

Cafodd yr ymateb hwn ei gyflwyno i'r ymgynghoriad ar y cyd a gynhelir gan [y Pwyllgor Iechyd a Gofal Cymdeithasol](#) a'r [Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus](#) fel sail i'w [gwaith craffu ar Iechyd a Gofal Digidol Cymru](#)

This response was submitted to the joint consultation held by the [Health and Social Care Committee](#) and the [Public Accounts and Public Administration Committees](#) to inform their [scrutiny of Digital Health and Care Wales](#)

SDHCW 12

Ymateb gan: | Response from: Archwilio Cymru | Audit Wales



Date issued: 23 September 2022

Scrutiny of Digital Health and Care Wales

Evidence Submission

Introduction

- 1 We welcome the opportunity to submit evidence to inform the joint-scrutiny of Digital Health and Care Wales (DHCW) by the Health and Social Care Committee and the Public Accounts and Public Administration Committee.
- 2 This evidence submission summarises relevant audit findings at DHCW, including audit findings relating to national NHS IT systems hosted by DHCW, as well as findings from studies relating to the wider digital and cyber landscape.
- 3 We have not rehearsed findings from our earlier January 2018 report on Informatics Systems in NHS Wales which supported the subsequent inquiry and report by the Public Accounts Committee in the fifth Senedd, with both reports providing a backdrop to the creation of DHCW. Nonetheless, many of the issues identified by that work remain pertinent to DHCW's ongoing delivery and the wider context in which it operates.

Baseline Governance Review

- 4 Recognising that DHCW is a new NHS body established in April 2021, we completed a Baseline Governance Review with the aim of supporting organisational development and learning while still helping to discharge the Auditor General's duty under Section 61 of the Public Audit Wales Act 2004.
- 5 The Review found that "DHCW is making positive progress in putting arrangements in place to support good governance and the efficient, effective, and economical use of resources under challenging operating circumstances".
- 6 Whilst we did not make any formal recommendations, we identified some opportunities for innovation and improvement relating to how DHCW:
 - Ensures it is at the vanguard of further innovations through co-design and co-creation, particularly around digitally enabling health and care.
 - Capitalises on the diverse experiences of its Independent Members to bring new thinking and a fresh leadership approach, whilst keeping the skill mix under review.
 - Further develops its internal reporting mechanisms, and further enhances public transparency of Board business.

- Progresses work on the organisation's strategy to provide further clarity on its long-term vision and objectives.
- 7 DHCW has prepared an action plan to address these opportunities for improvement and innovation, and progress is routinely reported to its Audit and Assurance Committee.
- 8 We are currently undertaking 'Structured Assessment' work at DHCW, which is examining its arrangements relating to corporate governance, financial management, strategic planning, and other factors affecting the way the organisation uses its resources. We will be reporting our findings towards the end of 2022.

Review of Nationally Hosted NHS IT Systems 2020-21

- 9 We are required by International Auditing Standard (ISA) 315 to obtain an understanding of the general IT and application controls of the financial systems used by NHS Wales to provide assurance for NHS financial audit opinions.
- 10 While the work is largely undertaken to provide assurance for NHS financial audit opinions, it also provides opportunities to identify potential risks which may include:
- out-of-date and unsupported infrastructure;
 - access security arrangements which leave the system vulnerable to unauthorised access and attack;
 - loss or unauthorised access of data; and
 - change control procedures which are inadequate meaning that the system could be compromised or unavailable following the application of a new patch, upgrade or release of the database or the application software or infrastructure change.
- 11 We concluded that the IT controls examined provided assurance "that financial values produced by the systems for 2020-21 were likely to be free from material misstatement, although some controls could be strengthened". We also noted that there are plans in place to upgrade some systems.
- 12 Our report was shared privately with DHCW, rather than being published on the Audit Wales website, to avoid the risk of sharing findings that may assist those contemplating cyber-attacks on public sector bodies in Wales. Our report has been considered by DHCW's Audit and Assurance Committee in private, and an action plan has been prepared in response to our recommendations.
- 13 Review of nationally hosted NHS IT systems for the 2021-22 accounts audit is ongoing; we will be finalising our report during the autumn and reporting our findings to DHCW's Audit and Assurance Committee in February 2023. Work done on the 2021-22 IT systems to date indicates that our findings are consistent with

last year's review. We have also reviewed DHCW's progress against last year's recommendations as part of this year's review.

Audit of DHCW's 2021-22 Financial Statements

- 14 The Auditor General certified DHCW's financial statements for the period ended 31 March 2022 on 15 June 2022. They were laid before the Senedd on 17 June 2022.
- 15 We issued an unqualified audit opinion and made only one recommendation which was accepted in full. The recommendation is that the useful lives of existing assets that are not fully depreciated are subject to an annual review and with any lives adjusted as deemed necessary.
- 16 We have also published an [NHS Finances Data Tool](#) which now includes data for DHCW alongside other NHS bodies in various areas.

Welsh Community Care Information System

- 17 The Public Accounts and Public Administration Committee will be familiar with our report on the [Welsh Community Care Information System](#), which was published in October 2020. We concluded that "implementation and roll-out of WCCIS are taking much longer and proving more costly than expected. Despite efforts to accelerate the process, the prospects for full take-up and benefits realisation remain uncertain. Some important issues around the functionality of the system, data standards and benefits reporting are still to be fully resolved".
- 18 We provided an [update](#) in a letter to the Chair of the Public Accounts and Public Administration Committee on 1 July 2022. The update noted that the WCCIS programme was at a critical juncture. Among other things, it emphasised that, "following considerable diagnosis of the difficulties that have affected the WCCIS programme strong leadership is now required to ensure value for money from the £30 million investment to date and future spending and to determine the overall future of the programme in partnership with those organisations currently using the system and those who are not. As part of this, a decision will be needed on the future contracting strategy and whether to retain the commitment to a single system solution or allow for different 'interoperable' systems using the same standards and ensure the development of those standards moves at a quicker pace than it has to date".

Cyber resilience in the public sector

- 19 In January 2021, we completed a review of cyber resilience arrangements at Board level (or equivalent). The work covered 72 public bodies in Wales, including the then NHS Wales Informatics Service and other NHS Wales organisations. The

report was shared privately with audited bodies and with the then Public Accounts Committee.

- 20 The review found that “cyber-attacks are a common and growing threat to public bodies and there is scope to strengthen resilience through clearer responsibilities, better planning, and increased awareness and skills”.
- 21 While this work pre-dates the creation of DHCW, we recognised DHCW's important system leadership role in relation to cyber security as part of our Baseline Governance Review. We noted that clarity on leadership and accountability for this critical area of operation with all of DHCW's partners is vital.
- 22 We are now following-up our 2021 cyber resilience report with a new review that aims to share learning from recent cyber-attacks. Our aim is to complete the work in October 2022. The findings will be published in a confidential report and shared securely with public bodies.

Future local audit work at DHCW

- 23 Our prospective performance audit work at DHCW will encompass the following:
- All-Wales thematic on workforce planning arrangements: an examination of the workforce risks that NHS bodies, including DHCW, are currently experiencing and are likely to experience in future. It will examine how local and national workforce planning activities are being taken forward to manage those risks and address short-, medium- and longer-term workforce needs. The work will be tailored to align with the responsibilities of individual NHS bodies in respect of workforce planning.
 - Primary Care Digital Services: an examination of budget and governance arrangements within DHCW. This work will be undertaken during autumn 2022.
 - DHCW's relationships and interactions with other NHS bodies: a strategic and operational review to determine the extent to which DHCW is viewed and regarded as a 'trusted digital partner'. The precise focus and timing of this work will be agreed with DHCW and other NHS bodies as part of the preparation of our 2023 local audit plans.