

# Theatre Loan Trays & Consumables Final Internal Audit Report

June 2023

Hywel Dda University Health Board

## Contents

Executive Summary .....	3
1. Introduction.....	5
2. Detailed Audit Findings.....	6
Appendix A: Management Action Plan.....	10
Appendix B: Assurance opinion and action plan risk rating .....	24

Review reference:	HDUHB-2223-39
Report status:	Final
Fieldwork commencement:	27 March 2023
Fieldwork completion:	27 April 2023
Debrief meeting:	27 April 2023
Draft report issued:	2 May 2023
Management response received:	9 June 2023
Final report issued:	9 June 2023
Auditors:	Sophie Corbett, Deputy Head of Internal Audit Ceri-Ann Corcoran, Principal Auditor
Executive sign-off:	Andrew Carruthers, Director of Operations
Distribution:	Gareth Rees, Deputy Director of Operations Keith Jones, Director of Secondary Care Philip Flear, Head of Decontamination Stephanie Hire, General Manager, Scheduled Care Diane Knight, Service Delivery Manager for Theatres
Committee:	Audit & Risk Assurance Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

### Acknowledgement

NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

### Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit & Risk Assurance Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

## Executive Summary

### Purpose

To provide assurance over the arrangements and processes in place for the decontamination of theatre trays loaned to and reprocessed for private healthcare providers' use, and the issue of single use consumables for use within private facilities.


### Overview

We have concluded **Limited** assurance overall. The most significant matters which require management attention include:

- Unused theatre trays returned by the private healthcare facility ('the facility') are not decontaminated as required by the Decontamination Policy.
- The Health Edge system is not fully utilised so there is no central record of trays issued to the private facility.
- The Health Board does not have visibility of patient traceability records for procedures using loaned trays at the private facility.
- The private facility is only charged for trays actually used instead of all trays loaned so there is loss of income to the Health Board.
- Consumables such as implants and prostheses are not controlled, with no record of stock balances and movements maintained, and no distinction between Health Board-owned and consignment stock.
- Consumables are loaned to the private facility under an informal arrangement in exchange for like-for-like replacements rather than payment. The appropriateness of this arrangement needs to be reviewed, and there are inadequate controls in place to ensure that replacements are received.

We have also identified four medium and one low priority matters arising - full details of all findings are provided within Appendix A.

### Report Opinion

		Trend
	<b>Limited</b> More significant matters require management attention.	
	<b>Moderate impact</b> on residual risk exposure until resolved.	n/a

### Assurance summary<sup>1</sup>

Objectives	Assurance
1 Theatre trays are loaned out only where there is sufficient availability to do so	Substantial
2 All theatre trays loaned out are decontaminated upon return	Limited
3 Theatre trays and single use consumables issued are identified and recorded and associated costs recharged	Limited

<sup>1</sup>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising		Objective	Control Design or Operation	Recommendation Priority
1.1	Decontamination of Unused Trays	2	Operation	High
2.1	Tracking of Theatre Trays	2	Operation	High
3.1	Patient Traceability	3	Design	High
4.1	Service Level Agreement / Procedures	3	Design	Medium
4.2				Medium
5.1	Recharge of Costs	3	Design	High
5.2				Medium
6.1	Pricing	3	Design	Medium
7.1	Consumables – Stock Control	3	Design	High
8.1	Consumables – Stock Control	3	Design	High
8.2				High

## 1. Introduction

- 1.1 This audit was undertaken as an addition to the 2022/23 Annual Internal Audit Plan, in response to concerns regarding the arrangements for the decontamination and recovery of costs associated with the loaning of theatre trays and single use consumables to private healthcare providers.
- 1.2 The Health Board has an arrangement with a private healthcare provider ('private facility') in Carmarthenshire to loan Health Board-owned theatre trays and consumables. This arrangement is predominantly facilitated by Glangwili (GGH) and Prince Philip (PPH) hospitals, and rarely Withybush (WGH).
- 1.3 The potential risks considered in the review are:
  - unavailability of theatre instruments/devices, resulting in service disruption and patient harm;
  - non-compliance with decontamination requirements, resulting in avoidable risks to patients; and
  - income due to the Health Board is not invoiced or received, resulting in financial loss.
- 1.4 The audit has focused on the arrangements in place for the loaning of theatre trays and issue of single use consumables to private facilities only.
- 1.5 Audit fieldwork concentrated on GGH and PPH although the findings arising from this review may be relevant to all sites and this should be considered when addressing the issues identified.

---

## 2. Detailed Audit Findings

### **Objective 1: Theatre trays are loaned out only where there is sufficient availability to do so, with mechanisms in place to ensure that there is no impact on the Health Board's theatre activity**

#### 2.1 The Decontamination Policy states that:

*Prior to loaning any devices to any non-Health Board Hospitals/Health Care Providers, approval must be sought from the Theatre Managers or their deputies to ensure that the devices loaned are not required for use within the Health Board at that particular time or the following day*

2.2 Requisitions for loan trays are received from the private facility via email into theatres and passed for processing by the Senior Charge Nurse if they are satisfied that there are sufficient trays available for Health Board procedures with a surplus available for loan.

2.3 The Senior Charge Nurses at PPH and GGH Hospitals did not recall any instances of cancelled procedures due to lack of available theatre trays. Review of theatres incidents on Datix for the period April 2021 – April 2023 also did not identify any incidents relating to availability of theatre trays.

#### Conclusion:

2.4 We have concluded **Substantial** assurance for this objective.

### **Objective 2: All theatre trays loaned out are decontaminated upon return, regardless of whether the instruments have been in contact with blood and/or tissue**

#### Decontamination of Loan Trays

#### 2.5 The Decontamination Policy states that:

*Any devices loaned to any non-Health Board hospital/healthcare facility MUST be fully reprocessed upon return, whether the devices have been used or not.*

2.7 This is reaffirmed in the service level agreement between the Health Board's Hospital Sterilisation & Decontamination Unit (HSDU) and the private facility, which states that all trays will be reprocessed on return whether used or not and charged accordingly.

2.8 In practice this is not complied with. HSDU confirmed that they do not receive unused trays for reprocessing - these are instead returned to theatre stock for future use. Failure to reprocess unused loan trays is in breach of Health Board policy, presents a significant infection control risk to patients, could jeopardise HSDU's ISO 13485 accreditation, and is also lost income for the Health Board. **[Matter Arising 1]**

2.9 Used trays are generally returned directly to HSDU for processing, the only exception being trays returned to GGH outside of HSDU operating hours which are returned to theatres. **[Matter Arising 1]**

#### Tracking of Theatre Trays

2.10 The Health Board has ISO 13485 accreditation which requires procedures to identify and trace the location and use of medical devices. The Health Edge system is used for tracking and traceability of theatre trays via barcode scanning. This enables devices to be linked to patients and maintains a history of device movement, usage and decontamination. Whilst the system has been in place for some time it has not been used as intended to record trays issued by Theatres. Additional training has been provided to staff with a requirement for full utilisation of the system with effect from 1<sup>st</sup> March 2023.

2.11 Theatre trays issued to private facilities should be recorded as such in the Health Edge system. An item transfer report identified only five trays scanned as issued to the private facility (all from GGH) during the period 1-22 March 2023, whilst decontamination charges for the same period identified 70 trays, indicating that the system is still not being fully utilised.

2.12 Consequently, there is currently no central record of trays issued to private facilities and as the trays are not issued from and returned to a central point, there is no reconciliation or checks to ensure that all trays issued are returned. **[Matter Arising 2]**

#### Patient Traceability

2.13 The Decontamination Policy states:

*For surgical instruments and endoscopes, records must be retained to enable the devices to be traced to individual patients.*

2.14 Review of the Health Edge system demonstrated that it is being used to assign theatre trays to patients undergoing Health Board procedures. However, there is no visibility of tray usage for private facility procedures, which compromises the integrity of the Health Board's traceability records and poses a potential risk to patients. **[Matter Arising 3]**

#### Conclusion:

2.15 Unused loan trays are not being decontaminated in accordance with Health Board policy, resulting in infection risk to patients. The Health Board's tracking and traceability system is not being fully utilised and consequently there is no central record of trays issued to private facilities, or checks undertaken to ensure all are returned. There is no visibility of the private facility's patient traceability records, which compromises the Health Board's own traceability records. Accordingly, we have concluded **Limited** assurance for this objective.

---

**Objective 3: Theatre trays and single use consumables issued to private healthcare providers are identified and recorded, with all associated costs recharged to the private healthcare provider**

- 2.16 There is a signed service level agreement in place between HSDU and the private facility for the period June 2022 – May 2023 which focuses on the decontamination requirements for theatre loan trays and does not extend to Theatres or the provision of consumables.
- 2.17 There are no formal procedures or documented processes in place for the provision of a loan tray service or consumables to private facilities. **[Matter Arising 4]**

**Theatre Trays**

- 2.18 Requests for loan trays are received into Theatres via email with a requisition which is printed and filed, and the request fulfilled. A second paper requisition accompanies the trays returned from the private facility to HSDU detailing only the used trays returned for reprocessing. The second requisitions are recorded in a manual log book by HSDU and form the basis of recharges. Consequently, the private facility is only charged for the used trays returned to HSDU and is not charged for the unused trays returned directly to Theatres, resulting in lost income for the Health Board (although this would be partially offset by the cost of decontaminating the unused trays). **[Matter Arising 5]**
- 2.19 As noted at para 2.10 the Health Edge system is not being fully utilised to record trays issued to the private facility. HSDU maintain a manual log book of used trays returned for decontamination but this does not capture the unused trays returned to Theatres. Consequently, there is no central record of trays issued and no reconciliation to ensure that all trays issued are returned. **[Matter Arising 2 & 5]**
- 2.20 The requisitions received into HSDU are input into the 'stock manager' module of the Oracle system, although we were unable to establish the purpose of this - it does not result in invoice generation (this is done by General Office) and theatre tray inventory is managed outside of Oracle in the Health Edge system. **[Matter Arising 5]**
- 2.21 There is a standard pricelist for theatre loan trays which is based on legacy prices and inflated annually. Whilst there is no indication that the prices charged are insufficient, it would be sensible to review pricing schedules to ensure that they incorporate the total cost of providing the service. Fundamentally this should include an element for wear and tear of instruments to compensate for potentially significant replacement costs, as well as increased utility costs, staff time for fulfilling orders and the administration of the service. We also note that currently the income is credited to HSDU entirely, and not apportioned between HSDU and Theatres. **[Matter Arising 6]**

**Consumables**

- 2.22 We visited GGH and PPH to review the arrangements for the storage and management of consumables such as implants and prostheses.



- 2.23 Consumables are stored in stock rooms which are accessible by anyone within the Theatres department. They are not treated as controlled stock – a central record of stock is not maintained and use is not recorded – so missing stock as a result of loss/theft would not be identifiable. Finance performed annual physical stock counts (on an extrapolated sample basis) until the COVID-19 pandemic, with no stock counts undertaken since 2019. **[Matter Arising 7]**
- 2.24 Health Board owned stock is stored with consignment stock and is not separately identifiable. The Senior Charge Nurse assured that they and the suppliers can distinguish between the two, but there remains a risk of error. Suppliers have access to their stock and notify Theatre staff when moving stock around, although Theatres don't maintain records of consignment stock balances or movements. **[Matter Arising 7]**
- 2.25 We were informed that it is common for consumables including screws, implants, plates and other consumables associated with orthopaedic procedures to be loaned to the private facility. This is an informal arrangement which is not reflected in the service level agreement, and items loaned are not charged to the private facility but are replaced like-for-like. It is a mutual arrangement and we were advised that there are occasions where the Health Board borrows and replaces items from the private facility.
- 2.26 At PPH, items issued are recorded in a manual transfer book and should be marked off when replaced although this depends on the receiving staff member and no checks are undertaken. The format of this book does not facilitate oversight or monitoring to ensure that loaned items are replaced. **[Matter Arising 8]**

#### Conclusion:

- 2.27 The process for administering the loan tray service is disjointed with no central record of trays issued, used/unused trays being returned to different departments, and details of unused trays not being captured and charged for.
- 2.28 There are no stock control processes in place for valuable consumables such as implants and prostheses so missing stock can't be identified. There is no central record of consumables loaned to the private facility, and no controls in place to ensure that items are replaced.
- 2.29 Accordingly, we have concluded **Limited** assurance for this objective.

## Appendix A: Management Action Plan

Matter Arising 1: Decontamination of Unused Loan Trays (Operation)		Impact
<p>The Health Board’s Decontamination Policy clearly states that any devices loaned to any non-Health Board hospital/healthcare facility must be fully reprocessed upon return, whether the devices have been used or not. This is reaffirmed in the service level agreement between HSDU and the private facility.</p> <p>However, in practice unused trays are returned directly to theatre stock for future use – they are not reprocessed and are not charged to the private facility.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• Non-compliance with decontamination requirements, resulting in avoidable infection risk to patients</li> <li>• Income due to the Health Board is not invoices or received, resulting in financial loss</li> </ul>
Recommendations		Priority
1.1a	In line with the Decontamination Policy, all theatre trays loaned to private healthcare facilities must be reprocessed on return regardless of whether they have been used or not.	<b>High</b>
1.1b	To ensure compliance with this, the Health Board should require all theatre trays be returned directly to HSDU, with a copy of the original requisition submitted to Theatre to enable reconciliation and complete and accurate recharging.	
Agreed Management Action		Target Date
		Responsible Officer

1.1a	<p>In view of the complexities of managing findings, Theatre Services has suspended all loan requests from the private sector – notified to the private hospital via email (23 May 2023) and phone (24 May 2023).</p> <p>Decision discussed with Karen Barker Head of Nursing and Governance, Scheduled Care, and with Daniel Binding, Finance partner.</p> <p>In the interest of patient safety, any emergent urgent request will be recorded and supported. A written process will be developed to record requests and tracking of all emergent urgent loans.</p>	<p>Complete</p>        <p>31 July 2023</p>	<p>D Knight SDM Theatre Services</p>     <p>D Knight SDM Theatre Services</p>
1.1b	<p>As point 1.1a above</p>	<p>Complete</p>	<p>D Knight SDM Theatre Services</p>

Matter Arising 2: Tracking of Theatre Trays (Operation)		Impact	
<p>The Health Edge system allows for the tracking and traceability of theatre trays via barcode scanning. Refresher training was provided to staff in during 2022/23 with a requirement for full utilisation of the system with effect from 1<sup>st</sup> March 2023.</p> <p>Theatre trays issued to the private facility should be recorded as such in the Health Edge system. However, an item transfer report identified only five trays scanned as issued (all from GGH) during the period 1-22 March 2023, whilst decontamination charges for the same period identified 70 trays, indicating that the system is still not being fully utilised.</p> <p>Consequently, there is currently no central record of trays issued to the private facility and as the trays are not issued from and returned to a central point, there is no reconciliation or checks to ensure that all trays issued are returned.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• Non-compliance with decontamination requirements, resulting in avoidable infection risk to patients</li> <li>• Loss of ISO 13485 accreditation</li> </ul>	
Recommendations		Priority	
2.1a	Reinforce the requirement to record all theatre trays issued to and received from the private facility in the Health Edge system to ensure completeness and accuracy of tracking records.	<b>High</b>	
2.1b	Monitor use of the Health Edge system to identify and address instances of non-compliance.  As an example, this could be achieved through reconciliation of theatre tray requisitions to the Health Edge system to ensure completeness of recording ( <i>see also <b>Matter Arising 4</b> re central record of requisitions</i> ).		
Agreed Management Action		Target Date	Responsible Officer
2.1a	As point 1.1a above	Completed	D Knight SDM Theatre Services

---

2.1b	As noted in 1.1a above, in the interest of patient safety, any emergent urgent request from the private sector will be recorded and supported. A written process will be developed to record requests and tracking of all emergent urgent loans.	31 July 2023	D Knight SDM Theatre Services
------	--	--------------	-------------------------------



Matter Arising 4: Procedures (Design)		Impact	
<p>There is a signed service level agreement in place between HSDU and the private facility for the period June 2022 – May 2023 which focuses on the decontamination requirements for theatre loan trays and does not extend to Theatres or the provision of consumables.</p> <p>There are no formal procedures or documented processes in place for the provision of a loan tray service or consumables to private healthcare facilities.</p>		<p>Poor system of controls in place for the administration of the loan tray/consumables service, potentially resulting in:</p> <ul style="list-style-type: none"> <li>• Wasted resources due to inefficient or ineffective processes resulting in wasted resources</li> <li>• Harm to patients</li> <li>• Financial loss</li> </ul>	
Recommendations		Priority	
4.1	Review the existing service level agreement between HSDU and the private facility with a view to extending this to include Theatres and consumables.	<b>Medium</b>	
4.2	Establish and formally document a suitable process for administering the loan tray/consumables service to private healthcare facilities, considering the issues and recommendations arising from this review.	<b>Medium</b>	
Agreed Management Action		Target Date	Responsible Officer

4.1	<p>As noted in 1.1a, in view of the complexities of managing findings, Theatre Services has suspended all loan requests from the private sector.</p> <p>Proposal going forward is for HSDU to maintain its current SLA with Private provider solely for the reprocessing of the private hospital-owned trays. This SLA is already in place and forms part of the essential requirements for ISO 13485 certification for HSDU decontamination processes. This SLA does not cover loaning of Health Board owned instrument sets and consumables as this managed by theatres.</p>	Complete	D Knight SDM Theatre Services
4.2	<p>As noted in 1.1a, in view of the complexities of managing findings, Theatre Services has suspended all loan requests from the private sector.</p> <p>However, in the interest of patient safety, any emergent urgent request will be recorded and supported. A written process will be developed to record requests and tracking of all emergent urgent loans.</p>	Complete	D Knight SDM Theatre Services
		31 July 2023	D Knight SDM Theatre Services



Matter Arising 5: Recharge of Costs (Design)		Impact
<p>The current process involves receipt of two requisitions from the private facility – one to Theatres at the point of requesting the loan trays and a second, different requisition which is returned with the used trays to HSDU (unused trays are returned to Theatres for future use – see Matter Arising 1).</p> <p>The second requisitions are logged by HSDU and form the basis of recharges. Consequently, the private facility is only charged for the used trays returned to HSDU and is not charged for the unused trays returned directly to Theatres, resulting in lost income for the Health Board. As highlighted at Matter Arising 2, there is no central record of trays issued to the private facility.</p> <p>The second requisitions are also input into the 'stock manager' module of the Oracle system, although we were unable to establish the purpose of this as it does not result in invoice generation (this is done by General Office) and theatre tray inventory is managed outside of Oracle in the Health Edge system.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Financial loss to the Health Board</li> <li>Unnecessary controls/processes resulting in wasted resource</li> </ul>
Recommendations		Priority
5.1	<p>A central electronic record of requisitions should be maintained and accessible to both Theatres and HSDU staff. This would:</p> <ul style="list-style-type: none"> <li>facilitate the tracking of all Theatre trays loaned to the private facility (in the absence of a complete record within Health Edge – see Matter Arising 2)</li> <li>allow for reconciliation of trays issued and returned</li> <li>negate the requirement for manual logging of returned trays in HSDU</li> <li>facilitate the complete and accurate recharging of loan trays</li> </ul>	<b>High</b>
5.2	<p>Establish whether there is a purpose for recording requisitions in the 'stock manager' module of Oracle and consider whether this task is still required.</p>	<b>Medium</b>
Agreed Management Action		Target Date
		<b>Responsible Officer</b>

5.1	In view of suspension of support for loan of equipment or consumables to the private sector, no electronic record required.	Complete	D Knight SDM Theatre Services
5.2	Noting 1.1a, whilst loan of equipment and consumables is suspended; emergent urgent requests for assistance will be supported. The planned written process under development will include the remuneration process for items loaned.	31 July 2023	D Knight SDM Theatre Services

<b>Matter Arising 6: Pricing and Apportionment of Income (Design)</b>		<b>Impact</b>	
<p>The pricelist is based upon legacy prices and inflated annually rather than actual costs of providing the loan service.</p> <p>Income received is credited to HSDU entirely and not apportioned between Theatres (for use of equipment) and HSDU (for decontamination).</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Financial loss to the Health Board</li> </ul>	
<b>Recommendations</b>		<b>Priority</b>	
6.1	<p>Undertake an exercise to identify and capture all costs associated with the administration of the loan tray service to ensure that the service is not provided at a loss to the Health Board. This should include (but is not limited to):</p> <ul style="list-style-type: none"> <li>staff resource for all aspects of the end-to-end process including administration, equipment preparation and decontamination</li> <li>reasonable costs for use of the equipment, to cover wear and tear/replacement</li> <li>consumables and utilities required for the decontamination process</li> </ul>	<b>Medium</b>	
6.2	Consider apportioning the income from loan trays between HSDU and Theatres.	<b>Low</b>	
<b>Agreed Management Action</b>		<b>Target Date</b>	<b>Responsible Officer</b>
6.1	<p>As noted in 1.1a, in view of the complexities of managing findings, Theatre Services has suspended all loan requests from the private sector.</p> <p>A meeting was held between HSDU management and finance on 20.04.23 to discuss a refresh of prices. HSDU are currently collating data to support the updated reprocessing charges, which is due to be submitted by the 07.06.23 for the finance team to work on the initial costing.</p>	<p>Complete</p> <p>31 October 2023</p>	<p>D Knight SDM Theatre Services</p> <p>Philip Flear Head of Decontamination</p>

---

6.2	As noted in 4.1, an SLA between HSDU and the private sector covers agreements exclusively relating to private sector equipment and HSDU.	Complete	Philip Flear Head of Decontamination
-----	--	----------	---

<b>Matter Arising 7: Consumables – Stock Control (Design)</b>		<b>Impact</b>	
<p>Consumables are not treated as controlled stock – a central record of stock is not maintained and use is not recorded – so missing stock as a result of loss/theft would not be identifiable. Physical stock counts have not been undertaken since before the COVID-19 pandemic.</p> <p>Health Board owned stock is stored with consignment stock and is not separately identifiable. The Senior Charge Nurse assured that they and the suppliers can distinguish between the two, but there remains a risk of error. Suppliers have access to their stock and notify Theatre staff when moving stock around, although Theatres don't maintain records of consignment stock balances or movements.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Financial loss to the Health Board</li> </ul>	
<b>Recommendations</b>		<b>Priority</b>	
7.1a	High value consumables such as implants and prostheses should be treated as controlled stock with appropriately restricted access and a record of stock balances, purchases and issues maintained. This should include both Health Board-owned and consignment stock	<b>High</b>	
7.1b	Consignment stock should be separately identifiable on the stock record, and stored separately to Health Board-owned stock.		
7.1c	Periodic stock checks should be undertaken to reconcile physical stock balances to the stock record, and identify and investigate any discrepancies.		
<b>Agreed Management Action</b>		<b>Target Date</b>	<b>Responsible Officer</b>
7.1a	Scan for Safety and the related inventory management system (IMS) will be introduced to Theatre Services, Critical Care and Endoscopy shortly starting in Bronglais. If launch and application roll out as aspired, all Theatre locations should be online within 18 months. This will address all stock types and par levels and will be linked to Oracle.	31 December 2024	D Knight SDM Theatre Services

7.1b	<p>In the interim, a review to be undertaken of current locations and volumes of consignment stock, with a view to identifying suitable independent storage areas, and inventory lists.</p> <p>Scan for Safety and the related inventory management system (IMS) will ultimately address this.</p>	30 September 2023	D Knight SDM Theatre Services
7.1c	<p>Annual stocktakes are undertaken, a review will be undertaken to assess this process and where it interfaces with Theatre stock activity and actions.</p> <p>Scan for Safety and the related inventory management system (IMS) will ultimately address this.</p>	30 September 2023	D Knight SDM Theatre Services

<b>Matter Arising 8: Consumables – Stock Control (Design)</b>		<b>Impact</b>	
<p>There is an informal, mutual arrangement with the private facility for the loaning of consumables such as implants and prostheses. These items are not charged for but are replaced like-for-like.</p> <p>At PPH, items are recorded in a manual transfer book but there are no checks undertaken to ensure replacements are received.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Financial loss to the Health Board</li> <li>Disruption to theatre lists due to unavailable consumables, impacting on patient safety and experience</li> </ul>	
<b>Recommendations</b>		<b>Priority</b>	
8.1	<p>Management need to consider whether the mutual arrangement for the loaning of consumables is appropriate and whether items should be charged for rather than replaced.</p> <p>If deemed appropriate to continue, the arrangement should be formalised [see also <b>Matter Arising 4</b>].</p>	<b>High</b>	
8.2	<p>Consumables issued to and received from the private facility should be recorded. This could be incorporated into the consumables stock record [see also <b>Matter Arising 7</b>].</p> <p>Checks should be undertaken to ensure that suitable replacements are received, within expected timescales (to ensure availability of stock for Health Board procedures).</p>		
<b>Agreed Management Action</b>		<b>Target Date</b>	<b>Responsible Officer</b>
8.1	As per 1.1a, loan requests from private sector suspended, with exception of emergent urgent request. Interim plan for exceptions, Theatre staff directed to record any urgent requests into local diaries and email senior nurse / clinical lead team. A written process will be developed to record requests, tracking of all emergent urgent loans, and a process for recharging.	31 July 2023	D Knight SDM Theatre Services
8.2	As per point 8.1 above	31 July 2023	D Knight SDM Theatre Services

## Appendix B: Assurance opinion and action plan risk rating

### Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	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 Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

\* Unless a more appropriate timescale is identified/agreed at the assignment.





GIG  
CYMRU  
NHS  
WALES

Partneriaeth  
Cydwasaethau  
Gwasanaethau Archwilio a Sicrwydd  
Shared Services  
Partnership  
Audit and Assurance Services

NHS Wales Shared Services Partnership  
4-5 Charnwood Court  
Heol Billingsley  
Parc Nantgarw  
Cardiff  
CF15 7QZ

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