

Welsh Risk Pool claims Final Internal Audit Report

February 2023

Public Health Wales NHS Trust



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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors.

Acknowledgement

NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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Executive Summary

Purpose

To provide assurance over the reimbursement processes in place within the Trust.

Overview

We have issued substantial assurance on this area.

There are no matters to report from our review.

Report Opinion

Substantial



Few matters require attention and are compliance or advisory in nature.

Low impact on residual risk exposure

Trend



2021/22

Assurance summary¹

Objectives	Assurance
1 Completed documents within set timescales	Substantial
2 Evidence to support costs incurred	Substantial
3 Appropriate authorisation	Substantial
4 Accurate data within Datix	Substantial

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

1. Introduction

- 1.1 Our audit review of Welsh Risk Pool concerns and compensation claims was completed in line with the 2022/23 Internal Audit Plan for Public Health Wales NHS Trust (the 'Trust').
- 1.2 Compensation claims usually take a number of years from receipt of claim to settlement and can involve a large number of payments and repayments; this gives rise to a potential for mistakes to occur. Welsh Risk Pool Services (WRPS) require claims for reimbursement and repayment to be made within specific timescales.
- 1.3 WRPS have developed a standard: The Compensation Claims Management Standard, to ensure the NHS Bodies:
 - Have an effective process for managing concerns raised by patients and staff.
 - Have an effective process for managing legal claims for financial compensation.
 - Ensure that there is good organisational learning from all events.
- 1.4 Area for Assessment 3 of the standard requires Internal Audit to review the accuracy of a representative sample of compensation claims for reimbursement, made on Welsh Risk Pool Services.
- 1.5 The relevant lead for the review is the Executive Director Quality, Nursing & Allied Health Professionals.
- 1.6 The potential risk considered in this review is that claims costs reimbursed from the Welsh Risk Pool are inaccurately recorded and not appropriately authorised by the Trust's senior management.

2. Detailed Audit Findings

Objective 1: An appropriately completed learning from events report, case management report, case financial record and a schedule of costs has been completed for each reimbursement claim within set timescales.

- 2.1 One claim has been settled in 2022/23. This was a clinical negligence claim and it was appropriately supported by a Learning from Events (LfE) report, a Case Management Report (CMR), a financial case record checklist (U1) and a financial schedule.
- 2.2 In line with the standard the LfE report was completed and submitted to the WRP within 60 working days of the decision to settle date.
- 2.3 The CMR, U1 checklist and the finance schedule were also submitted to the WRP within the required timeframe of within four months of the final payment date.
- 2.4 We compared the key dates on the LfE report, the CMR, and the checklist U1 and found no discrepancies between the dates.

Conclusion:

2.5 We confirmed that the documents had been appropriately completed and submitted within the set timescales. As such, we have provided substantial assurance against this objective.

Objective 2: There is appropriate evidence to support the costs incurred.

2.6 Supporting documents, including those relating to the costs incurred, are uploaded into Datix. In prior years we had experienced difficulties when trying to trace documentation within Datix. However, in the updated version of Datix, documents had been better referenced meaning we were able to locate the source documentation for the claim and validate it to the finance schedule that was submitted to WRP.

Conclusion:

2.7 We confirmed that there is suitable evidence to support the costs incurred and it corresponds to the finance schedule. As such, we have provided substantial assurance against this objective.

Objective 3: Forms have been appropriately authorised aligning with the delegated limits of the organisation.

2.8 The claim had an appropriate governance and case manager declaration and had been appropriately authorised prior to submitting to WRPS. The signatures were in line with the organisation's scheme of delegation.

Conclusion:

2.9 We confirm that the case had been appropriately authorised. As such, we have provided substantial assurance against this objective.

Objective 4: Claims submitted are accurately entered onto the Datix risk management database.

2.10 Reimbursement was appropriately approved by WRPS, and the amount received reconciled to the U1 checklist and the finance schedule that was submitted to WRPS.

2.11 The financial information for the clinical negligence claim had been accurately recorded in Datix and the values reconciled to the relevant checklists.


Conclusion:

2.12 We can confirm that the claim submitted was accurately entered onto the Datix risk management database. As such, we have provided substantial assurance against this objective.

Appendix A: 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.
	No 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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