

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay, AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Ein Cyf/Our Ref:AG/IO//JM

1 September 2017

Dear Mr Ramsay,

Public Accounts Committee - Audit of Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner

I am writing in response to an email of 20 July asking for my comments on the Wales Audit Office report "Audit of Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner".

As the Cabinet Secretary has made clear, this is a case where standards of good governance have fallen short. In his report, the Auditor General for Wales noted the existence of Standing Orders and Standing Financial Instructions, along with other procedures, which provide the regulatory framework for the conduct of business within Cardiff and Vale University Health Board (paragraph 20). His findings are that the UHB failed to comply with this framework in respect of its contractual relationships with RKC Associates Ltd and its owner.

I am assured that the Chief Executive and Board are treating the report with the seriousness it warrants and are taking the necessary steps to address the issues and enforce compliance with the governance framework. The recent appointment of Len Richards as Chief Executive will further allow the organisation to restate a 'culture of compliance' from Executive Directors and the Board right down through the organisation.

The appearance of the Cardiff and Vale officials before the Committee in September will provide the Committee the opportunity to hear directly from the Health Board on the action plan they have put in place to address the issues raised in the report and rightly respond to these serious concerns.

I wrote to all NHS organisations in Wales on 17 July 2017 in order to draw the WAO report to their attention and required them to urgently review their own governance arrangements for

procurement and appointments in the light of the report's findings. I asked Chief Executives to provide me with details of the checks and balances their organisations have in place to ensure good governance on these matters.

I have now received responses from all health boards and trusts to my letter of 17 July and organisations have provided assurance that there are no governance failings similar to those outlined in the WAO report on Cardiff and Vale University Health Board. However, the issues raised within the WAO report has allowed all NHS organisations in Wales to review and where necessary tighten their governance procedures

There are governance procedures on these matters that I would expect all organisation to have in place and have therefore taken the opportunity to set these out again formally to NHS organisations. I wrote again to health boards and trusts on 30 August to outline these expectations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Goodall', written in a cursive style.

Dr Andrew Goodall