

# Reinforced Autoclaved Aerated Concrete – Withybush General Hospital Final Internal Audit Report 2024/25

Hywel Dda University Health Board



Reasonable Assurance

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**Executive Sign Off**

**Audit Committee**

**Executive Lead**

**Audit Team**

HDU-SSU-2425-29

December 2024 – January 2025

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Andrew Carruthers, Chief Operating Officer

Specialist Services Unit



# Executive Summary

## Purpose

Reinforced Autoclaved Aerated Concrete (RAAC) is a form of lightweight concrete which was commonly used in construction between the 1950s and 1990s. It has only recently been identified as posing a significant risk to the structural integrity of buildings.

A specialist structural engineer was appointed by NHS Wales Shared Services Partnership (NWSSP) during 2022/23 to identify any immediate intervention works required at Withybush General Hospital (WGH) due to the deterioration of RAAC planks within multiple areas of the hospital.

A prior audit was undertaken of the initial mobilisation and early works for immediate interventions in Spring 2024, reporting substantial assurance.

The current audit sought to evaluate the arrangements in place to manage the project/programme of works to mitigate the ongoing risks associated with RAAC during 2024/25.

## Overview

The issues raised at this report should be considered alongside the wider context and impact of the programme of works. The identification of RAAC necessitated a decision to declare an internal major incident (IMI), requiring the evacuation of affected wards in order to safeguard patients and staff. The Health Board has undertaken extensive measures to ensure that the risk posed by RAAC is as safe as it can be through the current work programme, re-inspection surveys, and established operating procedures. To mitigate the disruption, close liaison between clinical / operational services and the Estates and facilities teams has been required throughout the programme delivery. This contributed to the delivery of the works within its original programme and cost parameters.

At the time of reporting, the project had been delivered on time and under budget (including monies already returned to Welsh Government).

Noting the context of the successful delivery of this complex programme of works, **reasonable** assurance has been determined at this review following the assessment of the key delivery objectives and the governance, contractual and internal control arrangements applied to date. While some project control issues have been raised, it was clear that these had not impacted on overall delivery.

Matters requiring management attention included the need:

- for additional reporting narrative;
- to confirm the accuracy of in-house out-turn expenditures (in accordance with funding requirements); and
- to ensure provision of appropriate contractual safeguards (including post contract) e.g. Parent Company Guarantee.

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

## Scope & Assurance Summary

Objectives	<i>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.</i>	Related Findings	Assurance
1	Project Performance – Assurance on the achievement of the project’s key delivery objectives (time, cost, and quality).		<b>Substantial</b>
2	Validation of Management Actions - That previously agreed actions have been appropriately actioned by management		<b>Substantial</b>
3	Governance - Assurance that adequate governance arrangements were applied at the project, including e.g., project specific governance arrangements, integration with existing Health Board structures.		<b>Substantial</b>
4	Contracts – Assurance that appropriate arrangements were in place to define the contract strategy and that contracts were executed accordingly.	1	<b>Reasonable</b>
5	Technical Assurance - Assurance that effective arrangements were in place to oversee and manage individual projects in line with original plans and that regular updates were provided for any changes/slippage etc.	2, 3	<b>Reasonable</b>
6	Financial Assurance - Assurance that costs were agreed upon for finalised projects. Additionally, effective financial controls were in place for individual projects, including coordinating cash flows and the Capital Resource Limit allocations, with regular monitoring and reporting to highlight any under or overspend.	4, 5, 6	<b>Reasonable</b>

### Management Actions

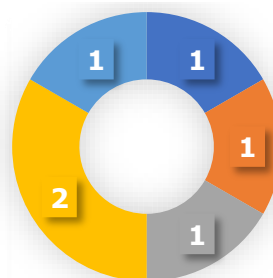


High Priority



Medium Priority

### Themes



- Approvals
- Contractual
- Finance Management & Control
- Reporting
- Risk Management

### Risk Types

- Financial Loss
- Quality or Safety Issues
- Legal & Regulatory Non-Compliance

# Reinforced Autoclaved Aerated Concrete – Withybush General Hospital – At a Glance

During August 2023, a programme of surveys was undertaken at Withybush General Hospital (WGH) to determine the condition of concrete roof planks in ward areas at the hospital site in Haverfordwest. Following Welsh Government funding, emergency works commenced in 2023/24.

## Cost

Welsh Government approved an overall funding envelope of £12.8m for expenditure from 2023/24 to 2024/25. Financial reporting monitored sums allocated to the 2023/24 and 2024/25 financial years individually. Utilising financial reporting to 13<sup>th</sup> December 2024 the audit was able to confirm the following position (forecast to project conclusion):

**Table 1**

Item	Approval £	Forecast Expenditure £	Variance £	Health Board Management Comments
Works	9,522,859	10,694,280	1,171,421	Contingency being utilised within construction cost
Non-works (incl. surveys), equipment and temporary kitchen	1,396,734	940,120	-456,614	Structural fees were initially included in non-works cost in the budget.
Fees	706,324	1,107,097	400,773	As above, structural fees should be captured in fees element.
In-house costs & Project Management <sup>1</sup>	406,719	496,000	89,281	Funded from Fees element of BJC. Not separated out in BJC (for 24/25)
Contingency	952,286	0	-952,286	£500k contingency was returned to WG for FY 24/25
<b>Total</b> (Excl. recoverable VAT)	<b>12,984,922</b>	<b>13,237,497</b>	<b>252,575</b>	
Recoverable VAT	-185,506	-938,081	-752,575	VAT Recovery was being utilised to offset the additional costs (£252,575 – above)
<b>Total</b>	12,799,416	12,299,416	-500,000	

<sup>1</sup> For 2024/25 the in-house costs budget was derived from the total 2024/25 fees budget pro-rata to the 2023/24 allocation (as agreed with finance) for this table.

At the time of the report, the programme remained within budget and in accordance with the initial funding approval. £500k of the projected under-spend was returned to Welsh Government in October 2024.

## Time

Four contracts were in place for work being undertaken in 2024/25 – targeted to complete in March 2025. As of December 2024, progress was reported as follows:

**Table 2**

<b>Milestone</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extensions of Time</b>	<b>Forecast/ Actual Completion</b>	<b>Forecast / Actual Delay (months)</b>
<b>Contract 1</b> – OPD A & Main Kitchen	29/01/2024	10/05/2024	26/06/2024	24/05/2024	-1
<b>Contract 2</b> – OPD B	24/06/2024	06/12/2024	19/12/24	19/12/2024	0
<b>Contract 3</b> – Other ground floor areas	29/06/2024	14/03/2025	-	28/02/2025	-0.5
<b>Contract 4</b> – WGH & BGH Plant Rooms and OPD A and B Roofs	26/08/2024	20/12/2024	14/03/2025	14/03/2025	0
<b>Overall</b>	<b>29/01/2024</b>	<b>14/03/2025</b>	-	<b>14/03/2025</b>	<b>0</b>

While there has been variation in the delivery dates of individual contracts, the overall completion remains within contracted dates.

Welsh Government approval stipulated completion of all expenditure by 31<sup>st</sup> March 2025. As such, delivery was half a month within target.

## Quality

The Health Board had directly appointed a Clerk of Works to undertake ongoing quality reviews of the work carried out by the appointed contractor. Following a recommendation at the prior audit, highlight reports were provided to the Project Board (Task & Finish Group) detailing progress and any issues arising. These were supported by detailed assessments published by the Clerk of Works. At the time of the audit, works for Contracts 1 - 3 had concluded, and a completion certificate had been issued for Contract 1 following inspection with no issues raised by the Clerk of Works.

The scheduled works and approved funding only cover remediation repairs to critical and high-risk planks. The lower risk (amber and green rated planks) are outside of the scope of the current programme and subject to periodic confirmation by re-inspection. In addition, the Health Board need to be mindful that as any further national research is undertaken on the management of RAAC planks this may require a change to the routine inspection processes. The regular inspections may be disruptive going forward and the Health Board have been advised by the specialist structural engineers that further deterioration of RAAC planks should be anticipated and therefore future costs may be incurred.

Noting the above, and as detailed within the **Contracts** section, Parent Company Guarantees were not in place, placing some works at risk in the event of any future issues arising at the completed remediation works.

# Findings & Agreed Action Plan

## Objective 1: Project Performance

Substantial

### Overview / Summary of Observations

At a project audit, levels of assurance are determined on whether the project achieves its original key delivery objectives and that governance, risk management and internal control are effectively designed and applied.

At this audit, when assessing progress against the original delivery objectives (see also the *At A Glance* page), the project was forecast to deliver within its time and cost targets.

At the time of audit fieldwork, the Clerk of Works's reports confirmed effective on-going delivery of the works. However, as noted within the *Contracts* section, Parent Company Guarantees were not in place, placing the Health Board at some risk in the event of any future issues (latent defects etc.) arising at the completed works. However, at the time of audit all works had been reported as satisfactorily completed with no issues raised by the contract Clerk of Works.

Noting the above, substantial assurance has therefore been determined in respect of project performance and the achievement of the project's key delivery objectives (time, cost, and quality).

## Objective 2: Validation of Management Actions

Substantial

### Overview / Summary of Observations

This audit also found that agreed management actions arising from the prior audit had all been fully addressed i.e. that:

- Highlight reports should be provided to the task and finish groups associated with the activities of the Clerk of Works, with any pertinent issues highlighted;
- the Health Board should establish a risk reporting arrangement for the remaining elements of the RAAC programme that clearly interlinks with the Health Board's established risk management processes; and that
- the programme reporting arrangements should follow the established standardised approach to reporting within the Capital Sub-Committee papers.

Accordingly substantial assurance was determined in relation to the actions taken to address previously agreed management actions.

**Overview / Summary of Observations**

A Project Board was in place with approved terms of reference. This was supported by a Finance Group including internal finance officers, external Quantity Surveyors and the Project Manager.

A Senior Responsible Officer (SRO), Project Director, and Project Manager were all in place. Both the Project Director and Project Manager attended the Project Board together with the Senior Operational Liaison Manager and senior estates officers. Stakeholder interests were therefore seen to be appropriately represented, and the Project Board included an appropriate range of expertise to scrutinise and oversee the project.

The Project Board reported to the Capital Sub-Committee who were also in receipt of Highlight reports , and also by exception to the Strategic Development and Operational Delivery Committee (SDOD). The former was attended by both the Project Manager and Project Director, with the latter being led by the Senior Responsible Officer. Accordingly, there was appropriate linkage to the Board.

Project Execution Plans were in place for each contract, including project specific contractual arrangements.

The Project Board was informed both by Highlight and financial reports, supported by risk registers and action logs (with designated task leads). Meetings also included project specific declarations of interest.

**Overview / Summary of Observations**

Contractual arrangements were in accordance with the approved Contract Strategy (as authorised by both the Chief Executive Officer and Director of Finance).

Four construction contracts were put in place for the 2024/25 works (totalling £4,302,362.71 net of Health Board costs, adviser fees, and VAT). At the time of audit, contract variations had increased this sum to £4,814,273. All contractors were selected from the Health Board local construction framework - providing pre-vetted companies with market tendered rates. Pre-tender budget estimates were also utilised to inform value for money assessments. Utilising this framework potentially reduced long lead times associated with a traditional tendering route. All four contracts were executed in a timely manner (ahead of performance) and were approved in accordance with the Health Board's scheme of delegation.

Declarations of interest formed a standing agenda item at Project Board meetings, and so contract administration was independent from bias or external influence.

However, there were deficiencies in the inclusion and coverage of key documents i.e. the absence of Parent Company Guarantees.

In context, works had completed satisfactorily at the time of audit, with no issues identified by the contract Clerk of Works.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 <b>Contract inclusions</b></p> <p><i>Parent Company Guarantee</i></p> <p>The works contracts required provision of a Parent Company Guarantee to safeguard the Health Board’s interests in the event of insolvency of the subsidiary. The Health Board Framework defines this as the “ultimate Holding Company”.</p> <p>The company providing Contract 2 (£1,083,434) was a wholly owned subsidiary of a Holding Company, however no Parent Company Guarantee was provided. It was asserted by the relevant company that as the Holding Company existed to administer shares in the subsidiary and did not trade, that a Parent Company Guarantee did not apply. However, the separation in legal entities mirror those of parent and subsidiary. Accordingly, there would be merit in obtaining legal advice as to the risks of this approach to accord with the Health Board aims of best safeguarding such risks.</p> <p>It is not proposed that specific management action is required in this instance, as the wider application of Parent Company Guarantees was raised and management action agreed at 2024/25 Capital Systems audit.</p>	<p>Appropriate contractual safeguards are not in place potentially resulting in financial loss.</p> <p><b>Medium Priority</b></p>	<p><b>Agreed Management Action:</b></p> <p>Being addressed via agreed management action at the November 2024 Capital Systems Audit Report i.e. that:</p> <p><i>“Parental Guarantees will be requested from the Parent company of contractors where required by the contract or Health Board Standing Financial Instruments”.</i></p> <p><b>Expected Evidence of Implementation:</b></p> <p>As per November 2024 Capital Systems Audit i.e. that:</p> <p><i>“Parent guarantees will have been requested and put in place as required by Health board Standing Financial Instructions”.</i></p> <p>As stated at November 2024 Capital Systems Audit:</p>
<p><b>Theme:</b> Contractual</p>	<p>Control Operation</p>	<p><b>Officer:</b> Discretionary Capital Projects Manager</p> <p><b>Date:</b> Future projects</p>

**Overview / Summary of Observations**

A range of project management tools were operated to manage the works, including a clear project plan, project reporting, and a risk register for both Health Board and contractor risks.

The Health Board had established a corporate risk surrounding RAAC. Project risk registers were also utilised for each of the four contracts for the ongoing management of uncertainties within the project programme. These detailed both remaining contingency and quantified risks for each contract. However, these were generic in nature with limited reference to project specific risks. Summary reporting was provided to both the Project Board and the Capital Sub-Committee. While the overall (programme) risk and contingency position was not summarised, at the time of the audit reporting indicated the programme as being delivered to time and cost.

However, while there were also financial reports, there was no commentary on the time performance of individual projects.

It is recognised that due to the urgent nature of the works, the funding application was an estimate and the extent of work was only confirmed as invasive works commenced. In this context, it is recognised that reporting focussed on monitoring expenditure within allocated funding, rather than against the estimated budget headings. Additionally, while remit of the Cost Adviser reports did not include time commentary, Health Board reporting included narration of whether overall delivery remained on target (by 31<sup>st</sup> March 2025).

While noting this context, also recognising the extent of contract variations, while these were listed at individual project reports, the Project Board could have benefitted from an overall summary of issues to date.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 <b>Reporting narrative</b></p> <p>A range of reports were provided for the project including highlight reports, cash flow, risk registers, and cost reports.</p> <p>Recognising the emergency nature of the works, and the accelerated cost estimate and approval processes required to expedite the works, it is acknowledged that variances to budget estimation, monitoring and reporting arrangements (compared to traditionally let projects), have been applied.</p> <p>The Highlight reports provided overall summary of the programme delivery, supplemented by Cost Adviser reports listing contract variations and cost summary for each contract.</p> <p>Excepting overall cash flow, much of the supporting information was split between the various projects (separate risk registers, and contract reports). These formed an information pack both provided to the Project Team (and discussed with external advisers), and to the Project Board.</p>	<p>The Project Board may not be appropriately informed to control the projects.</p>	<p><b>Agreed Management Action:</b></p> <p>The RAAC project wasn't a usual project which required a bespoke report, the standard cost report covers full project cost reporting.</p> <p>Summary to be provided with all reports including where project details are discussed at length and in detail at regular review meetings.</p> <p><b>Expected Evidence of Implementation:</b></p> <p>Please see SARC report as evidence that this is implemented on other projects where meetings are only held generally monthly and not as regularly as occurred on RAACs.</p>

	<p>To ensure the Project Board is able to deliver its scrutiny role these could usefully have been supplemented at a <u>programme level</u> by additional supporting narrative and summary analysis e.g.</p> <ul style="list-style-type: none"> <li>commentary on the variance to budgeted sums (recognising the unconventional nature of the project delivery);</li> <li>assessment of remaining risks versus remaining client contingency;</li> <li>an explanation of cash flow variances (e.g. as attributable to time or cost variances);</li> <li>classification of contract variations (e.g. Health Board, contractor, statutory requirement, other);</li> <li>any impacts of individual project time delivery (as distinct from overall programme delivery).</li> </ul> <p>In context, it is recognised that the overall programme was being delivered within expected time and cost parameters, and that this was the key message to convey at summary reporting of the overall programme.</p>		
	<p><b>Theme:</b> Reporting</p>	<p><b>Medium Priority</b></p> <p>Control Operation</p>	<p><b>Officer:</b> Discretionary Capital Projects Manager</p> <p><b>Date:</b> Addressed as per SARC reporting</p>
<p>3</p>	<p><b>Causality of works variations</b></p> <p>From initial works contracts of £4.3m (excl. VAT for 2023/24), gross variations of £864k were reported at the time of audit (£512k net of provisional sums). Compliance with contract conditions and the management of variations was evidenced, together with the reporting of individual changes by project.</p> <p>It is recognised that the high level of variations (20%) may be attributed to the emergency works and design / specification requirements.</p> <p>There would be benefit in assessing the nature and origin of project variations as a part of a post project review, and inclusion of associated risks within the risk register / provisional sums (noting the potential for additional RAAC works following post project re-inspections).</p>	<p>Risk registers may not provide an effective project control.</p> <p><b>Medium Priority</b></p> <p>Control Operation</p>	<p><b>Agreed Management Action:</b></p> <p>At the completion of the remaining re-inspections, we will assess the nature and origin of project variations as a part of a post project review (noting that re-inspections have not identified the need for any further work).</p> <p><b>Expected Evidence of Implementation:</b></p> <p>A post project review / lessons learnt report as informed by re-inspection reports.</p> <p><b>Officer:</b> Project Director</p> <p><b>Date:</b> March 2026</p>
	<p><b>Theme:</b> Risk Management</p>	<p>Control Operation</p>	

**Overview / Summary of Observations**

Budget cost estimates were prepared in August 2023 as part of a Business Justification Case for RAAC works to inform required funding. Welsh Government approved funding totalling £12,800,000 (29th August 2023) – countersigned by the CEO and Director of Finance on the 31st August 2023 and 6th September 2023 respectively. Approved funding was therefore in place.

As at the *At a Glance* section, project estimates provided at short notice for emergency works were accurate (works out-turn being 4% within the estimate and forming the basis for estimation of the overall works).

Valuations were appropriately assessed against site progress, with detailed monitoring of the resultant cash flow (to accord with in-year Health Board Cash Resource Limits). Monthly Highlight Reports were produced summarising programme progress, as published to both the Project Board and Capital Sub-Committee. These were supported by Cost Reports and detailed monitoring for each project by Clerk of Works highlight reports (monitoring management of contract variations). Exception reporting detailed works progress and issues.

Noting the emergency nature of the works, it is recognised that budget classifications would not be as robust as otherwise. Accordingly, the focus was on in-year cash flow monitoring rather than overall variance reporting against budgeted sums.

However, while there was detailed in-year reporting, reconciliation between the various reports was difficult e.g. to determine out-turn against the £12.8m funding.

However, there was a need to confirm the accuracy of in-house out-turn costs in accordance with funding requirements to demonstrate that both in-house costs and additional works related wholly to RAAC.

At the time of the audit fieldwork and issue of the Draft Report, there was a need to confirm retention of the programme under-spend. This had subsequently been addressed.

At the current stage of the programme, the risks / impacts of these matters are not considered material to the delivery of the project.

The issues raised should be considered within the post project review / lessons learnt.

Key Findings	Risk & Impact	Agreed Management Action
<p>4 <b>Out-turn reporting</b></p> <p>Individual project reports showed forecast out-turn to budget for each project.</p> <p>Reporting for the overall programme was monitored against in-year CRL allocations (Capital Resource Limit) rather than against the total approved £12.8m funding (and associated budget heads).</p>	<p>The Project Board may not be appropriately informed to manage project finance.</p>	<p><b>Agreed Management Action:</b></p> <p>The RAAC project wasn't a usual project which required a bespoke report, the standard cost report covers full project cost reporting.</p> <p>We will look to ensure appropriate reporting against the approved budget at future projects as applicable.</p>

	<p>While there was clarity at programme Highlight reporting that overall delivery would be within budget, this was not supported by a high level out-turn summary of overall costs against approved budget allocations.</p>	<p>Inability to scrutinise project costs.</p>	<p><b>Expected Evidence of Implementation:</b> Reporting against the approved budget at future projects. Please see SARC report as evidence of standard reporting.</p>
	<p><b>Theme:</b> Reporting</p>	<p><b>Medium Priority</b></p> <p>Control Operation</p>	<p><b>Officer:</b> Discretionary Capital Projects Manager <b>Date:</b> Actioned</p>
<p>5</p>	<p><b>Internal staff costs</b></p> <p>Welsh Government approved £12.8m “solely for the purposes” of mitigation of risks associated with RAAC, to “be claimed in full by 31<sup>st</sup> March 2025”.</p> <p>The funding approval indicated that a sum of circa £400k was to be spent on in-house costs and project management (see <b>Table 1</b>). This estimated requirement was stated to be based on 2.5% of works cost, and reflective of commercial charges (the Health Board advised that this was as compared to a standard commercial rate of 10.5% applied for full in-house management).</p> <p>Out-turn reports indicated £496k of expenditure attributable to in-house costs and project management.</p> <p>However, supporting time-sheets were not available for the majority of this expenditure. Management advised that the out-turn costs for this element were based on historic analysis of actual costs at other Health Board schemes.</p>	<p>Expenditure may be in breach of funding conditions and therefore repayable.</p>	<p><b>Agreed Management Action:</b> We will look to undertake an approximate reconciliation of the in-house charges incurred at this project, to confirm actual expenditures.</p> <p><b>Expected Evidence of Implementation:</b> In-house cost reconciliation.</p>
	<p><b>Theme:</b> Approvals</p>	<p><b>Medium Priority</b></p> <p>Control Operation</p>	<p><b>Officer:</b> Discretionary Capital Projects Manager <b>Date:</b> June 2025</p>
<p>6</p>	<p><b>VAT reclaim</b></p> <p>Welsh Government funding approval requires declaration of any un-spent funding.</p> <p>Noting the urgent nature of the project, the Health Board included an estimated VAT reclaim of £185k.</p> <p>Further to <b>Table 1</b>, the Health Board have confirmed (as of 23<sup>rd</sup> April 2025) the forecast final account as providing a £756k underspend. This includes a projected final VAT reclaim of £897k. This effectively contributes to an anticipated net under-spend of £44k i.e.</p>	<p>Expenditure may be in breach of funding conditions.</p>	<p><b>Agreed Management Action:</b> The full under-spend of £756k has now been declared to Welsh Government who have adjusted the Health Board’s Capital Resource Limit (CRL) allocation for 2024/25 accordingly.</p> <p><b>Expected Evidence of Implementation:</b> Correspondence with Welsh Government provided to audit.</p>

<b>Item</b>	<b>Total £'000s</b>	<b>Includes VAT recovery of £'000s</b>	<b>Difference £'000s</b>
Budget	12,800	185	
Out-turn	12,044	897	
Under-spend	<b>756</b>	<b>712</b>	44

Typically, VAT reclaimed cannot be retained without Welsh Government approval.

Management had made request to Welsh Government in March 2024 to retain VAT reclaim as an offset to projected cost increases (subject to confirmation of final outcome / VAT).

**Theme:** Finance Management & Control

**Medium Priority**

Control Operation

**Officer:** Senior Finance Partner, Planning & Major Projects

**Date:** Actioned since issue of the Draft Report

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</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</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</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 Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

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



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The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of Hywel Dda University Health Board. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

## Public Sector Internal Audit Standards

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

