

# Decarbonisation Final Internal Audit Report February 2024

Hywel Dda University Health Board

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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement:

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Executive Summary

Purpose

To consider progress against the NHS Wales Decarbonisation Strategic Delivery Plan and the Health Board’s Decarbonisation Action Plan, demonstrating how they will implement the Strategic Delivery Plan initiatives. Following on from the advisory review delivered in 2022/23, the proposed scope will include governance, strategy progress and implementation.

Overview

Whilst a decarbonisation governance structure has been established, the key risk of a lack of funding impacts on the Health Board’s ability to:

- produce a fully costed plan;
- establish a long-term financial model for the the funding required to support the decarbonisation programme
- implement structural changes to address the insufficient staffing resource dedicated to decarbonisation; and
- complete the key actions assigned to the initiatives set out in the Strategic Delivery Plan in a timely manner.

This financial shortfall, which was highlighted by the Director of Strategy and Planning to Welsh Government, will impact on the organisation’s ability to meet national decarbonisation targets in 2025 and 2030.


This has resulted in an overall **Limited** assurance on this area.

Further matters arising concerning the areas for refinement and further development have also been noted (see Appendix A).

Report Opinion

Trend

Limited



More significant matters require management attention.

**Moderate impact** on residual risk exposure until resolved

N/A

Assurance summary<sup>1</sup>

Objectives		Assurance
1	Appropriate governance arrangements have been established	Reasonable
2	A decarbonisation strategy and action plan have been developed	Limited
3	There is an appropriate funding strategy	Limited
4	Appropriate monitoring and reporting arrangements are in place	Reasonable
5	Projects are being successfully delivered	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	Action Plan and Funding Strategies	1, 2 & 3	Design	High
2	Training and Awareness	1	Design	Medium
3	RAID Logs	4	Design	Medium

## 1. Introduction

- 1.1 The Welsh Government (WG) is party to international agreements to reduce carbon emissions and control climate change, most notably as arising from the 2016 Paris Agreement. Accordingly, they have sought to create a framework of controls, guidance and support to achieve these aims.
- 1.2 The WG declared a climate emergency in 2019 and committed to achieving a Net Zero public sector by 2030.
- 1.3 The *NHS Wales Decarbonisation Strategic Delivery Plan* was published in March 2021 and responds to the climate emergency declaration and recognises that the NHS has a critical role to play in contributing towards this target as the largest public sector organisation in Wales.
- 1.4 The plan sets interim targets (from a 2018/19 base) of carbon budget reduction of 16% by 2025 and 34% by 2030.
- 1.5 Category targets were also set for:
  - Buildings;
  - Procurement;
  - Fleet and business travel; and
  - Staff, patient, and visitor travel.
- 1.6 All Wales activity support streams have been created, including Estates planning, and approaches to healthcare.
- 1.7 The WG has made funding available of circa £19.9m for decarbonisation initiatives via the Estates Funding Advisory Board (EFAB) in both 2023/24 and 2024/25 (based on each organisation matching 30% of the WG contribution from their own discretionary programme).
- 1.8 This audit seeks to build upon the advisory review undertaken in 2022/23 which identified common themes nationally to be considered by the Health Board and some recommendations specifically aimed at Hywel Dda University Health Board (HDUHB). We have included updates on the recommendations that are applicable to HDUHB in this report.
- 1.9 The risks considered during the audit were:
  - Regulatory/legislative risk through not achieving mandated reductions in carbon emissions.
  - Reputational risk by failing to meet emission targets.
  - Failing key stakeholders by not reducing carbon emissions which have a detrimental effect on health. In so doing not meeting the requirements of the *Well Being of Future Generations Act (2016)*.

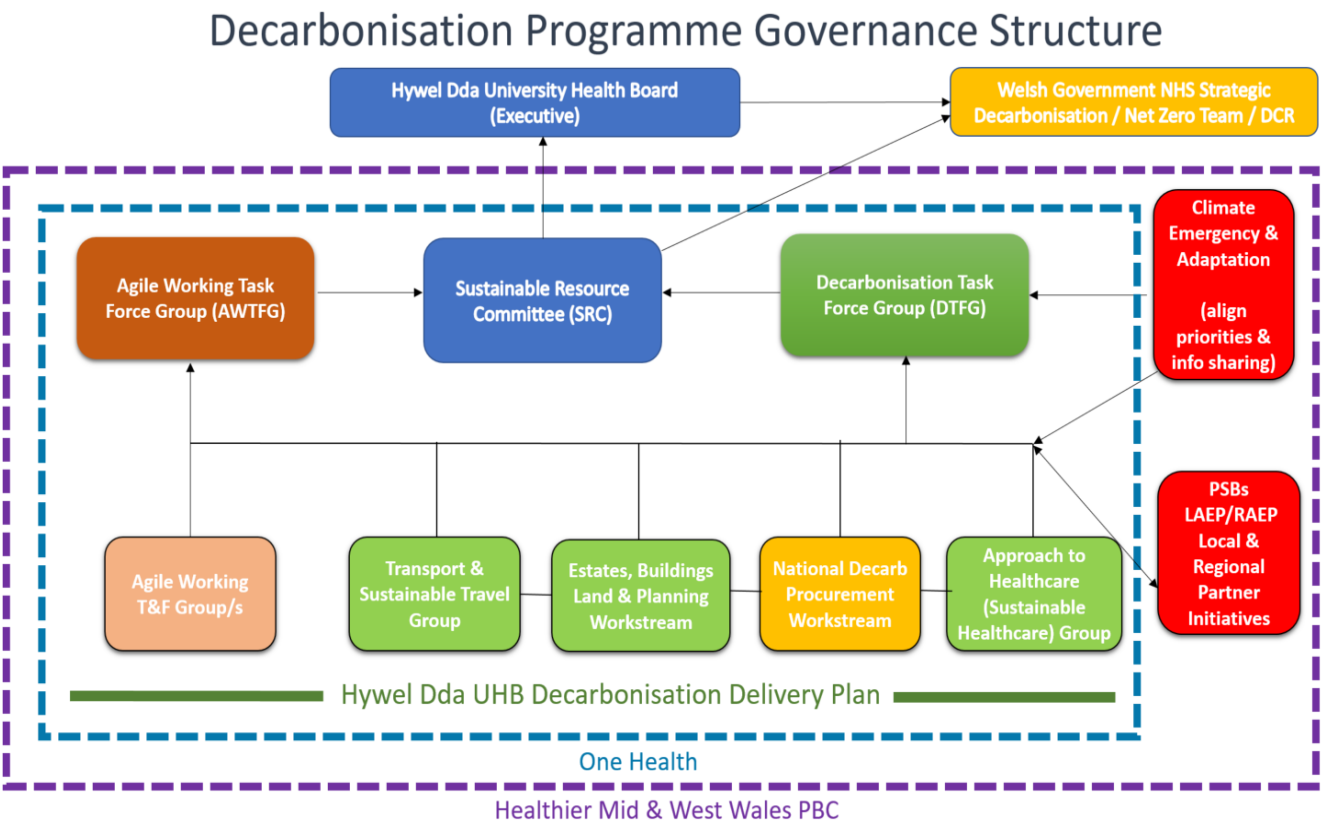
## 2. Detailed Audit Findings

### Objective 1: Appropriate governance arrangements have been established in relation to Decarbonisation

- 2.1 The *NHS Wales Decarbonisation Strategic Delivery Plan 2020-2030* (referred to in this report as the 'Plan') published in March 2021 provides a detailed road map for NHS Wales, built around 46 initiatives (decarbonisation activities or projects) that will help facilitate reducing carbon emissions. NWSSP<sup>1</sup> commissioned a carbon footprint assessment for NHS Wales in 2018/19 and this provided baseline emissions data for the strategic delivery plan.
- 2.2 The Health Board developed a Decarbonisation Delivery Plan that incorporated a Decarbonisation Action Plan (DAP) in line with national requirements detailing their response to the Plan. The DAP sets out the service area responsibilities, ambition dates and actions that will be implemented against the initiatives during the three-year period 2022-2025. The DAP aligns with the *NHS Wales Decarbonisation Strategic Delivery Plan* and Annual Plans, and gives key delivery dates and responsibilities.

#### Governance Structure

- 2.3 The Health Board has established a decarbonisation programme governance structure that was outlined in the updated paper presented to the Sustainable Resources Committee (SRC) in June 2023.



<sup>1</sup> NHS Wales Shared Services Partnership

- 2.4 The governance structure includes two key task force groups (i) Decarbonisation, and (ii) Agile Working that have been formed to carry out specific aspects on behalf of the SRC. Both task force groups are chaired by the Director of Strategy and Planning, and are supported by a number of workstreams and groups.
- 2.5 Green Health Groups which promote sustainability have been established at hospital sites and work to develop and enhance green spaces at Health Board sites.

Roles and Responsibilities

- 2.6 Responsibility for the delivery of initiatives set out in the DAP lies with the Decarbonisation Task and Finish Group (DTFG). The DTFG has an approved terms of reference (TOR) that was established and constituted as a group in February 2021. The TOR also outlines the group’s key responsibilities, including decision making, quorum and attendance.
- 2.7 The prior year advisory report recommended that DTFG meetings should be minuted. A review of the DTFG meetings for October and November 2023 confirmed that a RAID<sup>2</sup> log is maintained rather than formal minutes.
- 2.8 We also confirmed the SRC TOR had been revised to reflect the committee’s defined responsibilities and accountabilities, as recommended during last year’s review.
- 2.9 A Principal Programme Manager for Decarbonisation and Agile Working was appointed in March 2023 and has a dedicated role to drive the focused implementation of the DAP and the agile working programme.
- 2.10 We were advised that there are no other staff members with a dedicated decarbonisation role, duties are added onto existing job roles across the Health Board. The DTFG raised the risk that it is unsustainable to add decarbonisation on to existing job roles and that unless there is structural change and additional internal/external support then there is a risk that decarbonisation may not be achieved due to insufficient staffing resource. **[Matter Arising 1]**

Collaborations

- 2.11 The Health Board provides representation at a number of external groups pan Wales to liaise and share information on the decarbonisation agenda. These groups include:

<ul style="list-style-type: none"><li>➤ National Approach to Healthcare Workstream Group</li><li>➤ Building Estate Land and Planning National Workstream Group</li></ul>	<ul style="list-style-type: none"><li>➤ Sustainable Travel/Transport National Workstream Group</li><li>➤ Procurement National Group</li><li>➤ Decarbonisation Co-ordination Reporting (DCR) Team</li></ul>
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- 2.12 NWSSP facilitate and run the Welsh Health Environment Forum which is a group set up to promote environmental initiatives and to share good practice among NHS

<sup>2</sup> Risk, Actions, Issues and Decisions

Wales organisations. This forum is attended by members of the Environment Team who are also formal members of the DFTG.

- 2.13 Community of Experts is a monthly nationwide group hosted by WG and this is attended by the Principal Programme Manager.
- 2.14 The Senior One Health Practitioner also attends the following all Wales groups:

➤ WG One Health Health Protection Sub Group	➤ PHW Climate Change in Health
➤ WG Emerging Threats in Water Group	➤ Green Health Wales

Training and Awareness

- 2.15 Last year’s advisory audit report recommended that Health Education and Improvement Wales (HEIW)/collaborative training should be commissioned on an all-Wales basis to provide both common and tailored decarbonisation training, in accordance with the Plan.
- 2.16 HEIW had commenced a carbon training programme in 2023 which is tailored to developing a network of climate smart champions. This ‘Climate Smart Champion’ training programme has time limited funding and is restricted to small number of available spaces. We were advised by the Principal Programme Manager that the training had been undertaken with no consultation with health boards, with the training only focused on becoming a climate/carbon literate champion which is not suitable for the majority of the workforce. These concerns had been communicated to HEIW via the Community Expert Group.
- 2.17 To compensate for the delay in decarbonisation training, the Health Board engaged in education and behaviour change initiatives such as the Carbon Awareness Programme (which has now been adopted by NHS Wales). The Sustainability Resource Hub on the staff intranet is a carbon awareness initiative to engage and educate employees and there is an Environment Page on the intranet which provides information on for example energy efficiency, waste and decarbonisation projects.
- 2.18 The ESR training module ‘Achieving Net Zero’ is available for staff to complete on ESR. However, completion of this training module is not mandatory. An application has been submitted to the Learning and Development Manager to formally request that this training is rolled out to all staff. We were advised that this application was currently ongoing. A sustainability awareness video created by Hywel Dda was uploaded on the Sustainability Resource Hub has been temporarily removed in order to verify a potential GDPR<sup>3</sup> issue. **[Matter Arising 2]**

Risk

- 2.19 All service level risks relating to the decarbonisation agenda have been recently reviewed and updated via the Datix system and appear on the corporate risk register. The risk score was elevated from 9 to 16 to reflect uncertainty particularly around securing adequate capital and revenue funding, a change in baseline data

<sup>3</sup> General Data Protection Regulation

that will impact target setting and potential legal implications of not achieving net zero by 2030.

#### Conclusion:

- 2.20 Whilst a governance structure have been established, the Health Board has insufficient staffing resource dedicated to decarbonisation currently. We have therefore concluded **Reasonable** assurance for this objective.

### Objective 2: A decarbonisation strategy and action plan have been developed in accordance with available legislation and guidance

- 2.21 The Decarbonisation Delivery Plan, which incorporates the DAP, was approved by the Board in September 2022 (noting the uncertainty in funding to meet the 2030 target) and sets the strategic direction of travel for the Health Board over the next ten years and summarises the deliverable decarbonisation actions to be implemented from March 2022. Early positive feedback was received from WG in regard to the robustness of the Plan.
- 2.22 The DAP identified the indicative capital costs for 2022-25 at £8.7m. However, to date DAP investment remains unfunded and has therefore resulted in the lack of a fully costed plan. In addition, we were advised that funding will need to substantially increase to achieve longer term targets, including being net zero by 2030. **[Matter Arising 1]**
- 2.23 The Health Board's annual qualitative return for 2022-23 submitted to WG in March 2023 notes that the current RAG status of delivery against the DAP and overall confidence in delivering a minimum of 16% reduction in emissions by 2025 is reported as amber – no change from the previous RAG status. However, there remains a real risk that the Health Board may not meet its carbon reduction targets and not become carbon neutral by 2030.
- 2.24 We note that Decarbonisation and Sustainability is a Planning Objective that is part of the Annual Plan. In terms of wider strategies and policies linked to decarbonisation, we note that an Agile Working Strategy has been developed and is due to be submitted for approval in December 2023. The Agile Working Toolkit for staff has been approved and recently uploaded to SharePoint. The Agile Working Strategy and Toolkit are part of the Estates Strategy Planning Objective and are an Estates Rationalisation opportunity.
- 2.25 The *NHS Wales Carbon Footprint 2018/19* influenced the approach set out in the Plan and provides the initial baseline emissions data for target setting. However, as noted in last year's audit report, issues were identified with the baseline data and the disaggregation of the data for reporting purposes. The baseline may continue to change due to WG refinements of the footprint boundary and this will impact on target setting. The Health Board continues to work with the WG to refine the footprint and baseline.
- 2.26 Carbon Trust engineers conducted an energy and carbon audit at each of the Health Board's four acute sites, which combined, account to approximately 86% of the

organisation's Scope 1 and 2 emissions. The one-day energy audits were conducted to identify priority decarbonisation objectives and actions to be completed prior to 2025 to enable transition to low-carbon heat. Therefore, due to their size, age, energy consumption and carbon footprint, retrofit of acute general hospitals has been prioritised in the initial delivery plan.

#### Conclusion:

- 2.27 The DAP is demonstrably part of corporate planning and is included in the annual plan, however the lack of financial investment has resulted in the lack of a fully costed plan. We have concluded **Limited** assurance for this objective.

#### Objective 3: There is an appropriate funding strategy targeting discretionary, EFAB and All-Wales funding.

- 2.27 The previous year's advisory report recommended that the DAP should be fully costed and supported by funding strategies (i.e. differentiating between local/national funding, revenue or capital funding).
- 2.28 Whilst an initial breakdown of potential funding strategies had been outlined in the Decarbonisation Delivery Plan, along with some high-level specific estimates of costs of the delivery of the DAP, a full detail of costings was not evident as *"some actions were unable to be quantified"*.
- 2.29 Where initiatives have been delivered it has been by leveraged from external funding or the re-allocation of underspends from other budget lines. To date the Health Board has received circa £4m from EFAB and *Spend to Save* funding that has supported the delivery of several decarbonisation projects, including a solar farm and multiple PV roof projects. However, this falls short of the estimated £8.7m investment required to achieve early win projects and progress with feasibility and design to inform future projects to achieve the emissions reduction targets set by WG.
- 2.30 The Director of Strategy and Planning wrote to WG in October 2023 to highlight the risk of the Health Board not delivering the 16% emissions reduction by 2025 and the 34% reduction by 2030 due to lack of capital funding. This risk also impacts on the Health Board's ability to develop a long-term financial model for the funding required to support the decarbonisation programme. **[Matter Arising 1]**

#### Conclusion:

- 2.31 The Health Board continues to prioritise schemes and bid for additional resources against existing funding streams. However, recognising the financial shortfalls and the wider financial pressures across NHS Wales, this risk impacts the development of a long-term financial model and ability to deliver on the decarbonisation agenda. We have concluded **Limited** assurance for this objective.

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**Objective 4: Appropriate monitoring and reporting arrangements are in place to provide ongoing assurance on the implementation of the strategy and action plan****Internal Reporting Arrangements**

2.32 A review of the DTFG agenda for the period April – October 2023 evidenced regular updates are listed from the following workstreams:

- Transport & Sustainable Travel
- Estates, Buildings, Land & Planning
- National Decarbonisation Procurement
- Approach to Healthcare

2.33 The previous advisory report highlighted that internal reporting had understandably been limited, with the level of reporting increasing after WG's review of the DAP. The changes made to the governance arrangements within the Health Board (see paragraph 2.3) supports that the profile of decarbonisation has increased to reflect the challenge faced.

2.34 The previous advisory report also highlighted the need for management to minute DFTG meetings as a formal record of key decisions made and to demonstrate that appropriate challenge/scrutiny is evident. We can confirm that the DFTG TOR notes that minutes and action log should be completed and shared with members prior to meetings in order to verify the accuracy.

2.35 Currently, no minutes are formally recorded with the DTFG maintaining a monthly action plans, known as RAID logs to document key actions and decisions, whilst meetings are held and recorded via Teams. However, membership attendance is not listed on formal documents (i.e. RAID logs) and therefore evidence of meetings being quorate are unable to be confirmed. We also noted that deadline dates had not been identified for a number of actions in the Action, Issues and Decision logs.

**[Matter Arising 3]**

2.36 The RAID log also maintains a strategic risk tab. A review of the listed strategic risks identified a number of columns had not been fully completed and only noted 'TBC', whilst no deadline dates for actions were evident. In addition, an administrative error in regard to 'Target Scores' and 'Inherent Risk Scores' were highlighted to management during fieldwork and subsequently amended. **[Matter Arising 3]**

2.37 We can confirm that the DTFG has reported regularly on a bi-monthly basis to the SRC during 2023 providing progress against the DAP. An annual report on behalf of the DTFG is also submitted to the SRC.

2.38 The SRC TOR was updated in July 2023 to reflect its role in receiving assurance on the decarbonisation strategy from the DTFG as a result of the previous year's advisory report recommendation.

2.39 The SRC in turn reports to the Board and the Decarbonisation Coordination Reporting Team and WG.

## External Reporting Arrangements

2.40 The Health Board is required to submit:

- An annual quantitative (i.e. measurement of emissions) report to WG that outlines progress to date, RAG status and achievements and risks to delivery of the workstream initiatives.
- Quarterly qualitative reports (i.e. progress against initiatives) to the DCR Team<sup>4</sup>.

2.41 We can confirm that the annual quantitative report for 2022/23 has been submitted to WG, whilst two qualitative reports have been returned to DCR Team during 2023/24.

### Conclusion:

2.42 Whilst we can confirm internal and external reporting arrangements have been established, non-compliance with the DFTG TOR was evident in the lack of formal minutes whilst current documents did not capture members' attendance or whether quorum was met. We have concluded **Reasonable** assurance for this objective.

## Objective 5: Projects are being successfully delivered and arrangements are in place to secure available funding

### Current and Projected Success of Projects and Schemes

2.43 The latest quarterly qualitative report submitted to the DCR Team in September 2023 was reviewed to establish whether projects and schemes have been or are being successfully delivered – see attached the WG methodology of delivery confidence:

Confidence of Delivery	
<b>Highly Likely</b>	Successful delivery of the action/initiative to cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
<b>Probable</b>	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
<b>Feasible</b>	Successful delivery appears feasible but significant risks and issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly.
<b>In Doubt</b>	Successful delivery of the action/initiative is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.
<b>Unfeasible</b>	Successful delivery of the action/initiative appears to be unachievable. There are major issues which at this stage do not appear to be manageable or resolvable. The action/initiative may need rebaselining and/or overall viability reassessed.
<b>Complete</b>	Successful delivery of initiative/action. There is no further input required.
<b>Default</b>	The confidence of delivery has not been set by the organisation / default RAG.
<b>Exempt</b>	The organisation is exempt from this action / initiative.

<sup>4</sup> The Decarbonisation Coordination Reporting (DCR) Team is a service provided by NWSSP responsible for collating and reporting progress of the delivery of the Strategic Delivery Plan for all Health Boards and Trusts in Wales

2.44 The quarterly qualitative report outlines the six main activity streams with 46 initiatives underpinned by 135 actions. The Health Board are responsible for the delivery of 77 actions (58 actions were exempt as per WG guidance). A review of Quarter 1 (2023-24) initiatives and actions identified the following:

- The overall delivery confidence for 14 initiatives (30%) were identified as in doubt/ feasible.
- 33 actions (43%) were RAG rated as Red/Amber, of which confidence of delivery was recorded as:
  - 12 in doubt
  - 15 feasible
  - 5 probable
  - 1 highly likely
- 22 actions had implemented dates that had passed and not been identified as 'completed', whilst two actions (38.3 & 38.4) had '???' recorded as start dates.
- One action (38.2) had 'TBC' recorded in the Action Owner, Responsible and Accountable column.

#### Delivered Projects and Schemes

2.45 The Health Board has delivered a number of schemes since 2020/21:

- Roof mounted Solar Photovoltaic (PV) rollout across various sites with the latest schemes delivered at Brynmair Clinic and South Pembrokeshire Hospital in 2023
- Development of the 0.45MW solar farm at Hafan Derwen in March 2023
- Air source (low carbon) heat pumps at Cardigan Integrated Care Centre
- Installation of LED lighting in Bronglais Hospital

2.46 The LPG<sup>5</sup> project at Glangwili General Hospital, which is funded through EFAB, is currently being delivered with planned completion by the end of October 2023. The aim of this project is to replace the fuel source of the main boiler from oil to LPG with the outcome of reduced carbon emissions due to the change in fuel type and a saving in annual expenditure.

2.47 Feasibility studies for electrical vehicle (EV) charging points have been completed across all of Hywel Dda's main sites. The DAP includes the aspiration for all new cars and large goods vehicles (LGVs) procured after April 2023 to be battery-electric or hybrid wherever possible. However, there is significant risk to delivery because funding for procurement, installation and on-going operation of EV charge-points for Hywel Dda fleet vehicles is very limited.

2.48 Cost estimates for providing 7kW EV chargers at 10 main sites is approximately £650,000, whilst the following risks have also been identified:

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<sup>5</sup> Liquefied Petroleum Gas

- if overall National Grid capacity is not increased at sites, there will not be sufficient availability to support EV charging infrastructure; and
- if finances are not available to purchase chargers (capital), higher lease costs (revenue) and dedicated fleet staff there is a risk to achieving the overall EV ambition.

### Future Projects and Schemes

- 2.49 The current Energy Performance Contract (EPC) ends March 2024 and capital monies have been secured to deliver via the *Re:Fit 4 Wales Framework*. A working group has been established to progress a new EPC that commenced with a 'soft tender' exercise in 2022/23 to garner interest from framework providers to work with the Health Board to develop and implement phases of work. The next phase of the EPC project is to procure and select a partner in 2023/24 with the intention to deliver on future decarbonisation projects from 2024/25 subject to funding and WG approvals (Phase 1 - £2-3m target investment).
- 2.50 In addition, the focus for 2024/25 will be the delivery of further PV and LED *Spend to Save* projects.
- 2.51 Grant monies of £24k have been secured via the Heat Network Efficiency Scheme to deliver an optimisation project at the PPH site in 2023/24.

### Conclusion:

- 2.52 A review of progress made against the actions outlined in the DAP notes 33 actions (out of 77) were RAG rated Red/Amber, with 17 of those listed as in doubt or feasible. In addition, 22 actions had implemented dates that had passed and not been identified as 'completed'. The impact of actions falling behind schedule or failing to be completed could impact on the Health Board's ability to meet national decarbonisation targets. We have concluded **Limited** assurance for this objective.

## Appendix A: Management Action Plan

Matter Arising 1: Action Plan and Funding Strategies (Design)		Impact
<p>The previous year's advisory report recommended that the DAP should be fully costed to determine the total funding. The initial investment required was identified in the DAP 2022-25 as £8.7m. However, this investment remains unfunded and has therefore resulted in the lack of a fully costed plan, whilst we were advised that funding will need to substantially increase to achieve longer term targets, including being net zero by 2030.</p> <p>There is a risk of insufficient staffing resource to enable the Health Board meet national requirements due to the lack of investment funding that would allow the organisation to make the necessary structural changes or additional internal/ external support.</p> <p>Whilst we can confirm that funding strategies have been identified, work on costing the DAP is ongoing and the risk of not securing adequate funding remains. The successful implementation of the DAP will require a step-change in decarbonisation activity across the Health Board to be appropriately resourced and require significant additional funding from WG to support the delivery and achievement of established targets.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>• The Health Board being unable to invest sufficient resources to achieve the decarbonisation programme</li> <li>• Failure to achieve the WG targets for carbon emissions</li> </ul>
Recommendation		Priority
1.1	<p>Management should ensure:</p> <ul style="list-style-type: none"> <li>• a fully costed plan should be developed to meet the 2030 target and re-evaluated to update the baseline projections;</li> <li>• a review of staff resources dedicated to decarbonisation should be undertaken and actions identified to mitigate any staff resource risk; and</li> <li>• a long-term financial model for the funding required to support the decarbonisation programme to provide assurance to the Board regarding achievement of WG targets should be developed. A clear timeline should be determined for undertaking this exercise, with progress monitored at a relevant forum.</li> </ul>	High

	Management should review the current service level risk entry for decarbonisation (Risk No. 1544) with a view to escalating to the corporate risk register where the above cannot be progressed and impacts the Health Board's ability to meet national targets.	
Agreed Management Action		Responsible Officer
1.1	<p>The Health Board's Decarbonisation Delivery plan provided indicative costs for the first phase of the programme, where those costs could be quantified. Given the scale and duration of the Decarbonisation programme it isn't possible to fully cost all elements, ahead of knowing the options and implications of plans. Feasibility studies for example will be required to create the costing outputs and there is currently little/no funding available to conduct these. In addition work continues nationally to define the measurements for carbon reporting and therefore the baseline against which the plan needs to deliver is yet to be determined.</p> <p>In response to the action the Decarbonisation Task Force will formally consider:</p> <ul style="list-style-type: none"> <li>the potential to provide updated cost estimates for the delivery plan, recognising the limitations on this as noted above;</li> <li>a review of staff resources and potential mitigations;</li> <li>the actions we anticipate will be funded through the HB (either revenue or capital) and the actions which will require Welsh Government funding, this will then be shared with the national programme and recommended for discussion at the National Programme Board; and</li> <li>the directorate risk for decarbonisation and requirement for escalation to corporate risk register.</li> </ul>	<p>31<sup>st</sup> March 2024</p> <p>Lee Davies (Director of Strategy and Planning)</p>

Matter Arising 2: Training and Awareness (Design)		Impact	
A sustainability awareness video created by Hywel Dda was uploaded on the Sustainability Resource Hub has been temporarily removed in order to verify a potential GDPR issue.		Potential risk of: <ul style="list-style-type: none"> <li>Staff not being adequately trained in or aware of the Decarbonisation agenda and therefore lack of buy-in across the organisation</li> </ul>	
Recommendation		Priority	
2.1	The sustainability video should be reviewed (following the addressing of any potential issues) and uploaded back on the Sustainability Resource hub to support individual and service improvements.	Medium	
Agreed Management Action		Target Date	Responsible Officer
2.1	<p>Note that staff training is currently a responsibility of HEIW as it's a NHS wide requirement and the action has been assigned to them nationally. Furthermore, there are a number of other internal and external training/learning resources on ESR (e.g. Net Zero) and on the HDd Sustainability SharePoint page as well as signposting/raising awareness to reputable external resource/learning from HEIW and the Centre for Sustainable Healthcare that enables staff to keep informed and up to date with the relevant knowledge, training and awareness.</p> <p>In respect of the specific recommendation the appropriate actions are already in progress and the issue will be addressed.</p>	30 <sup>th</sup> April 2024	James Field (Assistant Director of Communications)

Matter Arising 3: RAID Logs (Operational)		Impact	
<p>The DFTG TOR notes that minutes and action log should be completed and shared with members prior to meetings in order to verify the accuracy. Currently, no minutes are formally recorded with the DTFG maintaining a monthly action plans, known as RAID logs to document key actions and decisions, whilst meetings are held and recorded via Teams. However, membership attendance is not listed on formal documents (i.e. RAID logs) and therefore evidence of meetings being quorate are unable to be confirmed.</p> <p>We also noted that deadline dates had not been identified for a number of actions in the Action, Issues and Decision logs. A review of the listed strategic risks identified a number of columns had not been fully completed and only noted 'TBC', whilst no deadline dates for actions were evident.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"><li>The Board are not appropriately briefed on the implementation of the decarbonisation plan</li></ul>	
Recommendations		Priority	
3.1	Management should review current arrangements to ensure compliance with DFTG TOR.	Medium	
3.2	The strategic risk log should be reviewed and updated to ensure information is fully completed and deadline dates are recorded.	Medium	
Agreed Management Action		Target Date	Responsible Officer
3.1	Whilst minutes are not formally recorded, all meetings are held on Microsoft Teams and are recorded, therefore attendance and quorum are affirmed via a digital platform as an alternative to utilising administrative resource to provide minute taking. The ToR will be amended to reflect this change.	28 <sup>th</sup> February 2024	Sharon Hughes (Principal Programme Manager Transformation)
3.2	The 'TBCs' in the risk log relate to initiatives where funding has not been identified/received. Where this uncertainty continues and we do not have any confirmed deadlines the risk log will be amended with a default date of 31/3/25 which is when the delivery plan comes to an end and these will be reviewed as part of the delivery plan review process and shared with Welsh Government as part of the NHS Wales Decarbonisation Strategic Delivery Plan review which is expected during Q3 of 2024.	28 <sup>th</sup> February 2024	Sharon Hughes (Principal Programme Manager Transformation)  &  All DTFG members

## 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>Unsatisfactory 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.



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