

Continuing Healthcare Final Internal Audit Report

July 2023

Swansea Bay University Health Board



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Contents

Executive Summary	3
1. Introduction	4
2. Detailed Audit Findings	5
Appendix A: Management Action Plan	17
Appendix B: Audit Testing	29
Appendix C: Continuing Healthcare Breakdown 2022/23	30
Appendix D: Assurance opinion and action plan risk rating	31

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Executive Summary

Report Classification

 <p>Limited More significant matters require management attention.</p> <p>Moderate impact on residual risk exposure until resolved.</p>	Trend
	N/A

Assurance summary ¹

Assurance objectives	Assurance
1 Policies and Procedures	Limited
2 Roles and Responsibilities	Limited
3 Commissioning	Reasonable
4 Compliance with the Framework	Limited
5 Changes and Updates to Care Packages	Limited
6 Invoice Reconciliation	Reasonable
7 Monitoring and Reporting	Reasonable

Purpose

To review the governance arrangements the health board has in place to ensure that continuing healthcare is provided to the required standards with appropriate financial controls in operation.

Overview

We have issued **limited** assurance on this area. The matters requiring management attention include:

- Developing a health board policy that aligns to the Continuing NHS Healthcare – the National Framework for Implementation in Wales ('The Framework');
- Wider awareness of roles and responsibilities from each service group;
- Challenges with commissioning;
- Compliance with the requirements of the Framework during the eligibility assessment process;
- Timeliness of CHC package reviews;
- Disparate processes for dealing with invoices; and
- Reporting arrangements.

Key matters arising

Key matters arising	Assurance Objectives	Control Design or Operation	Recommendation Priority
1 Policies and Procedures	1	Design	High
2 Roles and Responsibilities	1,2	Operation	High
3 Scrutiny Panel Terms of Reference	3	Operation	Low
4 Commissioning challenges	3	Operation	Medium
5 Funding Allocation Agreement: Mental Health and Learning Disabilities Care Packages Disputes	3	Operation	Medium
6 Compliance with the Framework	1,4	Operation	High
7 Changes and Updates of Cases	1,5	Operation	High
8 Analysis and Reporting of Queried Invoices	6	Design	Medium
9 Reporting	7	Operation	Medium

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

1. Introduction

- 1.1 Continuing Healthcare (CHC) is a package of care that is arranged and funded solely by the NHS for individuals who have been assessed as having a primary health need. CHC can be received in any setting, including a patient's own home, a care home, hospice or a prison, where costs such as that of a community nurse or specialist therapist will be paid. The request to undertake an assessment of a patient to determine eligibility for CHC funding can be made by the patient themselves, a family member, or a health care professional.
- 1.2 Swansea Bay University Health Board (the 'health board') should have processes in place to assess and approve applications in line with guidance issued by the Welsh Government: '*Continuing NHS Healthcare – the National Framework for Implementation in Wales*'. The Framework sets out the process for the NHS working together with Local Authorities and other partners, to assess health needs, decide on eligibility for CHC and provide appropriate care.
- 1.3 Once approved, all recipients of CHC are recorded on the All-Wales National Complex Case Database that is used for monitoring and financial forecasting. CHC remains an area of significant variable spend for the health board, totalling £66.74m during 2021/22 and £69.47m during 2022/23 (for analysis of expenditure during the period of audit fieldwork, refer to Appendix C). The service area with the largest expenditure was for Mental Health and Learning Disabilities (£32.54m), followed by primary care and therapies services (£27.55m), Funded Nursing Care (FNC) (£7.76m); and Singleton Paediatrics (£1.63m). In addition, the latest Performance and Finance Committee report outlines a variance of £0.04m for month 1 2023/24, with total expenditure of £5.6m.
- 1.4 Given the growth volume and costs associated with CHC, a baseline assessment of the strategic commissioning framework for the health board was undertaken in August 2022. A further review on the Commissioning of Continuing Healthcare is also currently underway at the health board.
- 1.5 The risks considered during the review were as follows:
 - Non-compliance with the national framework guidance which may result in penalties being incurred;
 - Incorrect payments made where records are not maintained in a timely manner;
 - Financial loss due to inability to adequately forecast CHC costs;
 - Missed opportunities to utilise funds elsewhere where management information is not available; and
 - Poor patient experience which could result in harm to patients and staff.
- 1.6 Through initial discussions with management, noting the costs involved, it was agreed that sample testing would be undertaken across the Service Groups of the highest cost packages. The following table summarises the number of cases tested during the audit, the details of which are considered at each of the audit objectives:

Service Group	Number of CHC packages tested
<i>Primary Community and Therapies (also known as Elderly and Frail)</i>	5
<i>Mental Health</i>	5
<i>Learning Disabilities</i>	5

- 1.7 The audit did not include detailed testing of individual patients records to assess the adequacy of care.

2. Detailed Audit Findings

- 2.1 The table below summarises the recommendations raised by priority rating:

	Recommendation Priority			Total
	High	Medium	Low	
Control Design	1	1	-	2
Operating Effectiveness	4	2	1	7
Total	5	3	1	9

- 2.2 Our detailed audit findings are set out below. All matters arising and the related recommendations and management actions are detailed in Appendix A.

Audit objective 1: There are appropriate documented health board procedures in place for CHC that adhere to the national framework.

- 2.3 As per para 1.2, the health board is required to comply with 'Continuing NHS Healthcare - The National Framework for Implementation in Wales' ('the Framework').
- 2.4 Whilst management explained the requirements of the Framework are adhered to; formal, written policies and procedures outlining the processes to be followed for evaluating CHC packages (e.g. undertaking assessments and the approval process by panel) are not in place at a local level and across the whole of the health board. This is contrary to other NHS Wales organisations where audit reviews have confirmed that internal processes, procedures and flowcharts are in place in accordance with the requirements of the Framework. **See MA1.**
- 2.5 We acknowledge, however, that there are several policies / procedures in place that link to CHC. These include:
- *Financial Control Procedure (FCP) 14: non-pay expenditure* (see audit objective 6). We note that it required review in 2020/21. See **MA1.**
 - *Safer Patient Flow and Discharge Policy (CID 1308)*: in recognition of the impact that CHC has on patient flow i.e., often care packages need to be in

place prior to a patient being discharged from secondary care. We noted that this policy required review in October, however there was no evidence to confirm this had been completed. See **MA1**.

- *Discharge into the Community Funding Protocol*: this protocol has been developed by the West Glamorgan Regional Partnership, of which the health board is a member. The protocol includes a dispute resolution process, produced in line with the Framework, for when there is no agreement between the health board and Local Authority in respect of eligibility for CHC.
- *Swansea Bay Continuing Healthcare Fast Track Multi-Disciplinary Team End of Life form (CID 4268)*: required to be completed for end-of-life patients with a prognosis of less than seven days.

2.6 Delegated limits are clearly stated, in the health board's *Standing Orders Scheme of Reservation and Delegation of Powers*, which apply to the authorisation of CHC packages.

Conclusion:

2.7 All Wales guidance is available for the management of CHC at the health board. However, there is no overarching policy in place. We consider that this would be particularly beneficial noting the disparity in processes between the Service Groups (refer to audit objective 2). FCP's and other policies that are associated with CHC patients, however, were in place. We have assigned this objective **limited** assurance.

Audit objective 2: Roles and responsibilities, and the processes to be followed are set out in relation to assessments, approvals and input onto the National Complex Case Database.

2.8 As per para 2.4, there are no formal policies and procedures in place. This also includes a lack of formal processes in relation to assessments, approvals and input onto the national complex care database (NCCD). See **MA1**. Reliance is therefore placed on the Service Groups to interpret the requirements of the Framework.

2.9 The Framework states that '*Each LHB must identify a named Executive, at director level, who is responsible for monitoring performance and maintaining strategic oversight*'. This is not explicitly stated anywhere, noting the lack of a formal policy at the health board, and is contrary to the arrangements noted at other NHS Wales organisations, where officers such as Head of Long-Term Care, and Lead Nurse for CHC and FNC are named. See **MA2**.

2.10 We acknowledge that the arrangements for CHC within the Service Groups for (1) Mental Health and Learning Disabilities and (2) Primary Community and Therapies services / Elderly and Frail is well established at the health board. Roles and responsibilities appear to be well understood, however understanding of the same from one Service Group to another is not well known. Service Groups are working in silos. See **MA2**. We acknowledge that the structures within Service Groups, noting that there are gaps as a result of individuals that have left since the audit was

- commissioned, are subject to change pending the outcome of the Commissioning Continuing Healthcare review. (see audit objective 7, para 2.62).
- 2.11 Assessments and approvals of applications for CHC are undertaken by the relevant Multi-Disciplinary Teams (MDT), using the checklists (which are not mandatory) and Decision Support Tools (DST), in accordance with the requirements of the Framework.
- 2.12 Once an application is assessed as being eligible for CHC within the Primary Community and Therapies services / Elderly and Frail, it is referred to the scrutiny panel (held weekly) for quality assurance. As outlined in the terms of reference (which were due for review in March 2023 – see **MA3**), the scrutiny panel reviews the process completed, and the evidence presented to support the application for CHC funding. Should the scrutiny panel not agree with the proposal supported by the MDT, it will refer the application back to them for further review of the case and/or provision of further evidence.
- 2.13 Conversely, the scrutiny panel within the Mental Health and Learning Disabilities Service Group does not review the DST. The mitigating control is that a quality control check is undertaken by the Complex Care Team to ensure that there is evidence to meet the outcome of the DST meeting.
- 2.14 Mental Health and Learning Disabilities scrutiny panels are held twice monthly. Terms of reference are in place for this panel, but there is no date for review (see **MA3**). Cases that are approved at scrutiny panel are forwarded to the Complex Case Panel for final approval. There are current terms of reference in place for this latter panel. It is noted that both panels include representatives from the Local Authority.
- 2.15 Weekly quality assurance meetings are held for Primary Community and Therapies Services / Elderly and Frail packages. In addition, monthly CHC Case Panels are held with the Long-Term Care Team. 'High cost' cases that have been approved by the CHC Case Panel would be forwarded to the Complex Care Group / Panel which includes the Group Director - Primary, Community & Therapies, along with the Primary Care Team Service Group Nurse Director and the Head of Nursing for further scrutiny. Some cases may also require Chief Executive authorisation. Refer to para 2.37 for testing undertaken on packages within this Service Group. For review of the approval process, refer to audit objective 4.
- 2.16 We are advised that children's continuing care cases are dealt with under a separate process. We have not reviewed this as part of this audit.
- 2.17 As noted at para 2.5, a process has been established to fast-track cases for those patients that have a limited life expectancy. These cases are mostly dealt with 'outside of panel' (OOP cases). Consideration of such cases has been included in our sample (as per para 1.6), with compliance to guidance not consistently noted – refer to Appendix B for full details of testing.
- 2.18 The principles of section 2.46 of the Framework state that the health board is '*...responsible for ensuring consistency in the application of the Continuing NHS Healthcare National Framework...*'. Review of the NCCD for the sampled service groups noted that processes for assessments, approvals and input onto the NCCD

are not consistently applied either – also refer to audit objective 5. There is disparity in the processes followed between each of the Service Groups ((1) Mental Health and Learning Disabilities (2) Primary Community Services (3) Children and Young people – the latter of which we have not reviewed. See **MA2**.

Conclusion:

2.19 Roles and responsibilities for key individuals that deal with CHC at the health board are established. The service groups have good processes in place including scrutiny panels, and additional panels for high-cost cases, but they tend to work in silos. However, our testing has identified that compliance with these processes was not consistently achieved. Further, there is no overarching health board CHC lead providing oversight and monitoring. Accordingly, we assign this objective **limited** assurance.

Audit objective 3: Arrangements are in place to ensure CHC is appropriately commissioned and the health board is complying with processes jointly agreed with Local Authorities.

2.20 As per para 2.4, policies and procedures outlining the processes to be followed for CHC were not in place at the health board. Accordingly, the health board is reliant on employees applying the National Framework. **See MA1**. In addition, as noted in para 1.4 above, given the growth volume and costs associated with CHC, a baseline assessment of the strategic commissioning framework for the health board was undertaken in August 2022. A further review on the Commissioning of Continuing Healthcare is also currently underway at the health board.

2.21 The Local Authority¹ in partnership with the health board has a regional contract in place with providers for arrangements where Funded Nursing Care (FNC) is applicable; and cases are jointly funded. The Local Authority is the lead commissioner for patients who are not deemed eligible for CHC funding. For these patients, the Local Authority pay the residential element, and the health board pay for nursing care. This information is outlined at the NCCD for relevant packages of care for monitoring purposes.

2.22 Where an individual has been assessed as requiring an enhanced level of care, the health board commissions from specialist providers. These cases are typically not jointly funded as they are complex by nature and there is, therefore, a clear health need. No one case is the same. The same process is followed for all such placements, i.e. the provider confirms they can meet the individuals' needs and once funding has been agreed the individual will transfer to the relevant provider, provided they have capacity. An individual placement agreement within the context of the regional contract is put in place.

2.23 We recognise that for high-cost cases there is a paucity of provision within the locality. This situation may contribute to increasing costs and delays noting the lack of alternatives locally. We understand, from our testing of packages, that the health board's highest cost package relates to the provision of care for an individual with a

¹ The health board engages with both Swansea and Neath Port Talbot Local Authorities.

service provider located outside of Wales - however, there was no evidence of this issue being discussed at Performance and Finance Committee. **See MA4.** We note that there are wider issues regarding commissioning, such as lack of resources within the health board as a whole.

2.24 Management confirmed that for select Mental Health and Learning Disabilities cases, the Commissioning Care Assurance and Performance System (CCAPS) will be reviewed prior to placement. This system (or framework) is managed by the National Collaborative Commissioning Unit (NCCU) (which is hosted by Cwm Taf Morgannwg UHB) and is accessible pan NHS Wales. CCAPS only captures cases and placements made with suppliers who are registered on this system. The system shares intelligence on those care providers that are registered (noting that not all from the Swansea/Neath Port Talbot localities are registered and registration is not mandatory), matches the care setting to the patient / resident needs; provides information about the care settings quality; evidences the care received and the associated costs incurred; and empowers the commissioner decision and emails notifications to care coordinators and commissioners when recorded by providers. From a user point of view, this system appears easy to navigate and reports can be easily generated.

2.25 We were advised that a small amount of Mental Health and Learning Disabilities packages (circa 20 of 47 Mental Health cases, and 5 of 116 Learning Disabilities cases respectively) were currently recorded on CCAPs by the health board for management and monitoring purposes. One from each has been included in our sample of CHC cases reviewed. Management advised that there are a number of issues relating to CCAPs:

- The reluctance of specialist providers to be included on the framework, which has been raised with the national leads for CCAPs;
- The reluctance by the Local Authority to use CCAPs on jointly funded cases, as they may have preferable rates on their own framework; and
- The health board's finance teams do not have access to the system, and are therefore unable to check and reconcile financial information. In addition, invoices are not maintained on CCAPs.

2.26 Challenges regarding the commissioning processes have recently been reported (March 2023) at the Mental Health and Learning Disabilities monthly updates to both the Service Groups' Weekly Business meeting and Management Board. In respect of performance activity, the following was reported:

The issues that are new and remain relevant in terms of performance activity include:

The composition of the commissioning team in terms of levels of sickness, vacancies, retirement and added demand on existing workforce

Trying to secure placements with low secure providers, who it appears have become increasingly selective in terms of people they are willing to accept.

Consequently, staff are having to look at the off-framework providers which is very time consuming. See MA4.

- 2.27 During audit testing we determined that two of the Mental Health packages sampled were commissioned from the CCAPS framework (All Wales Framework). The remaining three packages were placed with providers outside the framework. We have not reviewed the health board's arrangements to undertake due diligence checks on these 'other' providers as part of our audit. Noting the limited number of providers within the health board area, we were informed by management that the same pool of providers are typically used. We understand that any performance issues relating to those providers not included on the CCAPS framework would be discussed at service group meetings.
- 2.28 Although the Framework states that health boards and local authorities should have an integrated approach to the commissioning of residential and nursing home care, management advised that disputes in respect of the eligibility of cases for CHC care can arise. However, they are infrequent and, as per para 2.5, a protocol to manage disputes has been developed by the West Glamorgan Partnership Board. However, this is only applicable to the Primary Community and Therapies Services Group. A dispute process covering Mental Health and Learning Disabilities is also in operation.
- 2.29 We were advised that the Primary Community and Therapies services / long term care team has taken a pragmatic approach where they would consider the discharge, recovery and assessment of each patient. A joint funding arrangement is typically agreed following the outcome of this discussion / negotiation between Long Term Care and the Local Authority; pending further assessment in the community. An alternative dispute process has been in place for Mental Health and Learning Disabilities cases since the Covid 19 pandemic.
- 2.30 In the last 12 months we were informed that there have been six Mental Health and Learning Disabilities cases managed under the disputes process. Management advised that typically disputes relate to the fact that the Local Authority (LA) does not accept the outcome of an assessment (e.g. the LA believes there is a health need and requires a level of contribution to meet that health need if it is not able to be met from core health services). There was an interim funding agreement allocation in place between the health board and both LA's (25% health: 75% LA) but management acknowledge the agreement was never acted upon during the course of the year. The LA's rescinded this in March 2023 and there was no agreement in place at the date of audit fieldwork to fund cases in dispute jointly. Executives in all three organisations are due to meet in the short term to try to establish an agreement. See **MA5**.

Conclusion:

- 2.31 We recognise there are limitations to the health board in respect of options for care home providers, particularly for those patients presenting with complex care needs. Following the initial baseline assessment, a further Commissioning Continuing Healthcare review is also underway at the health board. Whilst there are no policies or procedures covering commissioning requirements (as per **MA1**) there are established operational processes that appear to be followed consistently. Due to

the limited number of providers, the health board has to consider providers on a case-by-case basis which is time consuming. The patient remains within the acute setting until an appropriate placement is sourced. We also recognise that the health board needs to establish a new agreement with the Local Authorities in respect of the funding allocations when dealing with disputes for Mental Health and Learning Disabilities packages. We have assessed **reasonable** assurance in this area noting the challenges that the health board faces and the low number of disputes that have arisen.

Audit objective 4: Where CHC funding has been approved, the agreed process has been followed including adherence to relevant Financial Control Procedures and the health board's Scheme of Delegation.

- 2.32 Once patient consent has been gained to proceed with an eligibility assessment, the multi-disciplinary teams (MDTs) undertake the assessment to determine if there is a primary health need for each patient. As detailed in audit objective 2, scrutiny panels are also held.
- 2.33 In accordance with section 4.17 of the Framework, *'The DST that accompanies this Framework is designed to support the decision-making process. The tool must only be used following a comprehensive assessment of an individual's care needs'*.
- 2.34 Typically, requests for funding of Mental Health packages / placements come from the clinical team, but not necessarily for CHC funding via a DST as they would not meet the criteria for CHC under the framework. The majority of these cases will be covered by the agreed funding arrangements under section 117 aftercare, or via the agreed funding arrangements in place for residential care. Both of these funding split arrangements have been in place historically. This process differed from the process for Learning Disabilities and Primary Community and Therapies services / elderly and frail as outlined in para 2.32, but is in line with the requirements of the Framework. We considered that the process for dealing with Mental Health packages could be usefully outlined in a health board policy / procedure, to clarify how this is dealt with. See **MA1**.
- 2.35 Management advised that this process is applied as, typically, Mental Health patients who are already in an acute setting when eligibility for CHC is considered. It may be that these patients cannot be moved to a community setting just for the purposes of an assessment - as per section 2.21 of the Framework *'... an assessment of eligibility for CHC that takes place in an acute hospital might not accurately reflect an individual's longer-term needs'*. This highlights the complexities involved in determining the patients' eligibility for CHC care within this service group.
- 2.36 Section 3.2.2.1 of the FCP states that *'There are agreed operational arrangements in place for the approval of non purchase order (PO) invoices for payment in relation to Continuing Healthcare (CHC), Private Finance Initiative (PFI) and Agency Nurses. In these cases, the decision to commit expenditure by the relevant budget holder is taken at the contract stage, where agreed rates and any other relevant terms are agreed'*. Compliance with the same was noted.

2.37 A number of issues were noted when testing compliance with process (see **MA6** and **Appendix B** for full details of testing):

- Mental Health CHC packages: we sampled five packages and were provided with the original assessment forms that had been approved and signed in accordance with the scheme of delegation for three of the five applications. We were not provided with evidence of the completed DSTs and the panel minutes confirming approval of the original application for any of the packages.
- Learning Disabilities CHC packages: we sampled five packages but we were not provided with any of the original eligibility assessments. We were advised that this team was merged with the Mental Health Directorate in 2016 and their files were held on floppy disks which cannot be located. We were provided with a DST for one case and panel minutes for three cases. However, we were provided with all of the final, signed approvals for the cases.
- Primary, Community & Therapies Services (Elderly and Frail) packages: we sampled five packages and found that each stage of the assessment process had been completed in line with the requirements of the Framework, except for the original assessment, DST and panel minutes for one of the five cases reviewed².

Conclusion:

2.38 There was a lack of evidence to confirm that all applications adhered to the health board's scheme of delegation and financial control procedures for the sample of CHC packages tested (see Appendix B). Noting the lack of health board procedures (see **MA1**) confirming the disparate practices for each service group and noting the lack of oversight for CHC at the health board, we have provided **limited** assurance.

Audit objective 5: Where there are new cases, or where there have been changes to care packages or funding of existing cases, the National Complex Case Database is accurately updated in a timely manner.

2.39 The NCCD allows the administration function of each service group to enter, monitor and process CHC and Funded Nursing Care (FNC) applications and care packages. The database also captures joint funding arrangements in place with local authority partners alongside CHC related activities and costs.

2.40 Management advised, and this was further confirmed through testing undertaken, that the NCCD does have known limitations. It does not provide a time trail of when information has been input or updated; and that generation of reports is not easy, with 'work arounds' often required to ensure that reports are comprehensive.

2.41 To mitigate these limitations, records of CHC cases are also maintained locally on SharePoint and a shared drive for each Service Group. These mirror the information held on the NCCD in addition to other key information including invoices and review

² This related to an historical case from 2014 when CHC was managed by localities. Records from 2017 were available.

reports for each case. Whilst this is inefficient, we acknowledge the limitations of the NCCD and therefore no recommendation is raised at this report.

2.42 Changes to packages may occur following review. Once a CHC package has been approved, it is initially reviewed after 3 months, and at least annually thereafter (as required by the Framework). Typically, the review should follow the format of an assessment, consider all the services received by the individual; and focus on whether these plans remain appropriate to meet the person's needs.

2.43 If an individual's needs change, a review is initiated in order to establish current care needs and appropriate funding stream. It is noted that high-cost cases are reviewed every 3 months as standard. We found a number of issues from our testing (please refer to 2.44). However, noting that there is no time stamp / audit trail of when changes have been made at the NCCD we cannot determine that all changes have been processed in a timely manner.

2.44 We reviewed the NCCD, and associated evidence, to confirm completeness and timeliness of update (however we have not tested whether the original review was completed in a timely manner for each package as this information is not available on the system):

- Reviews were overdue for two of the five Learning Disabilities packages (one review was due in June 2022 from the information on NCCD), see **MA7**;
- Reviews were overdue for four of the five Mental Health packages (one review was due in August 2022 from the information on NCCD), see **MA7**. We also noted that although one of the five Mental Health packages was not due a review (according to the information on NCCD), we were not provided with evidence of the last review having taken place. See **MA7**;
- A review was overdue for one of the five Primary Community and Therapies services / elderly and frail packages which was a legacy package dating back many years (the last review for this package was dated July 2021) Reviews were not held for two of the packages noting that they were Out of Panel (fast track cases) where the patient passed away within a short period of time, and so a review was not applicable. See **MA7**.

2.45 We were advised that, in some instances, details of the reviews are only reported to the scrutiny and complex care panels by exception, i.e. when the review results in changes to the package. We were further advised that completed and outstanding reviews for Primary Community and Therapies services are also reported in a monthly meeting with the Nurse Director, however we considered that routine monitoring of reviews should be undertaken to ensure that these are completed in a timely manner. See **MA7**.

Conclusion:

2.46 Key dates and metrics associated with care packages are recorded within the NCCD and updated to reflect any changes to the package structure. Information regarding the case review process is stored separately on local drives. Noting that a number of reviews were outstanding (seven reviews of the packages tested; and we were

not provided with evidence of the most recent review for one of the Mental Health packages sampled) which potentially has an impact on patient care, changes to payments, and / or receipt of refunds should there be a step down of care provision; and acknowledging the limitations with the NCCD, we have concluded **limited** assurance for this objective.

Audit objective 6: Invoices identified as not reconciling to the National Complex Case Database are investigated in a timely manner. Analysis of queried invoices is undertaken to identify trends and potential training requirements.

- 2.47 *Financial Control Procedure (FCP) 14 Non-Pay Expenditure* outlines the process by which all health board invoices and schedules may be processed for payment, and their details recorded for governance purposes.
- 2.48A walkthrough test was performed for the sample of five primary community services / elderly and frail care packages, ensuring the information had been processed through the NCCD. The walkthrough was completed successfully for each sample, concluding no differences between the invoice / schedule and the agreed care package. Management confirmed that should a query arise, when comparing to supporting documentation retained, a spreadsheet is maintained to capture details of the invoice, incorrect costs and other relevant information for further investigation.
- 2.49 Invoices are not received by Mental Health and Learning Disabilities CHC packages. Rather, costs per week are captured within the NCCD along with the standard contract information. Spreadsheets are maintained for all Mental Health and Learning Disabilities packages and the finance team reconciles this information against the information held on the NCCD. Both the NCCD and supporting spreadsheets are updated as and when changes to packages arise. For our sample reviewed, all weekly costs reconciled appropriately.
- 2.50 We were advised by the finance officers that typically queries arise for invoices where the package is new, or has changed, and there has been a delay in communicating this. If the finance officer has a query, the commissioning team would be contacted to confirm the details of the invoice or if there is no issue here, the supplier would be contacted directly to investigate further. A separate spreadsheet and folder are maintained of 'queried invoices'.
- 2.51 There was no evidence to support routine analysis/reporting of queried invoices which may identify trends and/or potential training requirements. See **MA8**.
- 2.52 From a review of the spreadsheet of queried invoices, it is noted that certain providers have overcharged for patients over a number of consecutive months. Whilst we recognise that the established review processes identified this, resulting in queries being raised, such information could be reported and used as a performance tool for those providers. See **MA8**.

Conclusion:

2.53 Appropriate arrangements are in place to ensure that invoices received from care providers are reconciled against the associated care package, with queries raised as applicable. However, analysis and reporting of such was not routinely undertaken and formally reported to inform the health board of any trends / training requirements. As a result, **reasonable** assurance has been provided.

Audit objective 7: Periodic reports on CHC are produced and submitted to management and appropriate groups for monitoring purposes.

2.54 There are monthly meetings within the Primary Community and Therapies services / elderly and frail service group including the Head of Nursing, the Group Nurse Director and finance representatives. Performance (e.g. if any care homes are in performance measures), case reviews and budgets are discussed.

2.55 A paper on Primary Community and Therapies services / elderly and frail also goes to Management Board on a quarterly basis.

2.56 For Mental Health and Learning Disabilities, there are weekly business meetings and monthly service group boards (which is equivalent to a Management Board) where an update is provided on CHC, including CHC trends / demands, recent developments, progress and next steps .

2.57 CHC is a regular feature of the finance update which is a standing agenda item at the Performance and Finance Committee. At the March 2023 meeting, a variance of £9.7M was reported for CHC for 2022/23 (up to month 11).

2.58 At the same meeting, it was reported that:

'One area of the non-pay with significant variance against budget in Months 1-11 is Continuing Healthcare'.

An analysis of actual spend and patient numbers for 2022/23 was provided at the report and is included in Appendix C for information. A total of £57m had been spent by month 11.

2.59 CHC expenditure for 2022/23 totalled £69.47m but the total position in respect of overspend was not reported. See **MA9**.

2.60 One of the difficulties when reviewing the finance information for CHC is how it is presented. The costs are presented under 'general', 'Mental Health' and 'Learning Disabilities' headings. This is confusing noting that the Service Groups are split into (1) Primary Community and Therapies services, (2) Mental Health and Learning Disabilities and (3) Singleton/Neath Port Talbot (which covers Children and Young People). In addition, it is not easy to discern from this, what is included in 'general'. It was evident that Primary Community and Therapies services / elderly and frail, children's services and any other associated CHC costs may be included under this heading. However, it is not very transparent and requires further interrogation to determine and analyse the costs that fall under this heading. See **MA9**.

2.61 Performance is reported at the Performance and Finance Committee on a minimum quarterly basis. These has included escalation of commissioning challenges and performance issues.

2.62 At the time of audit, a Commissioning Continuing Healthcare Review Group was in the process of undertaking a further review, led by the current Assistant Director of Strategy. We are advised that this process was expected to conclude in late May 2023 and will be reported to the Performance and Finance Committee. We have not had sight of the reported findings at the time of audit. The Group continues to review the disparity between the service groups in terms of process and approval and is considering options in relation to the arrangements and approach going forward. A Position Statement on CHC was published following an internal review at the health board by the former Assistant Director of Strategy in August 2022. This process highlighted the differences in processes between the service groups

Conclusion:

2.63 CHC spend is a regular feature within the finance report presented to the Performance and Finance Committee, and we have noted commissioning challenges and performance issues being escalated during the year. Finance reporting arrangements to the Performance and Finance Committee could be more transparent to allow for effective discussion and decision making by the Executive Team. However, we note that regular reporting is in place at service group level. Accordingly, we have assessed **reasonable** assurance in this area.

Appendix A: Management Action Plan

Matter arising 1: Health Board Procedures (Design)

Impact

The health board is required to comply with Continuing Healthcare, The National Framework for Implementation in Wales (the Framework).

Whilst management explained the requirements of the Framework are adhered to, formal, written policies and procedures outlining the processes to be followed for evaluating CHC packages (e.g. undertaking assessments and the approval process by panel) are not in place at a local level and across the whole of the health board. This is contrary to other NHS Wales organisations where audit reviews have confirmed that internal processes, procedures and flowcharts are in place in accordance with the requirements of the Framework.

We acknowledge, however, that there are several policies / procedures in place that link to CHC including Financial Control Procedure (FCP) 14: non-pay expenditure (see audit objective 6). However, we note that it required review in 2020/21.

Potential risk of:

- Non-compliance with the requirements of the framework which may result in penalties being incurred.

Recommendations

Priority

- 1.1 The health board should develop formal procedures clarifying how its service groups will meet the Framework requirements for CHC cases.
- 1.2 FCP 14: Non-Pay Expenditure should be reviewed and updated.

High

Management response

Target Date

Responsible Officer

- | | | | |
|-----|---|---------------|--|
| 1.1 | Management Board approved engaging the National Commissioning Collaborative Unit (NCCU) to work with the health board to plan the transition to a centralised CHC commissioning model to include clarifying responsibilities of service groups in meeting Framework requirements. | November 2023 | Interim Director of Strategy |
| 1.2 | The review of Financial Control Procedures (FCP) is scheduled for Audit Committee in November. | December 2023 | Director of Finance / Finance Business Partner (MH&LD) / Finance Business Partner (PCTG) |

Matter arising 2: Roles and Responsibilities (Operation)**Impact**

The Framework states that 'Each LHB must identify a named Executive, at director level, who is responsible for monitoring performance and maintaining strategic oversight'. This is not explicitly stated anywhere, noting the lack of a formal policy at the health board, and is contrary to the arrangements noted at other NHS Wales organisations, where officers such as Head of Long Term Care and Lead Nurse for CHC and FNC are named.

We acknowledge that the arrangements for CHC within the service groups for (1) Mental Health and Learning Disabilities and (2) primary community services (PCS) / elderly and frail is well established at the health board. Roles and responsibilities appear to be well understood within each service group, however understanding of the same from one service group to another is not well known. Service groups are working in silos. We acknowledge the structures within service groups noting that there are gaps as a result of individuals that have left since the audit was commissioned, are subject to change pending the outcome of the Commissioning Continuing Healthcare review.

The principles of s2.46 of the Framework state that the health board is '...responsible for ensuring consistency in the application of the Continuing NHS Healthcare National Framework...'. Review of the NCCD for the sampled service groups noted that processes for assessments, approvals and input onto the NCCD are not consistently applied – also refer to audit objective 5. There is disparity in the processes followed between each of the service groups ((1) Mental Health and Learning Disabilities (2) primary community services (3) children and young people – the latter of which we have not reviewed.

Potential risk of:

- Non-compliance with the requirements of the framework which may result in penalties being incurred;
- Inefficient processes which may lead to inconsistent application of the Framework resulting in delays and poor patient experience.

Recommendations**Priority**

- 2.1 The health board should review its current structure to consider the appropriateness of arrangements for strategic oversight for CHC.
- 2.2 The health board should review its processes and procedures at service group level to consider where efficiencies can be made and processes streamlined, whilst remaining compliant with the National Framework.
- 2.3 Service groups should consider collaborating to understand the wider challenges in terms of CHC issues at the health board.

High

Management response	Target Date	Responsible Officer
2.1 The NCCU scope to work with the health board to plan the transition to a centralised CHC commissioning model includes review of strategic oversight structures.	November 2023	Interim Director of Strategy
2.2 The health board have engaged the National Collaborative Commissioning Unit (NCCU) to support improvements to its Continuing Healthcare (CHC) and Complex Care (CC) commissioning arrangements. Work around streamlining procedures and policies will feature as part of those developments.	January 2023	Service Group Director (PCTG) / Service Group Director (MH&LD)
2.3 The NCCU have supported the engagement with other service groups and as a result workstreams which include coproduction of procedures and policies are being taken forward through this work.	November 2023	Service Group Director (PCTG) / Service Group Director (MH&LD)

Matter arising 3: Scrutiny Panel Terms of Reference (Operation)**Impact**

Once an application is assessed as being eligible for CHC within the Primary Community and Therapies services / elderly and frail service group, it is referred to the scrutiny panel (held weekly) for quality assurance. As outlined in the terms of reference (which were due for review in March 2023) the scrutiny panel reviews the process completed, and the evidence presented to support the application for CHC funding. Should the scrutiny panel not agree with the proposal supported by the MDT, it will refer the application back to them for further review of the case and/or provision of further evidence.

Conversely, the scrutiny panel within the Mental Health and Learning Disabilities service group does not review the DST. The mitigating control is that a quality control check is undertaken by the Complex Care Team to ensure that there is evidence to meet the outcome of the DST meeting.

Mental Health and Learning Disabilities scrutiny panels are held twice monthly. Terms of reference are in place for this panel, but there is no date for review. Cases that are approved at scrutiny panel are forwarded to the Complex Case Panel for final approval. There are current terms of reference in place for this latter panel. It is noted that both panels include representatives from the Local Authority.

Potential risk of:

- Inconsistent practices at scrutiny panel level which may result in non-compliance with the framework requirements.

Recommendations**Priority**

- 3.1 Terms of reference for the Primary Community and Therapies scrutiny panel shall be reviewed and updated.
- 3.2 A review date shall be included at the terms of reference for the Mental Health and Learning Disabilities scrutiny panel.

Low

Management response**Target Date****Responsible Officer**

- 3.1 The terms of reference are being reviewed in line with the recommendations received from the NCCU. December 2023 Service Group Director (PCTG) / Service Group Director (MH&LD)
- 3.2 The current terms of reference for mental health and learning disabilities will have a review date added and then take into consideration any outcomes from NCCU review. December 2023 Service Group Director (MH&LD)

Matter arising 4: Commissioning challenges (Operation)**Impact**

As noted under para 1.4 above, given the growth volume and costs associated with CHC, a baseline assessment of the strategic commissioning framework for the health board was undertaken in August 2022. A further review on the Commissioning of Continuing Healthcare is also currently underway at the health board.

We recognise that for high-cost cases there is a paucity of provision within the locality. This situation may contribute to increasing costs and delays noting the lack of alternatives locally. We understand from our testing of packages that the health board's highest cost package relates to the provision of care for the individual with a service provider located outside of Wales - however, there was no evidence of this issue being discussed at Performance and Finance Committee. We note that there are wider issues regarding commissioning such as lack of commissioning resources and ability within the health board as a whole for example.

Challenges regarding the commissioning processes have recently been reported (March 2023) at the Mental Health and Learning Disabilities monthly updates to both the Service Groups' Weekly Business meeting and Management Board. In respect of performance activity, the following was reported:

The issues that are new and remain relevant in terms of performance activity include:

- *The composition of the commissioning team in terms of levels of sickness, vacancies, retirement and added demand on existing workforce.*
- *Trying to secure placements with low secure providers, who it appears have become increasingly selective in terms of people they are willing to accept. Consequently, staff are having to look at the off framework providers which is very time consuming.*

The Continuing Healthcare / Continuing Care Position Statement (August 2022) echoed the challenges with commissioning at the health board. As noted in para 2.10, a Commissioning Continuing Healthcare review is also underway at the health board.

Potential risk of:

- Value for money may not be gained as a result of limited provider options.

Recommendations**Priority**

- 4.1 The actions being taken to address the challenges around commissioning of CHC packages shall continue to be monitored and managed to ensure that value for money is being gained and efficiencies can be sought where possible.

Medium

Management response	Target Date	Responsible Officer
4.1 The service groups will engage with the NCCU to produce a health board wide commissioning approach to CHC packages of care.	November 2023	Service Group Director (PCTG) / Service Group Director (MH&LD)

Matter arising 5: Funding Allocation Agreement: Mental Health and Learning Disabilities Care Packages Disputes (Operation)

Impact

In the last 12 months we were informed that there have been six Mental Health and Learning Disabilities cases managed under the disputes process. Management are advised that typically disputes relate to the fact that the Local Authority does not accept the outcome of an assessment (e.g. the Local Authority believes there is a health need and requires a level of contribution to meet that health need if it is not able to be met from core health services). There was an interim funding allocation agreement in place between the health board and both LAs (25% health: 75% LA). The LAs rescinded this in March 2023, and there was no agreement in place at the date of audit fieldwork to fund cases in dispute jointly. Executives in all three organisations are due to meet within the coming weeks to try to establish an agreement.

Potential risk of:

- Non-compliance with the requirements of the framework which may result in penalties being incurred; and
- Poor patient experience as a result of delayed care until disputes are resolved.

Recommendations

Priority

5.1 The health board comes to an agreement with Local Authorities to fund Mental Health and Learning Disabilities care packages in dispute jointly.

Medium

Management response

Target Date

Responsible Officer

5.1 The health board is continuing to work with the Local Authority Directors to agree an appropriate funding arrangement for all cases, not just disputed cases.

March 2024

Associate Service Group Director (MH&LD) / Service Group Director (MH&LD)

Matter arising 6: Compliance with the Framework (Operation)**Impact**

A number of issues were noted when testing compliance with process (see Appendix B for full details of testing):

- Mental Health CHC packages: we sampled five packages and were provided with the original assessment forms that had been approved and signed in accordance with the scheme of delegation for three of the five applications. We were not provided with evidence of the completed DSTs and the panel minutes confirming approval of the original applications for any of the packages.
- Learning Disabilities CHC packages: we sampled five packages, but we were not provided with any of the original eligibility assessments. We were advised that this team was merged with the Mental Health Directorate in 2016 and their files were held on floppy disks which cannot be located. We were provided with a DST for one case and panel minutes for three cases. However, we were provided with all of the final, signed approvals for the cases.
- Primary, Community & Therapies Services (Elderly and Frail packages): we sampled five packages and we found that each stage of the assessment process had been completed in line with the requirements of the Framework, except for the original assessment, DST and panel minutes for one of the five cases reviewed.

Potential risk of:

- Non-compliance with the requirements of the framework which may result in penalties being incurred; and
- Poor patient experience which could result in harm to patients and staff.

Recommendations**Priority**

- 6.1 The service groups should comply with the requirements of the Framework during the assessment process of all CHC eligibility applications.

High

Management response**Target Date****Responsible Officer**

- 6.1 All PCTG cases had evidence of compliance with the appropriate assessment, bar one historical case (2016) that predated the Health Board's current structures. PCTG review of processes will be in line with the recommendations set out in the NCCU.

September 2023

Service Group Director (PCTG) /
Service Group Director (MH&LD)

There is a structured process in place within the MH and LD Service group in relation to assessing CHC eligibility with a jointly agreed checklist completed between the HB and LA's for all requests. Review of processes will be in line with the commitment set out in MA2 to review policies and procedures as part of the NCCU review that has been commissioned.

Matter arising 7: Reviews of Continuing Healthcare Packages (Operation)

Impact

Changes to packages may occur following review. Once a CHC package has been approved, it is initially reviewed after 3 months, and at least annually thereafter (as required by the Framework). Typically, the review should follow the format of an assessment, consider all the services received by the individual; and focus on whether these plans remain appropriate to meet the person's needs.

If an individual's needs change, a review is initiated in order to establish current care needs and appropriate a funding stream. It is noted that high-cost cases are reviewed every 3 months as standard. We found a number of issues from our testing. However, noting that there is no time stamp / audit trail of when changes have been made at the NCCD we cannot determine that all changes have been processed in a timely manner

We reviewed the NCCD, and associated evidence to confirm completeness and timeliness of update (however we have not tested whether the original review was completed in a timely manner for each package as this information is not available on the system):

- Reviews were overdue for two of the five Learning Disabilities packages (one review was due in June 2022 from the information on NCCD) (see Appendix B);
- Reviews were overdue for four of the five Mental Health packages (one review was due in August 2022 from the information on NCCD). We also noted that although one of the five Mental Health packages was not due a review (according to the information on NCCD), we were not provided with evidence of the last review having taken place, (see Appendix B); and
- A review was overdue for one of the five Primary Community and Therapies services / elderly and frail packages which was a legacy package dating back many years (the last review for this package was dated July 2021). Reviews were not held for two of the packages, noting that they were Out of Panel (fast track cases) where the patient passed away within a short period of time, and so a review was not applicable. (See Appendix B).

We were advised that in some instances, details of the reviews are only reported to the scrutiny and complex care panels by exception i.e. when the review results in changes to the package. We were further advised that completed and outstanding reviews for Primary Community and Therapies services are also reported in a monthly meeting with the Nurse Director, however we considered that routine monitoring of reviews should be undertaken to ensure that these are completed in a timely manner.

Potential risk of:

- Non-compliance with the requirements of the framework guidance which may result in penalties being incurred; and
- Poor patient experience which could result in harm to patients and staff.

Recommendations		Priority	
7.1	Routine monitoring of reviews shall be undertaken by service groups to ensure they are undertaken in a timely manner.	High	
Management response	Target Date	Responsible Officer	
7.1	PCTG monitor and report on their review compliance on a monthly basis. This will continue to ensure timely oversight.	Ongoing	Service Group Director (PCTG) / Service Group Director (MH&LD)
	MH and LD have created a new post from September 2023 that will enhance the team further to be able to complete the statutory review on all commissioned cases.	October 2023	

Matter arising 8: Analysis and Reporting of Queried Invoices (Design)**Impact**

There was no evidence to support routine analysis / reporting of queried invoices which may identify trends and / or potential training requirements.

From a review of the spreadsheet of queried invoices it is noted that certain providers have overcharged for patients over a number of consecutive months. Whilst we recognise that the established review processes have identified this resulting in queries being raised; such information could be reported and used as a performance tool for those providers.

Potential risk of:

- Financial loss due to inability to adequately forecast CHC costs; and
- Missed opportunities to utilise funds elsewhere where management information is not available.

Recommendations**Priority**

- 8.1 Finance shall consider developing formal output / a report based on the queried invoices schedule to enhance the finance and performance information that is already available.

Medium

Management response**Target Date****Responsible Officer**

- 8.1 Finance will review the queried invoice schedule information and develop a report to aid performance management. This will be taken to the respective Groups' CHC management meetings.

September 2023

Director of Finance / Finance Business Partner (MH&LD) / Finance Business Partner (PCTG)

Matter arising 9: Reporting (Operation)**Impact**

CHC is a regular feature of the finance update which is a standing agenda item at the Performance and Finance Committee. At the March 2023 meeting, a variance of £9.7M was reported for CHC for 2022-23 (up to month 11).

At the same meeting, it was reported that:

'One area of the non-pay with significant variance against budget in Months 1-11 is Continuing Healthcare'. An analysis of actual spend and patient numbers for 2022/23 was provided at the report and is included in Appendix B for information. A total of £57m had been spent by month 11.

CHC expenditure for 2022/23 totalled £69.47m but the total position in respect of overspend was not reported.

One of the difficulties when reviewing the finance information for CHC is how its presented. The costs are presented under 'general', 'Mental Health' and 'Learning Disabilities' headings. This is confusing noting that the service groups are split into (1) Primary Community and Therapies services, (2) Mental Health and Learning Disabilities and (3) Singleton NPT (which covers Children and Young People). In addition, it is not easy to discern from this, what is included in 'general'. It was evident that Primary Community and Therapies services / elderly and frail, children's and young people's services and any other associated CHC costs may be included under this heading. However, it is not very transparent and requires further interrogation to determine and analyse the costs that fall under this heading.

Potential risk of:

- Financial loss due to inability to adequately forecast CHC costs; and
- Missed opportunities to utilise funds elsewhere where management information is not available.

Recommendations**Priority**

9.1 The health board should consider its reporting of CHC finance information at the Performance and Finance Committee to enhance transparency.

Medium

Management response**Target Date****Responsible Officer**

9.1 The CHC information contained within the monthly Performance and Finance Committee report has been reviewed and will be amended for the June 2023 report onwards. The "general" will be re-labelled as this represents the CHC costs that fall within the Primary Community and Therapies Group only. The Singleton NPT element (which covers Children and Young People) is not included in the non pay analysis as it is provided internally.

July 2023

Director of Finance / Finance Business Partner (MH&LD) / Finance Business Partner (PCTG)

Appendix B: Audit Testing

Service Group	No of Cases Tested	Assessments Evidenced	DSTs Evidenced	Panel Minutes Evidenced	Approvals Evidenced	Reviews undertaken
Mental Health	5	3 of 5	0 ¹ of 5	0 ² of 5	5 of 5	1 ³ of 5
Learning Disabilities	5	0 ⁴ of 5	1 of 5	3 of 5	5 of 5	3 of 5
Primary Community Services	5	4 of 5	5 of 5	4 of 5	5 of 5	2 ⁵ of 5

¹We are advised that Mental Health patients typically present whilst in acute settings and the National Framework requires that DSTs are not undertaken in an acute setting.

²We were not provided with panel minutes for any of the cases tested.

³Reviews were overdue for four of the five Mental Health packages tested. For the remaining Mental Health care package, whilst recorded as completed on NCCD evidence of this was not provided.

⁴We were not provided with any of the original assessments for the Learning Disabilities cases sampled. We were advised that some historic information was maintained on floppy disks which cannot be located.

⁵ A review for one case was overdue with the last review evidenced dating July 2021. Reviews were not relevant for 2 of the 5 cases noting that they were fast track / OOP (Outside of Panel) cases.

Appendix C: Continuing Healthcare Breakdown 2022/23

Service Area	General		Mental Health		Learning Disabilities		Total	
	Patient No.	£	Patient No.	£	Patient No.	£	Patient No.	£
Mth 1	357	1,947,177	182	1,120,588	197	1,774,467	736	4,842,232
Mth 2	352	2,135,283	182	1,187,727	196	1,805,067	730	5,128,078
Mth 3	364	2,101,956	182	734,588	196	1,630,935	742	4,467,480
Mth 4	364	2,118,112	186	1,121,814	195	1,818,387	745	5,058,314
Mth 5	359	2,206,096	187	1,230,746	195	1,822,278	741	5,259,120
Mth 6	363	2,207,998	190	1,245,448	195	1,899,799	748	5,353,246
Mth 7	378	2,316,074	194	1,275,215	196	1,603,363	768	5,194,652
Mth 8	380	2,320,729	195	1,328,834	196	1,684,113	771	5,333,677
Mth 9	379	2,679,235	194	1,177,666	196	1,961,716	769	5,818,618
Mth 10	377	2,371,729	203	1,372,568	192	1,925,712	772	5,670,009
Mth 11	363	2,073,256	200	1,142,462	200	1,738,678	763	4,954,396
Total		24,477,647		12,937,657		19,664,517		57,079,820

Appendix D: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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