

Managed Practices

Final Internal Audit Report

2025/26

Hywel Dda University Health Board



Reasonable Assurance

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Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

HDU-2526-25

September – November 2025

3 February 2026

10 February 2026

Andrew Carruthers, Chief Operating Officer

James Johns, Head of Internal Audit

Sophie Corbett, Deputy Head of Internal Audit

Executive Summary

Purpose

Health boards have a statutory duty to ensure the delivery of primary care medical services to their resident population. In the absence of a GP partner contract, it is sometimes necessary for the Health Board to directly manage a practice to ensure service continuity. This is a broad scope, high level review to assess the arrangements in place for the management of key systems and risk areas in relation to Health Board managed practices.

Overview

It was pleasing to note that operational governance arrangements introduced in April 2025 have been adopted, with a Managed Practice Integrated Governance Group holding regular Business, Planning, Performance & People and Quality Health & Safety meetings following the recommended agenda template. These meetings incorporate risk, finance, workforce and quality/safety matters. Engagement with finance business partners has improved during 2024/25, and workforce metrics are positive.

We have concluded **Reasonable** assurance overall. The matters requiring management attention include:

1. Inconsistent risk management practices, with some risks recorded and managed via Datix and others recorded and managed via practice-level registers which in some cases do not follow the Boards risk management methodology. **[Finding 1]**
2. Risk is a standing agenda item for the Managed Practice governance groups and there was evidence of discussion of a specific risk, but there was no evidence that risk registers have been presented and discussed. **[Finding 2]**
3. Budgets are based on historic GMS allocations at the point of transfer to the Health Board and do not reflect actual requirements. **[Finding 3]**
4. Complaints registers were not available for three practices, and those that were do not follow a consistent format. Complaints received and managed by the practices are not graded in line with PTR. **[Finding 4]**
5. A small number of incidents dated prior to March 2025 remain open. **[Finding 5]**
6. The strategic vision for managed practices presented to the Board in March 2023 requires updating. **[Finding 6]**

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

Scope & Assurance Summary

Objectives <small>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.</small>	Related Findings	Assurance
1 Risks are identified, monitored and managed.	1, 2	Reasonable
2 Budgets are determined in line with the GMS contract and financial performance monitored.	3	Limited
3 Incidents, complaints and claims are managed and monitored to assess and ensure quality and safety of services to patients.	4,5	Reasonable
4 Staff absence, training and performance is managed and monitored.	-	Substantial
5 Performance measures have been defined and are regularly monitored and reported within the Health Board.	-	Substantial
6 A strategy for transitioning managed practices back to commissioned services via the GMS contract has been developed and progress reported to the Health Board.	6	Limited

Management Actions

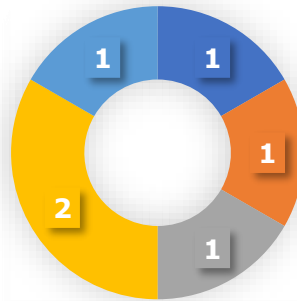


High Priority



Medium Priority

Themes



- Finance Management & Control
- Information, Data Quality & Data Accuracy
- Quality, Safety & Patient Experience
- Risk Management
- Strategy

Risk Types

Financial Loss

Legal & Regulatory Non-Compliance

Quality or Safety Issues

Findings & Agreed Action Plan

Objective 1: Risks are identified, monitored and managed **Reasonable**

There are eight risks related to managed practices recorded on Datix, including six amber and one red all of which are above tolerance with mitigating actions identified and evidence of regular review. Most risks are generic and applicable to all practices.

In addition to the risks on Datix, the managed practices within Pembrokeshire also maintain a separate risk register with more operational, practice specific risks recorded. A number of issues were identified with these registers. Separate registers are not maintained for the Carmarthenshire practices. **[Finding 1]**

Whilst risk features as a standing agenda item for the *Managed Practices Integrated Governance Group (IGG)* meetings, risk registers (Datix or otherwise) have not been presented and discussed. However, there is evidence of regular discussion of one Datix risk and escalation to the Primary Care CCG IGG. **[Finding 2]**

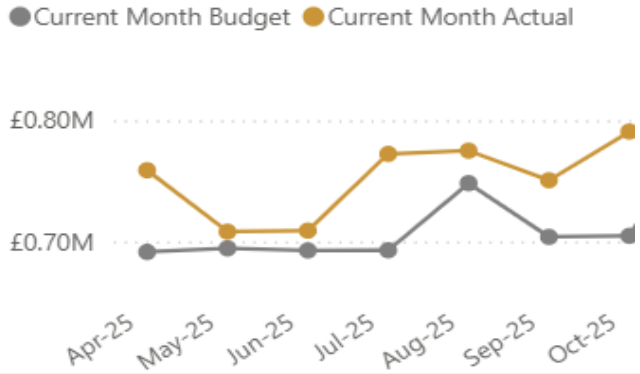
Key Findings	Risk & Impact	Agreed Management Action
<p>1 Inconsistent Risk Management Practices</p> <p>Risk management practices are inconsistent, with practice-level risk registers are maintained by practices in Carmarthenshire but not by those in Pembrokeshire.</p> <p>The risks on these registers are not recorded on Datix. In addition:</p> <ul style="list-style-type: none"> • Target scores have not been identified so it is not clear whether the risks are within or above tolerance (and therefore whether further action and/or escalation is required). • In some cases the risk assessment matrix had not been correctly applied to determine the current risk assessment score and RAG rating, which could cause confusion and misinterpretation of the risk significance. • Ashgrove risks had not been reviewed since April 2025 	<p>Materialisation of risks due to improper management/mitigation.</p>	<p>Agreed Action:</p> <p>Risks for all MPs will be reviewed, streamlined and captured and managed via the Datix system.</p> <p>All risks will be reviewed and discussed through the Managed Practice IGG QHS meeting escalating as appropriate into the Primary Care CSG IGG QHS meeting.</p> <p>Expected Evidence of Implementation:</p> <p>Evidence of risk review (e.g. date of last review, progress update) and all open risks recorded on Datix.</p> <p>Evidence (e.g. minutes/papers) of review/discussion of risks at the Managed Practice IGG QHS meeting, with onwards escalation to Primary Care CSG IGG QHS meeting (where appropriate).</p>
Medium Priority		<p>Officer: Anna Swinfield, Head of GMS Sustainability</p> <p>Target Implementation Date: 31 March 2026</p>
<p>Theme: Risk Management</p>	<p>Control Design</p>	
<p>2 Risk Monitoring & Reporting</p> <p>Risk a standing agenda item for the Managed Practices Integrated Governance Group meetings and there is evidence of discussion of a specific risk (Tenby Surgery water ingress).</p>	<p>Materialisation of risks due to improper management/mitigation.</p>	<p>Agreed Action:</p> <p>The individual MP risk register will be presented and discussed at each Managed Practice IGG meeting. Managed Practices will be reminded that they are responsible for their individual Practice risk monitoring and reporting.</p>

<p>However, risk registers (Datix or otherwise) have not been presented and discussed.</p>		<p>Expected Evidence of Implementation: Managed Practice IGG agendas/papers/action notes demonstrating review of risks.</p>
<p>Theme: Risk Management</p>	<p>Medium Priority</p> <p>Control Operation</p>	<p>Officer: Anna Swinfield, Head of GMS Sustainability Target Implementation Date: 31 March 2026</p>

Objective 2: Budgets are determined in line with the GMS contract and financial performance monitored **Limited**

The core budget component for practices operating under the GMS contract is the Global Sum, calculated based on a per-patient capitation formula adjusted for practice list size and demographics. For health board managed practices, the annual budgets are based on the historic GMS allocation at the time the practice transferred to the health board. We are advised that there are difficulties in operating managed practices within the global sum allocation due in part to variation in pay costs, and there have been limited adjustments to account for capitation changes or inflation increases (with the exception of pay awards). Workforce establishment reviews were ongoing at the time of audit. **[Finding 3]**

We were advised that finance meetings did not take place during 2024/25. However, with effect from April 2025, financial performance is now monitored via the monthly *Managed Practice IGG Business, Planning, Performance and People (BPPP)* meetings, with Finance Business Partner representation. Although no reports were taken to the meetings held April – August, a formal finance report covering in month overview, budget statement, staff analysis and savings was taken to the September and October 2025 meetings.



2025-26	Budget	Forecast	Variance Y/E
Pay	£7,059,929	£1,029,220	15%
Non-Pay	£940,445	£46,330	5%
Total	£8,000,374	£1,052,662	13%

Figure 1 Financial Position as at M5

Key Findings	Risk & Impact	Agreed Management Action
<p>3 Budget Setting Budgets are based on historic GMS contract allocations at the point of becoming a managed practice, in some cases many years ago, and are therefore require review and updating to reflect actual requirements. Workforce establishment reviews</p>	<p>Budgets are inaccurate and outdated potentially resulting in under/overspend, inability to effectively</p>	<p>Agreed Action: Managed practice budgets will be reviewed and updated where appropriate to achieve better alignment with GMS contract funding arrangements, and incorporate the outcomes of the ongoing workforce establishment reviews.</p>

were ongoing at the time of audit with an anticipated completion date of March 2026.	manage financial performance, and poor decision-making.	Expected Evidence of Implementation: Outcome of budget review / updated budgets.
	High Priority	Officer: Anna Swinfield, Head of GMS Sustainability
Theme: Finance Management & Control	Control Design	Target Implementation Date: 30 June 2026

Objective 3: Incidents, complaints and claims are managed and monitored to assess and ensure quality and safety of services to patients	Reasonable
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Complaints

There is no single central record of complaints relating to managed practices. **[Finding 4]**

Complaints received direct to the practice are managed by the Practice Manager and recorded on local, manual complaints registers – they are not recorded on Datix. Review of the complaints registers for Minafon, Sarn and Tenby noted inconsistent format, and complaints are not graded in line with the Putting Things Right guidance. A total of 29 complaints are recorded across the three practices since March 2025, seven (24%) of these remain open. Registers were also requested but not received for Ashgrove, Penrhyn or Neyland. **[Finding 4]**

Complaints made directly to the Health Board are recorded on Datix. Review of Datix identified 19 complaints received since January 2023, three of which remain open. All closed complaints were graded 1 (“low to medium harm or service disruption” as per PTR guidance) at outcome stage.

Incidents

Incidents are reported by the Practice to the Datix Team for recording on the Datix system. There are 22 incidents recorded since March 2025; 68% have a ‘reporters initial harm assessment’ of ‘Low’ or ‘None’ and 77% are closed. A small number of incidents reported prior to March 2025 (with one dating back as far as November 2023) remain open. **[Finding 5]**

Claims

Four claims were opened during 2024, all managed by the Health Board legal team. No claims have been opened in 2025. Concerns are a standing agenda item on the *Managed Practice IGG – Quality Health & Safety (QHS)* meetings.

	Key Findings	Risk & Impact	Agreed Management Action
4	<p>Complaints Registers</p> <p>We were unable to confirm whether complaints registers are maintained for Ashgrove, Penrhyn or Neyland practices.</p> <p>The registers maintained by Minafon, Sarn and Tenby do not follow a consistent format – the registers used in Minafon and Sarn are more comprehensive.</p>	<p>Lack of oversight of complaints. Signs of systemic issues (such as repeated or serious complaints) may be missed. Non-compliance with PTR.</p>	<p>Agreed Action:</p> <p>A standard template will be issued to managed practices for recording complaints received by the practice.</p> <p>All formal complaints will be captured on Datix to ensure there is appropriate oversight and support provided (where required) to ensure that the complaint is managed and responded to in accordance with the PTR regulations.</p>

<p>Complaints received and managed by the practices are not graded in line with Putting Things Right guidance.</p>		<p>All complaints will be reviewed by the Managed Practice IGG QHS meeting</p> <p>Expected Evidence of Implementation: Consistent complaints registers for all managed practices, recording the Datix reference number as confirmation of it has been captured on the system. Evidence (e.g. minutes/papers) of complaints reviewed/discussed at CSG IGG QHS.</p>
<p>Theme: Information, Data Quality & Data Accuracy</p>	<p>Medium Priority</p> <p>Control Design</p>	<p>Officer: Anna Swinfield, Head of GMS Sustainability</p> <p>Target Implementation Date: 31 March 2026</p>
<p>5 Open Incidents</p> <p>A datix report of all incidents recorded for managed practices for the period October 2023 – September 2025 identified five incidents (two severe, three moderate) reported prior to March 2025 that remain open.</p>	<p>Failure to learn from incidents resulting in recurrence.</p> <p>Patient harm / negative experience.</p> <p>Non-compliance with PTR.</p>	<p>Agreed Action: Open incidents will be reviewed by the individual Practice Manager to ensure that they have been concluded, and subsequently closed on Datix.</p> <p>Expected Evidence of Implementation: Aged incidents closed (where appropriate).</p>
<p>Theme: Quality, Safety & Patient Experience</p>	<p>Medium Priority</p> <p>Control Operation</p>	<p>Officer: Anna Swinfield, Head of GMS Sustainability</p> <p>Target Implementation Date: 31 March 2026</p>

Objective 4: Staff absence, training and performance is managed and monitored

Substantial

Sickness Absence

Managed practices utilise the All Wales Managing Attendance at Work Policy for the management of sickness absence. As of October 2025, the sickness absence rates for Pembrokeshire and Carmarthenshire managed practices was 3.53% and 7.82% respectively. The higher sickness rate in Carmarthenshire exceeds the Health Board aspiration <6.6% and is attributed to long-term illness.

Statutory & Mandatory Training

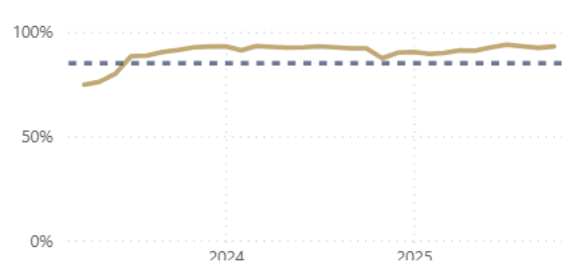
Mandatory training compliance exceeds the Health Board target of 85% with compliance rates for Pembrokeshire and Carmarthenshire practices at 98.5% and 92.6% respectively.

Performance

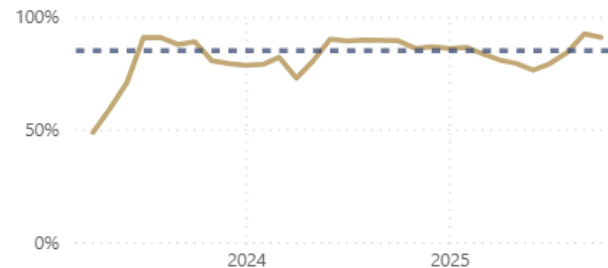
Managed practices utilise the standard Health Board template for PADR, and compliance exceeds the Health Board target. Sample review of PADR confirmed that they had been completed, using the appropriate template and had been completed to a high standard.

Workforce matters, including absence training and performance, are a standing agenda item for the *Managed Practice IGG BPPP* meetings.

% staff compliance with the Core Skills Training



% staff who have had a PADR in past 12 months



Objective 5: Performance measures have been defined and are regularly monitored and reported within the Health Board

Substantial

Workforce and finance performance is monitored through the Health Board IRIS Power BI dashboards and discussed at the Managed Practice IGG meetings, which are aligned to the standard agenda templates for Clinical Care/Service Group governance meetings. These are covered in more detail under each objective.

Objective 6: A strategy for transitioning managed practices back to commissioned services via the GMS contract has been developed and progress reported to the Health Board

Limited

A paper to the Health Board in March 2023 set out the strategic vision for managed practices, acknowledging the challenges faced in securing GMS contracts but also recognising the benefits and opportunities that Health Board managed practices can present.

There have been no further updates following this paper and it is not clear what the current strategic plans are for managed practices, with one exception - we understand that the Vacant Practice Panel met is due to convene to consider expressions of interest received in relation to one practice, with a view to making a recommendation to the Board in this regard.

Key Findings	Risk & Impact	Agreed Management Action
<p>6 Managed Practices Strategy</p> <p>The strategic vision for managed practices presented to the Board in March 2023 requires updating to reflect the current position and strategic intentions for the future of managed practices. This is important for determining the extent to which a practice is integrated into Health Board operations, future financial and service planning.</p>	<p>Lack of strategic direction for managed practices. Increased strategic risk regarding future GMS contract management.</p>	<p>Agreed Action:</p> <p>A recommendation following a Vacant Practice Panel for Meddygfa'r Sarn will be considered by Board in January 2026.</p> <p>The commitment has been given to establishing an annual review process for Managed Practices which will start in 2026/27.</p> <p>The Primary and Community Services Strategic Plan will take into consideration the future delivery model for General Medical Services which may include Managed Practices</p> <p>Expected Evidence of Implementation:</p> <p>Outcome of Board discussion in January 2026. Implementation of a Managed Practice annual review process Evidence of reporting to Board.</p>
<p>Theme: Strategy</p>	<p>High Priority</p> <p>Control Design</p>	<p>Officer: Anna Swinfield, Head of GMS Sustainability</p> <p>Target Implementation Date: 31 May 2026</p>

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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Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

