



## PWYLLGOR ARCHWILIO A SICRWYDD RISG AUDIT AND RISK ASSURANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	18 April 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship 2022/23
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Joanne Wilson, Director of Corporate Governance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Sian Marie James, Assistant Director of Corporate Legal Services and Public Affairs

**Pwrpas yr Adroddiad (dewiswch fel yn addas)  
Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

### ADRODDIAD SCAA SBAR REPORT

#### Sefyllfa / Situation

This report is intended to enable the Audit and Risk Assurance Committee (ARAC) to review and to provide assurance to Board regarding the adequacy of arrangements in place within Hywel Dda University Health Board (the Health Board) for declaring, registering and handling Board Members' and staff interests, gifts, hospitality, honoraria and sponsorship during 2022/23.

This is in line with the following paragraphs of the Health Board's Standing Orders:

- 8.4.1 *'The Audit Committee will review and report to the Board upon the adequacy of the arrangements for declaring, registering and handling interests at least annually.'*
- 8.7.5 *'The Board Secretary will arrange for a full report of all offers of Gifts and Hospitality recorded by the LHB to be submitted to the Audit Committee at least annually. The Audit Committee will then review and report to the Board upon the adequacy of the LHB's arrangements for dealing with offers of gifts and hospitality.'*

#### Cefndir / Background

Effective arrangements to manage potential risks to decision-making arising from interests, gifts, hospitality, honoraria and sponsorship constitute an important element of an organisation's governance arrangements. These arrangements should be designed to safeguard the principles of selflessness and objectivity, and to provide members of the public with confidence that decisions are being taken in their best interests and not for the benefit of elected or appointed officials or their close personal associates.

In common with other public sector bodies, the Health Board has established arrangements to manage such risks, including:

- A 'Standards of Behaviour' policy that incorporates the acceptance and declaration of interests, gifts, hospitality, honoraria and sponsorship;

- Maintenance of publicly available registers of Board Members' and staff declarations;
- Procedures to record interests, gifts, hospitality, sponsorship and honoraria in the relevant registers;
- Processes to remind Board Members and staff of the policy's requirements; and
- Regular reporting on the adequacy of arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria to the Health Board's Audit and Risk Assurance Committee.

## Asesiad / Assessment

### **The Standards of Behaviour Policy**

In accordance with its review schedule, the Health Board [Standards of Behaviour Policy](#) was sent in August 2022 for review to the Head of Hywel Dda Health Charities and to the Head of Counter Fraud. It was made available for global consultation during August and September 2022, and all comments received from this and from targeted consultation were considered for inclusion in the revised version of the policy, which was approved by the People, Organisational Development and Culture Committee (PODCC) on 28 October 2022. A key addition to the policy is a reference to Standards for Pharmacy Professionals, which has been included in the list of professional Codes of Conduct for Health Board Employees. The policy has been made available on both the intranet and internet and will next be reviewed in October 2025, for approval by PODCC.

The Standards of Behaviour Policy, together with the requirement to submit Declarations of Interests (DoI) and to report and acceptance of gifts, sponsorship, hospitality and honoraria, are highlighted to Board Members and to staff by the following means:

- Reference to the Standards of Behaviour Policy is included within staff Contracts of Employment issued to new employees within 12 weeks of commencing in post, and to all existing employees on a change of role. When signing their contract of employment, all staff must sign to confirm that they accept their appointment on the terms and conditions set out within the contract and contained within the Standards of Behaviour Policy. This requirement, and awareness of the policy, is highlighted in the Hywel Dda Induction Pack.
- On commencement in post, Independent Members receive a programme of induction and are provided with an Independent Member Handbook referencing the Standards of Behaviour Policy.
- Bi-annual reminders and a link to the policy are circulated via Global E-mail to coincide with the periods when there is increased potential for the receipt of gifts, such as at Christmas and Easter, to remind employees and Board Members of the requirements of the policy and the need to declare any interests and to report offers and acceptance of gifts, hospitality, sponsorship and honoraria.

### **Review of the Adequacy of Arrangements in Place for Declaring, Registering and Handling Interests of Board Members and Staff**

#### Board Members Interests

It is a requirement within the Health Board's Standing Orders that all Board Members must declare any personal or business interests they may have which may affect, or be perceived to affect, the conduct of their role as a Board Member and their judgement in the course of conducting the Board's business. Board Members must be familiar with the Standards of Behaviour policy and must notify the Board of any such interests at the time of their

appointment and as they arise throughout their tenure.

In line with Standing Orders, a Register of Members Interests (including interests held by family members or persons or bodies with which they are connected) is maintained by the Health Board. This records the interests of Board Members at the time of their appointment, and is updated, as appropriate, to record any new interests or changes to their interests throughout the year. Board Members also receive advice and guidance on the policy as part of their induction programme.

Provision is made at the beginning of each Public Board and Board Committee meeting for individual Board Members to identify and declare an interest in relation to any aspect of business set out on the meeting agenda, in order that appropriate action can be taken in response. All declarations of Members' interests made at a meeting are recorded within the formal minutes.

The Register is updated throughout the year and an annual review of interests is undertaken as part of related party transactions/year-end processes, where each Board Member is required to confirm the accuracy and completeness of the Register relating to their own interests.

### Staff Interests

Paragraph 8.3.1 of the Standing Orders also requires that '*The Board must ensure that the Board Secretary, on behalf of the Chief Executive, establishes and maintains a system for the declaration, recording and handling of LHB officers' interests in accordance with the Values and Standards of Behaviour Framework.*'

In line with this requirement, a Register of Staff Interests is maintained to formally record Dols by employees (or those of their spouse, civil partner, partner or other relation). Each declaration made by staff members requires the approval of the relevant Director or Departmental/Line Manager to confirm that the Dol form has been reviewed and appropriate safeguards identified to address any conflicts or potential conflicts of interest. Each positive Dol is actively followed up with employees' line managers, to confirm that all necessary and appropriate safeguards are in place, prior to recording the interest on the Register.

ARAC members will be aware that the Audit Wales Structured Assessment 2022 made reference to the requirement for the revised Standards of Behaviour Policy and the Dol Register to be publicly available on the Health Board's website. Previously, the Registers were available as part of the annual ARAC Report in April each year. In response to the Structured Assessment recommendation, and in compliance with Standing Orders, the Registers will now be more easily accessible on the Health Board's website. The Register of Members' and Staff Interests has been in the public domain since January 2023, having been published on the Health Board's website. The Registers will be updated and re-published on a quarterly basis.<sup>1</sup>

The Standards of Behaviour Policy specifies groups of employees who are required to complete an annual Dol form, which is those staff deemed to be in 'high risk' groups; those whose role necessarily brings them into contact with external companies, contractors or suppliers, those who are able to initiate orders or those who are budget holders. All specified groups of employees have been requested by individual email to complete a Dol form during 2022/23. This requirement also applies in the case of 'Nil' declarations.

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<sup>1</sup> 8.1.5 *In line with the Board's commitment to openness and transparency, the Board Secretary must take reasonable steps to ensure that the citizens served by the LHB are made aware of and have access to view the LHB's Register of Interests. This may include publication on the LHB's website.*

Previous annual reports to ARAC on the *Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship* have included DoI submission compliance figures for each of the staff groups classified as 'high risk', expressed as a percentage DoI completion rate<sup>2</sup> for the respective groups. However, it was felt that for the period 2022/23, these figures would not be reliable for the following reasons:

- Lists of staff included in each of the 'high risk' groups have been reviewed in February 2023 to ensure that they are current. As a result, many new names have recently been added to each group, leaving insufficient time for Dols from recently-added staff members to be included in compliance assessments for this report.
- The development during this period of an automated system for the declaration and recording of staff interests has necessarily included a transition stage in which two Registers are being maintained in parallel; the 'manual' register which has been used to record all staff Dols to date, and the new electronic register. The recent reminder emails issued to staff members in 'high risk' groups have included a link to the automated DoI form, together with a request that this be used to record all declarations. As a result, many Dols now appear on the electronic register but not on the manual version and marrying up the two records would prove overly time-consuming.

Although this information is not available to Members this year, we consider the revised system and process to be more thorough and inclusive, which ultimately ensures an improved assurance process and Register.

#### **Other Developments:**

- As described in the *Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship 2021/22* reviewed at the ARAC meeting held on 19 April 2022, work has been ongoing with IT colleagues throughout 2022/23 to develop an automated Sharepoint system, which will manage the declaration, recording and presentation of DoI and gifts, hospitality, sponsorship and honoraria declaration forms.

An electronic form has recently been developed to record declarations of staff interests; this is accessible on the intranet and automatically populates a Sharepoint register, which will supersede the current manually populated register. This automated form includes functionality that enables the generation of individual declaration documents, should staff members wish to retain a copy for their own records. The reminder emails issued to all relevant staff, as referenced in the preceding paragraph, include the link to this electronic form. Further work is currently being undertaken to develop electronic forms to record Board Members' interests and declarations of offers and acceptance of gifts, hospitality, sponsorship and honoraria.

- Having identified a need to ensure that staff lists held for the purposes of recording Dols are current, an exercise has been undertaken with Workforce and OD colleagues to comprehensively update the lists of all 'high risk' staff recorded on the DoI register, to ensure that these are accurate and to enable reminder emails to be appropriately targeted.
- In order to support a standardised approach across Wales, the wording included on the DoI, Gifts, Hospitality, Sponsorship and Honoraria declaration forms has been revised in line with wording included on the ESR '*Conflict of Interest Declarations*' page. This revision highlights the fact that declarations will be made publicly available via:

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<sup>2</sup> This includes 'Nil' declarations

- Publication on the Internet website of Registers of staff interests held by the Health Board;
- Disclosure of information included in declarations to third parties, in line with the Freedom of Information Act 2000; and
- Sharing of information to support relevant year-end reporting and assurance functions.

Further wording has been added that explains declarations will be made publicly available '*unless there are exceptional circumstances as to why they should not be*', in which case the individual making the declaration should indicate this on the form and should be aware that they will be contacted by a member of the Corporate Governance Team to establish whether there are reasonable grounds for the exclusion of a declaration from the published Register of Interests.

Additionally, the need to notify any changes in individuals' interests as soon as possible has been highlighted on the forms and (in the case of Members' and staff DoI forms), reference to the *Workforce Privacy Notice for Employees* has been included, together with a link to the relevant webpage.

- Further wording has been added to the Gifts, Hospitality, Honorarium and Sponsorship Registration form to highlight the need for individual staff members to seek managerial approval *prior* to accepting any items or offers.
- Registers of Staff and Members' Interests and Gifts, Sponsorship and Hospitality have been published on the website<sup>3</sup>.
- A Global message was issued in December 2022 to remind all employees of requirements and procedures relating to the declaration of gifts and further Global messages were issued in March 2023, highlighting the objectives of the Standards of Behaviour policy and informing all staff of their responsibility to submit Dols and declarations of offers or acceptance of gifts, hospitality, sponsorship and honoraria.
- A rolling email reminder process has been established, which ensures that all Board Members and relevant staff members complete an annual DoI.

#### **Next Steps:**

- Processes will be established to ensure that lists of staff in 'High Risk' groups are regularly refreshed to include new members, those who have changed roles and moved into/out of high risk groups and to identify staff who have left the organisation.
- Automated forms will be developed to register both declarations of Board Members' interests and declarations of gifts, hospitality, sponsorship and honoraria. As in the case of the automated staff DoI form, these will automatically populate spreadsheets (electronic Registers), which can be exported for publication on the HDdUHB internet site.
- During 2023/24, the 'manual' staff DoI Register will no longer be updated and all Dols will be recorded on the electronic Register, which will continue to be regularly published on the internet. Likewise, the 'manual' Register of Board Members' Interests and Registers of Gifts, Sponsorship and Hospitality will be superseded by automated versions. In line with the Standards of Behaviour Policy, records of historic interests, as recorded on the 'manual' Registers, will be retained.

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<sup>3</sup> [Register of interests, gifts, sponsorship and hospitality - Hywel Dda University Health Board \(nhs.wales\)](https://www.nhs.uk/health-boards/hywel-dda-university-health-board/)

- In line with the specified review date, the Standards of Behaviour Policy will be updated and circulated for consultation in August 2025. Any revisions to the policy will include and reflect the developments outlined in this report.

### **Argymhelliad / Recommendation**

The Audit & Risk Assurance Committee is asked to review the adequacy of the arrangements in place for declaring, registering and handling interests, gifts, hospitality, sponsorship and honoraria during 2022/23, and to note the proposed actions for 2023/24 to promote and improve the adequacy of these arrangements, for onward assurance to the Board.

### **Amcanion: (rhaid cwblhau)**

#### **Objectives: (must be completed)**

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.11 To receive annually a full report of all offers of gifts, hospitality, sponsorship and honoraria recorded by the UHB and report to the Board the adequacy of these arrangements. 3.12 To review and report to the Board annually the arrangements for declaring, registering, and handling interests.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference & Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives:	10. Not Applicable

### **Gwybodaeth Ychwanegol:**

#### **Further Information:**

Ar sail tystiolaeth: Evidence Base:	HDdUHB Standards of Behaviour Policy Declaration Registers
Rhestr Termiau: Glossary of Terms:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to ARAC:	Director of Corporate Governance (Board Secretary)

### **Effaith: (rhaid cwblhau)**

#### **Impact: (must be completed)**

Ariannol / Gwerth am Arian: Financial / Service:	Not Applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable

<b>Gweithlu: Workforce:</b>	Not Applicable
<b>Risg: Risk:</b>	Not Applicable
<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Not Applicable
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable