

**Audit & Risk Assurance Committee**  
**TABLE OF ACTIONS**  
**Arising from Meetings held on 18 April and 11 May 2023**

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
AC(23)04	21/02/2023	Table of Actions - AC(22)171 (WCCIS Management Response)	To clarify whether there is an All Wales position around Health Boards signing deployment orders	HT	April June 2023	<p><u>18 April 2023</u> <b>In Progress</b> The Digital Director has contacted the WCCIS Programme Director for an all-Wales position statement.</p> <p><u>20 June 2023</u> <b>In Progress</b> The Strategic Review Phase 2 work has now concluded and a business case for potential platform replacement is being prepared for submission to Welsh Government (May/June 2023). Following the outcome of the business case approval, Health Boards will be required to provide assurances around the signing of deployment orders.</p>
AC(23)10	21/02/2023	Financial Assurance Report	To enquire regarding the planned timescale for NWSSP to digitalise and improve current processes associated with new starters, staff changes and leavers	HT	April June 2023	<p><u>18 April 2023</u> <b>In Progress</b> NWSSP has advised that the supplier who initially tendered to undertake the digitalisation work has withdrawn. A new plan has been agreed, with a trial phase due to commence in the next 6 months.</p>

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						<p><u>20 June 2023</u>  <b>In Progress</b>  The Director of Finance has sought an update from NWSSP and will raise this at the next partnership committee meeting.</p>
<b>AC(23)14</b>	<b>21/02/2023</b>	<b>Orthopaedic Services in Wales – Tackling the Waiting List Backlog: A comparative picture for Hywel Dda University Health Board</b>	To ensure that the Health Board's management response addresses any instances of HDdUHB being an outlier	<b>AC</b>	<b>April June 2023</b>	<p><u>18 April 2023</u>  <b>In Progress</b>  The management responses are being developed, with the intention of bringing them through ARAC in June 2023.</p> <p><u>20 June 2023</u>  <b>Completed</b>  Forward planned for June 2023 ARAC meeting.</p>
<b>AC(23)23</b>	<b>21/02/2023</b>	<b>Individual Patient Funding Requests (Reasonable Assurance)</b>	To raise the issue of consistent/standardised training for clinicians at the national IPFR conference taking place on 28 February 2023	<b>BT</b>	<b>April June 2023</b>	<p><u>18 April 2023</u>  <b>In Progress</b>  This was raised at the national IPFR conference and discussions regarding training were had with Welsh colleagues. The afternoon consisted of an exercise to review the quality of a sample of IPFR applications and decision-making, which highlighted areas for development. Further detailed conversation to be raised at all-Wales IPFR Managers level regarding national training.</p>

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						<u>20 June 2023</u> <b>Completed</b> This was raised at the All-Wales IPFR Managers meeting and it was agreed that a national resource is required. Work will commence to provide training for clinicians on a modular basis.
			To progress with Mr Simon Mansfield the issue of ensuring that PROMs are captured for all patients for whom IPFR is agreed	LiD/BT	April June 2023	<u>18 April 2023</u> <b>In Progress</b> Contact has been made and meeting has been scheduled for further discussion.  <u>20 June 2023</u> <b>In Progress</b> A meeting to discuss this issue took place on 14 April 2023 and the initial limitations of applying PROMs to IPFR approvals was recognised. However, it was agreed that further investigation take place, including a review of specific cases and a discussion with Health Technology Wales. A follow-up meeting is scheduled to review feasibility of using PROMs for IPFR cases.
AC(23)42	18/04/2023	Introductions and Apologies for Absence	To issue a formal letter of thanks to Mr Paul Newman	JW	June 2023	<b>Completed</b> Issued 3 May 2023.
AC(23)45	18/04/2023	Table of Actions – AC(23)07 (Targeted Intervention	To include information regarding the Targeted Intervention requirements in the Escalated Status	HT	June 2023	<b>Completed</b> It has been agreed that Escalation Steering Group (ESG) notes will be shared, commencing with the meeting held on 31 May 2023.

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
		<b>and Enhanced Monitoring – Board Oversight of Areas of Concern)</b>	Update report to the 20 June 2023 meeting			
		<b>Table of Actions – AC(23)23 (Individual Patient Funding Requests (Reasonable Assurance))</b>	To obtain an update on training for clinicians with regard to Individual Patient Funding Requests and clarification around when the meeting with Mr Simon Mansfield is taking place	<b>LiD/BT</b>	<b>June 2023</b>	See <b>AC(23)23</b> , above
<b>AC(23)47</b>	<b>18/04/2023</b>	<b>Annual Review of the Committee’s Terms of Reference &amp; Membership</b>	To reinstate the requirement in paragraph 5.1 for In Attendance members	<b>CW</b>	<b>May 2023</b>	<b>Completed</b>
			To add a period of seven days to the text in paragraph 6.5, relating to when the minutes will be circulated to Members following review by the Lead Director	<b>CW</b>	<b>May 2023</b>	<b>Completed</b>
<b>AC(23)49</b>	<b>18/04/2023</b>	<b>Scheme of Delegation</b>	For future iterations – to highlight changes in a different colour text in the Scheme of Delegation document	<b>CW</b>	<b>June 2023</b>	<b>Completed</b> Noted for future reports.

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
AC(23)50	18/04/2023	Counter Fraud Annual Report 2022/23	To discuss compliance with mandatory training (particularly among certain staff groups) at PODCC	LG	June 2023	<b>Completed</b> Referred to PODCC CSO for adding to the forward Workplan
			To raise with the Executive Team the cultural issue associated with the above	HT	June 2023	<b>Completed</b> This has been raised with the Medical Director and his senior team.
AC(23)53	18/04/2023	Report on the Adequacy of Arrangements for Declaring, Registering and Handing interests, Gifts, Hospitality, Honoraria and Sponsorship	To follow up with the Head of Counter Fraud whether a summary of matters of concern should be compiled and communicated to Medical and Dental staff	JW	June 2023	<b>Completed</b> Information was shared at the Committee Chairs' meeting, with it agreed that there would be a focus on medical and dental staff (all aspects) at a future PODCC meeting.
AC(23)54	18/04/2023	Financial Assurance Report	To request that the accountant with RPB responsibility takes forward pooled budget arrangements to avoid qualified audit reports	HT	June 2023	<b>Completed</b>
			To explore the possibility of a Hywel Dda UHB based trial of digitisation of Payroll forms	HT	June 2023	<b>Completed</b> The Director of Finance has requested that the Health Board is included in any trial of digitisation.  Any progress will be tracked through AC(23)10, above.

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
			To obtain clarification from Mr Gareth Rees around HDD-STA-628	HT	June 2023	<p><b>Completed</b></p> <p>HDD-STA-628 supported the case for a single source procurement of a Echosens Fibro scanner for Prince Philip Hospital purchased out of end of year DCP monies at a cost of £132,960.00 which included a six year maintenance plan. The end of year imperative which required a single source procurement was driven by the following factors:</p> <ul style="list-style-type: none"> <li>a) The equipment was already a feature of the prioritised list</li> <li>b) End of year slippage in DCP invited schemes which were both affordable and deliverable for consideration and many such as this found they were moved up the list of priorities as a result</li> <li>c) The scheme was identified a candidate for slippage in mid-February</li> <li>d) The capital planning team confirmed a budget from slippage to facilitate this purchase on 3 March 2023</li> <li>e) Enquiries with the supplier confirmed this equipment had a two-week delivery time which meant that DCP slippage could be used effectively to progress the purchase provided single sourcing applied</li> <li>f) The equipment was not procurable via an NHS framework</li> </ul>

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						<p>g) The equipment was delivered and accounted for before 31 March 2023</p> <p>h) Whilst the Echosens brand is renowned as being the leading liver disease scanner and is extensively used in the UK it has featured prominently as the preferred model in NHS Wales since 2010 and has been used in support of the All Wales Hepatology Nurse Forum roadshows which aimed to promote early detection and referral of liver disease to the appropriate specialty</p> <p>i) The clinical case supporting the procurement and the associated single source justification is therefore as follows:</p> <ol style="list-style-type: none"> <li>I. It is one of only one such device at the PPH used for diagnosis of patients exhibiting liver conditions which enhances pathway performance by identifying the appropriate treatment earlier in the process including referral to tertiary centres without the need to first channel through secondary care. Effectively extending the benefit experienced by patients through use of the machine at Worthybush Hospital</li> </ol>

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						<ul style="list-style-type: none"> <li>II. The early diagnoses will invariably reduce hospital admissions</li> <li>III. The rapid diagnosis pathway is nurse led and requires less consultant intervention, all of which reduces waiting time.</li> <li>IV. The equipment has broader benefits and can be used to support rheumatology and dermatology services</li> <li>V. It will be used to support consultant clinics which in turn supports full assessment of the patient's condition on the day which will include episodes of referral back to primary care for conditions management</li> <li>VI. Its use supports reduced biopsy episodes and hence contributes to reduced diagnosis costs</li> <li>VII. The alternatives were considered by the specialty who did not consider as suitable for the patient cohort being seen at Hywel Dda University Health Board</li> <li>VIII. It promotes standardisation by aligning with the machine already in place at Wthybush Hospital</li> </ul>



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			To request clarification from the Procurement team around whether the consultancy contract awarded should have been classified as a STA, or whether it was awarded via framework	HT	June 2023	<b>Completed</b> The Consultation Institute contract was awarded via a direct award framework (the East of England NHS Collaborative Procurement Hub) and consequently was not a Single Tender Award.
			To include information around the extent to which Independent Mental Capacity Advocate (IMCA) services are being used in a report to be submitted to the 20 June 2023 ARAC meeting	JP	June 2023	<b>Completed</b> Forward planned for June 2023 ARAC meeting.
			To share the formal process by which contracts are determined as for 'professional services/technical work' rather than consultancy	HT	June 2023	<b>Completed</b> The Financial Procedure on the Use of Consultancy (attached as Appendix 1) sets out a summary definition of consultancy and professional services, shown below.  <i>Consultancy seeks to fill a knowledge gap. It is defined as the provision to management of objective advice relating to strategy, structure, management or operations of an organisation. It will usually be related to business change or transformation. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will</i>

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						<i>be time-limited. The consultants delivering the service will operate outside of the client organisation's structure and staffing establishment, with payment based on the delivery of a defined service or output. Consultancy often includes the identification of options with recommendations, or assistance with the implementation of solutions but typically not the delivery of business as usual activity (eg advising on legal risk or technical matters). Such contracts should usually be categorised as professional services, rather than consultancy services.</i>
<b>AC(23)55</b>	<b>18/04/2023</b>	<b>Carers Services Commissioned with Non-recurrent Grant Funding</b>	To request that learning from this procurement process is adopted elsewhere	<b>HT</b>	<b>June 2023</b>	<b>Completed</b> NWSSP regularly review the appropriateness of local procurement arrangements and what could be consolidated into national contracts. Striking the balance between national scale and local flexibility is an area of continuing dialogue.
<b>AC(23)56</b>	<b>18/04/2023</b>	<b>Audit Wales Update Report</b>	To work with Mrs Joanne Wilson to provide indicative timings for scheduling of Audit reports	<b>AB</b>	<b>June 2023</b>	<b>Completed</b> Indicative timings for ARAC consideration of work underway and nearing completion have been identified in the Update Report. Work not yet started will remain 'to be confirmed', until the point in which the work starts.
<b>AC(23)57</b>	<b>18/04/2023</b>	<b>Audit Wales Annual Plan 2023</b>	To present further detail to a future meeting on	<b>HT</b>	<b>June 2023</b>	<b>Completed</b> Included as an appendix to the Financial Assurance Report.

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			work to reduce the risk of management override			
AC(23)60	18/04/2023	Review of Operational Governance Arrangements – Mental Health & Learning Disabilities	For Recommendation 5 of the report to be examined in more detail at PODCC	LG	June 2023	<b>Completed</b> Referred to PODCC CSO for adding to the forward Workplan
			To schedule an update on progress for February 2024	CM	June 2023	<b>Completed</b> Forward planned for February 2024 ARAC meeting.
AC(23)61	18/04/2023	Deep Dive – Ophthalmology	To undertake additional work to assess progress on each individual recommendation	CH/ RW	June 2023	<b>Completed</b> Meeting held in April 2023 between Service Delivery Manager and Head of Assurance Risk, where recommendations were discussed and updated. Revised timescales have been obtained for the three recommendations raised in the DU report on All Wales Review of progress towards delivery of Eye Care Measures of September 2023 in terms of holding regional discussions around Ophthalmology services to support a long term sustainable plan. 1 recommendation in the DU report Focus on Ophthalmology: Assurance Review has a revised timescale of July 2023, coinciding with the review of the Glaucoma plan. 1 further recommendation remains not known, as

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						<p>the service is dependent on further input from Information Governance to identify a realistic revised implementation date.</p> <p>1 recommendation as raised in the HIW report Thematic Review of Ophthalmology 2015/16 has a revised timescale of July 2023.</p> <p>There were no changes to the previously reported timescales for the CHC report Eye Care Services in Wales.</p> <p>It is recognised that there is a need for a collaborative regional approach to address the current challenges in Ophthalmology, including the ability to implement these outstanding recommendations. A new risk has been added to the Scheduled Care risk register identifying the challenges of developing a safe and sustainable service given the investment and staffing pressures in May 2023 (1664 – Ophthalmology service fragility). The risk contains specific actions and timescales which will inform future progress updates on recommendations, and these timelines have been reflected on the tracker with updates to be provided at future ARAC meetings.</p>

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						Progress of these recommendations, and the escalation of any matters of concern will be communicated to the Executive Director of Operations via regular scheduled meetings with the Assurance and Risk Team, and via the Senior Operational Business meetings.
			To schedule a further update on progress for a future meeting	CM	June 2023	<b>Completed</b> Forward planned for October 2023 ARAC meeting.
AC(23)63	18/04/2023	Internal Audit Plan and Charter 2023/24	To review the Internal Audit Plan to ensure that there is sufficient coverage with regard to Primary Care	JW/ JJ	June 2023	<b>Completed</b> The plan has been reviewed with the Director of Corporate Governance, with two potential additional audits areas being identified. The Internal Audit plan includes audits from managed practices and accelerated clusters. Primary Care will also be one of the areas subject to a directorate governance review. A meeting has been planned with the Director of Primary Care to explore these areas further.
AC(23)64	18/04/2023	RCP Medical Record Keeping Standards Internal Audit Update	To circulate links to the resources mentioned	LiD	June 2023	<b>Completed</b> The new Clinical Record Keeping Policy is available here: <a href="#">Corporate Governance - 195 Clinical Record Keeping Policy.pdf - All Documents (sharepoint.com)</a> A short animated video has been developed: <a href="#">Clinical Record Keeping Policy.mp4 (sharepoint.com)</a>

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						A SharePoint site has been developed: <a href="#">Clinical Record Keeping (sharepoint.com)</a> where there are resources to support the Policy.
			To schedule a 'Deep Dive' on this topic for the Operational Quality, Safety & Experience Sub-Committee (QQSESC)	MR	June 2023	<b>Completed</b> Added to the QQSESC forward Workplan.
			To consider in detail the original Internal Audit report requirements/ recommendations and whether these have been met	JJ/ LiD	June 2023	<b>Completed</b> Following discussion, it has been established that the original recommendation has been actioned, with the current discussion focused on ongoing compliance with the standards. New standards have been developed and Internal audit have been asked to consider these as part of the planning process for the 24/25 audit year.
AC(23)70	18/04/2023	Safety Indicators – Pressure Damage & Medication Errors (Reasonable Assurance)	To review QQSESC report templates to ensure that a focus on safety indicators is included	MR	June 2023	<b>Completed</b> The Corporate governance team has worked with the Quality Assurance team to ensure templates are updated and circulated.
AC(23)73	18/04/2023	Fitness for Digital (Advisory Review)	To provide more detail on the Digital Systems Usability Survey which has recently been issued to all clinicians in Wales	AT	June 2023	<b>Completed</b> <a href="https://dhcw.nhs.wales/news/latest-news/clinicians-to-have-their-say-on-digital-systems-across-wales/">https://dhcw.nhs.wales/news/latest-news/clinicians-to-have-their-say-on-digital-systems-across-wales/</a>

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AC(23)77	18/04/2023	Post Payment Verification (PPV) Report	To discuss with Ms Amanda Legge the format of future reports	HT	June 2023	<b>In Progress</b> This has been raised with NWSSP.
AC(23)79	18/04/2023	Audit Tracker	To review the reports detailed in Appendix 3	CW	June 2023	<b>Completed</b> The Director of Corporate Governance/Board Secretary has written to Executive Directors to ask them to review recommendations that currently have a 'not known' implementation date. Operational Leads have been reminded to assess the risk of non-implementation and this is part of our on-going work with services.
AC(23)81	18/04/2023	Any Other Business	To include in the ARAC Update Report to Board an approval request for a change to the date of the Annual General Meeting following the granting of a variation order by Welsh Government	RE/JW	May 2023	<b>Completed</b> Included in ARAC Update Report to 25 May 2023 Public Board meeting.
AC(23)86	11/05/2023	Audit Wales Annual Plan 2023	To provide indicative timings for scheduling of Audit reports	AB	June 2023	<b>In Progress</b> Indicative timings for ARAC consideration of work underway and nearing completion have been identified in the update report. Work not yet started will remain 'to be confirmed', until the point in which the work starts.
AC(23)87	11/05/2023	Internal Audit Plan Progress Report	To update Appendix A to reflect those reports which have been deferred to June 2023	JJ	June 2023	<b>Completed</b> The update had been made in the June 2023 ARAC progress report.

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AC(23)90	11/05/2023	Withybush General Hospital Fire Precautions Phase 1 (Reasonable Assurance)	To revisit the management response to Recommendation 1, and 1.1 specifically, to ensure that it fully addresses the requirement for an option appraisal	JWo	June 2023	<p><b>Completed</b> The Management Response has been reviewed with Capital Audit and updated to read “Agreed – An assessment identifying options available based on various scenarios identifying options available is progressing and will set out options as indicated in the recommendation”</p> <p>Work on this area ongoing. Target Date remains by July 2023.</p>
			To provide an update following the meeting with Welsh Government around funding	JWo	June 2023	<p><b>In Progress</b> Meeting took place with WG on 15 May 2023 to update on scheme challenges and potential funding shortfall. Formal request for additional funding requested by WG. Request submitted to WG on 25 May 2023; receipt acknowledged by WG, outcome awaited.</p>
AC(23)92	11/05/2023	Regional Integrated Fund (Reasonable Assurance)	To amend the deadline for the MOU action to July 2023	HT/JJ	June 2023	<p><b>Completed</b> Date to be amended on the Audit Tracker.</p>
AC(23)98	11/05/2023	Compliance with Welsh Health Circulars	To obtain an update on the meeting in March 2023 mentioned on page 8 of Appendix 1	JW	June 2023	<p><b>Completed</b> Meeting held with Estates, Capital Planning, Infection Prevention &amp; Control, and Clinical Leads for Respiratory Pathway. Agreement to scope pathway and agree location for isolation facilities prior to commissioning consultants to scope engineering and</p>



Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
						building works. Once the option and costings have been agreed at the Ventilation Steering Group it will be signed off at the IPSSG and bid submitted to Capital Planning Group.
			To follow-up on Value Based Health Care projects around the use of alternative clinical pathways in relation to the WHC relating to persistent pain	<b>JW</b>	<b>June 2023</b>	<p><b>Completed</b></p> <p>Initial assessments are conducted virtually and Pre and Post Patient Reported Outcome Measures (PROMS) are being collected using the DrDoctor platform. Preliminary data appears to show positive value to patients. Electronic Pain Management Programme (e-PMP) has been developed and research is currently being conducted on the efficacy of this intervention. Primary Care Cluster Projects will be evaluating the efficacy of this data at pilot sites until 2025 (above and beyond the requirements stipulated in the WHC). Further scrutiny is required in terms of determining low/high value efficiency in the Medical pathway - this work is starting to happen, but far from being complete. Aim is to review with the potential to extend, adopt and spread this project work before 2025.</p> <p>A service review day is scheduled for 14 June 2023 to discuss potential pathway changes to the medical pain service and the service continue to work</p>

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
						<p>closely with the Assurance and Risk Team to update the UHB's Welsh Health Circular tracker.</p> <p>There are potential risks around recruitment, resourcing and job security of fixed term posts once the positions are recruited. There is an additional risk of pathways/service leads not being challenged to do something different. A discussion has taken place with the lead Clinical Psychologist around adding a risk to Datix, but due to the recent provision of a UHB implementation date in 2025, none have been added at this time.</p>
AC(23)101	11/05/2023	Records Digitalisation (Limited Assurance)	To explore whether there were separate business cases for each aspect and what assumptions were made in these	AT	June 2023	<p><b>In Progress</b></p> <p>An agile business case document (circulated separately) was created for the adoption of the EDRMS, which included a number of high-level assumptions. Information awaited re Scanning project.</p>
			To provide further clarification around ERDMS costs	AT	June 2023	<p><b>Completed</b></p> <p>The costs included within the report were the total costs for running the EDRMS for 3 years, whereas the lower figure was an anticipated cost for Year 1.</p>
			To schedule a meeting between the relevant parties to agree	JJ	June 2023	<p><b>Completed</b></p>

Minute No.	Meeting Date	Subject	Action	Lead	Timescale	Progress/Date Achieved
			amendments to the report and management response and present a revised version to the June 2023 meeting			Meetings have taken place and a revised Final version of the report has been issued.
<b>AC(23)104</b>	<b>11/05/2023</b>	<b>Draft Performance Overview</b>	To consider the use of SPC charts in the Annual Report and - if they are retained - explain their inclusion (to ensure consistency with Committee and Board reports) within the accompanying SBAR	<b>HT</b>	<b>June 2023</b>	<b>Completed</b> To be consistent with the Integrated Performance Assurance Report, the SPC charts will remain in the Annual Report. A section will be added to the next update of the Annual Report to better explain the components of SPC charts and how they should be interpreted.
<b>AC(23)105</b>	<b>11/05/2023</b>	<b>Draft Accountability Report</b>	To consider further the tense and date on page 11 of the report	<b>CW</b>	<b>June 2023</b>	<b>Completed</b> Date changed to July 2022 in the report
			To make amendments in relation to Mr Weir not being a member of QSEC and Mrs Hardisty being the Carers' Champion on page 17	<b>CW</b>	<b>June 2023</b>	<b>Completed</b> Report has been amended to include changes to IM Committee membership table and Champion roles on page 17

# Use of Consultancy Financial Procedure

## Procedure information

Procedure number: 1049

Classification:  
Financial

Supersedes:  
Previous Version

Version number:  
2.0

Date of Equality Impact Assessment:  
18/11/2021

## Approval information

Approved by: Sustainable Resources Committee (SRC)

Date of approval:  
22/12/2022

Date made active:  
23/03/2023

Review date:  
22/12/2025

Summary of document:

This document provides details of the process to be followed when considering using the services of management consultants.

Scope:  
Hywel Dda University Health Board wide.

To be read in conjunction with:

Standing Orders.

Standing Financial Instructions.

[Other Financial Procedures.](#)

[Counter Fraud, Bribery and Corruption Policy](#)

Patient information:

Include links to [Patient Information Library](#)

Owning group: Finance Team

Executive Director job title:  
Huw Thomas – Director of Finance

Reviews and updates:

1.0 – New Procedure 28.10.2021

2.0 - Clarified definition of consultancy and included flowchart for assurance and approval process to be followed. 22.12.2022

Keywords

Use of consultancy

Glossary of terms

HDdUHB - Hywel Dda University Health Board

SFIs - Standing Financial Instructions

SRC - Sustainable Resources Committee

ARAC - Audit and Risk Assurance Committee

## **FRAUD, BRIBERY AND CORRUPTION**

All staff are required to comply with the Health Boards policies and procedures and apply best practice in order to prevent Fraud, Bribery and Corruption. Staff should be made aware of their own responsibilities in protecting the Health Board from these crimes.

All staff have a duty to notify the Local Counter Fraud Department of any suspected fraud or inappropriate actions and are protected by the [AW Raising Concerns \(Whistleblowing\) Policy \(opens in a new tab\)](#). Anyone who suspects fraud or has any concerns reference Fraud Bribery and Corruption can make a referral by contacting the Counter Fraud Department by either of the following methods:

- Telephoning the office on 01267 248627
- Emailing [HDUHB.CounterFraudTeam.HDD@wales.nhs.uk](mailto:HDUHB.CounterFraudTeam.HDD@wales.nhs.uk) ,
- Making an online referral at <https://reportfraud.cfa.nhs.uk> or
- Making an anonymous referral by telephoning Crimestoppers on 0800 028 40 60.

Staff should refer to the [Counter Fraud, Bribery and Corruption Policy](#) (opens in a new tab) for further information.

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## INTRODUCTION

This procedure details the guidelines set for the application and approval process for use of Consultancy services within Hywel Dda University Health Board (HDdUHB).

## SCOPE

The procedure is applicable across the whole of Hywel Dda University Health Board (HDdUHB). It applies to all employees and Independent Members. The term “employees” includes all those who have a contract of employment or honorary contract with the HDdUHB, including volunteers and bank workers.

## AIM OF PROCEDURE

The aim of this document is to ensure that there is a clear procedure and guidelines set for the use of Consultancy within Hywel Dda University Health Board (HDdUHB). This is to minimise the risk of incurring expenditure inappropriately and ensuring best value for money is achieved.

This procedure should be read in conjunction with the “Procurement of goods and services” section of the Health Board’s Standing Financial Instructions (SFIs), other relevant financial procedures including the [1054 - Purchase to Pay procedure](#) (opens in a new tab)

## OBJECTIVES

The aim will be achieved by outlining the:

- Principles around definition of consultancy and when the Health Board would use Consultancy
- Procedure to follow when the decision has been made to use Consultancy
- Delegated limits for Consultancy spend
- Reporting mechanism for Consultancy spend
- Review of outcomes

## ROLES AND RESPONSIBILITIES

Any Manager using Consultancy needs to undertake the actions outlined in [Section 6 – section 7](#) of this document. Approval needs to follow delegated limits which is outlined in [approval limits section](#). The manager, with support from Procurement, will need to ensure there is a post project review as outlined in the [monitoring, post review and value for money section](#).

# PRINCIPLES

## Definition

- Consultancy seeks to fill a knowledge gap. It is defined as **the provision to management of objective advice relating to strategy, structure, management or operations of an organisation**. It will usually be related to business change or transformation. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited. The consultants delivering the service will operate outside of the client organisation's structure and staffing establishment, with payment based on the delivery of a defined service or output.

Consultancy often includes the identification of options with recommendations, or assistance with the implementation of solutions but typically not the delivery of business as usual activity (eg advising on legal risk or technical matters). Such contracts should usually be categorised as professional services, rather than consultancy services

The limits and processes set out in this procedure relate to **Consultancy services**. The use of professional services falls under the standard guidelines for non-pay expenditure set out in [1054 - Purchase to Pay procedure](#) (opens in a new tab)

Areas where the need for Consultancy may arise, together with definition of Consultancy and Professional services, as identified by the Government guidance of 'Consultancy and Professional Services spend control' is included in [Appendix 1](#).

## Why appoint Consultants?

Typically, there are 3 main reasons why you may want to use consultants:

- the expertise the consultant offers
- their independent viewpoint
- the resources they provide

## Alternatives

There are alternatives to using consultants and these should be tested before the commencement of any appointments process. These can be best summarised as follows:

- **Use your own personnel:** quite often over-looked but there may be capacity within the organisation in its broadest sense who could undertake an assignment particularly if an independent view is not required. This could be supplemented with some additional training but could be beneficial to the organisation and to the development of the individual.
- **Secondments:** the requirement may be suited to a short-term secondment opportunity through an individual[s] with some specific experience.
- **University/Colleges:** college placements might be a lower cost solution



- **Recruitment Agencies:** although sometimes costly the rates for appointing through an employment agency are invariably more cost effective than consultancy rates. There are however factors to consider such as term of employment and termination fees.

Before commencing with a consultancy arrangement, a full options appraisal should be carried out and the decision to proceed, if this is the chosen option, signed off by the senior responsible officer.

### When not to use Consultants

Consultants should always be appointed for the right reasons particularly when the costs can sometimes be prohibitive. Consultants should not be used in some of the following circumstances:

- There is no clarity on what is required, they need to have a specific set of tasks and deliverables otherwise the potential for wasting money is significant
- Previous use of consultants has not yielded benefits expected. This will flag up issues with approach and involvement.
- Requiring consultants to perform tasks which are dependent upon factors and decisions outside their control
- Buying their name to give some credibility to a flawed or unfeasible project
- Using them as scapegoats to take the blame for unpopular actions
- Imagining they are miracle workers who can solve all organisational problems
- Believing they can save you the time and trouble of defining policies and objectives

### Making the Case

Serious consideration should be given to appointing consultants in the first place and some thoughtful analysis up front is always good practice. Such information analysis might include:

- The purpose and scope of the work
- The results and outputs expected
- The proposed contract basis
- Estimated cost of the work
- Benefits to be derived and likelihood of being achieved
- Propose management arrangements for managing the work
- Assessment of the alternatives to the use of consultants
- An indication of any implementation consequences of the consultants' work
- Assess and declare any conflicts of interest, including any association with interested parties.

## PROCEDURE TO FOLLOW WHEN CONSIDERING CONSULTANCY

### Procurement process

Procurement rules must be followed when considering Consultancy. You will need to contact the local Procurement department in the first instance to gain advice whether selection can be made from an existing Framework.

The following table summarises the minimum thresholds for quotes and competitive tendering arrangements. The total value of the contract over its entire period is the qualifying sum that should be applied (except in specific circumstances relating to aggregation and contracts of an indeterminate duration) as set out in EU Directives and UK Regulations.

<b>Contract value (excluding VAT)</b>	<b>Minimum Competition*</b>
< £5,000	At discretion of DoF
£5,000 - £25,000	3 written quotations
£25,000 – OJEU threshold	4 tenders
Above OJEU threshold	5 tenders
Contracts above £1m	WG approval required

\*subject to the existence of suitable suppliers

#### Approval limits

Approval requirements for consultancy expenditure are set within the Health Board Scheme of Delegation and somewhat differ to general non-pay expenditure:

	<b>Consultancy</b>	<b>General Non-Pay</b>
<b>Executive Directors</b>	≤ £25,000	≤ £100,000
<b>Chief Executive / Director of Finance</b>	≤ £25,000	≤ £500,000
<b>CEO &amp; DoF</b>	-	>£500,000 ≤ £1,000,000
<b>CEO &amp; Executive Team</b>	>£25,000 ≤ £1,000,000	>£500,000 ≤ £1,000,000
<b>Board</b> <i>(following CEO/ET approval)</i>	>£25,000 ≤ £1,000,000	>£1,000,000
<b>Welsh Government</b>	>£1,000,000	>£1,000,000

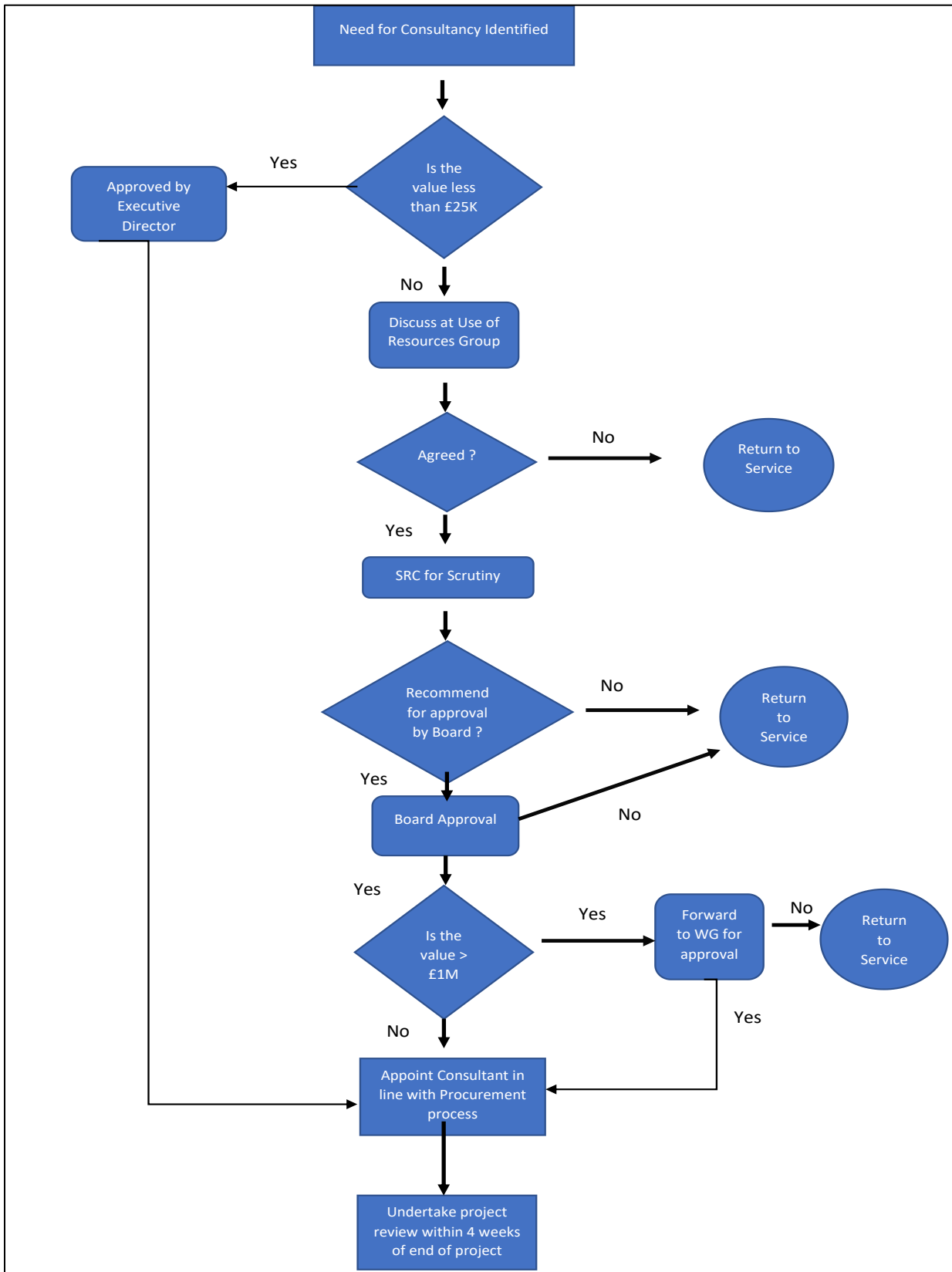
Each Executive Director can approve Consultancy up to £25,000. Anything over £25,000 needs approval by the Board. The first step is agreement by the CEO and Executive Team, this is discharged by the Use of Resources Group.

In addition, scrutiny in the use of consultancy is undertaken by the Sustainable Resources Committee (SRC), prior to consideration for approval by the Board.

The flowchart sets out the correct process to be followed.

Managers requesting the use of consultancy should plan ahead and be aware of the timescale required for approval before they can engage a consultant:

Flowchart



## Reporting

Consultancy spend is reported annually as a matter of course through the Statutory Annual Accounts, in addition Procurement will maintain a central record of consultancy engagements which will be reported through the Finance Assurance report at the Audit and Risk Assurance (ARAC) Committee.

## Monitoring, Post review and value for money

Once the assignment is completed it is also good practice to have an exit meeting to identify issues, lessons learnt, were objectives met, what aspects were good and which bad or can be done better. This should be recorded and kept as a reference point for any future assignments with that supplier

The project lead should ensure this is completed within 4 weeks of the end of the assignment and made available to Finance/Procurement to be reported at the next SRC meeting. The project lead should use the Post project evaluation template provided by Procurement.

# APPENDIX 1 - Definition of Consultancy and Professional Services

Extract from the Gov.co.uk website 'Consultancy and professional services spend controls'

## Consultancy services

These are services:

- that provide advice to fill a knowledge gap. This can be to identify options and recommendations, or advice to assist with implementing solutions; it will usually be related to business change or transformation, so will be time-limited
- where the individuals (consultants) delivering the service (output) will operate outside of the client organisation's structure and staffing establishment
- where payment is based on the delivery of a defined service (output). This may require a team of consultants working for an extended period of time, or could require a single consultant whose fee will be calculated based on the time taken to deliver the output
- that should not involve the individuals (consultants) working in a Business as Usual environment (eg advising on legal risk or technical matters). Such contracts should usually be categorised as professional services, rather than consultancy services

## Professional Services

These are services:

- that are not defined as consultancy
- that are not purely or mostly advisory (unless the advice is part of a formal report that is required to undertake business as usual activities eg a legal opinion or technical report)
- where the individuals delivering the service (output) will operate outside the client organisation's structure and staffing establishment
- where payment is generally based on the delivery of defined outputs or outcomes (eg task and finish work)
- that, as with consultancy, deliver a service (output) that may require a team working for an extended period of time, or may be provided by an individual whose fee will be calculated based on the time taken to deliver the service
- that are often delivered in a BAU environment but may relate to the delivery of a project or programme. They can be responsible for a non-BAU output (eg legal advisers recruited to provide advice on a specific issue)
- that seek to fill gaps to assist the procuring organisation to deliver or implement an operational service, including those that are BAU. As such, professional services should not be purely (or mostly) advisory and contracts should be defined according to the delivery of outputs and deliverables rather than the number of days of effort utilised
- where for the purposes of the control there is no need for individuals to demonstrate any specific skills, qualifications or experience
- where contractors can be paid according to time worked or for delivery of a defined output or service. This can include Managed Services (MS)

## **Areas where consultancy/professional services may be required**

*Strategy and Organisation and Change Management are likely to be consultancy but reference to the definitions should be made on a case by case basis when deciding which process to follow and advice sought from Procurement if there is any doubt.*

### **Strategy**

The provision of strategic objective advice including advice relating to corporate strategies, appraising business structures, Value for Money reviews, business performance measurement, management services, product or service design, and process and production management.

### **Organisation and Change Management**

Provision of objective advice relating to the strategy, structure management and operations of an organisation in pursuit of its purposes and objectives. Advice related to long range planning, organisation restructure, rationalisation of services, and general business appraisal of organisations.

### **Finance/Audit**

The provision of objective finance advice including advice relating to corporate financing structures, accountancy, control mechanisms and systems. This includes both strategic and operational finance.

### **Information Technology/Information Systems**

The provision of objective IT/IS advice including that relating to IT/IS systems and concepts, strategic IT/IS studies and development of specific IT/IS projects. Also includes advice related to defining information needs, computer feasibility studies, making computer hardware evaluations and to e-business.

### **Legal**

The provision of external legal advice and opinion including advice insofar as it relates to the policy formulation and strategy development particularly on commercial and contractual matters.

### **Property & Construction**

Provision of specialist advice relating to property services and estates including portfolio management, design, planning and construction, tenure, holding and disposal strategies.

### **Human Resources**

The provision of objective HR advice including advice on the formulation of recruitment, retention, manpower planning and HR strategies, and advice and assistance relating to the development of training and education strategies.

### **Technical**

The provision of technical advice including the provision of technical studies, prototyping and technical demonstrators, concept development, project and task based technical advice.

### **Marketing & Communications**

The provision of objective marketing and communications advice including advice on the development of publicising and the promotion of the Department's Business Support programmes, including advice on design, programme branding, media handling, and advertising.

### **Procurement**

The provision of objective procurement advice including advice in establishing procurement strategies.

### **Project and Programme Management (PPM)**

The provision of advice relating to ongoing programmes and one-off projects. Advisory support in assessing, managing and/or mitigating the potential risks involved in a specific initiative; work to ensure benefits realisation.