

Follow-up: Population Health Grants Management Final Internal Audit Report

April 2024

Public Health Wales NHS Trust

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Committee:	Audit and Corporate Governance Committee



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

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit and Corporate Governance Committee.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with Public Health Wales NHS Trust. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system

Executive Summary

Purpose

The overall objective of the audit was to provide the Trust with assurance regarding the implementation of, and progress against, the agreed management responses from the Population Health grants management audit.

Overview of findings

We identified six matters arising in our original review, which include three high and three medium priority recommendations.

From our meetings with staff and our review of supporting documentation, we have confirmed that all recommendations have been implemented.

Following our original review, the Health Improvement Division set up a Task and Finish Group to review the grant processes in place. They have made changes within the Division to enable the processing of grants to be more efficient and allowing them time to monitor the effectiveness of the programmes.

Follow-up Report Classification



Progress Summary

Previous Matters Arising	Previous Priority Rating	Direction of Travel	Current Priority Rating
1 Review of Grant Administrator Business Administrator Handbook	Medium	↑	Closed
2 Time taken to review and monitor claims	High	↑	Closed
3 Monitoring the effectiveness of the programmes	High	↑	Closed
4 Reviewing of indicative budgets	Medium	↑	Closed
5 Financial resources for the delivery of the programme outcomes	Medium	↑	Closed
6 Reviewing risks in relation to managing grants	High	↑	Closed

1. Introduction

- 1.1 The follow-up review of Population Health Grants Management was completed as part of the 2023/24 Internal Audit Plan for Public Health Wales NHS Trust (the 'Trust'). Our original audit report was finalised after the 2023/24 audit plan for the Trust had been approved.
- 1.2 Our original report identified six recommendations which resulted in an overall rating of 'Limited Assurance'. Management agreed an action plan to address the recommendations, and progress on the implementation has been monitored by the Trust throughout 2023, and reported to the Audit and Corporate Governance Committee, via the Internal Audit tracker. The January 2024 tracker identified that five recommendations had been closed and work continued to progress on the one remaining recommendation, which had a planned implementation target date of March 2024.
- 1.3 Our review sought to ensure that suitable actions have been taken for the closed recommendations and that adequate progress is being made against those that remain open.
- 1.4 The potential risks considered in the original review were as follows:
- Reputational damage to the Trust if grant outcomes are not achieved or cannot be achieved within resources allocated.
 - Increased costs to administering and managing the grants that outweigh the benefits.
 - Inappropriate expenditure by grant recipients.

2. Findings

- 2.1 The table below provides an overview of progress in implementing the previous internal audit recommendations:

Original Priority Rating	Number of Recommendations	Implemented (Closed - No Further Action Required)	Action Ongoing (Further Action Required)	Not implemented (Further Action Required)
High	3	0	-	-
Medium	3	0	-	-
Low	-	-	-	-
Total	6	6	-	-

- 2.2 All recommendations that have been closed as management have taken action to address the matters arising in our original report. This includes:
- A processing mapping workshop was held to consider and review all of the grant processing activities.
 - A Health Improvement Department Grants Administration flowchart has been produced detailing the roles and responsibilities for staff dealing with the grants. This replaces the previous handbook.
 - A review of monitoring information from all grants has been undertaken and is now being standardised. All grant programmes are required to prepare an annual report by the end of quarter one.
 - New KPIs have been introduced and are being monitored.
 - A Task and Finish Group was established to consider the budget setting arrangements, and a new process has been developed to embed grants within the budget setting process of the Trust. The aim of this is to ensure that grants are considered for appropriate uplift in line with the organisational budget setting principles.
 - Improved risk management processes have been introduced within the Division. This includes the production of risk registers for all programmes. These are reported into the weekly business meetings.
- 2.3 The points listed above have resulted in the recommendations being categorised as implemented.

Appendix A: 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	<p>Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure. Follow up: All recommendations implemented and operating as expected</p>
	Reasonable assurance	<p>Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved. Follow up: All high priority recommendations implemented and progress on the medium and low priority recommendations.</p>
	Limited assurance	<p>More significant matters require management attention. Moderate impact on residual risk exposure until resolved. Follow up: No high priority recommendations implemented but progress on most of the medium and low priority recommendations.</p>
	Unsatisfactory assurance	<p>Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved. Follow up: No action taken to implement recommendations</p>

Prioritisation of Recommendations

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

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

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



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