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To: Chief Executives, NHS bodies

Cc: Chairs

Audit Committee Chairs

Board Secretaries

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Dear all

Update on the AGW's programme of NHS Performance Audit work

I trust this letter finds you all well as the service continues to navigate its way through the next phases of the COVID-19 outbreak. It truly has been an unprecedented challenge for the NHS and its partners, and I'd just like to echo the sentiments expressed by the Auditor General in his letter of 30 April to public sector Chief Executives (attached again here in case you missed first time around), thanking public servants for the phenomenal work they are doing for the people of Wales. More specifically, myself and colleagues at Audit Wales are really grateful to NHS bodies for the way they've maintained engagement with us throughout the crisis. It has helped us stay connected to developments and also to appreciate the tremendous amount of work that has been undertaken in such a short space of time to respond to the challenges presented by COVID-19.

In his letter, the Auditor General provided some information on how we were adapting our work in response to COVID-19 and I'd like to use this opportunity to provide a further specific update on our programme of NHS performance audit work. As you know we took the early decision to suspend on-site performance audit work at all NHS bodies and to progress our work remotely as far as we can. That continues to be the situation and as part of our own business continuity planning, we've been looking afresh at our current programme of work to assess how it gets taken forward in the context of COVID-19. The Annex attached to this letter provides an update on our current plans for each of the main strands of work in our programme.

In addition to re-shaping the existing elements of our work programme as set out in the Annex, we are keen to ensure that we focus our attention on issues that are specific to the current situation. We're currently reviewing the information in the Welsh Government's supplementary budget and accompanying explanatory memorandum as we consider those areas that merit some specific work. At a more local level, our 2020 structured assessment work will allow us to understand how NHS bodies are maintaining their corporate and financial governance arrangements in the context of COVID-19, as well as the progress being made on recovery planning. Further information on our 2020 structured assessment work is provided in the attached project specification, which has recently been shared with Board Secretaries.

As referenced in the Auditor General's letter, we have also started work on a "COVID-19 learning project" that will seek to identify and share examples of new ways of working that have been introduced as a result of the pandemic, and wider learning points that can help with the plans to continue to control the virus and rebuild a stronger and better NHS. We are aware that there is already quite a lot of activity in this area within the NHS, so we are working closely with the NHS Confederation and Welsh Government to ensure that what we do in this space complements and adds value to existing activities.

The information I've set out in this letter represents the current position and our latest thinking but we'll continue to adopt an agile approach and where necessary adjust the content and focus of our work to ensure we are deploying our resources to areas where outputs from ourselves will add most value in the current environment. We'll continue to keep you informed of any further developments to our programme through our local engagement channels and communications such as this.

Whilst this update primarily concerns our performance audit work, I thought it would also be useful to provide a brief update on our accounts work. Our teams have continued to liaise with Directors of Finance and the wider Finance teams as we are drawing our work to a close. The Auditor General is planning to sign off the opinions on the financial statements of NHS bodies on the 2nd July 2020.

I trust this update is helpful and my thanks once again for your positive on-going engagement with our audit teams, and for all the hard work that is being done by yourselves and your organisations in response to the current situation. If you had any queries about the any aspect of this update, then please don't hesitate to contact me.

Your sincerely



David Thomas
Audit Director

ANNEX: NHS PERFORMANCE AUDIT WORK PROGRAMME UPDATE

A: Work included in local audit plans

Review	Update
Structured Assessment 2020	Our annual structured assessments are one of main ways in which the AGW discharges his statutory requirement to examine the arrangements NHS bodies have in place to secure efficiency, effectiveness and economy in the use of their resources. In the context of COVID-19, we have designed an approach which allows us to undertake structured assessment work remotely and with minimal impact on NHS bodies in terms of time and resource to support the work. Our lines of enquiry will be based on the same broad areas as previous years' work but our audit questions in this year's work will have a COVID-19 context, taking note of Welsh Government guidance and frameworks issued in response to the pandemic, and including a focus on recovery planning. We are aware that the internal audit service has been asked to undertake some early work on aspects of governance related to COVID-19. We've had a constructive dialogue with internal audit colleagues and we are devising approaches at each NHS body to ensure our respective programmes of work are co-ordinated and mutually informed.

Review	Update
Reviews of quality governance arrangements at NHS bodies	Following the Joint Review of quality governance arrangements at Cwm Taf Morgannwg UHB, we had been developing a programme of work to examine these arrangements at all relevant NHS bodies. The cessation of on-site fieldwork as a result of COVID-19 has meant that we've had to put this work on hold. In the interim will use this year's structured assessment to get an overview of quality governance arrangements at NHS bodies and how they have been maintained during the pandemic. Subject to how the COVID-19 situation pans out, we hope to be in a situation where we can resume some form of on-site work later in the year. However, if that is not possible, we will look to design an alternative approach to capturing information we require, collaborating with Healthcare Inspectorate Wales, and other stakeholders as necessary in the design of that work.
Follow up work on orthopaedic services (and the national AGW follow up study on elective NHS waiting times)	At the point the pandemic hit we were preparing local and national reports to summarise the progress made in response to the recommendations we made in 2015. However, in the context of the Minister's decision to suspend routine elective NHS work to create capacity to deal with the expected surge in COVID-19, it seemed inappropriate to issue these reports in the format which they had been drafted. We are therefore looking to reshape these outputs so that they inform the recovery planning discussions that are starting to take place locally and nationally, and to help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges.

Review	Update
Governance review of Welsh Health Specialised Services Committee	We had made good progress with this review up to March of this year, but we do still need to gather in views on the current arrangements for specialised services commissioning from leaders in NHS bodies. We hope to be able to do this remotely over the coming month, potentially through the use of survey software, although we will take soundings from some key contacts in the service to test our thinking and inform our approach before we progress this. Subject to being able to collect this additional information, we would envisage having a draft output to share for comment by the end of the summer.
Whole system review of unscheduled care	We have split this work into two phases. The first phase has involved collection of data across the unscheduled care pathway with the aim of creating an interactive database that can be shared with external stakeholders and used to inform the focus of audit work in the second phase. Our ability to undertake more focused audit work in the second phase will largely be shaped by the restrictions associated with COVID-19 and stakeholders' ability to engage with the audit work. In the short term, i.e. through to the end of July, we will focus on preparing the database and discussing the most productive ways of sharing this information with external stakeholders. We have continued to take this work forward in close collaboration with Healthcare Inspectorate Wales

Review	Update
Locally specific performance audit reviews	In several NHS bodies, our work programme had included reviews that were specific to local circumstances in those organisations. These reviews were at various stages of completion at the point the COVID-19 restrictions were introduced. Where we can, we have continued to progress these pieces of work remotely and our performance audit leads at each site will continue to liaise with Board Secretaries to keep them up to speed with individual reviews and check on the NHS body's ability to support the remainder of the work required, including the ability to provide comments on the factual accuracy of products at the draft report stage.

B: Other AGW NHS Performance Audit Work

Review	Update
Counter Fraud Services	The AGW has undertaken a public sector wide review of counter fraud services and is due to publish his findings on 14 July. That national report will be supported by summaries of our local findings at individual NHS bodies. We'll shortly be issuing those local reports for final factual accuracy checks ahead of them being ready to be shared with Audit Committees at their autumn meetings alongside the national output
Clinical Coding	We are currently preparing a short publication that aims to share some key messages from our recent local follow up work on clinical coding. We plan on publishing this work towards the end of July and think it will be a timely aid to discussion on the importance of clinical coding in ensuring good information flows to support decision making in response to COVID-19.
Welsh Community Care Information System (WCCIS)	We will shortly be commencing the clearance process through the WCCIS Leadership Board and the Welsh Government and, where relevant, with individual NHS bodies. This will be with a view to report publication in early autumn.
Follow up: Local public health team collaborative working	Comments on the factual accuracy of our draft report have been received and reviewed. A finalised output is in preparation with a view to publication later this summer.
Other cross sector work	Scoping work is currently underway on several pieces of work which are not NHS-specific but which are likely to involve some evidence gathering from NHS bodies. These topics include digital resilience in the public sector, collaborative working across emergency services and work on the General Equality Duty.