DIGITAL HEALTH AND CARE WALES

Inquiry into Ophthalmology Services in Wales – DHCW Written Evidence

1   Introduction

The National Digital Eye Care Programme is a Welsh Government (WG) sponsored programme of work in place to digitise the Ophthalmology Electronic Patient Record [EPR] and Referral processes across NHS Wales. Until June 2023, the National programme had been managed and delivered by Cardiff and Vale University Health Board [CaVUHB] on behalf of the Welsh Government, all Welsh Local Health Boards [LHBs] and Primary Care Optometrists.

A strategic Assessment (OGC "Gateway 0") of the Programme was conducted by the Welsh Government Integrated Assurance Hub in March 2023 and awarded a status of Amber/Red. *"Successful delivery of the programme is in doubt with major risks or issues apparent in a number of key areas"* (Appendix A). One of the Critical recommendations of this review was that the Programme should be transferred to DHCW by 1st June 2023.

On the 25th of May 2023 the DHCW Special Health Authority Board approved the transfer of the Programme to take effect on 1st June 2023. Responsibility for the live service remained with CaVUHB, as they remain the contracting authority.

A re-baselined Delivery Plan was required from DHCW by the end of September 2023. During this transitional period there would be a brief pause for a period of due diligence. (WG letter - Appendix B).

2   Background/Context

2.1   Business Case and Supplier Contract

The Full Business Case (FBC) was finalised in 2020 for an investment of £8.53m to deliver an Electronic Patient Record (EPR) and Electronic Referral System (E Referrals) for NHS eyecare services in Wales. The investment comprised a Capital contribution by WG of £4.8m and Revenue contribution by Health Boards of £3.7m.

The expectation was that Health Boards would have concluded the implementation of the systems by the end of March 2023, and the distribution of funds was allocated on this basis.

The contract was signed by CaVUHB (leading the programme on behalf of NHS Wales) and the Supplier in 2020 for a core term of 5 years concluding in January 2025, but with the option to extend for up to 2 years to January 2027. The supplier contract support costs is also based on all Health Boards having completed implementation by the end of year three

of the FBC i.e. by March 2023.

At the date of Programme transfer to DHCW on 1st June 23, CTMUHB had started to implement the Ophthalmology Electronic Patient Record for one sub-specialty and CaVUHB had deployed this system to several sub specialities. Five Health Boards had not implemented any system at this point. E Referrals had not been piloted or implemented as at 1st June 2023.

3.   DHCW Involvement in the Eyecare Programme

3.1   Transition from CaVHB to DHCW

The Programme formally transferred to DHCW on the 1st June 23, a month later Welsh Government wrote to stakeholder organisations confirming the transfer and transitional arrangements and that governance would remain with the Senior Responsible Owner (SRO) at CaVHB.

DHCW had a transition period after transfer to conduct discovery, due diligence and planning activities.

The DHCW Audit and Assurance Committee commissioned two Internal Audits be carried out following the transfer of the Digital Eyecare Programme. These Reports can be seen as Appendices C and D – Digital Eyecare Programme Internal Advisory Review Report regarding the approach taken following programme transfer (Appendix C) report issued April 2024, and a joint review commissioned between DHCW and CaVUHB Eyecare Digitisation Programme Final Internal Audit Report looking at the contractual position (Appendix D) report issued May 2024.

3.2 Key events after the programme transferred to DHCW (post 1 June 2023)

September 23
DHCW worked with Health Boards to develop Programme and Implementation plans which were presented to the Programme Board on the 22nd September 2023. At this time, there was still outstanding queries to be addressed with CaVUHB to fully assess the current and future commercial, financial, technical and programme implications of the transfer, and the E Referral pilot conducted by CaVHB did not conclude until 30th September. In addition, DHCW quantified the requirement for the Office 365 (O365) licences to enable administers and optometrists to access the NHS Wales systems and have an NHS Wales email address.

October 23
DHCW secured funding from WG for O365 licences to be issued to Optometrists and Practice Administrators.

November 23
WG wrote to DHCW requesting submission of a Digital Investment Proposal by 5th January 2024.

28th November 2023 – Accountability for the Programme formally transferred from the SRO in CaVUHB (Director Therapies and Healthcare Science, CaVUHB) to the Chief Executive of DHCW.

January 24
Following discussion with Health Boards during November and December 2023, a Digital Investment Proposal was submitted to WG on 2 January 2024, to provide a short list of options.

22 January 2024, the first meeting of the newly formed Transition Board under new Programme Governance.

An options appraisal presented three options which had been shortlisted and presented to the Transition Board, as below;

1. Open Competitive tender for a new Ophthalmology EPR and Optometry ERs contract
2. Open Competitive Tender for a cloud hosting, development and support contract for Open Eyes + Migration of Current instance
3. Open Competitive Tender for a development and support contract for Open Eyes + Migration to a DHCW Cloud provider

The Transition Board asked for tactical implementation of Open Eyes under the CaVUHB hosted contract to be added for consideration at the February Board.

February 24
Following the review of these options and a review of the Intellectual property provisions within the contract, the preferred procurement option was as follows;

- A new competitive procurement for an Ophthalmology EPR and Optometry ERs solution,

Plus
- In parallel, some tactical deployment under the existing arrangements

At the Transition Board the Programme Lead reported that a number of pre-requisites needed to be delivered / resolved before tactical deployment could commence, for which a mobilisation plan would need to be presented to the Board in March 2024.

Health Boards were asked to confirm their intention to tactically deploy and what their resource requirements were in order that these could be included in the Digital Investment Proposal.

WG also asked that CaVHB include deployment plans for Open Eyes under the current contract for all Health Boards and that this also be included together with costs for support and hosting in the Digital Investment proposal.

The Office 365 roll out to optometrists commenced.

March 24
The Digital Investment Proposal was rejected by WG for two main reasons;

- The timeline for requirements gathering and procurement stages were longer than desired

- CaVUHB deployment plans or costs for Open Eyes under the remaining term of the contract was not included

May 2024 - July 2024
Welsh Government requested a "day zero" plan be submitted jointly by DHCW and CaVUHB due by 14th June 2024, Welsh Government also requested an assessment of whether an alternative E Referrals system would be more time and cost effective.

CaVHB provided a proposal for tactical deployment by Health Boards of Open Eyes EPR, and to migrate the system to a cloud environment.

DHCW had completed a set of draft requirements for an Electronic Referral system, conducted a market scanning exercise inviting expressions of interest from suppliers, developed indicative plans for procurement, implementation timelines and costs all to be finalised on completion the expressions of interest process.

August 24
A new procurement strategy was proposed by DHCW to enable a direct award to be made between DHCW and the incumbent Delivery partner to cloud host and support the EPR. This was accepted in principle by the Transition Board.

The DHCW Programme Lead conducted an implementation readiness review with all Health Boards to sense check tactical deployment plans. This revealed that tactical implementation would take between 8 months to 2.5 years.

Seven suppliers of electronic referral systems submitted expressions of interest.

The WG representative informed the Transition Board that there was no additional funding available for Health Boards tactical deployment.

Discovery meetings for the transition had also commenced with the delivery partner.

September 24
DHCW presented financial and delivery plans for E referrals and for tactical implementation of the EPR. The Estimated costs of the indicative plans were;

> E-Referrals – DHCW programme management costs, system procurement Health Board implementation costs, estimated to be £4m over 7 years

> Electronic Patient Record – Health Board implementation costs £1m with delivery times between 8 months to 2.5 years

At this point Health Boards were unable to commit, without confirmed funding.

October 24
This issue was escalated to Welsh Government to discuss the major commercial and financial challenges relating to the programme.

November 24

WG requested an options appraisal be produced setting out what could be achieved short term (tactical options) and longer term (Strategic options)

January 2025

The Sponsor group met to discuss the options appraisal recommendations which are summarised as follows;

Options are categorised as Tactical and Strategic.
1. Tactical being what can be done during the remaining two-year period of the existing contract with Toukan Labs Ltd (TKL) whilst hosted and managed by CaVUHB.

2. Strategic being the longer-term options for Ophthalmology Electronic Patient Record (EPR) and the Optometry Electronic Referrals, hosted and managed by DHCW.

Recommendations;
1. CaVUHB to manage the roll out as defined by the 2020 FBC for the Tactical deployment of Open Eyes for the remaining 2 years of the Open Eyes contract.

   • As a "Tactical approach", Health Boards that wish to work collaboratively with CaVHB (with their agreement) to implement Open Eyes in the last 2 years of the contract but will be locally managed and funded, supported by WG for some additional resource funding as set out in the 2020 FBC.

   • CaVUHB to recharge Health Boards for internal resources for system support as defined by the FBC. Thus, CaVUHB would be responsible for the "Tactical Programme" for up to 2 years

2. In Parallel DHCW establishes a new Strategic Programme to support agreed procurements and subsequent implementation for E Referrals and EPR systems, supported by adequate funding from WG

   • DHCW develop a business case(s) for a competitive procurement of a new Optometry E-referral system and Ophthalmology EPR for up to 7 years, to provide sustainability and maximise opportunity for realisation of benefits, particularly when there are one off charges. These could be a single or two business cases and establish a Strategic Programme

   • Recommended Procurement Strategy EPR: open competitive tender for a Delivery Partner to cloud host and support Open Eyes, on sole supplier basis. Main Contract for core set of requirements + Change Control Notices for onboarding Health Boards and their specific requirements. Minimum 5 year + 2 year extension term.

   • Recommended Procurement Strategy E Referrals: Open competitive tender for provision of cloud based Optometric Referral solution, for 5 year + 2 year extension.

OGC Gateway™ Review 0: Strategic assessment

Programme Title:	**National Eye Care Digitisation**
IAH ID number:	**AH/009**

Version number:	FINAL 1.0
Senior Responsible Owner (SRO):	Dr Fiona Jenkins
Date of issue to SRO:	DRAFT: 15th March 2023 FINAL: 24th March 2023
Department/Organisation of the Programme	Cardiff and Vale University Health Board
Review dates:	13th, 14th, 15th March 2023
Review Team Leader:	Robin Davis
Review Team Members:	Siân Harrop-Griffiths Tracey Hill
Previous Review:	None
Security Classification:	Official

This assurance review was arranged and managed by:

Welsh Government Integrated Assurance Hub (IAH)

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1.0 Delivery Confidence Assessment (DCA)

Delivery Confidence Assessment:	**Amber /Red**

The Review Team considers that the Delivery Confidence Assessment for the current status of the National Eyecare Digitisation Programme is **Amber / Red**.

The Programme Team has done a lot of good work with limited resources, especially as this involves liaising with 7 Health Boards. The strategic case to digitise eye care between primary and secondary care remains valid and there is widespread support for the vision set out in the Full Business Case. The software solution has been procured and has been developed and implemented as a "proof of concept" in Cardiff and Vale UHB and in one clinic in Cwm Taf Morgannwg UHB.

The Review Team were provided with a governance structure for the Programme. This shows that the Programme Board reports through Cardiff and Vale UHB into Welsh Government, with three regional projects reporting into the national board. The Review Team heard that the Programme had previously reported into the National Eye Care Board and National Planned Care Board. However, it was not clear if this is still the case or that current Chief Executives are sighted on the programme at all. The Programme Board is large, and the Review Team heard that this was to ensure adequate stakeholder engagement was obtained. The Review Team found that the Board acts primarily as a Stakeholder Group, rather than a focussed decision-making body. The Board had previously met quarterly, however, meeting frequency increased to monthly in the last quarter of 2022. The Review finds that the functions of these two very important aspects of governance have been conflated, adding to the lack of clarity amongst stakeholders.

The programme appears to have 'stalled' in terms of further implementation and delivery. This is due to a number of reasons including the COVID pandemic and changes to a large number of personnel involved in the initial stage of decision making. The Review Team heard that three main issues were also contributing to this stalled state, including O365 Email Licensing, Data privacy impact assessments (DPIAs) and Cyber Security.

In addition, and importantly, individual Health Boards had concerns around Information governance and detail through the provision of a number of artefacts outlining the solution and its capacity / capability to deliver the need

As this programme now has to move to an all-Wales deployment model the transfer for leadership and delivery should be made to Digital Health and Care Wales to maximise the opportunity for success.

The Delivery Confidence Assessment (DCA) of Amber/Red therefore reflects the Review Team's current findings in that successful delivery of the programme 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. The Review Team makes six recommendations to aide the SRO in delivering the outcomes of the programme as set out in the approved Full Business Case.

1.1 Delivery Confidence Assessment

The Delivery Confidence assessment RAG status should use the definitions below:

RAG	Criteria Description
Green	Successful delivery of the programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber/Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber/Red	Successful delivery of the programme 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.
Red	Successful delivery of the programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme may need re-baselining and/or overall viability re-assessed.

2.0 Summary of Report Recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below:

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Classification
1.	The Programme Team should, develop and implement a communications strategy and engagement plan.	C- Critical	1st May 2023	2.1
2.	The Programme Team should further develop risks and issues management documentation and embed RAID best practice.	C- Critical	1st April 2023	9.2
3.	The SRO should review the Governance arrangements to clearly define the roles, responsibilities and members of the programme and stakeholder boards in order to make clear, focused, and timely decisions.	C- Critical	1st May 2023	1.1
4.	The SRO should, develop a clear plan with key partners to set out delivery of the artefacts, completion of required approvals and to bring the solution into live service across Wales.	C- Critical	1st May 2023	3.1
5.	The SRO should undertake a full financial reconciliation of the Programme finances.	C- Critical	1st May 2023	5
6.	The programme should be moved to DHCW.	E- Essential	Do by, 1st June 2023	12.1

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/ project should take action in the near future.

Recommended – The programme should benefit from the uptake of this recommendation.

3.0 Comments from the SRO

I would like to thank the Gateway Team for giving of their time to undertake this review. The process was well organised and arranged within the timescale normally adhered to for such reviews. The team managed to get up grips with the complexities of delivering a national digital programme from one LHB to cover all Wales, and the experience of 2 NHS based reviewers and one external reviewer with digital knowledge gave a breadth of skills for the review.

I was pleased that they recognised that the Programme Team has done a lot of good work with limited resources, especially as this involves liaising with 7 Health Boards which all have individual accountabilities and governance making unified decision-making challenging.

Governance

The governance document provided in February 2023, illustrated where the programme sat in relation to its reporting upwards was correct. However, this was updated at the inaugural National Ophthalmology Clinical Implementation Group which met on Friday 17 March 2023. This new group is one of the 7 Clinical Implementation Network groups established to replace the Planned Care Board, and is managed by the Delivery Unit (part of the NHS Executive, chaired by the Deputy CEO of NHS Wales). This group reports monthly at a meeting of the NHS LHB CEOs with the NHS Executive. William Oliver who is the DU lead for the Ophthalmology CIN described the governance for the newly formed group. At this meeting the priorities for the Opthamology CIN were set out. the 3 priorities are:

1. Regional centres of excellence for eye care

2. Open Eyes and digital communication between Hospital eye services and primary care

3. Primary care optometry

It is unfortunate that the timing of this did not enable the review to team to have the detail of the revised NHS Executive governance relating to this programme to inform their review which took place a week earlier, Therefore, comments re visibility of the programme to CEOs has been addressed by the governance of the new Opthamology CIN and the NHS Executive.

It was stated in the review that:

"The Review Team found that the Board acts primarily as a Stakeholder Group, rather than a focussed decision-making body. The Board had previously met quarterly, however, meeting frequency increased to monthly in the last quarter of 2022. The Review finds that the functions of these two very important aspects of governance have been conflated, adding to the lack of clarity amongst stakeholders."

The stakeholder map supplied as evidence sets out a much wider group than the programme board, and its that group who will be involved in the communication plan which is being developed by the comms lead.

The Programme Board, has always met monthly not quarterly. The Terms of Reference supplied for the review were updated and agreed at the February Programme Board. The quorum is:

• Chair (or Deputy Chair).

• 7 voting leads (one per LHB).

• National Architect Eye Care Digitisation.

Although each LHB has a single voting member, we have allowed each LHB to bring their eye care manager, digital lead, ophthalmologist and optometrist, this appears to be considered too many people and will be reviewed. Meeting with the Digital Directors from LHBs has occurred monthly for the last 6 months, and this was intended to ensure they were briefed of the programme and able to advise and "unblock" issues. I am keen to strengthen governance and will seek advice from WG digital team, DHCW and the Delivery Unit/NHS Executive, on what numbers would best give accountability and enable decision-making.

Programme "Stalled"

The Review Team heard that three main issues were also contributing to this stalled state, including O365 Email Licensing, Data privacy impact assessments (DPIAs) and Cyber Security.

Microsoft 0365 licences are agreed by Helen Thomas to be the responsibility of DHCW, though some optometrists are already covered by their honorary contract arrangements with LHBs. Therefore, there are enough optometrists with access already to get using email and open eyes with valid Microsoft accounts. Those who need new accounts will need to wait for DHCW to provide, though there is no reason to delay, as the vast majority have undertaken the "Choose Optometry" IG training, and funding for the licences should be recharged to the relevant LHB, as per the agreement for LHBs to cover revenue costs of Open Eyes deployment.

DPIAs and Cyber Security agreements have been the biggest hurdle to overcome. What format they need to be, a single version that all IG managers will agree on, and whether they need to be approved by the DHCW infrastructure management group, or their Operations group, or indeed any of their groups at all, or just via Cardiff and Vale LHB. Lack of clarity and agreement has held the programme up. The current position is that all LHBs (except Powys and BCU) have agreed that a full CAF does not need to be undertaken on the Cardiff instance of Open Eyes, and that a CSIA document will suffice, as long as it is signed off by the DHCW IMG meeting. This therefore will be completed and scheduled for April. A penetration test of the system has been completed, and a re-test has been scheduled too. A full CAF will be undertaken by DHCW once a model for transfer of the programme and cloud hosting is agreed. Powys and BCU still want a full CAF on the Cardiff instance, and given that DHCW should take the programme over by June 2023, seems better to wait, if that remains their position.

Transfer to DHCW

As SRO I met with colleagues in DHCW in September 2022 to begin discussions re transfer of the programme to them from 2023. It is regretful that this has not yet happened, with DHCW awaiting the outcome of this Gateway zero review before engaging to begin transfer conversations. However now this review is completed, it is imperative that some urgency of pace is given, as Leon Hitchings is needing to progress with the transfer work and a senior lead to be identified in DHCW to work with him. The

artefacts needed will be developed, but a co-produced architecture needs agreement first. I am pleased to see a revised date of June 2023. My understanding is that DHCW have now appointment someone to lead this work, if there is any delay in their starting it would be extremely helpful to have an existing senior person in DHCW to be identified to start this work before the end of March with Leon.

Recommendations

I am grateful for the set of recommendations, which I am confident will enable success of the programme.

In relation to the itemised recommendations my comments are:

1. Yes, agree, this is underway, Comms lead appointed and on the March 22 Programme Board agenda. need clarity re transition to DHCW and timing to complete this at the timeline stipulated, but will ensure its done before transfer to DHCW.
2. Agree, will review and complete in April
3. Agree, Will discuss with WG digital, DHCW and William Oliver from DU/NHS Executive to seek their guidance.
4. Agree this needs doing, but can only progress when DHCW provide a senior person for Leon Hitchings to engage with. He has been ready to progress this on my behalf since December 2023, so timeline here may be a challenge, but will aim to meet this as soon as feasible.
5. Agree, but we need to understand DHCW requirements on transfer to fully complete this, so timeline here may be a challenge, but will aim to meet this if at all possible.
6. Agree, but I would like to ask why this transfer by 1st June is rated "Essential" and not "Critical", as DHCW need to act now to make this possible, not just in the future? Also the feasibility of the timeline will need reviewing with DHCW, but agree it should happen with minimal delay.

Gateway 4 last week of May 2023

I have discussed the timeline for this with WG digital team and their advice is that this should be undertaken by DHCW soon after the programme transitions to them, and will be discussed with them as part of the transition planning.

4.0 Background

The aims of the programme:

This Full Business Case (FBC), latest version dated July 2020, detailed the requirement to invest in the Digitisation of Ophthalmic Services for NHS Wales. The programme is focussed on the implementation of an Eye Care Electronic Patient Record (EPR) System which is accessible to all concerned in eye care across Wales. This includes Ophthalmologists, Ophthalmic Nurses and Technicians, Orthoptists – and importantly, Primary Care Optometrists – with read/write access enabling electronic referral and shared care between the Acute and Primary Care sector.

The impact of COVID-19 required all Health Boards to review ways of providing outpatient care, and wanting to move treatment to the community and reducing the need for hospital-based care, the case to digitise the eye care pathway has never been more urgent.

An EPR is required to allow the hospital clinicians and community optometrists to electronically record and access information relating to patients in order to speed up and improve treatment. A key element of this will be to enable the transfer of treatment from hospital settings (currently unable to meet demand) to community settings where clinically appropriate. This can only be achieved effectively through an electronic system.

The overall agreement for the Eye Care EPR system required an approximate investment in Capital of £4.801m and Revenue of £3.731m over 7 years (5 years plus an option to extend for a further 2 years). Following the submission to Welsh Government the funding was approved on the 10th September 2020 as follows:

Cost	Amount	Funded By:
Capital	£4,800,530	Welsh Government
Revenue	£3,731,314	Health Boards

The driving force for the programme:

Timely diagnosis and treatment is imperative for many eye diseases to prevent avoidable sight loss. Digitisation of referral and a digital record for Eye Care is well recognised in the UK and internationally as a requirement for modern eye care. Lack of digitisation is a significant factor in the ability of Wales to recruit and retain Ophthalmologists. The specialty is second only to radiology in its use of images to manage patient care, and it has the highest volume outpatient service. Eye Care Digitisation supports NHS Wales' strategic direction of providing care closer to home where clinically appropriate, supporting people to maintain their independence by reducing sight loss and the burden of blindness as well as meeting the quadruple aim.

The procurement/delivery status:

The implementation plan from the FBC is shown below:

Authority Party (Health Board)	Anticipated DO issued	Anticipated Readiness for Service Date	Anticipated Stable Operations Date
South East Region Cardiff and Vale University Health Board Aneurin Bevan University Health Board Cwm Taf Morgannwg University Health Board	**May 2020**	**June 2020**	**July 2020**
South West Region Swansea Bay University Health Board Hywel Dda University Health Board	**June 2020**	**July 2020**	**August 2020**
North Wales Betsi Cadwaladr University Health Board Powys Teaching Health Board	**June 2020**	**July 2020**	**August 2020**

A product has been chosen and procured. The product is currently being hosted in Cardiff & Vale UHB and used across the Health Board. In addition one clinic in Cwm Taf Morgannwg is also using the product. Further Nationwide Deployment has been stalled.

A new implementation plan issued in February 2022 now shows programme completion in March 2024.

Current position regarding previous assurance reviews:

This is the first Gateway Review of the programme.

5.0 Purposes and conduct of the OGC Gateway Review

The primary purposes of a Gateway Review 0: Strategic Assessment are to review the outcomes and objectives for the programme (and the way they fit together), and confirm that they make the necessary contribution to Ministers' aims and departmental strategy.

Annex A gives the full purposes statement for a Gateway Review 0.

Annex B lists the people who were interviewed during the Review.

This Gateway Review 0 was carried out from 13th of March to 15th March 2023 virtually using MS Teams. The Review Team members are listed on the front cover.

6.0 Acknowledgement

The Review Team would like to thank Dr Fiona Jenkins, Senior Responsible Owner (SRO), the Programme Team and stakeholders who attended for interview for their support and openness, which contributed to the Review Team's understanding of the programme and the outcome of this review.

7.0 Scope of the Review

The scope of the review followed the OGC Gateway 0 workbook as set out in Annex A.
In addition, the SRO asked for:

- Seek assurance that there are documented technical solutions that support the programme.
- Assurance is required on the IT security/cyber security aspects, guiding whether a separate assessment will be required before/during DHCW assimilation of the programme
- National programme team structure – there is a recognition that the current national team is understaffed, with the Technical Architect ready to retire as soon as the roll out to other LHBs is commenced. What key roles do the Review team recommend are included for a programme of this scale in this setting and subject area?
- National rollout approach/timelines – The Minister for Health and Social Services has set the expectation that digital health programmes will move with pace. The review team are asked to consider how the pace of the scope of work can be accelerated with smooth transition to DHCW.
- Stakeholder support, both historical but equally importantly recommendations for going forwards.

Where time has allowed the Review Team have taken the above additional scope into account and commented on these in the main Review Report Findings section, noting that the Review Team is unable to offer detailed solutions in the timescale of the Review.

8.0 Review Team findings and recommendations

8.1: Policy and business context

The Review Team found that the programme fully aligns with the Welsh Government Together for Health Delivery plan. The strategic drivers within the original FBC all remain valid. The need for digitisation of ophthalmic services has become more pressing given the revised optometry contract which will be implemented in the summer of 2022/2023.

In addition, the impact of COVID on waiting times for people to receive ophthalmic care means that more care needs to be provided out of hospital settings as part of shared care pathways.

The Review Team heard that the pressing case for change and need is still very much there. Across Wales stakeholders are keen to see their aspirations met.

Finally, it is worth noting that since programme inception Digital Health Care Wales (DHCW) has become the statutory body responsible for ensuring inoperability across the NHS digital architecture.

8.2: Business Case and stakeholders

The Full Business Case was approved on 10th September 2020. The Business Case followed the HM Treasury five case model. It is worth noting that the preferred option (3) was to host the service in a NWIS rack within the Nation Data Centres managed and supported by Toucan Labs yet Option 5 was to adopt a full Cloud installation into a HSCN data centre which scored higher. The current solution is currently hosted within a data centre sitting in Cardiff & Vale UHB.

The Review Team found that the original deployment dates within the Full Business Case have slipped and a new set of dates was issued in February 2023.

The Review Team found that the programme has a wide range and large body of stakeholders across Wales, many of whom have a passion and enthusiasm for the delivery of the end solution. It is very clear that the Stakeholders know what they want, however they did seem confused as to when delivery would actually happen.

The Review Team notes that there has not been a formal stakeholder communications strategy and plan to deliver ongoing engagement. As the Programme progresses to the next stage these will be critical to the successful adoption of the vision.

Recommendation 1: The Programme Team should, by 1st May 2023, develop and implement a communications strategy and engagement plan. (Critical)

8.3: Management of intended outcomes

The intended outcome is to deliver a digital solution to respond to the key drivers as stated in the Final Business Case. The programme has been managed by a small team within Cardiff & Vale University Health Board. The programme team has done a lot of good work with limited resources, especially as this involves liaising with 7 Health Boards. The SRO was tasked with leading the development of an all-Wales solution. It is worth noting that since programme inception the statutory responsibility for Digital Services now falls within DHCW, yet the current programme does not currently sit within their portfolio.

8.4: Risk management

The Full Business Case for the Digitalisation of Ophthalmic Services (July 2020) states Programme risks are shared with the Eye care EPR System Supplier and Health Boards and will be managed and monitored at both Cardiff & Vale (Master Service Agreement) and three Regional Boards (Deployment Order) levels. However, the Review Team were not provided with any schedules that quantifies and allocates risk costs between these parties.

The Risks and Issues Log provided to the Review Team within the documentation pack does not appear to comprehensively capture the current risks and issues to the overall delivery of the programme highlighted to the Review Team. In particular, issues associated with governance, finance, communications and commercial matters. Nor was it clear to the Review Team how the register is managed on a day-by-day basis on behalf of the SRO. The Review Team heard that risks were raised in a number of forums however stakeholders appeared unclear as to an agreed process by which these would be managed. The Review Team were not sighted on any evidence of how risks were escalated, the probability / impact scores determined by a nominated risk owner or that a nominated Risk Manager reviewed that score for validity in terms of the risk itself and against the level of score of other risks in the register.

It is acknowledged by the Review Team that an adequately resourced Programme Management function would enable more definition of the risks and issues register specifically as the project enters the deployment phase design and more risks and issues are likely to occur and subsequently will need to be managed.

Linked to stakeholder communications, the register should be shared with stakeholders involved with the programmes' delivery in order to encourage and maintain its population and management. An adequately resourced Programme Management function will help with mitigation and management of risks and would be a major step forward to aiding robust programme planning arrangements, fully supporting project delivery and increase the likelihood of success in enabling significant benefits to patient services and treatment outcomes.

Recommendation 2: The Programme Team should, by 1st April 2023, further develop risks and issues management documentation and embed RAID best practice. (Critical)

8.5: Review of current phase

The Full Business Case for the programme was submitted to Welsh Government in February 2020, with the approved funding letter received in September 2020. It is not clear whether, apart from the Programme Board, the FBC was signed off by any or all of the 7 individual Health Boards in order to secure their commitment. Usually on all Wales programmes of this type, Health Boards would be expected to secure approval through their individual governance processes.

The programme has sought to progress implementation during the COVID-19 pandemic, and with numerous staff changes at Health Board and national levels. This has proved challenging. Few people who were involved in the original development of the business cases (including senior decision makers at CEO and Welsh Government level) remain in their previous posts. The majority of stakeholders noted that the programme appeared

to have "stalled", with some progress being made in Cardiff and Vale UHB but not at a national level.

The Review Team were provided with a governance structure for the Programme. This shows that the Programme Board reports through Cardiff and Vale UHB into Welsh Government, with three regional projects reporting into the national board. The Review Team heard that the Programme had previously reported into the National Eye Care Board and National Planned Care Board. However, it was not clear if this is still the case or that current Chief Executives are sighted on the programme at all. It is only more recently that Directors of Digital have been directly engaged and updated.

The Programme Board is large, and the Review Team heard that this was to ensure adequate stakeholder engagement was obtained. The Review Team found that the Board acts primarily as a Stakeholder Group, rather than a focussed decision-making body. The Board had previously met quarterly, however, meeting frequency increased to monthly in the last quarter of 2022. The Review finds that the functions of these two very important aspects of governance have been conflated, adding to the lack of clarity amongst stakeholders.

The Review Team heard that documentation at the Programme Board has improved in recent months. Prior to this, papers were either circulated a few days before Board meetings, on the day, or presentations only, were given, rather than supporting papers provided in advance. This made it difficult for Board members to assimilate, analyse and comment. The Review Team notes that roles and responsibilities of those on the Board were unclear, with representatives attending to provide cover for each other from individual organisations rather than to represent and make decisions on their organisations' behalf.

Recommendation 3: The SRO should, by 1ˢᵗ May 2023, review the Governance arrangements to clearly define the roles, responsibilities and members of the programme and stakeholder boards in order to make clear, focused, and timely decisions**. (Critical)**

The Review Team heard that Cardiff and Vale UHB have implemented the Electronic Referral System and shared care to a limited extent. One clinic had implemented the solution in Cwm Taf Morgannwg UHB the previous week before the Review.

The Review Team were provided with a revised programme plan dated 14ᵗʰ February 2023, stakeholders had little confidence in delivery of the timelines set out in the plan and a number were not aware of the delivery dates stated. The programme does appear to be 'stalled'.

The Review Team heard that three main issues were contributing to this stalled state, namely:

1. O365 Email Licensing
2. Data privacy impact assessments (DPIAs)
3. Cyber Security

In addition, and importantly individual Health Boards had concerns around Information governance and detail through the provision of a number of artefacts outlining the solution and its capacity / capability to deliver the need including:

- National Programme Plan
- Software Contracts

- Software Roadmap
- Integrated Delivery Plan
- National Testing Strategy / User Acceptance Testing (UATs)
- Testing Results
- Software Release Steps
- Technical Documentation covering Networking and Architecture – High Level Design / Low Level Design
- Cyber Assurance Framework
- Resilience plans
- Load Testing results
- Change Advisory Board / change management process
- Onward service model

Recommendation 4: The SRO should, by 1st May 2023, develop a clear plan with key partners to set out delivery of the artefacts, completion of required approvals and to bring the solution into live service across Wales. (Critical)

The Programme Board minutes from December 2022 included a spreadsheet of revenue allocations across all organisations, with a capital update provided in January 2023.

However, the Review Team found that despite the above the status of finances seemed confused. In particular the revenue implications to Health Boards and the funding streams to support these as well the potential risk of unknown costs relating to transitioning to an all-Wales provision were not clear.

A DPIF Change request was submitted to Welsh Government in December 2022 requesting an additional £848k to support ongoing implementation of the programme.

The financial position of the Programme therefore remains unclear.

Recommendation 5: The SRO should, by 1st May 2023 undertake a full financial reconciliation of the Programme finances. (Critical)

The Review Team heard from some extremely committed members of the programme board - clinical and non-clinical – talk passionately about the Open Eyes system and the potential benefits that it could provide when fully implemented. There was consensus that this is the right system to deliver especially as it is used in NHS England and NHS Scotland. The Solution can improve communication and shared care between primary care optometrists and secondary care ophthalmologists, and most importantly will improve outcomes.

The Review Team heard from several stakeholders that the programme with its adoption of proven software solution should be straightforward.

8.6: Readiness for the next phase – Delivery of outcomes

The Review Team found that in order for the solution to become a national deployment it should sit within the portfolio of national programmes within DHCW.

In order for the current solution in its current state to be transferred across DCHW would expect a hand over to include a pack consisting of a number of technical artefacts as mentioned above.

The Review Team understands that DHCW are willing to take over responsibility for leadership and delivery of the programme in line with their national role. The "proof of concept" developed by Cardiff and Vale is now ready to transition to development and implementation of the full model across Health Boards.

Recommendation 6: The programme should be moved to DHCW by 1st June 2023. (Do by)

7.0 Next Assurance Review

An Action of Assurance Plan (AAP) will be undertaken in the last week of May 2023.

It is recommended that the next way Gateway Review is Gate 4: Readiness for Service prior to nationwide go live.

ANNEX A

Purposes of the OGC Gateway Review 0: Strategic assessment:

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to overall strategy of the organisation and its senior management.

- Ensure that the programme is supported by key stakeholders.

- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations.

- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).

- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities.

- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.

- After the initial Review, check progress against plans and the expected achievement of outcomes.

- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome.

- Where relevant, check that the programme takes account of joining up with other programmes, internal and external.

- Evaluation of actions to implement recommendations made in any earlier assessment of deliverability.

ANNEX B

List of Interviewees

The following stakeholders were interviewed during the review:

Name	Organisation and role
Fiona Jenkins	Chair of the National Eye Care group and SRO
Sarah O'Sullivan Adams	Head of Optometry and Audiology Branch, Welsh Government
David Thomas	Director Digital & Health Intelligence in CAVUHB
Ryan Perry	Head of Digital Health Programmes, Welsh Government.
David O Sullivan	Chief Optometric Advisor, Welsh Government
Professor James Morgan	Glaucoma Consultant, CAVUHB & Professor of Ophthalmology, Cardiff University
Helen Thomas	CEO, DHCW
Gareth Bulpin	National Architect, Eye Care Digitisation, CAVUHB
Sharon Beatty	Former Optometry Advisor for the National Eye Care Digitisation Programme and former Optometry Advisor CAVUHB
Steven Hill	Assistant Director of Finance, CAVUHB
Dr Gwyn Samuel Williams	Ophthalmologist and Llywdd, Wales Royal College of Ophthalmology and Ophthalmology Clinical Leads for the Ophthalmology Planned Care Board
Dr Gwyn Samuel Williams	Ophthalmologist and Llywdd, Wales Royal College of Ophthalmology and Ophthalmology Clinical Leads for the Ophthalmology Planned Care Board
Julie Poole	Outpatient Transformation Manager, Aneurin Bevan UHB
Leon Hitchings	Programme Transition Manager, CAVUHB

Y Grŵp Iechyd a Gwasanaethau Cymdeithasol
Health and Social Services Group

To:
Directors of Primary Care, all Health Boards
Chief Operating Officers, all Health Boards

Cc.:
Optometric Advisors, all Health Boards
Directorate Managers for Ophthalmology, all Health Boards
Directors of Digital, all Health Boards
Eyecare Programme Board members
Fiona Jenkins, Eyecare Programme SRO
Judith Paget, NHS Wales Chief Executive
Helen Thomas, Chief Executive, DHCW
Sam Hall, Director of Primary, Community & Mental Health Digital Services, DHCW

Ein Cyf/Our Ref: LET-EYE-DPIF-2023-1

30th June 2023

Annwyl pawb,

Eyecare Digitisation Programme

The Eyecare Digitisation Programme commenced in 2020, with the aim of implementing a shared Electronic Patient Record (EPR) across eyecare settings in Wales, together with digitising the referral process from primary care to secondary care.

The national programme has been led, since establishment, by Cardiff and Vale University Health Board (CAVUHB). Following a recent independent Gateway Review (commissioned by the Senior Responsible Owner Fiona Jenkins), Welsh Government (WG) held discussions with CAVUHB and Digital Health and Care Wales (DHCW) to deliver the aim of DHCW taking on future Programme delivery, building upon the good foundations laid by the CAVUHB team. We would like to take this opportunity to thank the CAVUHB team, particularly Gareth Bulpin, for its efforts to date and the progress it has made towards Wales-wide implementation of its service.

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Following a WG request, the DHCW Board agreed the transfer of the programme from CAVUHB to DHCW. As a result, from the 1st June 2023, DHCW took accountability for the continued and future delivery of the programme from CAVUHB, and Alison Paul has been appointed as the Programme Lead for Digital Eyecare. Alison is beginning to engage directly with the relevant teams in each Health Board (HB), to ensure a smooth transition and a clear understanding of the tasks remaining to be completed in each HB, also resulting in a confirmation of the resources realistically required to deliver these. For clarity, CAVUHB (working together with DHCW) will continue to support the existing settings who are already using the OpenEyes service for a short period until DHCW can migrate the digital service to its own hosting platform.

As part of this transition, WG has requested that DHCW undertake a number of actions to ensure the Programme's long-term success i.e.:
1) To apply a short-duration "pause" for a period of due diligence; meaning that no further organisations will be onboarded to the platform, whilst DHCW review all programme, commercial, financial, technical and planning documentation from CAVUHB and consider the technical hosting solution, deployment and system support.
2) To refocus the programme priority to the implementation on the Electronic Referral Service (ERS); given the upcoming UK-wide analogue switch off which will prevent the use of fax machines, it is important, from a patient safety perspective, that there is a resilient and proven ERS in place to allow timely referrals between primary and secondary care, in good time ahead of the decommission of the analogue telephony network.
3) To provide WG with a rebaselined Delivery Plan by the end of September 2023 (or sooner if possible) which will clearly state delivery milestones of the following:
    a. Accelerated deployment of both ERS and EPR across Wales
    b. Delivery of wales.nhs.uk email addresses for high street optometrists
    c. Calling out the activities to address
        i. the required re-platforming of Open Eyes,
        ii. Information Governance/Cyber Assessment Framework concerns that currently exist,
        iii. the penetration testing required,
        iv. the need for DHCW to onboard new resources, and
        v. the requirement for a follow-on Gateway Assurance Review towards the end of 2023.

This Delivery Plan must be endorsed by the local Health Board teams as being achievable and realistic. Upon WG review of this Plan, we expect DHCW to then move forwards with continued onboarding of settings onto the Open Eyes platforms (noting the points set out above) from early October 2023. Our expectations are that this will be within the existing timeframes for the programme, though there are expectations that some or all could be delivered sooner.

During this transitionary period, Fiona will remain the SRO for the programme, working with the DHCW team to ensure a smooth handover and continuation of the programme's objectives. We will work with Fiona and the team at DHCW over the next few months to ensure that DHCW reset the Programme governance model for the

longer-term, to support appropriate decision making as the Programme continues to progress.

If you have any questions on this, please contact the lead WG official for this work, Leighton.Davies@gov.wales.

Kind regards,

Yn Gywir / Yours Sincerely,

David O'Sullivan
Prif Optometrig Ymgynghorol / Chief Optometric Adviser
Grwp Iechyd a Gwasanaethau Cymdeithasol / Health and Social Services Group
Llywodraeth Cymru / Welsh Government

Philip Bowen
Dirprwy Gyfarwyddwr, Polisi a Chyflawni Digidol / Deputy Director, Digital Policy and Delivery
Grwp Iechyd a Gwasanaethau Cymdeithasol / Health and Social Services Group
Llywodraeth Cymru / Welsh Government

Digital Eyecare Programme Internal Advisory Review Report

April 2024

Digital Health and Care Wales

Private and Confidential

Contents

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Auditors:	Stephen Chaney, Acting Head of Internal Audit
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Executive sign-off:	Sam Hall, Director of Primary, Community and Mental Health Digital Services
Distribution:	Chris Darling, Board Secretary
	Claire Osmundsen-Little, Director of Finance
	Sam Hall, Director of Primary, Community and Mental Health
	Alison Paul, Programme Manager
Committee:	Audit and Assurance Committee

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

NHS Wales Audit & 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 advisory review has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed advisory review brief, and the Audit Charter as approved by the Audit and Assurance Committee.

Advisory review 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 Digital Health and Care Wales Special Health Authority (DHCW) 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.

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 DHCW. 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.

Executive Summary

Purpose

This advisory review has been undertaken to provide a view over the identification and mitigation of risk with the transition of the Digital Eyecare Programme (the 'Programme') from Cardiff & Vale UHB (CVUHB) to Digital Health Care Wales (DHCW).

Overview

We found that extensive and wide-ranging due diligence and discovery work had been carried out by DHCW to identify the Programme's commitments, liabilities and barriers or limitations to its delivery at the time of the transfer. At the time of this review this activity continues.

The due diligence work undertaken by DHCW revealed that there are some barriers to delivery and as a result the Programme is currently paused whilst a range of issues are being evaluated and solutions sought, for example there is currently no agreed project plan that describes and schedules future project stages, although there are several scenarios being examined.

At the time of reporting, we identified that DHCW has been unable to confirm the funding position for the Programme. In addition, for future national digital programmes we have suggested that for a programme to transfer from one organisation to DHCW then the governance process needs to be clearly set out. These matters for consideration are detailed further in Appendix A.

Report Classification

Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate.

Assurance not applicable

These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Review objectives

1	An appropriate process is in place to determine the status of the Programme, in preparation for the continued roll-out across Wales. In particular, identifying the current issues / risks and challenges within the Programme.
2	Recommendations raised within the Gateway review have been considered, with plans in place to address areas of concern.
3	An appropriate approach to establishing delivery / project implementation plans to deliver the Programme are being developed, including potential governance / contract arrangements.

Matters arising

		Review Objectives	Control Design or Operation	Recommendation Priority
1	Governance of digital programmes	3	Design	N/A

1) Introduction

1.1   The National Digital Eye Care Programme (the 'Programme') is a Welsh Government programme of work in place to digitise the Ophthalmology Electronic Patient Record (EPR) and Referral (ERS) processes across NHS Wales. The Programme has been managed and delivered by Cardiff and Vale University Health Board (CVUHB) on behalf of the WG, all Welsh health boards and primary care optometrists.

1.2   The transfer of the Programme to Digital Health and Care Wales (DHCW) from CVUHB took place in June 2023. Subsequent to this, the Welsh Government paused the Programme for transition until the 30th September 2023. During November 2023, the governance of the Programme transferred to DHCW.

1.3   This review examined the process that DHCW has taken to determine the current status of the Programme and the remaining deliverables to complete.

1.4   In particular, it focussed on the process implemented by DHCW to determine the status of the Programme and identify the next steps to deliver the required outputs. We have not provided a quantification / state of the Programme deliverables at the point of transfer, but rather what DHCW is undertaking to deliver the remaining work.

1.5   This review partnered a separate review, which assessed the procurement processes undertaken by CVUHB when they were delivering the Programme.

2) Detailed Findings

Objective 1: an appropriate process is in place to determine the status of the Programme, in preparation for the continued roll-out across Wales. In particular, identifying the current issues / risks and challenges within the Programme

2.1   There is a raised level of risk with the delivery of the Programme, as a large number of the outputs still require delivery. We sought evidence from DHCW that they had undertaken a review of each of the Programme deliverables, recognising that at the point of transfer there may still be work required for elements of this.

2.2   We sought to establish the processes which DHCW have undertaken to identify the Programme's commitments, liabilities and any barriers or limitations to its delivery at the time of the transfer.

2.3   Where digital programmes of work have commenced within other NHS Wales organisations, but subsequently transfer across to DHCW, the governance arrangements for this process should be fully documented and determined prior to commencement of the deliverables. This should enable oversight and risk management of the programme progress **(Matter for consideration 1).**

2.4   We were advised that DHCW embarked on a programme of discovery to understand the Programme status which involved the following steps/ document review:

- a series of review meetings with key stakeholders;

- introductory meetings between the DHCW National Programme manager and LHBs Programme Managers/SROs;
- review of key Programme documents;
- receipt of the transition deliverables identified by the 'Gateway 0' review;
- preparation of a matrix of resources engaged on the Programme, including type, tenure, cost, role etc.;
- preparation of financial analysis for 2022/23 and 2023/24, to provide a full understanding of the programme's finances and commercials;
- investigation to fully understand the requirements for the O365 licenses for release to optometrists; and
- conducting further due diligence work covering a range of areas including applications design, commercials, cyber security, finance, information governance and infrastructure.

2.5   The discovery work revealed the issues set out in the paragraphs that follow.

2.6   **Review of Key Programme documents**

Whilst we were informed that full and up to date Programme documentation was not available, either at the time of the transfer nor since, key documentation that was available has been shared. We reviewed this documentation and confirmed its status with the DHCW Transition Programme Team, which is set out below.

2.7   *Contract to deliver the Eyecare digitisation solution*

We reviewed the paper prepared by the Commercial Team over the contract status following the transfer of the Programme arrangements to DHCW. There were numerous issues identified and a subsequent risk analysis completed, with proposed actions included. We found this to be a suitable analysis and some of the observations are incorporated within the report below too. We were advised that it has not been possible for DHCW to determine the true start and end date of the contract between CVUHB and the delivery partner ToukanLabs Ltd (TKL) as there is uncertainty and ambiguity in the contract documentation. We reviewed the document and found that whilst timeframes are described for the contract length, the start of the contract, as detailed under Section 4.7.10, states, 'Subject to FBC approval it is anticipated that the Contract will be awarded in early April 2020.'.

2.8   *Programme full business case*

The version of the Programme's full business case shared was dated from 2020. However, this has not been updated to reflect Programme changes since that time, including the refresh of milestone target dates, deployment timetables or spending schedules.

2.9   *Programme financial position*

We have identified that at the time of reporting, DHCW has not been able to obtain a clear picture of the Programme's finances (this was also raised as part

of the Commercial Team's review). The Programme Due Diligence Information Requirements spreadsheet (the 'spreadsheet') listed 14 (from 17) finance information elements still outstanding.

2.10 ***Programme plan***

The copy of the Programme plan provided to DHCW took the form of a 180-task level listing with planned start and finish dates, but only 113 of these were partially or fully completed. In many instances, the dates have since lapsed. There was no information of task status, or actual task completion dates populated within the plan. As such, the Programme plan conveys no information of current status, progress or task slippage.

2.11 ***Conducting due diligence work***

We noted that at the time of the review, 57 of the combined 161 due diligence requests across the areas of applications design, commercials, cyber security, finance, information governance and infrastructure are of 'status outstanding'. This follows on from the Service Acceptance Review completed by DHCW during October 2022, where 68 of 85 questions raised were assessed as red RAG rated.

Conclusion:

2.12 Whilst we observed that discovery and due diligence work conducted by DHCW has been extensive and is ongoing, programme transfers bring with them a high degree of inherent risk. We note that, at the time of the review, there remain some areas of enquiry where uncertainty over the extent of commitments, liabilities, barriers or limitations to programme delivery persist.

Objective 2: recommendations raised within the Gateway review have been considered, with plans in place to address areas of concern

2.13 We sought to establish that the issues identified in a previous Welsh Government gateway review of the Programme prior to the transfer had been noted, assessed and considered during the due diligence work carried out by DHCW, and to establish the current status of the recommendations made in these reviews.

2.14 Independent reviews were carried out in October 2022 (based on the Government's Infrastructure and Project Authority Gate Review Process, review no. 4 of 5, 'Readiness Review') and March 2023 (review no. 0 of 5, 'Strategic Assessment').

2.15 The first of these (Readiness Review) identified weaknesses associated with the Programme's processes and documentation including change management, risk management, programme level planning, eyecare application testing, application delivery scope, roles and responsibilities and Programme finance and made, in total, 37 recommendations across a broad range of areas.

2.16 The later Strategic Assessment identified five critical rated issues associated with:
- absent communications strategy;

- risks and issues management;
- poorly defined roles, responsibilities and membership of the programme and stakeholder boards;
- gaps and omissions in key project documentation; and
- absence of financial reconciliation of the Programme finances.

2.17 As described above, 57 of the 161 due diligence requests remain outstanding.

Conclusion:

2.18 We have raised no matters arising under this objective relating to the action of legacy review recommendations, although we note the matters raised have not been confirmed as addressed. Whilst there remain uncertainties linked to these areas, the DHCW discovery and due diligence work underway has re-examined these and other areas.

Objective 3: an appropriate approach to establishing delivery / project implementation plans to deliver the Programme are being developed, including potential governance / contract arrangements

2.19 We sought to establish how DHCW is proposing to manage the Programme going forward, following its transfer on the 1st June 2023. Preceding sections of this report covering the earlier review objectives have outlined the approach DHCW has taken to establishing the Programme's commitments, liabilities and barriers or limitations to its delivery.

2.20 **DHCW's project brief**

At the time of the review, the project brief from the WG was not finalised. However, there were several different scenarios being discussed for the deployment of the solution functionality to health boards and community optometrists.

2.21 **Existing contract with TKL**

The original contract entered into by CVUHB with the provider TKL in 2020 remains live and extends across the solution development, configuration and deployment, with an original deadline for full rollout to health boards of March 2025.

2.22 **New programme model**

Several scenarios have been considered for the new Programme, but DHCW has now approached the WG to approve and fund a full open procurement for an ophthalmology EPR optometry ERS solution plus some potential parallel deployment by CVUHB under the current contract with TKL. The bid involves an aggregate of £4.5m funding across 2024/25 and 2025/26.

2.23 Ultimately, the WG will instruct DHCW in a revised project brief, but at the time of writing they had not yet done so.

2.24 **Programme issues revealed through DHCW discovery work**

Prominent in the Programme discovery work carried out by DHCW is the matter of funding / finances at the time of handover. Currently, DHCW has been unable to establish with certainty what remains of the existing contract price, or of the funding already provided by Welsh Government.

2.25 Additionally, we noted the capital funding for 2024/25 (£293,470) has been awarded by the WG (Schedule F of the Funding Letter) on the basis of the Programme's original 2020 business case finance schedules - £292,500 on the capital funding allocation table from 2019/20 (Section 5.7 of the Final Business Case). Consequently, this may be out of alignment with the historic spending profiles.

2.26 **Outstanding programme issues**

The DHCW discovery work revealed a series of matters that require addressing, prior to any further deployment of the applications to health boards can take place. These include contract, applications testing, clarity on contract change requests, cyber security and service support arrangements.

2.27 **Programme management plan going forward under DHCW**

DHCW has advised that going forward the Programme will be delivered via a Programme board, following a Prince2 type project methodology, supported by the DHCW Project Management Office (PMO).

2.28 We noted DHCW has submitted an initial Digital Investment Proposal (DIP) with a second proposal pending. The DIP – which follows a WG template, covers the areas of current project status, programme configuration options going forward, costs, benefits and risks – represents an outline business case and is the formal request to the WG for funding.

2.29 Currently, the Programme is being managed by the Transition Board and it is the intention that this will transfer to a permanent programme board when the final project brief is decided. We noted the Transition Board's purpose, scope, objectives, membership etc. are defined in a terms of reference document.

2.30 The Transition Board meetings are operating to a monthly timetable, but not all the other elements of a conventional project methodology are yet in place, but it is planned that they will be developed.

2.31 **Programme viability status**

We noted a range of areas including commercials, infrastructure and solution architecture where risk has been identified and work is ongoing to resolve this. However, ensuring financial queries / tasks are resolved and that sufficient funding of the Programme going forward is in place is key. (**Matter for consideration 1**).

2.32 **Transfer of live programmes**

Alongside the viability of the Programme, we have noted an increasing inherent risk with the nature of multi-partner programmes of work. In particular, the

transfer of live programmes of work into DHCW. To mitigate this, we recommend that DHCW ensures that for each programme of work that documented governance arrangements are in place, to have full oversight of the deliverables. (**Matter for consideration 1**).

Conclusion:

2.33 We have noted the potential absence of sustainable funding going forward, which may threaten the viability of the Programme and have raised a recommendation over the governance of future national digital programmes of work.

Appendix A: Management Action Plan

Matter for consideration 1: Governance of digital programmes (Design)	Impact
Regarding this Programme, there remains information outstanding to be able to ascertain the current status, including the financial position. To assist with the current position, DHCW completed an options appraisal during February 2024 to determine the approach with least risk going forward. In total, eight scenarios were considered. For future national digital programmes we recommend that for a programme to transfer from an organisation to DHCW then the governance process should be defined upfront, alongside the monitoring and risk management arrangements. We recognise that DHCW as a Special Health Authority was not formed until 2021, but going forward to minimise future risk, partnership arrangements should be established to support this programme delivery method.	Potential risk that live programme transfers to DHCW result in greater risk, additional cost and unidentified issues arising. Potential risk of increased financial cost and non-delivery of strategic objectives.

Recommendations

1.1   For future contracts that novate across or programmes that transfer to DHCW a documented governance approach and / or partnership arrangements should be in place to oversee this process.

1.2   DHCW should determine the remaining deliverables to complete the roll out across Wales of this Programme, with all health boards providing detailed plans of work to complete, and clients delivering on their commitments or matters being escalated to the Welsh Government.

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Eye Care Digitisation Programme Final Internal Audit Report

May 2024

Cardiff & Vale University Health Board

Contents

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Auditors:	Ian Virgil, Head of Internal Audit
	Stephen Chaney, Acting Head of Internal Audit
	Philip Lewis-Davies, Principal Auditor
Executive sign-off:	Catherine Phillips, Director of Finance, CVUHB
Distribution:	Claire Osmundsen-Little, Director of Finance, DHCW
	Claire Salisbury, Deputy Director of Procurement Services, NHS Wales Shared Services Partnership
Committee:	Audit Committee

Disclaimer notice - please note

Executive Summary

Purpose

At the request of Cardiff and Vale University Health Board (CVUHB), an audit was undertaken to comment on the current status of contractual commitments entered into by CVUHB to deliver the Eye Care Digitisation Programme. The review has focused on the Eye Care Digitisation Programme NHS Wales contract CAV-ITT-Project 42019 entered into between CVUHB and Toukaneyes Limited, trading as ToukanLabs UK, and its compliance with procurement legislation and CVUHB procurement processes.

Overview

While we have provided reasonable assurance over this review, in coming to this position we took into account the Variation Agreement that was completed during 2023, which clarified and updated several requirements from the original contract.

We have included the following matters arising:

- discrepancies on the contract award notice and wording relating to the contract term;

- the delay on the contract variation process;

- the completion of the Exit Plan during 2023; and

- further enhancements to the internal procurement process – i.e. the incorporation of a quality assurance process.

Additional conclusions identified outside of the scope of this review will be incorporated into the annual national NWSSP Procurement audit. All matters arising have been included within Appendix A.

Report Opinion

Reasonable	Some matters require management attention in control design or compliance.
	Low to moderate impact on residual risk exposure until resolved.

Assurance summary[1]

Objectives	Assurance
1 Compliance with procurement legislation.	Reasonable
2 Compliance with CVUHB procurement processes.	Reasonable

[1]The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Matters arising

		Assurance Objectives	Control Design or Operation
1	Term of Contract	1, 2	Operation
2	CVUHB Procurement Process	1, 2	Design
3	Contract Award Notice	1, 2	Operation
4	Contract Variation	1, 2	Design
5	Exit Plan	2	Operation

Recommendation*

		Assurance Objectives	Priority Rating
1	CVUHB Procurement Process	1, 2	Medium

∗   We have raised one recommendation to enhance the controls associated with the five matters arising. This medium priority recommendation is reported within Appendix A and is presented as an optional consideration.

1. Introduction

1.1   The National Digital Eye Care Programme (the 'Programme') is a Welsh Government programme of work in place to digitise the Ophthalmology Electronic Patient Record [EPR] and Referral processes across NHS Wales. The Programme has been managed and delivered by Cardiff and Vale University Health Board (CVUHB) on behalf of the Welsh Government, all Welsh health boards and primary care optometrists.

1.2   The transition was agreed in principle and DHCW appointed a National Programme Manager in April 2023 to work with CVUHB, to plan and execute the Programme transition. A series of programme status review meetings were held to gather information from the senior CVUHB Programme Team, senior national programme stakeholders and Welsh health boards to determine the current status and expectations.

1.3   The transfer date of 1st June 2023 was approved by the DHCW Board at its May 2023 Board Meeting, noting the requirement to pause and reset the Programme during the period of due diligence and transition.

1.4   At the request of CVUHB, a review was established to comment on the current status of contractual commitments entered into by CVUHB, to deliver the Programme.

1.5   The scope is limited to a review of the status of contract CAV-ITT-Project 42019 entered into between CVUHB and Toukaneyes Limited, trading as ToukanLabs UK in November 2019, including the procurement arrangements.

1.6   The audit has focused on the Committees' and the Board's engagement and in particular, the objectives of the area under review were compliance with procurement legislation and compliance with CVUHB procurement processes.

1.7   Possible key risks considered within the review include:

- The contract may not have been procured in compliance with legislation, exposing CVUHB to external challenge.
- The contract may not have been procured in compliance with CVUHB internal process controls, resulting in a commitment that may not have been approved in an appropriate manner.

1.8   The scope of this audit did not include the control and management of the delivery of the contract post award. Whilst we considered procurement processes relevant to this contract, recommendations have only been reported if they are specifically applicable to CVUHB and within the scope of this audit. Otherwise, wider recommendations and / or opportunities relating to these processes will be incorporated into the national NWSSP Procurement audit.

2. Detailed Findings

Objective 1: Compliance with procurement legislation

2.1   As detailed in the Standing Financial Instructions (SFIs) the CVUHB Chief Executive (CEO) is ultimately responsible for procurement. Staff within the Procurement Team are employed by NHS Wales Shared Services Partnership (NWSSP) and provide a procurement support function to CVUHB.

2.2   NWSSP Procurement shall, on behalf of CVUHB, maintain detailed policies and procedures for all aspects of procurement including tendering and contracting processes. The CVUHB CEO is ultimately responsible for ensuring that CVUHB's Executive Directors, Independent Members, and officers follow procurement, tendering and contracting procedures.

2.3   The NWSSP Director of Procurement is responsible for ensuring that procurement, tendering and contracting policies and procedures are kept up to date and conform to statutory requirements and regulations.

2.4   We reviewed the procurement process for the Eye Care Digitisation Programme (the 'Programme') that resulted in the award of contract CAV-ITT-Project 42019 entered into between CVUHB (on behalf of NHS Wales) and Toukaneyes Limited, trading as ToukanLabs UK in November 2019.

2.5   The procurement process adopted was driven by the value of the contract which was in excess of the OJEU threshold. The procurement was an open procedure covered by the Government Procurement Agreement.

2.6   We noted the following issues of compliance with legislation and regulation from our review of the procurement of the Programme.

2.7   The Contract Notice (the 'Notice') published in support of the Invitation to Tender refers to the incorrect contract term. The Notice stated that the term of the contract was seven months, with an option to extend for a further three months rather than the actual term of five years, with an option to extend for a further two years period. This error, which occurred during the pandemic, was not corrected at the time and may have impacted potential bidders. We were informed that there have been no issues or concerns raised by the bidders involved within the process. We have raised this finding in matter arising one in Appendix A.

2.8   Section 7.9 of the CVUHB PROC-CMP-01 Procurement Processes Core Management Procedure (the 'Procurement Procedure') includes details of controls in operation to prevent issues arising and to manage the risks. These include 'audit' and 'staff training' controls. However, whilst this is an appropriate course of action to help mitigate risk, the steps taken lack a preventative element e.g. to prevent a risk from arising, but rather detail a retrospective approach to the management of issues / risks. We have raised this finding within matter arising two in Appendix A. During testing, we identified further recommendations over other procurement

processes. However, as these are outside the scope of this audit, we have not incorporated these points.

2.9   Furthermore, the Contract Award Notice (CAN) was not issued within the required period of 30 days of contract award. Despite this being a process step on the Procurement Checklist (the 'Checklist'), the failure to issue the CAN promptly went unidentified until October 2023 when the CAN was published. There is a need to ensure that the Checklist is monitored in real time to ensure all process steps detailed are completed promptly. We have raised this finding in matter arising three in Appendix A. As above, the Procurement Procedure includes a specific section (7.9) to assist with mitigating risk associated with the CAN.

2.10 Per the CAN, the Programme contract was awarded for five years on 20th January 2020. A variation to the original agreement was drafted and signed by both parties on 17th July 2023. This document was followed by the Variation Agreement for the Project Agreement for the Programme, signed by both parties in January 2024.

2.11 As the variation exercise was performed in July 2023 and January 2024, this would indicate that whilst changes have now been approved and documented, this may not have been performed as the issues arose / were identified over the term of the contract.

2.12 Regarding this specific contract, we were informed that the Procurement Team did not become aware of the variation until February 2023. This update led to the contract variations in July 2023 and January 2024. The responsibility of this update resides with CVUHB, where the CEO is ultimately responsible for ensuring that CVUHB's Executive Directors, Independent Members and officers follow procurement, tendering and contracting procedures. We have raised this finding in matter arising four in Appendix A.

2.13 The key elements included within the variation agreement are:

> i. confirmation of the effective date of the commencement of the contract;
>
> ii. clarification of several points across Schedules A, B and C;
>
> iii. the Implementation Plan from Schedule E; and
>
> iv. the Exit Plan from Schedule E.

Conclusion:

2.14 We have raised four matters arising under this objective, based on a review of the Programme. Whilst three of the exceptions relate to matters arising with the original contract, these have now been resolved under the variation process albeit with a delay. Therefore, we have provided **reasonable assurance** for this objective.

Objective 2: Compliance with CVUHB procurement processes

2.15   As noted above, NWSSP Procurement shall, on behalf of CVUHB, maintain detailed policies and procedures for all aspects of procurement including tendering and contracting processes, and provide a procurement support function to CVUHB.

2.16   Our review of the procurement process for the Programme that resulted in the award of contract CAV-ITT-Project 42019 entered into between CVUHB (on behalf of NHS Wales) and Toukaneyes Limited, trading as ToukanLabs UK, identified the following issues that require to be clarified to demonstrate effective control within the procurement process.

2.17   A Request for Approval Procurement document (the 'Request document') was prepared in October 2019 requesting the approval of the contract recommendation of the Programme contract to ToukanLabs UK (contract ref CAV-ITT-Project 42019). The Request document was approved via Chair's Action, with the Vice Chair approving the expenditure, by signing the form in November 2019.

2.18   The Chair's Action was reported within the Chair's Report to the next Board meeting held on 28th November 2019 and endorsed accordingly.

2.19   The procurement process considers conflicts of interest from a tenderer perspective and from an internal CVUHB and NWSSP Procurement perspective. This requires all stakeholders to be engaged. We found that the stakeholders were engaged, declarations provided and that all bidders were required, and provided, such declarations as part of the Invitation to Tender process.

2.20   Within clause 18.1 of the original contract, it was stated that an Exit / Transition Out Plan should be provided within two weeks of the contract commencement date or by the date within Schedule E, if detailed. In this instance, Schedule E defined the timeframe as within three months of the Contract Commencement Date (the date at which both parties have signed the contract).

2.21   Whilst we have been provided with a copy of the 'Wales Eyecare Digitisation Programme OpenEyes Exit / Transition Out Plan V2', we have not been able to verify / determine the date that this was completed. However, we confirmed that it formed part of the variation process in 2023. This has been raised as matter arising five in Appendix A.

2.22   We sought to determine whether the purchase orders raised corresponded to the financial commitments outlined within the contract. In particular, we requested extracts from Oracle to support the raising of requisition orders and the establishment of appropriate cost centres.

2.23   We confirmed that both the purchase order and cost centre process was in line with expectations. However, as part of our enquiries we were informed that there were financial mis-postings between numerous contract budget codes. A full reconciliation was completed by the Procurement Team, and we confirmed that for the contract with ToukanLabs, the expenditure incurred was approximately 10% over the contract value. However, there is a further 40% potentially remaining

(£454k excl. VAT) under Regulation 72, as permitted within the PCR15 Regulations. Under certain conditions within the Public Procurement Regulations 2015, Regulation 72, an extension of no more than 50% is permitted of the total value of the contract. However, Regulation 72 has not been exercised to date and there is no associated funding available. We have not reviewed this further as it was outside the scope of this audit.

Conclusion:

2.24   We have raised one matter arising under this objective, based on a review of the procurement of the Eye Care Digitisation Programme. Whilst we have reviewed the Exit Plan, we have been unable to determine the date that this was completed, other than as part of the variation process and thus, whether Paragraph 18.1 and Schedule E have been adhered to. Therefore, we have provided **reasonable assurance** over this objective.

Appendix A: Management Action Plan

Matter Arising 1: Term of Contract (Operation)	Impact
A Contract Notice (CN) was issued under Directive 2014/24/EU - Public Sector Directive on 30 May 2019. The CN stated that the term of the contract was seven months, with an option to extend it for a further three months period at the Health Board's sole discretion in monthly intervals. This was incorrect, but clarification was provided by Procurement that the correct details were included within the associated documentation for the bidders. The contract that was tendered for had a term of five years with an option to extend for a further two years period at the Health Board's sole discretion in yearly intervals. This error was not corrected for at the time.	Potential risk of: • A delay in correcting errors and omissions may create a period of non-compliance with legislation and could hinder the delivery of transparency requirements, until mitigating actions are taken.
Matter Arising 2: CVUHB Procurement Process (Design)	**Impact**
During 2023, a new procurement procedure for CVUHB was developed by NWSSP Procurement, titled CVUHB PROC-CMP-01 Procurement Processes Core Management Procedure (the 'Procurement Procedure'). This was not in place at the time of the original contract being agreed and therefore, did not form part of our testing of the contract. However, we reviewed the content to determine if further enhancements can be implemented to assist with the ongoing management of CVUHB's procurement risks.	Potential risk of: • Key procurement steps may not be completed fully / correctly, resulting in increased financial costs or reputational damage.

We also considered this document alongside the document management system (DMS) and concluded that the updated controls will assist with the mitigation of most procurement risks for CVUHB.

However, within this review, we advise consideration over the implementation of a quality assurance process for some key steps; primarily within Section 7 of the Procurement Procedure. This may not be appropriate in all circumstances, and we found a number of these preventative measures in place already (e.g. Senior Category Manager approval). However, within Section 7 a list of controls and monitoring to prevent issues arising does not include a preventative control. This may only require an administrative update to the Procurement Procedure, if these controls already exist, but if not, a quality assurance step should be considered for the critical aspects.

Matter Arising 3: Contract Award Notice (Operation)	Impact
Furthermore, the Contract Award Notice (CAN) was not issued within the required period of 30 days of the contract award. Despite this being a process step on the Procurement Checklist, the failure to issue the CAN promptly went unidentified until October 2023. We were informed that this primarily resulted from the impact of the pandemic, the reallocation of staff throughout the NHS and thus, the significant pressures that teams were under.	Potential risk of: • A delay in correcting errors and omissions may create a period of non-compliance with legislation and could hinder delivery of transparency requirements until mitigating actions are taken.

Matter Arising 4: **Contract Variation** (Design)	Impact
Per the Contract Award Notice (CAN) the Eye Care Digitalisation Programme contract was awarded for five years in January 2020. However, a variation to the original agreement was drafted and signed by both parties on 17th July 2023. This document was followed by the Variation Agreement for the Project Agreement for the Programme, signed by both parties in January 2024. Regarding this specific contract, we were informed that the Procurement Team did not become aware of the variation until February 2023. This update led to the contract variations within July 2023 and January 2024. Ultimately, the responsibility of notifying the Procurement Team of such changes resides with CVUHB.	Potential risk of: • Variations and amendments to a contract during its life changes are not reviewed, approved, and documented in a timely manner.
Matter Arising 5: **Exit Plan** (Operation)	Impact
Within clause 18.1 of the original contract, it was stated that an Exit / Transition Out Plan should be provided within two weeks of the contract commencement date or by the date within Schedule E, if detailed. In this instance, Schedule E defined the timeframe as within three months of the Contract Commencement Date (the date at which both parties have signed the contract). However, whilst we have been provided with a copy of the 'Wales Eyecare Digitisation Programme OpenEyes Exit / Transition Out Plan V2', we have not been able to verify / determine the date that this was completed. We confirmed that the Exit Plan was	Potential risk of: • Contract conditions not being met. • Increased financial risk where the exit / transition out terms have not been agreed at the time of entering into the contract.

incorporated into the Variation Agreement (as a separate document), but this took place during 2023.

Whilst the risk associated with a delay in the production of the Exit Plan may be partially mitigated by the system being open source, this does not remove all risk and uncertainty associated with how any exit from the contract would be managed between the parties.

Recommendation for consideration	Priority
1.1 We recommend, on the basis of the five matters arising, that CVUHB engage with NWSSP Procurement to determine if further enhancements to the procurement procedures should be implemented. This should consider: • further enhancements to Section 7 of the CVUHB Procurement Procedure, including the use of a preventative control; • a review of checklists that may still be in use; • the process for the communication of contract variations or other changes; and • the mechanisms or controls for incorporating Exit / Transition Out Plans.	Medium

Agreed Management Action		Target Date	Responsible Officer
1.1	• The DMS was revised and relaunched in December 2023, these controls are in place within the DMS that sits under PROC-CMP-01, the DMS includes steps that cannot proceed without approval from the relevant person named within the step. All procurement staff have received the relevant training.	**COMPLETE**	Assistant Director of Procurement Services
	• Checklists are in place locally in CVU, and will be included as part of DMS update for the new Procurement Act 2024.	October 2024	Assistant Director of Procurement Services
	• Communication to be issued to all Health Board staff when they participate in a procurement process on the responsibilities they hold once a contract has been awarded.	Immediate	Assistant Director of Procurement Services
	• Further training/reminders to be undertaken on requirement for Exit Plan/Transition Out Plans to be considered in all procurement exercises/awards.	Immediate	Assistant Director of Procurement 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:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	Unsatisfactory assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	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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