

# Welsh Risk Pool claims Final Internal Audit Report

January 2024

Public Health Wales NHS Trust



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Audit and Assurance Services



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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

### Acknowledgement

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

### Disclaimer notice - please note

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## Executive Summary

### Purpose

To provide assurance over the reimbursement processes in place within the Trust.

### Overview

We have issued substantial assurance on this area. However, there is one matter that requires management attention. This is:

- Ensuring the completion of documentation in line with WRP timeframes.

## Report Opinion

Substantial



Few matters require attention and are compliance or advisory in nature.

**Low impact** on residual risk exposure

Trend



2022/23

## Assurance summary<sup>1</sup>

Objectives	Assurance
1 Completed documents within set timescales	Reasonable
2 Evidence to support costs incurred	Substantial
3 Appropriate authorisation	Substantial
4 Accurate data within Datix	Substantial

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

## Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Timeliness of completing LFERs	1 Operation	Medium

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## 1. Introduction

- 1.1 Our review of Welsh Risk Pool compensation claims was completed in line with the 2023/24 Internal Audit Plan for Public Health Wales NHS Trust (the 'Trust').
- 1.2 Compensation claims usually take a number of years from receipt of claim to settlement and can involve a large number of payments and repayments; this gives rise to a potential for mistakes to occur. Welsh Risk Pool Services (WRPS) require claims for reimbursement and repayment to be made within specific timescales.
- 1.3 WRPS have developed a standard: The Compensation Claims Management Standard, to ensure the NHS Bodies:
  - Have an effective process for managing concerns raised by patients and staff.
  - Have an effective process for managing legal claims for financial compensation.
  - Ensure that there is good organisational learning from all events.
- 1.4 Area for Assessment 3 of the standard requires Internal Audit to review the accuracy of a representative sample of compensation claims for reimbursement, made on Welsh Risk Pool Services.
- 1.5 The relevant lead for the review is the Interim Executive Director Quality, Nursing & Allied Health Professionals.
- 1.6 The potential risk considered in this review is that claim costs reimbursed from the Welsh Risk Pool are inaccurately recorded and not appropriately authorised by the Trust's senior management.

## 2. Detailed Audit Findings

**Objective 1: An appropriately completed learning from events report, case management report, case financial record and a schedule of costs has been completed for each reimbursement claim within set timescales.**

- 2.1 Three claims have been settled in 2023/24, all of which are clinical negligence claims. Each claim was appropriately supported by a Learning from Events (Lfe) report, a Case Management Report (CMR), a financial case record checklist (U1), and a financial schedule.
- 2.2 As part of the WRP standards that were released in July 2021, a completed Lfe report must be submitted to WRPS within 60 working days of the 'decision to settle' date. For claims received after September 2023, this timeframe has been revised to four calendar months.
- 2.3 The three claims that we reviewed required Lfe reports to be submitted within 60 working days. Our testing identified that two Lfe reports missed the 60-day deadline, one of which was submitted eight months after the 'decision to settle' date. **(Matter Arising 1)**
- 2.4 The CMR, U1 checklist and the finance schedule were submitted to the WRP within the required timeframe of four months from the final payment date. We noted that

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one CMR was submitted to WRP as a Word document instead of a PDF. This was highlighted at the time of the fieldwork to the relevant manager.

- 2.5 We compared the key dates on the LfE report, the CMR, and the checklist U1 and found no discrepancies between the dates.

**Conclusion:**

- 2.6 We confirmed that documents had been appropriately completed, however two of the LfER documents were not submitted within the set timescales. As such, we have provided reasonable assurance against this objective.

**Objective 2: There is appropriate evidence to support the costs incurred.**

- 2.7 Supporting documents, including those relating to the costs incurred, are uploaded into Datix. In prior years we had experienced difficulties when trying to trace documentation within Datix. However, in the updated version of Datix, documents had been better referenced meaning we were able to locate the source documentation for the claims and verify the amounts included on the finance schedule that was submitted to WRP.

**Conclusion:**

- 2.8 We confirmed that there is suitable evidence to support the costs incurred and they correspond to the finance schedules. As such, we have provided substantial assurance against this objective.

**Objective 3: Forms have been appropriately authorised aligning with the delegated limits of the organisation.**

- 2.9 Claims had an appropriate governance and case manager declaration and had been appropriately authorised prior to submitting to WRPS. The signatures were in line with the organisation's scheme of delegation.

**Conclusion:**

- 2.10 We confirm that the cases had been appropriately authorised. As such, we have provided substantial assurance against this objective.

**Objective 4: Claims submitted are accurately entered onto the Datix risk management database.**

- 2.11 Reimbursements were appropriately approved by WRPS, and the amounts received reconciled to the U1 checklist and the finance schedules that were submitted to WRPS.
- 2.12 The financial information for the clinical negligence claims had been accurately recorded in Datix and the values reconciled to the relevant checklists.

**Conclusion:**

- 2.13 We can confirm that the claims submitted were accurately entered onto the Datix database. As such, we have provided substantial assurance against this objective.

## Appendix A: Management Action Plan

Matter Arising 1: Timeliness of submissions to WRP (Operation)		Potential Impact	
<p>In September 2023 the WRP revised the timeframes for when LfE reports need to be submitted from 60 working days of the decision to settle date, to four calendar months. However, due to the date the claims in our sample were received and subsequent date of the decision to settle, the 60-day timeframe still applies.</p> <p>For 2/3 cases we tested, the LfE Reports were not submitted in the required timeframe. One LfE report was submitted after 102 working days and the second took 176 working days.</p>		Financial loss to the Trust.	
Recommendations		Priority	
1	Management should ensure that required documentation is submitted to the WRP within their required timeframes.	<b>Medium</b>	
Agreed Management Action		Target Date	Responsible Officer
1	We accept the recommendation noting that the issues identified within the testing sample relate to claims that were raised prior to 2022. Since then, Public Health Wales has transferred from Datix Web to Datix Cloud. This provides for more effective monitoring of WRP dates with specific drop-down selections for the dates of submission of LFER's and CMRs. Additionally, Datix Cloud specifically highlights the timeframe for submission of LFERs once the submission date has been triggered. The Legal Support Manager also retains a spread sheet of submission deadlines. The current arrangements will mitigate against any late submissions in the future which is accessible by colleagues within the Putting Things Right Team.	Complete	Legal Support Manager

## 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:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	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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