for management	Programmes Delivery Committee
DHCW0322	NDR Phase 3 Funding	Downgraded and linked to DHCW0332 for management	Programmes Delivery Committee
DHCW0324	Availability of resources to support the WICIS Programme	Downgraded and linked to DHCW0332 for management	Programmes Delivery Committee
DHCW0325	**PRIVATE**	Downgraded management plan in place	Programmes Delivery Committee
DHCW0317	**PRIVATE**	Downgrade approved procurement	Digital Governance & Safety Committee
DHCW0330	WCCIS Future Programme Funding	Downgraded and linked to DHCW0332 for management	Programmes Delivery Committee



#### CHANGES IN SCORE (1) 0 Public, 1 Private

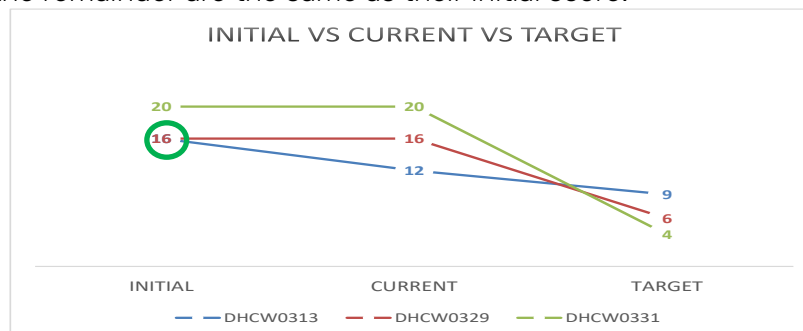
REF	STATEMENT	COMMITTEE ASSIGNMENT
DHCW0318 ** Private**	Downgraded based on a three-month audit of mitigation	Programmes Delivery Committee

4.5 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.

		LIKELIHOOD				
		RARE (1)	UNLIKELY (2)	POSSIBLE (3)	LIKELY (4)	ALMOST CERTAIN (5)
CONSEQUENCES	CATASTROPHIC (5)			**DHCW0277 **DHCW0281 **DHCW0282 **DHCW0315		
	MAJOR (4)			DHCW0263: DHCW Functions DHCW0296 – Allergies/Adverse Reactions – Single Source DHCW0313 – Digital Cost Pressure – Service Model Changes DHCW0320 – Citizen and stakeholder trust in use of HSC data	DHCW0300 – Canisc (Screening and Palliative Care) **DHCW0301 DHCW0316 – Technical Debt Accumulation DHCW0329 – Choose Pharmacy – DHCW maintaining funding gap	DHCW0331 - Fixed term resource funding DHCW0332 - Sustainable Major Programmes Funding DHCW0333 - WICIS Implementation Delay
	MODERATE (3)			DHCW0269 – Switching Service – Data warehouse **DHCW0318	DHCW0308 - Sustainable funding for NIIAS DHCW0321 – Sustainable funding for WASPI	
	MINOR (2)					
	NEGLECTIBLE (1)					

★ New Risk   ←→ Non-Mover   ↓ Reduced   ↑ Increased   \*\*Private risks

4.6 The Committee are asked to consider the risks assigned to the Committee (DHCW0313 Digital Cost Pressure – Service Model Changes, DHCW0329 – Choose Pharmacy and DHCW0331 – Fixed Term Resource Funding), the overview of initial risk score versus current versus target and risks that may be identified for further investigation and action. Those highlighted with a red circle represent those risks with a score increased from their initial scoring, those in green have reduced their current score below initial scoring, the remainder are the same as their initial score.



5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 The Committee is asked to note the changes in the risk profile during the reporting period (since the last Audit and Assurance Committee meeting) as a result of five new risks being added, eleven risks being removed, and one change in score on the Corporate Register.

6 RECOMMENDATION

Recommendation	The Committee is being asked to
<b>NOTE</b> the status of the Corporate Risk Register. <b>DISCUSS</b> The Corporate Risks assigned to the Audit and Assurance Committee	

DHCW BAF DEEP DIVE REPORT - To be completed by the Owner					
Date of Report:		29 January 2024			
Strategic Mission		Mission 5: Be the trusted strategic partner and a high quality, inclusive and ambitious organisation		Principle Risk:	
				IF we are not a Trusted Partner and a high performing inclusive organisation THEN people will not want to work with and for us RESULTING IN a failure to achieve our strategic ambition of delivering world leading digital services.  <i>If the POD resource level remains as they currently are then the capacity of the POD team will be unsustainable to meet the demand from the organisation resulting in potential failure to deliver on objectives and growing demand</i>	
Deep Dive Area:		IMTP Mission 5 - (Workforce) People and Organisation Development Strategy Update			
Likelihood/Probability Rating (1-5):		3		Impact/Consequence Rating (1-5):	
				4	
Initial Score:		12/25		Current Score:	
				12/25	
Target Score:				4x2 = 8	
Background: (a brief history of the area being reviewed)					

The People and Organisation Development (POD) Strategy, covers a three-year period from September 2022 to March 2025. It has a vision to celebrate DHCW as a 'great place to work, where our people are fully engaged, developed, and supported, high performing and embody the organisation's values.

The POD Strategy identified the workforce priorities required to support the delivery of Digital Health and Care Wales strategic ambitions, vision and priorities ensuring that the newly developed values which formed an integral part of the new strategy are embedded throughout the organisation.

The purpose of this report is to provide the Audit and Assurance Committee a progress update on the Digital Health and Care Wales (DHCW) People and Organisation Development Strategy.

The Strategy features six key themes which were broken down into high level people priorities, these are provided in the table below and detail the specific measurable actions to achieve these priorities.

The DHCW People and Organisational Strategy commitments are:

Key Themes	People Priorities
Extraordinary Leadership	Leadership Development Training and Development Talent Management- at all levels Succession Planning
Great Organisation to Work	Culture and Organisation Development Diversity/Equality/Inclusion/Welsh Language Values and Behaviours Thriving Research and Innovation agenda
Strategic Workforce Planning	Resourcing - Recruitment & Retention Shaping the Workforce – current and future workforce Workforce Review – career pathways across digital profession*
Grow Our Own	Growing our own talent Career pathways – all workforce*      *(linked commitments) Partnership and Collaborative Working
Wellbeing & Engagement	Wellbeing and Engagement
New Ways of Working	Technology and New Ways of Working

### Strategic Equality Plan Update

An overarching commitment integral of the People and Organisational Development Strategy was to formulate the DHCW Strategic Equality Plan. This plan was developed in partnership and endorsed by the Board in March 2023 to take forward the commitments. The DHCW Strategic Equality Plan (SEP) 2023-2027 is underpinned by the Equality Act 2010, the Anti-racist Wales Action Plan 2022, and the Wales LGBTQ+ Action Plan 2010. The areas of focus are Black, Asian and Minority Ethnic, Disability, LGBTQ+, Welsh Language and Women in Leadership.



Key progress made to date are listed below.

- An appointment of a dedicated EDI Specialist who also leads the Health and Wellbeing commitments
- The set up of the DHCW Equality, Diversity and Inclusion Network group, representation across all the protected characteristics - the membership which is growing
- The publication of the Strategic Equality Plan (April 2023), regard to the action plan commitments formed a good step forward in increasing transparency around progress and goals. These being reviewed at several meetings and forums such as at the EDI network, the DHCW Local Partnership Forum, Health and Well-being group, the People and OD SLT monthly meeting and the Management Board and Executive Meetings, as part of the forward work plan
- Utilising data to develop and guide meaningful equality, diversity and inclusion support features and initiatives and to better understand opportunities and barriers
- DHCW is represented and participates in various NHS All Wales groups and meetings across the EDI agenda, Equality Leadership Group (ELG) which discusses pertinent matters such as gender identity and transitioning. The Anti-Violence Collaborative meeting with Welsh Government discusses women's rights and violence and aggression experienced by staff in the NHS, and actions being undertaken by the Police Services. Welsh Race Equality Steering Group – an overarching group set up by the Welsh Government to measure progress against the Anti-Racism Action Plan, Digital Inclusion Workstream and Community Projects (outreach)
- DHCW includes Welsh Language as one of the key areas of Strategic focus. This is driven by the Welsh Language lead for DHCW and there has been an increase intake for Welsh Language training

### **People and OD Strategy Update**

There has been substantial progress made to date in the first 18 months of the People & OD Strategy and progress under each of the key themes are detailed in the next section of this report.

## **Progress to date to mitigate the overarching principle risk**

### **Leadership and Talent Management, incorporating Succession Planning and Grow-Your-Own**

Leadership and Talent Management is being supported at most levels across the organisation following the endorsement of the People and OD strategy in September 2022, by the end of the 2023-24 reporting year this will be extended to all grades as part of our planned development and roll-out.

The SHA Board members have worked closely with Deloitte, and the executive team within this cohort. Executive team members are also supported by coaching, buddy arrangements and Gartner.

Aspects of the Deloitte approach which have been utilised as part of the Board Development programme has been rolled out for the direct reports of the executive. The launch of the 360s commenced in September 2023 as a development feature to the senior leaders within this group.

The organisation fully supports all Wales approach to developing talent and has endorsed several members of our workforce to join various national talent schemes and development programmes over the last year.

For the next tier of leadership under the executive team, there has been keen focus over the last year. The first in-person Senior Leaders Event (8C grades and above) was developed in-house by the Director

of People and OD and team and held in 2022. The second Event for the same cohort was developed in-house and held in March 2023. There was attendance of c95 leaders at both Events. These were led by the Chief Executive with good support of all the Executive Directors, who led specific sessions, presentations and break out groups. The content was both people and delivery plan (IMTP) focused. Feedback received was favourable and generated lots of requests and ideas for inclusion at future senior leadership events.

The key themes within both the People and Organisational Development Strategy and the Strategic Equality Plan were given a good percentage of time during these Events. This raised awareness, encouraged discussion, and sparked interest, and supported our senior leaders to better understand the importance of all our roles as leaders and how we can all contribute to achieve our ambitions.

As part of this commitment to develop our senior leaders the People and OD team appointed two external specialist providers, Silvermaple and King's Fund, to support our Senior Leadership Development Programme, Talent Management and Succession Planning commitments.

There were several focus groups sessions with senior leaders and the executive team over quarters 1 and 2 to support both the Kings Fund and Silvermaple in the development of bespoke provisions for the organisation. These have been well supported and the Kings Fund facilitated the third in-person senior Leadership Day on 8<sup>th</sup> of November 2023. The structure of the Kings Fund programme is based on the design principles that learning will occur across multiple environments (Large group work, small group work e.g. support and challenge groups, self-study, shared experiential learning, teach ins from experts, round table chats with DHCW Directors and delivered in a hybrid manner. The Programme content will cover three key areas – Leading Self, Leading Others and Leading in a System.

Established a new Talent Cohort for Bands 6 to 8B, following significant planning and preparation with SilverMaple and the People and OD team during quarter one 2023-4. This cohort was successfully launched in June 2023 with over 80 employees being throughput onto this talent programme. The features of this programme include, psychometrics, interviews, monthly cohort catch ups, access to a large range of development and learning offerings, questionnaires, and attendance at the first in-person Talent Day Event in June 2023. The Event was well supported by the Executive team and several senior leaders from across the organisation. The OD team conducted one-to-one sessions with all this talent cohort in October to develop bespoke development plans and to map skills gaps/development interest(s) to best support new learning provision for each member of the talent cohort. Since the launch of Talent Cohort, 18 members of cohort have been promoted.

The final group in the Talent programme is the Band 5s to Band 3s, including apprentices. This support offering is currently being developed in-house and is planned for roll-out in March 2024. This is being led by the Board Secretary and Head of Profession for Administration and Director of People and OD. There is acknowledgement that there are two discrete groups, one administration officers and the other technical talent. The cohort will be one group with discrete learning offerings in relation to the group which they are employed in and in which they wish to develop their careers.

### **Training and Development**

As a learning organisation, training and development is very well supported within the organisation. The grow your own talent commitment has been embedded and the variety of provision offered ranges from: on-line through the DHCW learning platforms, in house via the POD training team, through the all Wales (HEIW) development offerings, bespoke commissioned provision, on-line

learning modules external to the DHCW platforms, offerings as part of professional memberships and education provision via Universities and our partnerships with them. In terms of development and outcomes achieved, it can be noted that as of December 2023, 60% of our vacancies were filled in the last financial year through internal career moves and progression. This indicates the organisation is developing and supporting our existing workforce move forward with their career ambitions, with many securing more specialist and senior roles within the organisation.

### **Grow Your Own**

In addition to the various leadership, talent, development offerings already highlighted in this report to support awareness of everything being driven forward in this theme, it will be helpful to note some external commitments. Through our established partnerships and collaborative working over the last 12 months there has been strong engagement felt with local community groups, schools, colleges and universities. This has been achieved through careers events and Open Days in schools, colleges, universities, and organised Job Fairs which raised the knowledge and profile of our organisation, with particular focus on showcasing careers in digital and opportunities to join and develop a career within DHCW.

The organisation is continuing to appoint new Apprentices and we are currently supporting seven across various directorate with various development opportunities. Similarly with graduates, those which join us as direct hires through various intake schemes and also NHS Wales graduates supported by HEIW who have development placements with DHCW for a number of years.

A key partnership is the Wales Institute of Digital Information (WIDI). Through the Governance Board (membership of the Chief Executive, Director of People and OD, Executive Medical Director and Head of People and OD as the co-chair of the WIDI Operational Group for DHCW) and WIDI Operational Groups which both work collaboratively on the development and upskilling of our digital workforce. As a key outcome of the strategic workforce planning for 2023/24 and signed off by the Executive Directors, we are currently developing several core modules to support the organisation to move towards Product and Cloud Strategy – Agile and Scrum, AI and Automation, and Software Development and Testing modules). These are due to be rolled out from February 2024 across the organisation at 3 different levels (Foundational, Practitioner and Expert levels).

### **Great Organisation to Work**

The organisation continues to work closely with Trade Union colleagues on all matters pertaining to our people and work with external partners and academia to ensure that we are strongly positioned as an employer of choice.

The organisation were the winners of UK IT Industry Award – Best Place to Work in November 2022 and through a number of external assessments, achievement of international ISO standards and internal and external Audits the organisation continues to be highly rated. In November 2023, DHCW achieved ISO30415 looking at the Diversity and Inclusion standards to ensure the organisation continues to foster development of an inclusive organisational culture and BS76000 which looks at valuing people for the mutual benefit of both parties. DHCW are the only NHS Wales organisation to continuously achieve this standard.

### **Strategic Workforce Planning and Shaping the Workforce**

A strategic workforce planning tool was developed in house in partnership with the Directorate leads and led and implemented by the People and OD business partnering team to capture resource requirements. This required further specialist development for the People and OD team and support was provided by Gartner, who ran a session to go through best practice models and robust methodologies. The workforce planning exercise was implemented across the whole organisation, and it was comprehensive but time consuming to complete, especially for some of the larger teams.

A detailed report was produced, and shared with the executive team, management board and the SHA Board in January 2024. The reflections and deliverable are noted in the Strategic Workforce Plan report including the work of the approach being taken for this year's exercise, partnering with Gartner and incorporating single points of failures, critical roles and succession planning and as per agreement from the Strategic Resourcing Group, Management Board and the Exec Team, will go live in April following launch of the DHCW Digital Strategy in March 2024.

### **Resourcing - Recruitment & Retention**

The Strategic Resourcing Group was established to explore resourcing options including those through contractual arrangements and work packages and to monitor resource requirements at organisational level and recruitment activity and explore options to mitigate risk and this group is well attended, co-chaired by the Director of People and OD and the Chief Commercial Officer and meets once a month with senior representatives across the whole organisation. Recruitment has and continues to be challenging.

The POD team work closely with Finance colleagues who have developed a robust Resource Tracker Dashboard which provides one source of the true position, enabling creditable and confident understanding of a position at any given time. This has been a great achievement. The focus on this area of the work has been concentrated throughout the year and continues to be one of the highest priorities and will be keenly managed throughout the remainder of the financial year and reviewed by the executive team.

There has been increased collaboration with wider digital community networks and groups such as Centre for Digital Public Services (CDPS), Health Education Improvement for Wales (HEIW), Federation for Informatics Professionals (FEDIP) and British Computer Society (BCS) and an all-Wales Group has been established to progress the recommendations for the Digital Workforce Review. Following the financial challenges review in the summer of 2023 this work stream is being reviewed with options of how best to progress this currently with the Chief Executive and Director of People and OD.

### **Wellbeing & Engagement**

DHCW successfully retained Gold Corporate Health Standard and recertification for BS76000 Valuing People Standard and BS76005 Diversity Inclusion Standards which demonstrates progress and activity.

New categories were added to the Staff Recognition Awards reflecting the DHCW Values, as a result there were much increased nominations and a successful awards event held in quarter one.

The DHCW Health and Wellbeing group and People and OD team worked closely in partnership with Trade Unions to develop and publish the financial and wellbeing pages on the website and alert and signpost people to expert support throughout the year. This is going to be reprised this year for the

winter period and work has commenced to refresh and check all support is still available and what new provision can be added.

### **New Ways of Working**

As our working approaches continue to evolve since the pandemic, a new Hybrid Policy was developed and implemented this year accompanied by Hybrid workshops and a Toolkit for staff and managers.

A recent external audit (September 2023) on Hybrid Working in the organisation carried out by external Audit team identified areas of best practice and compliance and rated the assurance as substantial.

Wellness checks in Teams to support our people appears to be well embedded and positive feedback through various in-house surveys suggest that the new ways of working are positive and have improved overall wellbeing, with 96% of employees advising they would not like to come back into the office 9-5 each day and that they are more productive working a hybrid approach.

A key focus for the POD team in 2024/25 onwards will be the transition and transformation to move the organisation configuration to the product approach, this will be a significant shift alongside culture transformation, talent (attraction, development and retention) and will feature heavily within the IMTP for 2024/25.

### **Further mitigation to contribute toward achieving the Target Risk Score with timeframe for completion:**

(Detail the further actions required and associated timeframes if known)

The People and OD Director with the Head of People and OD have reviewed the POD team capability and capacity alongside new and ongoing requirement. A new structure was proposed alongside other directors' structures and operating models to the RATS committee on 14<sup>th</sup> December 2023. The 19FTE funded posts in the POD team has been deemed insufficient and the intended enlargement to increase capacity and capability is planned to be implemented for go live April 2024. The POD team is as an essential enabling service to drive forward the people and workforce component for the whole of the organisation and across NHS Wales.

### **Recommendation from the Deep Dive area lead:**

(Should the risk score be increased, decreased, remain the same)

Audit and Assurance Committee is being asked to **NOTE** the following:

Linked to POD and IMTP for 2024/25, the delivery of POD Strategy, the Strategic Equality Plan, a key focus for the POD team in 2024/25 onwards will be the transition and transformation to move the organisation configuration to the product approach, this will be a significant shift alongside culture transformation, talent (attraction, development and retention) and will feature heavily within the IMTP for 2024/25. To achieve this, the POD team need to move into the new structure in April 2024 to best support the organisation's workforce commitments and transformation organisational wide.

## Meeting Comments/Feedback

(To be incorporated in BAF updates to next Board Meeting)



## DIGITAL HEALTH AND CARE WALES WELSH LANGUAGE REPORT

Agenda Item	5.5
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Chris Darling, Board Secretary
Prepared By	Laura Tolley, Head of Corporate Governance
Presented By	Laura Tolley, Head of Corporate Governance

Purpose of the Report	For Assurance
Recommendation	The Committee is being asked to <b>RECEIVE</b> the Welsh Language Report for <b>ASSURANCE</b> .





## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	DHCW0208
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Wales of Vibrant Culture and Thriving Welsh Language
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	Culture
<u>DOMAIN OF QUALITY</u>	Equitable
If more than one enabler / domain applies, please list below:	

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

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 Compliance with DHCW Welsh Language Scheme / Welsh Language Standards Regulations no7 2018
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below There are potential financial penalties for non compliance.
WORKFORCE IMPLICATION/IMPACT	Yes, please see detail below There is an impact on the workforce in terms of working practices and facilities for ensuring compliance.



SOCIO ECONOMIC IMPLICATION/IMPACT	Yes, please detail below
	Implementation of the Welsh Language Scheme has a positive socio-economic impact by: <div>(a) providing opportunities for persons to use the Welsh language, and</div> <div>(b) treating the Welsh language, no less favourably than the English language</div> (As outlined in the policy making Welsh Language standards regulations)
RESEARCH AND INNOVATION IMPLICATION/IMPACT	Yes, please see detail below
	Welsh language standards in relation to research are included in the DHCW Welsh Language Scheme.

2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Chris Darling, Board Secretary	January 2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
NWSSP	NHS Wales Shared Services Partnership	WIDI	



### 3 SITUATION / BACKGROUND

3.1 This report outlines the steps taken to embed a bilingual culture across DHCW, in addition it outlines progress with the actions included in the [DHCW Welsh Language Scheme](#) and gives an overview of:

- progress with the DHCW More Than Just Words Plan 2022-2027
- an action plan that identifies areas for improvement and actions required to successfully embed the DHCW Welsh Language Scheme;
- the current Welsh Language skills dashboard showing staff's self-assessment of their Welsh skills,
- activity undertaken to develop the Welsh language and culture.

3.2 In considering Welsh Language, members should note the first [More than Just Words Annual Report 2022-23](#) was published on 21 December 2023. The report considers Welsh Language across all the Health and Social Care system in Wales and has a plan made up of several actions under five topics:

- Culture and Leadership
- Welsh Language planning and policies
- Supporting and developing Welsh Language skills of the workforce
- Sharing best practice
- Monitoring Progress

The More than Just Words Annual Report 2022-23 Appendix A also specifies some actions to be taken forward by DHCW.

## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

4.1 DHCW's [More than Just Words Action plan](#) (updated at the end of January 2024) highlights areas of progress, in addition to areas for improvement which require additional support and funding from Welsh Government.

4.2 DHCW's [Welsh Language Scheme Action plan](#) is monitored, and progress reviewed by the Welsh Language team routinely, in addition to the Welsh Language Group on a quarterly basis. There has been significant progress in a number of areas during the period which is positive. A summary of findings are below:

Compliance Area	RAG rating
Operational	Yellow
Policy Making	Green
Service Delivery	Yellow

4.3 The successful appointment of a Translation Manager, and Translator has resulted in the demand for translation being managed, in addition DHCW have secured the sharing of memory software with NWSSP which has significantly reduced the time and improved the efficiency of translation.

4.4 DHCW have implemented a new telephony system to filter calls to a Welsh speaking member of staff and the number of staff with Welsh skills has increased to 10 with further recruitment planned over the coming months.

4.5 DHCW Welsh Language Skills Dashboard at the end of January 2024 outlined the following information:

- 40.9% of staff have Welsh language skills level 1- 5 achieved;
- Welsh Language Awareness Course compliance has increased significantly and is now at 90.6%;
- The number of staff in each Directorate who haven't entered their Welsh language skills on the Electronic Staff Record.

4.6 Development of a new webpage to share Welsh Language best practice across Health and Social Care is progressing with WIDI. It is anticipated that the Welsh Language Network will receive training to enable them to upload information to the webpage.

- 4.7 Committee members are asked to note that one complaint has been received from the Welsh Language Commissioners Office during the period. The complaint related to a defective complaints form on the website and the NHS Wales App login. A response to this complaint was submitted in the required timescales and DHCW are awaiting a response on how the Commissioners office would like to proceed.
- 4.8 DHCW have developed a Welsh Language Assessment App to help improve the assessment of Welsh language skills during the recruitment process. This App is now being used within DHCW and will be shared across NHS Wales. At the request of the Committee Chair, a more detailed update on Welsh Language recruitment is included as an [Appendix](#) to this report from the People and OD team.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 There are no key risks / matters for escalation to Board / Committee.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to <b>RECEIVE</b> the Welsh Language Report for <b>ASSURANCE</b> .
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# DIGITAL HEALTH AND CARE WALES PROCUREMENT AND SCHEME AND DELEGATION COMPLIANCE REPORT

Agenda Item	5.6
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Ifan Evans, Executive Director of Strategy
Prepared By	Nathan Beynon, Strategic Procurement and Contracts 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 this report.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

<u>DHCW QUALITY STANDARDS</u>	ISO 20000
If more than one standard applies, please list below: ISO 27001 ISO 9001 BS 10008	

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: N/A
Choose an item.	Outcome: N/A
Statement: N/A	

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	The contracts within the report are legally binding and there could be legal implications arising from activity
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	All contracts have been awarded in line with the SHA Governance and the Public Contracts Regulations 2015
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	There are financial implications from single tenders and potentially change notices.

<b>WORKFORCE</b> IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Julie Francis, Head of Commercial Services	17.01.2024	Approved
Michelle Sell, Chief Commercial Officer	17.01.2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
IMTP	Integrated Medium Term Plan	NIAS	National Integrated Audit Solution
PCR	Public Contracts Regulations	SFI	Standing Financial Instructions



### 3 SITUATION / BACKGROUND

3.1.1 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 1 September 2023 to 31 December 2023 and in accordance with reference 1.2 (Schedule 2.1 Procurement and Contracting for Goods and Services) of the standing Financial Instructions.

3.1.2 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
12.11.5	Procurement Thresholds	0
12.13	Single Quotation Actions	0
12.13	Single Tender Actions	2
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)	1

3.3 Please note that the Audit and Assurance Committee is being asked also to note that during this period there was an example of where a Directorate did not act in accordance with Standing Financial Instructions and the rules established under an existing framework. A Contractor commenced work without a work-package being developed and authorised by each of the Parties (see section 5.1 of this document).



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 The Committee is required to note the following DHCW activity:
- 2 x Single tenders (set out in item 5.6i Appendix A)
  - 1 x Change control (set out in item 5.6i Appendix A)
  - 1 x Work package call off (acting outside Standing Orders as set out in 5.1 below)

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 A request was made on the 15 of November from the Operations Directorate to Commercial Services to approve a retrospective work package. The work had commenced on 1 November 2023 to cover the Google Cloud Engineer being provisioned by TPXimpact. The charges for the work are £32,200 & VAT

The Endorsement of this Work Package is noted on the basis that the Services have already commenced by the Contractor and to which DHCW is liable for payment.

In terms of lessons learned the Directorate lead has been made fully aware of the process required to be followed and discussions have been had at a strategic level with TPX to ensure that this approach does not happen in the future. The Commercial Services Team will revisit understanding and “buy in” of stakeholder colleagues across DHCW via a programme of refresher training commencing in the next quarter.

## 6 RECOMMENDATION

<b>Recommendation</b>	The Committee is being asked to
<b>NOTE</b> the content of the report.	

## Item 5.6i Appendix A – DHCW Single Tender and Quotation Activity and Change Control Notes

The following all relate to DHCW activity.

- 2 STAs in this period at a value of **£296,307.14**
  - 1 Change control in this period at a value of **£735,000.00**
- Total value **£1,031,307.14**

## Item 5.6i 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 ex VAT	Reason	Compliance Comment	First Submission or Repeat
Operations	P846	1 year, to commence 1 <sup>st</sup> November 2023 concluding 31 <sup>st</sup> October 2024 <sup>1</sup>	STA - 12.13 Schedule 2.1B Standing Orders	Trustwave Licences	Trustwave	£196,307.14	Trustwave licenses were required to be procured direct from the vendor (Trustwave). These licenses are essential to manage the Authority's specialist configuration needs for a national email service and support to maintain operational continuity for NHS Wales.	Approved	Repeat Submission
	P866	1 year to commence 1 <sup>st</sup> October 2023 concluding 30 <sup>th</sup> September 2024, with the option to extend for a further 1 year	STA - 12.13 Schedule 2.1B Standing Orders	National Digital Cost Benchmarking	Healthcare Financial Managemen t Association (HFMA)	£100,000.00	Using data and information from Healthcare and Digital Settings, the HFMA has been contracted to deliver a report which covers the following scope: <ul style="list-style-type: none"> <li>National Digital Cost Benchmarking exercise</li> <li>pricing research</li> <li>training relating to benefits measurements and realisation.</li> </ul> <p>The HMFA are experts in this area having a wide</p>	Approved	First Submission

<sup>1</sup> The renewal is on an annual basis due to the supplier being able to provide pricing only for 12 months and also due to budgetary constraints.

## Item 5.6i Appendix A – DHCW Single Tender and Quotation Activity and Change Control Notes

							source of accumulated and accessible healthcare research and were the sole supplier who were able to meet the requirement as identified by the Welsh Government.		
Information Governance	P290	24 <sup>th</sup> November 2023-24 <sup>th</sup> November 2026	CCN - 12.17 Schedule 2.1B Standing Orders	National Integrated Audit Solution	Maxwell Stanley	£735,000.00	<p>The current NIAS contract was due to end. To ensure operational continuity of this essential service across NHS Wales, the contract was modified. The scope of the change was for continued provision to the term-based license, support and maintenance services. A risk-based analysis was developed by the organisation's external legal advisers in respect of compliance with the PCR2015.</p> <p>An action-plan to ensure that a replacement solution is established will be developed during Financial Year 2024-2025.</p>	Approved	First Submission
Total Value ex VAT						£1,031,307.14			



# DIGITAL HEALTH AND CARE WALES HIGH VALUE PURCHASE ORDER REPORT

Agenda Item	5.7i
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Joel Griffiths, Systems Accountant
Presented By	Mark Cox Associate Director of Finance

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the high value orders report to 12 January 2024.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
CORPORATE RISK (ref if appropriate)	N/A
QUALITY IMPACT ASSESSMENT (ref if appropriate)	
<u>WELL-BEING OF FUTURE GENERATIONS ACT</u> A Healthier Wales	
If more than one standard applies, please list below:	
<u>DHCW QUALITY STANDARDS</u>	N/A
If more than one standard applies, please list below:	
<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	
<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission: N/A
No, (detail included below as to reasoning)	Outcome: N/A
Statement: N/A	

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 implications 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.

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Claire Osmundsen-Little	30/01/2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority



### 3 SITUATION / BACKGROUND

- 3.1 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.
- 3.2 The report also details instances where cumulative order values to suppliers have amounted to over £0.750m during the financial year.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

4.1 During the period 27 September 2023 – 12 January 2024 four orders over £0.750m were raised. The cumulative total of these orders since the 27 of September stands at £17.33m and a total value of £55.49m for the financial year.

4.2 The details of all orders raised year to date and individual governance approval is presented within Appendix A – High Value Purchase Order Tracker. An extract is detailed within table 1.

4.3 **Table 1: High Value Orders (reclassified extract) 27th September 2023 – 12th January 2024**

Ref	Area	Supplier	Service / good detail	Date
A10	Digital ICU	ASCOM (UK) LTD	Welsh Intensive Care System	19/10/2023
A11	LIMS2.0	INTERSYSTEMS CORPORATION	Laboratory Information Management System	15/11/2023
A12	Security Services Team	TRUSTMARQUE SOLUTIONS LTD	SIEM	18/12/2023
A13	Digital ICU	ASCOM (UK) LTD	Welsh Intensive Care System, CCN038 Milestone payment	20/12/2023

4.4 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 and within Table 2 of this report. During the period 27 September 2023 – 12 January 2024 there are 6 suppliers that have since reached the cumulative order threshold of over £0.750m (excluding single orders/contracts reported with Appendix A).

4.5 Table 2: Cumulative Supplier Orders reaching £0.750m for the financial year 27 September 2023 – 12 January 2024

Ref	No of Orders	Area	Supplier	Description
B5	24	GP Systems Maintenance Support	COMPUTACENTER (UK) LTD	Computer Infrastructure, Licences & Support
B6	90	NHS Wide Computer Hardware Purchases	DELL COMPUTER CORPORATION LTD	Computer Hardware Purchases
B7	68	PSBA Circuit Upgrade and rental costs	BRITISH TELECOMMUNICATIONS PLC	Networking
B8	25	Computer Hardware Purchases	CDW LTD	Computer Hardware Purchases
B9	4	Intelligent Integrated Audit Tool	MAXWELL STANLEY CONSULTING LTD	NIIAS Licenses
B10	40	Network Services Team	INSIGHT DIRECT (UK) LTD	Computer Hardware Purchases

4.6 For completeness and because of the potential for overlap in [Appendix A](#) & [Appendix B](#) the details of suppliers where spend has exceed £0.750m are also presented within this report and itemised further in [Appendix C](#) and table 3 of this report. The table is a year-to-date position as of the 12 January 2024.



4.7 Table 3: Suppliers with Spend of over £0.750m for the period of 1 April 2023 – 12 January 2024.

Ref	Area	Supplier
C1	Community, Cloud adoption, WIS and Technical support	RED CORTEX
C2	All Wales Licence Provision	TRUSTMARQUE SOLUTIONS LTD
C3	RISP	PHILIPS ELECTRONICS UK LTD
C4	Computer Software and hardware Support & Maintenance	SOFTCAT
C5	GP Systems Maintenance Support	EGTON MEDICAL INFORMATION SYSTEMS LTD (EMIS HEALTH)
C6	DSPP	KAINOS SOFTWARE LTD
C7	GP Systems Maintenance Support	IN PRACTICE SYSTEMS LTD
C8	Data Centre Services	COMPUTACENTER (UK) LTD
C9	GP Systems Maintenance Support	HP INC UK LTD
C10	Vehicles	NORTHUMBRIA HC NHS TRUST
C11	Community, Cloud adoption, WIS and Technical support	TPXIMPACT LTD
C12	Computer Software	INTERSYSTEMS CORPORATION
C13	Welsh Intensive Care System	ASCOM (UK) LTD
C14	Computer Hardware Purchases	DELL COMPUTER CORPORATION LTD
C15	Networking	BRITISH TELECOMMUNICATIONS PLC
C16	Computer Hardware Purchases	CDW LTD
C17	Computer Software	MAXWELL STANLEY CONSULTING LTD
C18	Computer Hardware Purchases	INSIGHT DIRECT(UK) LTD

5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

5.1	There are no Key Risks / Matters for escalation to the Committee.
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6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the high value orders report to 12 January 2024.	



# DIGITAL HEALTH AND CARE WALES DELIVERING THE ANNUAL ACCOUNTS UPDATE 2023-24

Agenda Item	5.7ii
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Mark Cox, Associate Director of Finance & Sian Williams, Head of Financial Services & Reporting
Presented By	Mark Cox, Associate Director of Finance & Sian Williams, Head of Financial Services & Reporting

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the progress update to delivering DHCW's 2023/24 Annual Accounts.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below:	

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

<u>DUTY OF QUALITY ENABLER</u>	N/A
<u>DOMAIN OF QUALITY</u>	N/A
If more than one enabler / domain applies, please list below:	

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

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

<b>SOCIO ECONOMIC IMPLICATION/IMPACT</b>	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION IMPLICATION/IMPACT</b>	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Sian Williams	26/01/24	Reviewed
Claire Osmundsen-Little	30/01/24	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
MFA	Manual For Accounts	PHW	Public Health Wales NHS Trust
LHBs	Local Health Boards	FReM	Government Financial Reporting Manual



### 3 SITUATION / BACKGROUND

- 3.1 This paper sets out the background to the accounts closure process for 2023/24, highlighting the key financial and technical issues that need to be considered. The successful production of the accounts will ensure DHCW meets its statutory reporting requirements for the year.
- 3.2 NHS Wales bodies are statutorily obliged to prepare an annual report and accounts in compliance with the determination and directions given by Welsh Ministers. To support this process, Welsh Government prepare a Manual for Accounts (MfA) setting out the accounting principles and directions that must be followed based on the Government Financial Reporting Manual (FReM) prepared by HM Treasury. DHCW is required to apply the principles prescribed in the MfA and FReM to reflect its individual circumstances.
- 3.3 The annual accounts in 2023/24 will be the third set of accounts produced by DHCW. The closure plan has been applied successfully since DHCW was formed and has been subject to minor refinements over this period to reflect improvements identified within the team and through audit recommendations. However, there are a small number of items that may impact upon the accounts or the closure process and will require further consideration.
- 3.4 Revisions to the International Standard on Auditing (ISA) 315 - Identifying and assessing the risks of material misstatement - was introduced in 2022-23. This had a resource impact on both Audit Wales and DHCW. In 2023-24, DHCW are in better position to understand the requirements of the new standard and Audit Wales are indicating that the audit should be more efficient given the work completed last year to establish a baseline under ISA315.
- 3.5 The slides within [Appendix A](#) presents a summary of the accounts closure plan for the 2023/24 financial year with associated issues for consideration by the Audit and Assurance Committee. The following areas have been identified as requiring additional consideration as part of the 2023/24 accounts closure process and are included for note. Where these issues have an all-NHS Wales impact, they will be discussed at the All-Wales Technical Accounting Group meetings to ensure a consistent approach is applied. DHCW will also liaise with Audit Wales and seek advice from their technical team where appropriate.
- 3.6 [Appendix B](#) presents progress against actions agreed at the October Audit and Assurance committee emerging from the lessons learned exercise and 22/23 audit recommendations.





3.7 After receipt of the Audit Wales deliverables requirement (scheduled for the end of February), DHCW will finalise and issue its detailed closure plan.

The closure plan includes:

- A detailed timetable identifying deadlines and named responsible officers for all required tasks throughout the closure process. This timetable is reviewed daily from February until the final submission date in July.
- A detailed closing pack for use within the finance team setting out the key deadlines and processes to be followed for the main areas of the accounts. This ensures that the rules are understood and applied consistently across the various services.
- Communication posted to all DHCW staff so they are aware of their roles and deadlines within the closure process.
- Regular meeting of the finance team to discuss progress against the plan.



## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 **Senior Engagement:** A preliminary meeting with Audit Wales has taken place on January 26th to discuss the touchpoints required through the 2023-24 DHCW Audit and surface key local issues (such as Microsoft VAT contingent liabilities, the datacentre migration lease arrangements, Intensive Care Information System, Losses and Special Payments Register (LASPAR) decommissioning and the transfer of the Digital Eyecare Programme.
- 4.2 **Wider Engagement:** Audit Wales also met with the broader DHCW finance team on the 16<sup>th</sup> of January to provide awareness not only of the audit process and outputs but requirements and expectations. This has been extremely helpful and the fielding of questions from and queries from the team was appreciated by all.
- 4.2 **Interim Audit:** It has been common practice for Audit Wales to carry out an interim audit prior to year-end to support their main work that starts once the accounts are complete. This has previously taken place sometime between January and March, which is generally a quieter period for the financial accounting team allowing them to fully support the process. Whilst much of the interim audit is focused on planning there are often specific pieces of work completed and early transaction testing that reduces the workload in the busier periods of May and June. Due to the introduction of ISA 315 there was a limited interim audit in 2022/23. DHCW would support the re-introduction of the interim audit this year. DHCW believes direct access to the finance system should decrease the burden on the finance team this year, should the interim testing not be possible.



**4.3 Audit of 2022/23 Accounts:** During the audit of the 2022/23 accounts Audit Wales made observations & recommendations:

1. **Inefficiencies during the audit:** Officer's engagement with auditors throughout the audit process has been helpful and constructive but in certain instances responses could have been received in a more timely manner. This meant that audit work was not completed as efficiently as in the previous year.
2. **Draft Staff Report not complying with the Manual for Accounts:** In parts, the draft staff report did not comply with the requirements of the Welsh Government Manual for Accounts (MFA). This area of our work usually requires an agreement to the MFA requirements and working papers.

Action: A post accounts learning exercise has been complete with DHCW expanding the exercise to produce an action plan (see Appendix B) including establishment of a regular sessions with People & OD representatives to ensure that there are additional reviews of the staff report in 2023-24 and there is full compliance with the MfA. To date 16 actions have been either completed or are on target with two (related to interim testing and changes to the All-Wales Final accounts Template) currently at risk.

#### **4.4 Key Deadlines**

DHCW will continue to work with Audit Wales to support completion of the Audit in line in shorter timescales if possible. Although final sign-off cannot take place until any all-Wales issues are considered and resolved.

## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 DHCW have agreed with Audit Wales an accelerated target for completion of the final accounts and subsequent audit exercise with proposed key committee dates and leads as follows:
- 3/5/24 Draft accounts and financial returns sent to Welsh Government & Audit Wales. – **Associate Director of Finance.**
  - 9/5/24 Audit and Assurance Committee to review draft annual accounts – **Executive Director of Finance & Business Assurance.**
  - 24/6/24\* Audit and Assurance Committee to review proposed final annual accounts – **Executive Director of Finance & Business Assurance.**
  - 25/7/24\* Board to review and approve annual report and accounts – **Executive Director of Finance & Business Assurance & Chief Executive.**
  - 31/7/24 Signed final version of annual report and accounts submitted to Welsh Government – **Audit Wales.**

\*Dates to be confirmed.

## 6 RECOMMENDATION

Recommendation	The Committee is being asked to
NOTE the progress update to delivering DHCW's 2023/24 Annual Accounts.	



# DIGITAL HEALTH AND CARE WALES FUNDING ALLOCATIONS / PLANNING ASSUMPTIONS / FINANCIAL SUSTAINABILITY

Agenda Item	5.7iii
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Name of Meeting	Audit and Assurance Committee
Date of Meeting	13 February 2024

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

Executive Sponsor	Claire Osmundsen-Little, Executive Director of Finance
Prepared By	Mark Cox, Associate Director of Finance
Presented By	Mark Cox, Associate Director of Finance

Purpose of the Report	For Noting
Recommendation	The Committee is being asked to
NOTE the IMTP financial Plan report progress and delivery timeline.	



## 1 IMPACT ASSESSMENT

STRATEGIC MISSION	All missions apply
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CORPORATE RISK (ref if appropriate)	
QUALITY IMPACT ASSESSMENT (ref if appropriate)	

<u>WELL-BEING OF FUTURE GENERATIONS ACT</u>	A Healthier Wales
If more than one standard applies, please list below: All seven well-being goals apply	

<u>DHCW QUALITY STANDARDS</u>	ISO 9001
If more than one standard applies, please list below:	

<u>DUTY OF QUALITY ENABLER</u>	Whole Systems Approach
<u>DOMAIN OF QUALITY</u>	Timely
If more than one enabler / domain applies, please list below:	

<u>EQUALITY IMPACT ASSESSMENT STATEMENT</u>	Date of submission:
Choose an item.	Outcome:
Statement: The IMTP is an organisation wide planning document. Individual schemes within the document may need their own separate equality impact assessments.	

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 implications related to the activity outlined in this report

<b>WORKFORCE</b> IMPLICATION/IMPACT	No, there is no direct impact on resources as a result of the activity outlined in this report.
<b>SOCIO ECONOMIC</b> IMPLICATION/IMPACT	No, there are no specific socio-economic implications related to the activity outlined in this report.
<b>RESEARCH AND INNOVATION</b> IMPLICATION/IMPACT	No, there are no specific research and innovation implications relating to the activity outlined within this report.

## 2 APPROVAL / SCRUTINY ROUTE

Person / Committee / Group who have received or considered this paper prior to this meeting		
PERSON, COMMITTEE OR GROUP	DATE	OUTCOME
Executive Director of Finance & Business Assurance	15/01/2024	Approved

Acronyms			
DHCW	Digital Health and Care Wales	SHA	Special Health Authority
IMTP	Integrated Medium Term Plan	NHS	National Health Service
WG	Welsh Government	DPIF	Digital Priority Investment Fund



### 3 SITUATION / BACKGROUND

- 3.1 This document (supported by [Appendix A](#) slide pack) notes progress in drafting the Financial plan to support the production of the Integrated Medium Term Plan (IMTP) 2024-2027 and the proposed delegation and deployment of operational budgets.
- 3.2 An incredibly challenging budget process and settlement with NHS & Local Government has resulted in budget increases with reductions elsewhere. Despite increase to NHS budget, there remain significant challenges to deliver financial balance across the system. The final funding settlement will be issued to support sustainability and unavoidable demand and inflationary pressures.
- 3.3 A budgeted allocation meeting with senior NHS finance representatives and Welsh Government was held on December 21<sup>st</sup> to confirm key planning assumptions and principles.
- 3.4 A budget approach and allocation which builds on progress in 2023/24 and it was clarified that:
- The Welsh Government budget is prioritising the NHS – must equate to financial sustainability.
  - The budget is to support unavoidable inflationary pressures, and inescapable costs of demand. Recognition of where inflationary pressures are greatest – e.g. medicines inflation is required.
  - The budget approach is intended to support return to financial stability and baselining recurrent issues where appropriate to support efficiency and effectiveness
  - NHS organisations will need to deliver a minimum 2% savings requirement across total baseline expenditure.
  - Wider budgetary context may require some rebalancing of long-term ambition and short-term requirements, prioritisation of core frontline services therefore increase challenge to non-core services and strengthened management & administrative efficiency.

There is an increased expectation of the Value & Sustainability agenda providing national focus to support specifications on reducing variation, reducing agency costs, increasing administrative efficiency, implementation of once for Wales approaches, and support local plans.





## 4 SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 4.1 General Planning: The IMTP will follow the familiar formula for the three-year plans with 'Firm, Indicative and Outline' levels of detail and a clear progression over time. Year one of the plan will contain a level of detail that provides clarity on milestones, actions and projections that set the ambition for operational delivery and management of risk for the year ahead, along with financial sustainability with the following key components:
- Strategically and Operationally Aligned: The plan will align to national priorities and approaches & triangulate fully between operational delivery, workforce and finance.
  - Value-Driven: the plan will focus on Value-Based use of resources.
  - Deliverable: the plan will be robust and high quality; developed using best practice approaches; provide an achievable stretch target; have Board and wider Senior Leadership team buy-in and ownership.
  - Evidence Based: The plan will provide for a clear and robust evidence base for the key elements of the plan.
- 4.2 The current DHCW planning funding assumptions are as follows:
- DHCW WG baseline allocation uplift of 3.67% in recognition of digital inflation and priority given to national digital solutions supporting required service plans and change.
  - The Welsh Government uplift is assumed to flow down to intra NHS service charges and a consequential DHCW SLA uplift of 3.67% will be applied.
  - Pay Award for costs 2023/24 will be added recurrently to the DHCW allocation in January and Pay Award costs for 2024/25 will also be centrally funded once known.
  - Energy pressure funding support to be confirmed – the assumption is DHCW will be treated consistently with NHS with a recurrent allocation in line with month 8 estimates released.
  - COVID National Programme allocation to be confirmed – Health Boards have been allocated 80% of annual forecast identified at month 8 (DHCW is requesting a more considered methodology).
  - DPIF budget has been requested to generate 7.3% revenue savings (£3.3m) – the impact on DHCW schemes is unknown at present.



4.3 The requirement is for organisations to submit 3-year plans setting out **compliance with financial break evens**. DHCW's plan is usually 'noted' rather than approved by the Minister and is typically followed up by an accountability letter setting out requirements to address. More detail will come out in Jan 2024 for other organisations such as DHCW.

4.4 2024/25 DHCW Financial Challenges: As part of the approach to the 2024/25 financial planning process we have brigaded plan cost pressures into two group "unavoidable" (those which are inevitable and cannot be materially mitigated) and "choices" (where pace or delivery is an internal decision).

Unavoidable:

- Unmitigated underlying Pressures brought forward & growth in services
- Standard Pressures (Pay, General Inflation).
- Digital Inflation (representing sector specific cost pressures).
- Energy (Price pressures).
- Cyber Security Improvements (supporting the requirement for a strengthened Cyber Security posture).
- Sustaining Key Digital Core Services (e.g. Integrated Intelligent Audit Solution –Wales Accord on the Sharing of Personal Information (WASPI)).
- Sustaining Key Digital products (e.g. Cancer Informatics Solution, NHSApp).

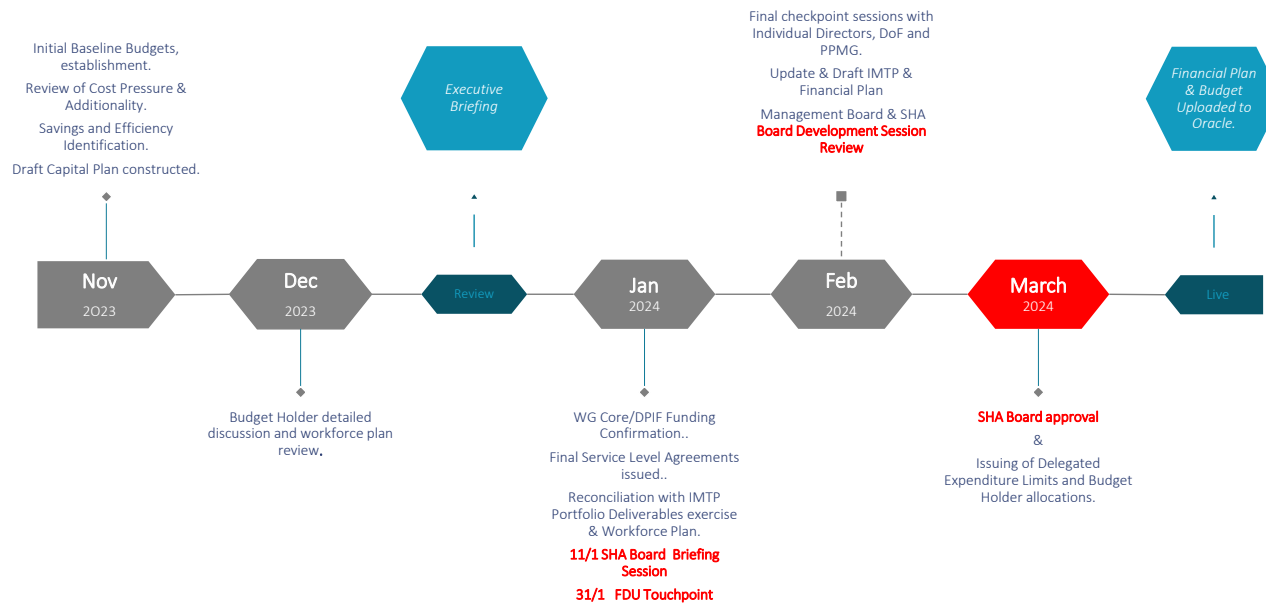
Avoidable "Choices"

- Cloud Transition/Product Approach (Service improvement in technological layer and management processes).
- Digital Priority Investment Fund (Development Build & Implementation).



#### 4.5 Key timelines to deliver the financial plan:

- Accountable Officer letter (if IMTP is going to be unbalanced) 16 Feb 2024.
- IMTP Submission 29 Mar 2024.



The financial plan will be continually cross referenced with output from the IMTP Portfolio review exercise & Workforce plan to ensure congruence.



## 5 KEY RISKS / MATTERS FOR ESCALATION TO BOARD / COMMITTEE

- 5.1 DHCW is yet to receive its formal funding letter with the following actions agreements currently progressing:
- Application of the 3.67% Uplift to Welsh Government Funding.
  - Agreement of COVID funding.
  - Welsh Government to agree Cancer Informatics Solution funding.
  - Welsh Government to finalise energy funding.
  - Welsh Government to finalise 2023/24 Central Pay Award Funding Allocation.
- 5.2 Additionally there are further funding items to be confirmed with the following actions agreements currently progressing:
- Organisations to agree NHS SLA uplift and content.
  - Organisations to agree approach to any Citrix Digital Inflation Recharges.
- 5.3 DHCW will need to deliver a minimum 2% savings requirement across total core baseline expenditure, plans are currently being considered.
- 5.4 There has been a request to generate 7.3% revenue savings (£3.3m) in the central Welsh Government DPIF budget – the impact on DHCW schemes is unknown at present but full quality impact assessments will be carried out to assess the implications of any specific programme funding reductions or reprofiling.
- 5.5 The summary indicative outlook results in a forecast overspend position for 2024/25 has been shared with DHCW Executive Directors and Independent Members. As part of the IMTP process the financial plan will be further refined with confirmation of additional funding bids (e.g. for the Cancer Informatics Solution) and other sustainable funding requirements allowing DHCW to present a balanced position going forward.

## 6 RECOMMENDATION

<b>Recommendation</b>	The Committee is being asked to
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**NOTE** the IMTP Financial Plan report progress and delivery timeline.