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Health Board



<b>Meeting Date</b>	<b>19 January 2023</b>	<b>Agenda Item</b>	<b>3.2</b>
<b>Report Title</b>	<b>Update on the Estates Assurance Audit Report</b>		
<b>Report Author</b>	<b>Des Keighan – Assistant Director of Estates</b>		
<b>Report Sponsor</b>	<b>Darren Griffiths – Director of Finance &amp; Performance</b>		
<b>Presented by</b>	<b>Darren Griffiths – Director of Finance &amp; Performance</b>		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The report provides an update on the progress that the Estates Department has made implementing the recommendations of the Internal Audit Report on Estates Assurance.		
<b>Key Issues</b>	<p>The Audit covers a range of services and had a large number of recommendations over a range of services. Of the agreed actions 64% of the 56 recommendations have been closed.</p> <p>Whilst 12 recommendations remained outstanding a further 8 have been now closed it has been recognised that significant improvement from previous reports have been made.</p> <p>It has also been acknowledged that a number of recommendations have been partly addressed and this paper provides an update of actions to fully address the issues raised.</p>		
<b>Specific Action Required (please choose one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	Members are asked to: <ul style="list-style-type: none"> <li><b>Note</b> the report</li> </ul>		

## UPDATE ON THE ESTATES ASSURANCE AUDIT REPORT

### 1. INTRODUCTION

The report provides an update on the progress that the Estates Department has made implementing the recommendations of the Internal Audit Report on Estates Assurance.

### 2. BACKGROUND

A review of the progress against the Estate's Department's Internal Audits across a range of specialties in June 2022 had highlighted a number of actions that remained outstanding. The remainder of this section of the report provides an update with regard to progress against those recommendations.

The report is detailed to give transparency to the Committee on the level of actions complete and the challenges being addressed to close those which remain either partially closed or outstanding.

### 3. GOVERNANCE AND RISK ISSUES

A number of recommendations were made, those previously closed are detailed in Appendix 1 of the other recommendations: -

<b>Backlog Maintenance</b>
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#### **Recommendation 1 Previous matter arising 1**

Management will draft and issue an Estates Strategy which specifically identifies the longer-term direction of the UHB, how it aligns with ARCH and the UHB's Service Strategy; and how backlog maintenance is to be managed i.e., targets for reducing significant backlog and how it is to be achieved in terms of capital delivery plans.

#### **Update**

The Estates Strategy has been shared with the Board and is being presented to the Board Development session on 9<sup>th</sup> January 2023.

**Closed**

#### **Recommendation 7**

The development of the specification will be finalised as soon as possible to facilitate the provision of a current 'market' backlog maintenance cost. This information will further assist in identifying the significant capital projects required to ensure the UHB sites are 'fit for purpose'.

#### **Update**

The Health Board has completed its Six Facet Review which has informed the Estates Strategy. Costs will be updated annually moving forward with 20% of the Estate being reviewed each year.

**Closed**

## **Disability Discrimination**

### **Recommendation 4**

Procedures will be established to demonstrate the derivation of EFPMS declared compliance costs (including reconciliation to surveys).

#### **Update**

The Health Board has completed its Six Facet Review which included a review of Equality Access (DDA). This has informed the Estates Strategy. Costs will be updated annually moving forward with 20% of the Estate being reviewed each year.

**Closed**

## **Fire Safety Report**

### **Recommendation 4**

Management should develop an appropriate strategy targeting funding to address fire safety requirements.

#### **Update**

The information from the Six Facet Survey has informed the development of the Health Board's Estate Strategy, which includes details of what capital investment is required to address the backlog maintenance issues, including Fire. The Health Board has also commissioned two reviews of Singleton and Morriston Hospitals fire compartmentation which are also informing the Capital Investment Plans. The Estates Strategy has been shared with the Board and is being presented to the Board development session on 9<sup>th</sup> January 2023.

**Closed**

## **Water Safety Report**

### **Recommendation 8 Responsibilities & Training**

- a) Training should be updated for relevant staff as soon as possible, Covid restrictions permitting; and
- b) Training requirements and compliance should be captured in a training matrix, for all staff with water safety responsibilities (including both Estates and departmental / ward staff)

#### **Update**

Further staff have undertaken Responsible Person training and are awaiting formal appointment by the Authorised Engineer (AE), which has been delayed due to his workload. The Water Safety Plan was updated and accepted at the December 2022 Water Safety Committee.

**Closed**

## **Risk Management**

### **Recommendation 9**

Water safety risks captured in Datix should be routinely reported to and reviewed by the Water Safety Management Committee as a standing agenda item.

- b) Management should resolve the current Datix usability issues to ensure water-related Estates risks can be accurately captured, monitored and reported.

### **Update**

The Estates team working with the then Assistant Director of Health & Safety have reviewed the risks detailed within DATIX. These have been categorised by theme and an updated list provided to Governance for inclusion within the Corporate Risk Register. The findings of the latest Water Risk Assessments were shared at the September Water Safety Committee and the department is developing a tender for the rectification of the “High Risks”. Individual risks are not reported in DATIX rather the themes of the risks are now captured.

**Closed pending agreement with Internal Audit**

### **Recommendation 10 Risk Management – Risk Assessment Action Plan**

Risk assessments should be undertaken as soon as possible.

The resulting action plans should include:

- Risk prioritisation of required actions; and
- Identification and allocation of required funding.

Routine reporting of progress should be presented to the Water Safety Management Committee

### **Update**

The Health Board has completed the Water Risk Assessments for the Estate and a prioritised list of risks was shared at the September Health & Safety Committee. A tender is being prepared to address the high risks through capital funding for the next financial year.

**Closed**

### **Water Safety Report – Legionella Sampling**

#### **Recommendation 12**

A service level agreement / contract for water testing should be appropriately concluded

### **Update**

The Health Board undertook a tendering process for these services through the summer 2022 and selected a preferred contractor. However, the Minister then advised Health Boards that wherever possible contracts should be kept in-house. The Health Board then approached the Public Health Laboratories to see if they could undertake this work as previously they had not had capacity within the laboratory to do so. However, changes as a result of the pandemic meant they were unable to provide this service and an SLA has been agreed and will commence formally from 1<sup>st</sup> April 2023, although they are already providing water testing services.

**Closed**

<b>Financial Safeguarding</b>
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### **Recommendation 2 Quotation/Tender processes: Governance arrangements**

MA2 - Local Framework Procedures and SFI/SOs should be reviewed and updated where appropriate to reflect the Estates Department's requirements.

### **Findings**

A cost-free solution (assurance system) was identified but this is taking longer to establish than anticipated. Once complete, the required updates to the Governance Procedures will be processed.

### **Update**

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The cost free solution was identified, but the company concerned was not able to deliver a workable solution. Unexpected absence within the department has delayed the completion of this work and should this not resolve in early January 2023, the project will be taken forward by other members of staff within the Department, which will need to be seconded into the role.

**Outstanding**

### **Recommendation 3 Quotation/Tender processes: Repeat Orders**

MA3 - Appropriate procurement controls should be implemented for contractors employed below current quotation thresholds.

#### **findings**

Work has been undertaken to review the areas of highest spend. Of the areas identified, including water sampling, legionella testing, refrigeration, boiler maintenance and high voltage maintenance, at the date of fieldwork, contracts had only been awarded for two [legionella testing and high voltage].

#### **Update**

The Estates team is now in the process of letting the refrigeration contract. The specification has been completed for a boiler maintenance contract and is with Procurement for processing. Staff shortages within Procurement have affected the speed on which these tenders can be processed. An SLA (service level agreement) contract with Public Health Laboratories to provide water testing services has now been agreed, which will come into effect from 1<sup>st</sup> April 2023.

**Partially implemented**

### **Recommendation 4 Quotation/Tender processes: Repeat Orders**

An assessment of all current (and required) maintenance contract arrangements should be undertaken and reported to the Capital Monitoring Group / Health & Safety Committee as appropriate and associated maintenance contracts implemented.

#### **Findings**

Work has been undertaken to review the areas of highest spend. Of the areas identified, including water sampling, legionella testing, refrigeration, boiler maintenance and high voltage maintenance, at the date of fieldwork, contracts had only been awarded for two [legionella testing and high voltage].

#### **Update**

A paper has been prepared for the Director of Finance & Performance identifying areas of significant spend for the department, identifying an action plan for the year to come with regard to the introduction of further formal maintenance contracts. It is not felt that this needs to be reported to the Health & Safety Committee or the Capital Management Group as it falls outside their remits.

**Partially implemented**

### **Recommendation 8 Verification of Contractor arrangements: Financial Vetting**

Financial vetting should be undertaken prior to entering into any contractual arrangement above £25k in value (in accordance with Standing Financial Instructions) at:

- New tenders
- Contract extensions; and
- Call-offs from frameworks.

Estates should liaise with Finance and Capital Planning to establish requirements for financial vetting at the Local Framework.

**Update**

The Estates tem has linked with CHAS (company that provides database services) to utilise their database as part of the financial vetting process. A list of contractors was provided to them to establish the database of companies working with the Health Board. Unexpected absence within the department has delayed the completion of this work and should this not resolve in early January 2023, the project will be taken forward by other members of staff within the Department, who will be seconded into the role. However, Estates colleagues have written to all staff that place orders, advising them that companies that hold CHAS accreditation do not require a financial vett, however, if they use a company that does not have this accreditation they are to ensure a financial vett is undertaken, in line with SFI's.

**Partially implemented**

**Recommendation 13 Stores Management: Procedures and compliance**

Formal procedures should be developed and implemented for the management of Estates stores (in accordance with SFIs).

**Findings**

The Department plans to appoint a Procurement Officer whose roles will include stores management. Permission has been given to proceed with the recruitment process

**Update**

Despite three attempts to recruit is has not been possible to recruit a suitable candidate for the role and is now looking to develop a new Job Description for an Administration role to take forward this work. The Assistant Director has approached the Head of Procurement Services to see if they could provide support this review on current procurement procedures.

**Outstanding**

**Stores Management: Procedures and compliance**

**Recommendation 14**

Stores practices should be reviewed and enhanced in line with audit findings and SFI requirements.

**Update**

See update on recommendation 13 above.

**Outstanding**

<b>Control of Contractors</b>
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**Recommendation 2 Vetting arrangements**

All contractors should be appropriately vetted for health and safety competency and insurance arrangements prior to appointment. Evidence should be retained of checks made.

**Current findings**

Whilst it is recognised the UHB is taking steps to introduce contractor assurance systems i.e. CHAS, this has yet to become 'live'.

**Update**

The department had linked with CHAS to utilise their database as part of the financial vetting process. A list of contractors was provided to them to establish the database  
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of companies working with the Health Board. Unexpected absence within the department has delayed the completion of this work and should this not resolve in early January 2023, the project will be taken forward by other members of staff within the Department, who will be seconded into the role.

**Outstanding**

### **Recommendation 3 Control of Contractors: Vetting arrangements**

The UHB's insurance requirements for contractors should be included within the Managing Contractors Policy (or supporting procedures).

#### **Update**

The policy has been updated and has now been agreed by the Health & Safety Operational Management Group and is awaiting ratification by the Health & Safety Committee at its January meeting.

**Closed pending approval by H&S Committee**

### **Recommendation 5 Management of work on site – Induction Process**

Contractors/operatives should not be allowed to commence work on site without having received an induction.

#### **Findings**

Management confirmed that work remains ongoing as the UHB investigates the use of an electronic system which will enable monitoring of contractors which have / have not received inductions; and details of contractors who have signed in / out of site.

#### **Update**

The induction process was being managed by the Health & Safety Officer within the department. However, the department have struggled to recruit to this position but have a new member of staff starting later this month. In the meantime, the department have audited compliance with induction, however, with the appointment of a temp Health & Safety Officer some induction sessions have been provided however, compliance with regard induction training will improve dramatically.

**Partial Implementation**

### **Recommendation 8: Monitoring and reporting – Audit/Compliance Checks**

Estates in-house contractor management audit processes should be reviewed and enhanced to ensure:

- The audit scope represents an appropriate range of HSE and UHB Policy requirements;
- Audits are undertaken more frequently, to provide ongoing assurance of compliance throughout the year; and
- Results are reported to relevant forums/committees for scrutiny and action (e.g. Estates Board/H&S Committee)

#### **Findings**

Whilst audits have been undertaken the scope of the audit still needs to be reviewed. Currently, the audits are undertaken as part of the department's ISO 1401 accreditation.

**Partially Implemented**

## **Summary**

Whilst the department recognise that further progress is required the completion of the Six Facet Survey, the Estates Strategy, the development of the contracts for refrigeration, water sampling and the completion of the water risk assessments for the Estate mark a significant improvement in compliance.

## **4. FINANCIAL IMPLICATIONS**

There have been financial implications with regard to delivering the required outcomes, however, they have either been managed through the department's budget or through discretionary capital allocation.

## **5. RECOMMENDATION**

Members are asked to: -

- **NOTE** the report.



Governance and Assurance		
Link to Enabling Objectives (please choose)	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
Quality, Safety and Patient Experience		
The provision of safe estates services is essential in the delivery of patient care. The report provides an update on the department's progress in addressing recommendations identified by Internal Audit.		
Financial Implications		
There have been financial implications with regard to delivering the required outcomes, however, they have either been managed through the department's budget or through discretionary capital allocation.		
Legal Implications (including equality and diversity assessment)		
The provision of a number of the estates documents including the water risk assessments form part of the Health Board's statutory obligations. The completion of these documents therefore addresses the Health Board's responsibilities to identify risk and develop appropriate plans to address these risks.		
Staffing Implications		
The completion of a number of the projects identified require additional resources. The department had identified project management resource to oversee the completion of the recommendations, however, due to long term sickness of the staff member concerned we have been unable to progress a number of initiatives required to address the recommendations laid down by Internal Audit.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
N/A		

<b>Report History</b>	This provides an update on Internal Audit's Estates Assurance Report.
<b>Appendices</b>	Appendix 1 – Status of Agreed Actions

## Appendix 1 Estates Assurance Follow Up Report – status of agreed actions

### **Financial Safeguarding**

Previous matter arising 1: Quotation /  
Tender processes: Governance  
Arrangements

Closed

Previous matter arising 5: Quotation / Tender  
processes: Contract splitting / Disaggregation  
of Expenditure

Closed

Previous matter arising 6: Use of the  
Multiquote system

Closed

Previous matter arising 12: Stores  
Management: Training

Closed

### **Control of Contractors**

Previous matter arising 4: Vetting  
Arrangements

Closed

Previous matter arising 5: Management of  
work on site – Risk Assessments

Closed

Previous matter arising 7: Management of  
work on site – Signing in & out

Closed

### **Control of Substances Hazardous to Health**

Previous matter arising 1: Accountabilities

Closed

Previous matter arising 3: Policies and  
Procedures

Closed

Previous matter arising 4: Monitoring and  
Reporting

Closed

