

Health Protection and Screening Services – Procurement Improvement Plan

Final Internal Audit Report

2024/25

Public Health Wales NHS Trust



Substantial Assurance

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Review Reference

PHW-2425-05

Fieldwork

October 2024 – January 2025

Executive Sign Off

25 February 2025

Audit Committee

March 2025

Executive Lead

Meng Khaw, National Director of Health Protection and Screening Services and Executive Medical Director

Audit Team

Paul Dalton, Head of Internal Audit
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Executive Summary

Purpose

The overall scope was to review the Health Protection and Screening Services Directorate (HPSS or the 'Directorate') 2023/24 plan to improve assurance and the performance of the procurement process. We considered the impact and effectiveness of the implemented actions from the procurement improvement plan.

Overview

Following a number of submissions for contract approval on high value procurements from the Directorate, the Board sought assurance that the Directorate had a stock management system in place to plan for the timely replacement of equipment. Historically, the Directorate had regularly used the Single Tender Actions (STA) procurement process.

Recognising the procurement planning process as an area for improvement, the National Director of HPSS commissioned an internal review of the Directorate's process in this area. This focussed on the Directorate's ability to plan and deliver service procurements with a focus on the procurement process, route of approval, documentation to support procurement requirements, and approval feedback themes. While the review focussed on the Directorate specifically, it identified procedural challenges within NHS Wales Shared Service Partnership (NWSSP), which may have impacted the procurement delivery process within the Directorate. The report identified a number of findings, and the Directorate agreed eight recommendations aimed at delivering an improved and more assured procurement planning process.

We have concluded substantial assurance on this area. The key matter requiring management attention is:

- A programme of regular contact meetings for Directorate and Divisional Management with NWSSP Procurement is not fully established and embedded in some areas of HPSS.
- Snapshot dashboards, which summarise information in the Procurement Forward Look and the Waiver Tracker spreadsheets, would aid understanding the current position and future trends over time.

Full details of the matter arising is detailed within the Findings & Agreed Action Plan.

Scope & Assurance Summary

Objectives	Related Findings	Assurance
1 The improvement plan sets out the key actions, responsible individuals, and realistic target dates for implementation.	-	Substantial
2 Progress against the improvement plan is routinely monitored and where there are delays, these are discussed and escalated appropriately.	1	Reasonable
3 The Directorate has arrangements in place for measuring the impact/effectiveness of the identified outcomes relating to the improvement actions.	2	Reasonable
4 There are robust procurement arrangements in place within the directorate in relation to the use of Single Tender Actions (STA) and Single Quote Actions (SQA), which are appropriately applied.	-	Substantial
5 Adequate arrangements that operate in line with the Trust financial procedures are in place within the HPSS directorate for authorising the write off of consumable stock.	-	Substantial

Management Actions

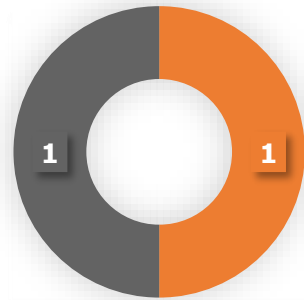


High Priority



Medium Priority

Themes



■ Communication & Engagement

■ Performance Monitoring

Risk Types

Public Perception & Reputational Risk

Findings & Agreed Action Plan

Objective 1: The improvement plan sets out the key actions, responsible individuals, and realistic target dates for implementation. **Substantial**

Overview / Summary of Observations

The improvement plan set out eight recommendations for which implementation has been managed and coordinated by the HPSS directorate's central operations team supported by divisional operational management.

Our testing determined that the recommendations have been largely implemented. However, we have identified one key finding set out under objective 2, which relates to the recommendation to engage with NWSSP Procurement. We found that, while there is engagement, the process is still bedding in.

Target dates for the implementation of the key actions were not set by management. However, while in this case the implementation plan actions have been implemented within a reasonable period of time, inclusion of realistic target dates within future implementation plans would help maintain satisfactory implementation progress.

Objective 2: Progress against the improvement plan is routinely monitored and where there are delays, these are discussed and escalated appropriately.

Reasonable

Overview / Summary of Observations

Section 4 of the Improvement Plan sets out the eight recommendations which were agreed to be implemented by the HPSS divisional management team. We reviewed the actions taken against each of the recommendations and note that, with the exception of the recommendation relating to engagement with NWSSP Procurement, each of the recommendations has been addressed. We identified the following actions which have been taken to address the recommendations:

- The Trust has developed a Procurement Forward Look spreadsheet (the 'spreadsheet') covering the financial years from 2024/25 to 2029/30. The spreadsheet summarises key information for contracts that come to an end during the respective year.
- The spreadsheet is regularly reviewed by divisional and directorate management to consider upcoming requirements and issues. A quarterly summary report, which includes a delivery confidence assessment by divisional and directorate management, is submitted to the Business Executive Team (BET) and the Board.
- A new standard operating procedure covering procurement waivers has been disseminated to HPSS divisional staff.
- There is a waiver tracker spreadsheet which records appropriate related information.
- A programme of 'contact' meetings between Directorate and Divisional management and NWSSP Procurement has been put in place, although this is not fully established in some areas of HPSS.
- Financial system training has been provided across the Directorate.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Engagement with NWSSP Procurement</p> <p>An overview of procurement contracts is managed and coordinated by the HPSS directorate's central operations team. This is supported by divisional operational management who review the individual contracts along with specialist support provided by NWSSP Procurement.</p> <p>At the time of our fieldwork, separate meetings were held between HPSS Directorate and Divisional Management and NWSSP Procurement:</p>	<p>Poor services due to poor procurement management.</p>	<p>Agreed Action:</p> <p>An agreed schedule of contact management meetings be put in place between HPSS Directorate and NWSSP.</p> <hr/> <p>Expected Evidence of Implementation:</p> <p>A schedule of regular contact management meetings has been put in place between the HPSS Directorate and NWSSP Procurement and there are regular meetings.</p>

- Directorate procurement meetings were held in January and June 2024. A third meeting had been scheduled in November 2024 but was cancelled due to snow.
- Screening Division and Health Protection Division procurement meetings have recently started, but at the time of our fieldwork the timing of future meeting had not been agreed.
- Infection Division has an established meetings programme in place with the latest being in November 2024.

Meetings with NWSSP Procurement were not fully established and embedded in some areas of HPSS.

Medium Priority

Officer: Senior Business and Operations Manager

Date: 30 June 2025

Theme: Communication & Engagement

Control Operation

Objective 3: The Directorate has arrangements in place for measuring the impact/effectiveness of the identified outcomes relating to the improvement actions.

Reasonable

Overview / Summary of Observations

The expected impact of the improvement project was to see an improved and more assured procurement process within HPSS. The implementation of the procurement Forward Look spreadsheet which records details of the contracts, including when it is due to come to an end and the waiver tracker spreadsheet, which records information for each contract waiver, are the key arrangements that have been put in place to improve the procurement process.

The spreadsheets are comprehensive allowing detailed contract information to be managed, and can be used to undertake review. However they do not readily provide snapshot summary information which could be used to demonstrate the improved position and trends over time. Similarly, such summary information is not incorporated into the updates submitted to the Business Executive Team or the Board.

As such improvements are not clearly identifiable. Further development of the Forward Look spreadsheet, which identifies contracts coming to an end, should improve effectiveness and minimise the need for contract waivers in the future.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 Reporting and monitoring improvement</p> <p>The information recorded in the monitoring spreadsheets is not used to clearly identify improvements to the procurement monitoring process within the HPSS directorate.</p>	<p>No long-term improvement of HPSS procurement</p>	<p>Agreed Action:</p> <p>Snapshot dashboards, which summarise information in the Procurement Forward Look and the Waiver Tracker spreadsheets, would aid understanding the current position and future trends over time.</p> <p>Expected Evidence of Implementation:</p> <p>Dashboard summaries for procurement activity are reviewed at divisional and directorate management meetings. The dashboards are also shared for information within the Procurement Forward Look report that is presented to BET and the Board.</p>
<p>Theme: Performance Monitoring</p>	<p>Medium Priority</p> <p>Control Design</p>	<p>Officer: Senior Business and Operations Manager</p> <p>Date: 30 June 2025</p>

Objective 4: There are robust procurement arrangements in place within the directorate in relation to the use of Single Tender Actions (STA) and Single Quote Actions (SQA), which are appropriately applied.

Substantial

Overview / Summary of Observations

A standard operating procedure, which covers procurement waivers used for STAs and SQAs, and aligns to the Trust's Standing Financial Instructions, has been developed and shared with staff. It includes:

- A template waiver approval form that must be completed and approved.
- The template requires boxes to be completed which set out basic information regarding the waiver such as start and end date, supplier, value etc plus the rationale why a waiver is being proposed.
- The template must be approved through the chain of command, according to its value.

We tested a sample of approvals to confirm that they had been appropriately approved. Our testing of a sample of waivers which had arisen at the time of our review confirmed that in all cases:

- The information in the waiver form was consistent with the Waiver Tracker spreadsheet.
- The waiver form had been appropriately completed.
- Appropriate authorisation was in place, which had been completed in advance.

Objective 5: Adequate arrangements that operate in line with the Trust financial procedures are in place within the HPSS directorate for authorising the write off of consumable stock.

Substantial

Overview / Summary of Observations

The Trust has an up-to-date comprehensive Financial Control Procedure which covers consumable stock. At the time of our fieldwork, there had been no write-offs within the Trust of consumable stock in 2024/25.

We discussed the stock management procedures in place, and whether consumable stock write-offs were anticipated in 2024/25 with managers from across HPSS. We confirmed:

- Managers that we spoke with were aware of the need to have adequate stock management procedures in place to avoid the need for consumable stock write-off.
- The activities which involve consumable stock are established activities for which HPSS has decision making powers.

Appendix A

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	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 Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)



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