

Governance Arrangements Final Internal Audit Report February 2022

Emergency Ambulance Services Committee



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Executive Summary

Purpose

The objective of the audit was to evaluate and determine the adequacy of the governance arrangements in place in EASC.

Overview

The matters requiring management attention include:

- A number of actions need to be taken to ensure the organisation is fully compliant with the model Standing Orders for NHS Wales bodies.
- Attendance at Joint Committee and sub-committee meetings is variable with some members attending only a limited number of meetings, or none at all.
- Further work is required to obtain Declarations of Interest from everyone who should provide them.

Other recommendations / advisory points are within the detail of the report.

Report Classification

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Assurance objectives	Assurance
1 The governance framework is subject to periodic and appropriate review.	Reasonable
2 The Joint Committee is operating in accordance with regulations.	Substantial
3 Appropriate sub-committees and groups are in place and operating effectively.	Substantial
4 A Joint Committee approved scheme of delegation is in place.	Reasonable
5 A suitable mechanism is in place for declarations of interest and offers of gifts and hospitality.	Reasonable
6 The Joint Committee and sub-committees review their own operations and performance through periodic self-assessments.	Substantial
7 Appropriate mechanisms for monitoring and reporting performance metrics are in place.	Substantial
8 The Joint Committee provides clear and timely updates to Local Health Boards.	Substantial

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

Key Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Implementation of updated Standing Orders	1, 4	Operation	Medium
2	Attendance at Joint Committee and sub-committee meetings	2, 3, 8	Operation	Medium
3	Declarations of Interest	5	Operation	Medium

1. Introduction

- 1.1 A review of the governance arrangements within the Emergency Ambulance Services Committee (EASC) was carried out as part of the 2021/22 Internal Audit Plan for Cwm Taf Morgannwg University Health Board (the 'Health Board').
- 1.2 EASC was established on the 1 April 2014 and is hosted by Cwm Taf Morgannwg University Health Board. It is a statutory joint committee of the seven local health boards, with three Welsh NHS trusts as associate members. EASC is responsible for the joint planning and commissioning of emergency ambulance services across Wales, including the Emergency Medical Retrieval & Transfer Service and the commissioning of non-emergency patient transport. EASC acts on behalf of the health boards in holding WAST to account as the provider of emergency ambulance services.
- 1.3 As a hosted body of the Health Board, EASC's governance arrangements are set out in the 'Joint Committee Arrangements' of the Health Board's Standing Orders (SOs). The EASC SOs are a schedule to each local health board's own SOs and along with a Scheme of Delegation and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Joint Committee. During summer 2019, EASC introduced a new management group that has replaced the two groups that were previously in operation.
- 1.4 The relevant lead for this audit review is the Chief Ambulance Services Commissioner.
- 1.5 The potential risks considered in the review were as follows:
 - Governance arrangements are not properly discharged if there is non-compliance with legislative requirements.
 - Inappropriate decisions made by committees or individuals where responsibilities are not defined and documented.
 - Lack of transparency in decisions made if appropriate records are not maintained.
 - Areas of poor performance are not identified and addressed.

2. Detailed Audit Findings

Objective 1: The governance framework is subject to periodic and appropriate review.

- 2.1 In April 2021 Welsh Government issued revised Model Standing Orders for NHS bodies to adopt. Standing Orders regulates the governance framework within which the organisation operates. EASC's adoption of the updated Standing Orders was approved at the Joint Committee meeting in July 2021 and taken to the Audit and Risk Committee in October 2021 for noting.
- 2.2 Part of the report taken to the Audit and Risk Committee was an action log outlining a list of areas that EASC needed to undertake further work on to become fully compliant with the adopted Standing Orders. Our review of an updated action log

shows a number of actions remain outstanding, including areas such as reviewing the Schedule of Powers, Scheme of Delegation and Standing Financial Instructions. We acknowledge that the absence of the Committee Secretary / Assistant Director Corporate will have had an impact on the progress of the outstanding actions and reporting back to Audit and Risk Committee. **(Matter Arising 1)**

Conclusion:

- 2.3 The governance framework has recently been subject to periodic and appropriate review. However, a number of matters are not yet complete. (Reasonable Assurance)

Objective 2: The Joint Committee is operating in accordance with regulations and meetings are being held with the correct frequency, composition and membership. Timely minutes are prepared from each meeting capturing relevant approvals and actions.

- 2.4 A Chair, Vice-Chair, members and associate members are in place for the Joint Committee, whose appointment complies with the Standing Orders. Regular meetings of the Joint Committee are being held, although one meeting was cancelled due to operational pressures related to the Covid-19 pandemic.
- 2.5 Attendance at meetings is generally good, although attendance by one member and one associate member is poor, with another associate member not attending any of the meetings in the sixteen-month period we reviewed. **(Matter Arising 2)**
- 2.6 Minutes are circulated which record the meetings held and capture relevant approvals and actions.

Conclusion:

- 2.7 The Joint Committee is operating in accordance with regulations, meetings are being held with the correct frequency and timely minutes are prepared which capture approvals and actions. However, while overall attendance is satisfactory, attendance by a small number requires improvement. (Substantial Assurance)

Objective 3: Appropriate sub-committees and groups are in place with any specific powers that have been delegated to them formally approved. The sub-committees and groups each have their own terms of reference and are operating effectively, with timely minutes prepared from each meeting capturing relevant approvals and actions and reporting into the Joint Committee in a timely manner.

- 2.8 Three sub-committees are in place to support the Joint Committee:
- EASC Management Group - responsible for ensuring that the health boards in Wales work jointly to exercise functions relating to the planning and securing of emergency ambulance services.
 - Emergency Medical Retrieval and Transfer Service Delivery Assurance Group (EMRTS DAG) - responsible for the delivery, direction and performance of the EMRTS.

- Non-Emergency Patient Transport Service Delivery Assurance Group (NEPTS DAG) - responsible for implementation of the NEPTS work programmes.
- 2.9 The set-up of these groups is consistent with the Standing Orders which states that EASC may appoint sub-Committees and sub-Groups to undertake specific functions on its behalf, or to provide advice and assurance. Each sub-committee has a terms of reference which clearly specifies the responsibilities delegated to it, and supporting papers, agendas and minutes confirm that they are properly discharging their responsibilities.
- 2.10 Membership of the sub-committees is consistent with their terms of reference, and meetings have been scheduled in accordance with its requirements. However, some meetings have been cancelled due to the impact of the Covid 19-Pandemic. Attendance at the meetings that have been held has been variable, with some members attending only a limited number of meetings or even none at all. **(Matter Arising 2)**
- 2.11 Minutes from each sub-committee are submitted to the Joint Committee for approval at the next available meeting.
- 2.12 At the time of our review, some documents in relation to EASC meetings had not been added to EASC's public website, although they were promptly provided when we requested them. The missing papers have now been uploaded and we understand that a process has now been implemented to prevent this happening again.

Conclusion:

- 2.13 Appropriate sub-committees are in place with specific responsibilities and established terms of reference. They are operating effectively, with timely minutes capturing approvals and actions, and they report into the Joint Committee in a timely manner. Similar to the Joint Committee, there are some gaps in attendance by members at meetings. (Substantial Assurance)

Objective 4: A Joint Committee approved scheme of delegation is in place documenting responsibilities delegated to individual officers.

- 2.14 As noted above in Objective 1, when EASC's Standing Orders were updated and reported to the Audit and Risk Committee in October 2021, it was recorded that action in connection with a number of matters, including updating the Standing Financial Instructions and Scheme of Delegation, was not complete. This was still the case at the time of our review. **(Matter Arising 1)**
- 2.15 However, we understand that draft Standing Financial Instructions were endorsed at the October 2021 meeting of the EASC Management Group and these will be taken to the next EASC Committee meeting for formal approval. Due to the timing of our fieldwork, we have not seen the supporting papers to confirm this.

Conclusion:

- 2.16 While the scheme of delegation was in draft at the time of our fieldwork, we understand that this is scheduled for approval at the next Committee meeting,

although we have not had sight of the supporting papers to confirm this. (Reasonable Assurance).

Objective 5: A suitable mechanism is in place to capture declarations of interest and offers of gifts and hospitality.

- 2.17 EASC has adopted the Health Board's Standards of Behaviour policy. Declarations of Interests (DOI) are requested from all members of the four key groups that operate within EASC, plus any of EASC's own staff where needed. The declarations received are retained in a register. Our review of the register identified a small number of individuals who have not made a declaration. **(Matter Arising 3)**
- 2.18 Our review of minutes has identified that at the start of the Joint Committee, EASC Management Group, and NEPTS sub-committee meetings, members are asked if they have any additional declarations to make. This practice is not in place for the EMRTS sub-committee.
- 2.19 We have been informed that no gifts and hospitality declarations have been made, although we have not seen the gifts and hospitality register to confirm this.

Conclusion:

- 2.20 Overall, a suitable mechanism is in place to capture declarations of interest, although some improvements are required to address completeness of the information. (Reasonable Assurance)

Objective 6: The Joint Committee and sub-committees review their own operations and performance through periodic self-assessments.

- 2.21 As part of its annual review of 2020/21, the Joint Committee, and each of the three sub-committees, have undertaken a self-assessment effectiveness survey whose purpose is to evaluate the performance and effectiveness of the Committee or sub-group, the quality of the reports presented to it, and the support received from the Committee Secretariat. It addresses a wide range of criteria which covers composition and administration, effective functioning, compliance with the law and regulations, assurance and questions for consideration.
- 2.22 This was the second year that a collective assessment has been undertaken by the Joint Committee and the Management Group and the first year by the NEPTS and EMRTS sub-committees.
- 2.23 Following the self-assessments, a number of areas were identified for further consideration. In the main, these correlate to the action log of points needed to be implemented to achieve compliance with the Standing Orders.

Conclusion:

- 2.24 The Joint Committee and sub-committees review their own operations and performance annually. Their overall assessments were positive with limited areas for improvement identified. (Substantial Assurance)

Objective 7: Appropriate mechanisms are in place for monitoring and reporting performance metrics, and actions are taken to address any identified issues.

2.25 A range of mechanisms are in place for monitoring and reporting performance metrics, including:

- The Annual Reports of each committee and group which review membership, attendance and the main areas of activity for each year.
- The effectiveness surveys which allow members to evaluate their overall performance and effectiveness against set criteria.
- The EASC Annual Plan, which sets out its expectations and deliverables and Commissioning intentions which includes the strategic priorities and deliverables for each commissioned service.
- Regular Chief Ambulance Services Commissioner (CASC) reports provide updates on key matters related to the work of the CASC including developing commissioning intentions and the annual plan and progress achieved in implementing them.
- The EMRTS and NEPTS sub-committees are dedicated to monitoring the performance of those respective areas.

2.26 There is escalation for appropriate NEPTS and EMRTS matters through to the EASC Management Group, and there is further escalation up to EASC Joint Committee where needed.

Conclusion:

2.27 Appropriate mechanisms are in place for monitoring and reporting performance metrics, and actions are taken to address any identified issues. (Substantial Assurance)

Objective 8: The Joint Committee provides clear and timely updates to Local Health Boards.

2.28 Minutes are circulated to the Local Health Boards, via members of the Joint Committee, in a timely manner which record the Joint Committee meetings held and capture relevant approvals and actions, including approval of the sub-committee minutes provided. However, as noted under Objective 2, attendance at meetings by one Local Health Board is poor, which may have impacted on the timely and consistent flow of information.

2.29 The Chair's summary is also prepared and circulated following each meeting of the EASC Committee which provides each Health Board with a summary of the key matters including achievements and progress considered by the Committee, any related decisions made and matters requiring Board level consideration and/or approval.

Conclusion:

2.30 The Joint Committee has appropriate procedures in place to provide clear and timely updates to Local Health Boards. However, attendance at meetings by one Local Health Board is poor and so this will impact its timely and consistent flow of information. (Substantial Assurance)

Appendix A: Management Action Plan

Matter Arising 1: Implementation of updated Standing Orders (Operation)	Impact
<p>In July 2021 the Joint Committee approved the adoption of the model Standing Orders for NHS Wales bodies. However, a number of actions needed to be taken to make the organisation fully compliant with the Standing Orders. In October 2021 a report was taken to the Audit and Risk Committee that included an update on the progress made in implementing the required actions. Our review of an updated version of the report shows that nine out of 18 actions have been completed. The action log identifies that further work needs to be taken in a number of areas including in relation to:</p> <ul style="list-style-type: none"> • Reviewing the Schedule of Powers, Scheme of Delegation and Standing Financial Instructions. • Adding declarations of interest to the website and including in the Annual Report. • Having an annual plan of business for the Joint Committee. • Ensuring annual reports for the Joint Committee and sub-committees are submitted within six weeks of the of the reporting year. <p>In the report that went to the October Audit and Risk Committee, it was stated that further updates would be provided to each meeting until all actions are completed. However, we did not see any updates at the December meeting of the Audit and Risk Committee, or the November Joint Committee meeting.</p>	<p>Potential risk that Governance arrangements are not properly discharged due to non-compliance with legislative requirements.</p>
Recommendations	Priority
<p>1.1 Further work should be prioritised to implement the remaining actions required to ensure EASC is compliant with the adopted model Standing Orders.</p>	<p>Medium</p>
<p>1.2 Updates on progress to implement the outstanding actions should be reporting to the relevant committee for monitoring.</p>	<p>Low</p>

Agreed Management Action	Target Date	Responsible Officer
1.1 The work on the adopted Model Standing Orders will be completed, presented and approved by EASC.	July 2022	Gwenan Roberts, Committee Secretary
1.2 Outstanding actions will be initially reported at the EAS Joint Committee and following at the next Audit and Risk Committee meeting.	July 2022	Gwenan Roberts, Committee Secretary

Matter Arising 2: Attendance at Joint Committee and sub-committee meetings (Operation)		Impact
<p>We reviewed attendance at the nine meetings of the Joint Committee held between May 2020 to September 2021.</p> <p>We identified that of the nine members, only the Chair and CASC attended all meetings. In the main, where Health Board Chief Executives did not attend the meetings in person, either their nominated deputy or an alternative member of the Health Board attended. The exception being Hywel Dda, who for three of the nine meetings were not represented. It should be noted that Hywel Dda hold the Deputy Chair position for the committee.</p> <p>The Joint Committee also has three associate members. One associate member (PHW) did not attend any of the meetings, and another associate member (Velindre) did not send a representative to three of the nine meetings held.</p> <p>Similarly, attendance at sub-committee meetings has been variable with some members attending only a limited number of meetings or none at all.</p> <p>The non-attendance did not have an impact on the quoracy arrangements for each meeting but may impact on the flow of information from, and back into, that organisation.</p>		<p>Potential risk of non-compliance with legislative requirements and risk of inappropriate decisions being made by the Joint Committee and its sub-groups.</p> <p>Potential inadequate flow of information from and back into organisations.</p>
Recommendations		Priority
The importance of attendance at Joint Committee and sub-committee meetings should be re-emphasised collectively and should be followed up with those who regularly miss meetings.		Medium
Agreed Management Action	Target Date	Responsible Officer
The Chair of the Committee and sub-committees will write to members in relation to meeting attendance by health board or NHS Trust representation. Attendance information will be included in the Committee and sub-committee annual reports.	July 2022	Gwenan Roberts, Committee Secretary with the Chair of the

		Committee and also sub committees
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Matter Arising 3: Declarations of Interest (Operation)	Impact
<p>A copy of the register of declarations of interest (DOI) was provided. There were 66 people listed, although it is not clear if this list is complete. Of the 66 people named, 55 have made a DOI return and all returns have been within the last year. Eleven returns are outstanding:</p> <ul style="list-style-type: none"> • 3 - nominated deputies. • 1 - Associate Member. • 6 - members of sub committees. • 1 - NCCU staff. <p>Our review of minutes of the Joint Committee, EASC Management Group, EMRTS sub-committee and NEPTS sub-committee has identified different approaches for how DOIs are established during each meeting. With the exception of the EMRTS sub-committee, all other groups, at the start of each meeting, require attendees to state any declarations that need to be made. However, the EMRTS sub-committee does not require members to make or confirm any declarations.</p>	<p>The potential impact of conflicts of interest of members of the Joint Committee and its sub committees may not be addressed.</p>
Recommendations	Priority
<p>3.1 The list of people required to make a declaration of interest should be reviewed for completeness and then completed declarations should be obtained from all.</p>	<p>Medium</p>
<p>3.2 The EMRTS sub-committee should require members to make or confirm any declarations of interest at the start of each meeting.</p>	<p>Low</p>

Agreed Management Action	Target Date	Responsible Officer
3.1 The Committee Secretary will review the table of declarations of interest for completeness and will obtain responses from all and present to the EASC.	July 2022	Gwenan Roberts, Committee Secretary
3.2 The EMRTS sub-committee will add declarations of interest at the start of each meeting.	Completed	Matthew Edwards Head of Commissioning and Performance

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

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

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

Prioritisation of Recommendations

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

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

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



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