

Digital Benefits Realisation. Final Internal Audit Report

September 2024

Hywel Dda University Health Board

HDUHB 2425-17



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Contents

Executive Summary	4
1. Introduction.....	5
2. Detailed Audit Findings.....	5
Appendix A: Assurance opinion and action plan risk rating	9

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

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Executive Summary

Purpose

The purpose of the audit is to determine if the principles of an appropriate benefits realisation framework have been implemented within Digital to support decision making.


Overview

We have concluded with Substantial assurance on this area.

A comprehensive benefits management framework has been developed and is being implemented. This includes guidance and templates which cover all aspects of the benefit management process from inception to realisation.

Our testing of a sample of business cases, the benefits defined within them and the ongoing monitoring of benefits confirmed that the process is being followed, with benefits clearly defined within business cases, based on appropriate supporting information, together with a baseline position and mechanism for monitoring.

Report Opinion

		Trend
<p>Substantial</p> 	<p>Few matters require attention and are compliance or advisory in nature.</p> <p>Low impact on residual risk exposure</p>	<p>None</p>

Assurance summary¹

Objectives	Assurance
1 A framework for benefits realisation is in place.	Substantial
2 Benefits focussed business cases show the value that project or programme will achieve.	Substantial
3 Benefits are tracked	Substantial

1. Introduction

- 1.1 The aim is to assess Hywel Dda University Health Board's (the 'health board' or 'organisation') processes for benefits realisation within Digital.
- 1.2 Digital Services have developed a revised benefits framework, and as such our audit work focussed on projects that have been operating since that was implemented.
- 1.3 Benefits realisation is the definition, planning, structuring and actual realisation of the benefits of a business change or digital implementation project.
- 1.4 Projects are often considered finished when their deliverables are complete. However, the benefits of a project are typically realised over time. For benefits realisation to work it is crucial to identify clear benefits (early in the change life cycle) and to assign ownership to those responsible for planning and managing their achievement.
- 1.5 The risks considered as part of the audit were:
 - Investment in digital solutions does not produce the anticipated benefits to the organisation or NHS Wales.
 - Reputational risk to the health board.

2. Detailed Audit Findings

Objective 1: A framework for benefits realisation is in place which defines how benefits should be owned identified, structured, planned and realised.

- 2.1 Hywel Dda University Health Board (HDUHB) realisation team has produced a comprehensive framework for benefits realisation. This includes a Benefits Realisation Guide, together with supporting templates which cover the main areas of benefit realisation. We note that the documentation reviewed enables a systematic approach that includes identifying, planning, executing, and evaluating benefits associated with projects. The purpose of the Benefit Guide is to ensure benefits such as improvements and savings are clearly articulated, measured, and realised. It defines key terms related to benefits realisation, ensuring a common understanding among stakeholders.
- 2.2 The key supporting items defined within the framework are:
 - a. Benefit profile – sets out the definitions of benefits and dis-benefits and how they will be released and timescales.
 - b. Benefits Tracker - records and track the expected benefits along with owners, metrics, baselines, targets, and dependencies.
 - c. Benefit realisation plan - sets out the necessary aspects for delivering meaningful benefits outcomes.
 - d. Benefits map - defines and captures the expected benefits.
 - e. Highlight reports - used to track the progress and outcomes of the benefits.

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- 2.3 The benefits framework (the 'framework') thus sets out the processes by which benefits will be managed throughout the business change lifecycle. It ensures owners are clearly identified and that there is an agreed structure for the achievement of benefits alongside the business case for each project, together with an established baseline for measurement.
- 2.4 The guide begins with the clear identification and ownership of benefits, emphasising the necessity of open communication between project leads and the Benefits Realisation Manager to maintain clarity on roles and responsibilities. This ensures all parties involved understand their specific contributions to the project's success. It stresses the importance of clearly defined roles and responsibilities throughout the benefits realisation process. The Benefits Realisation Manager is responsible for leading the development of the benefits realisation plan on large and medium-sized projects and providing guidance for smaller projects however the project manager is responsible for ensuring this is completed and associated documents maintained.
- 2.5 The health board has taken a pragmatic approach and requires differing levels of resource input depending on the size of the project. In order to facilitate this the Benefits Team has developed several benefit packs that provide guidance and support throughout the project. These packs contain the key templates to be used and have been designed to accommodate projects of various sizes.
- 2.6 The framework mandates that benefits be considered from the very inception of a program or project, necessitating early engagement with service owners and stakeholders. Workshops are a key component of this process, where potential benefits are identified and analysed. During these sessions, the anticipated benefits of a proposed project are evaluated to determine if they are realistic and deliverable, with the outcomes directly informing the development of the business case. While the framework acknowledges the importance of cash-related benefits, it also emphasises the need to consider other benefits, such as quality and process improvements.
- 2.7 The framework further supports ongoing measurement of benefits through the use of a benefits register. This register tracks the realised benefits but also includes potential dis-benefits, allowing them to be reviewed and actively mitigated, potentially influencing future business changes. The benefit profile within the register is crucial for good governance, enabling the benefit owner and other stakeholders to quickly assess all aspects of a benefit. The benefit owner is responsible for approving the target measures and determining the extent of achievable improvement.

Conclusion:

- 2.8 Hywel Dda has developed a comprehensive benefits management framework for use with digital projects that enables the organisation to track benefits from inception to realisation. This framework emphasises measurable improvements, alignment with strategic goals, positive stakeholder engagement, and integration with project management. By offering a structured approach, it ensures that projects deliver tangible and measurable benefits aligned with organisational

objectives. Accordingly, we have provided **substantial** assurance for this objective.

Objective 2: Benefits focussed business cases show the value that project or programme will achieve by the proposition in the business case, by identifying specific benefits that will be achieved, with the current position being baselined.

- 2.9 The Benefits Realisation Framework clearly stipulates that benefits must be integrated into the business case for any programme or project. The business case is developed not only to secure financing but also to ensure a return on investment. Additionally, it outlines the rationale for the programme and details the anticipated benefits, which are expected to be realised within the agreed-upon timelines.
- 2.10 The use of the Benefits Guide ensures that business cases are created in a consistent format, ensuring that the benefits identified are realistic and measurable. This consistency facilitates the smooth transfer of ownership to the department that will ultimately benefit from the project.
- 2.11 We reviewed a sample of business cases and the benefits stated within them to ensure they were benefit focussed and that the benefits contained within them were developed appropriately in conjunction with service users and that the current position was established.
- 2.12 Our review of business cases and supporting documentation confirmed that benefits were clearly identified and supported by detailed supporting information that explains how the figures were derived and that the projected values were reasonable. We also noted that both the baseline position and tracking functions were established before the project's go-live date.
- 2.13 Our testing also confirmed that workshops were used as part of the benefit identification process. The workshops involved stakeholders and service owners to identify potential benefits, ensuring they were realistic, achievable, and deliverable. This collaborative approach was crucial in clearly defining and refining the benefits within the business cases, underscoring the effectiveness of the BRM process.

Conclusion:

- 2.14 Business cases demonstrate a clear focus on identifying specific, measurable benefits and baselining the current position. This benefits-focused approach ensures that the proposed solution will deliver value to the Health Board, aligning with both immediate operational needs and long-term strategic goals. Accordingly, we have provided **substantial** assurance for this objective.

Objective 3: Benefits are tracked, and the structure ensures that these are achieved, with actions taken if they do not accrue.

- 2.15 We reviewed a sample of projects to ensure that they followed the guidance for tracking the achievement (realisation) of benefits, to ensure appropriate

monitoring of performance was in place and any underperformance was identified and managed.

- 2.16 Our testing confirmed that each benefit program is assigned a project manager responsible for overseeing the realisation of the benefits. The project manager engages with the identified benefits owners and utilises the toolkit to develop a benefits tracker and benefits plan, and our testing confirmed that benefits trackers were in place. These contained all the proposed benefits of the project, along with the benefit owners and measurement metrics.
- 2.17 The benefits tracker provides an overview of the benefits and dis-benefits associated with a program or project. The progress of anticipated benefits is monitored throughout the project's lifecycle, as detailed in the Benefits Plan.
- 2.18 The achievement of benefits is subject to reporting, with the Project Managers monitoring progress and providing regular updates to the relevant project Steering Groups. In addition the Benefits Realisation Manager monitors progress against benefits overall and submits quarterly reports to the Sustainable Resource Committee.
- 2.19 The Benefits Realisation Management Framework and Process Guide outlines the process for managing under achievement of benefits and requires an action plan to be developed and implemented in order to ensure the benefits are realised. As part of our testing we reviewed under achievement of benefits and confirmed that this process was operating as set out within the guidance.

Conclusion:

- 2.20 There is a process in place to ensure that delivery of benefits is monitored and appropriately reported, together with a mechanism for identifying under achievement of benefits and for developing actions plans to correct under achievement. Accordingly, we have provided **substantial** assurance for this objective.

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.
	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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