

Planning Maturity Matrix Final Internal Audit Report June 2024

Hywel Dda University Health Board



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Review reference:	HDUHB-2324-40
Report status:	Final
Fieldwork commencement:	25 March 2024
Fieldwork completion:	13 May 2024
Debrief meeting:	23 May 2024 & 10 June 2024
Draft report issued:	21 May 2024
Management response received:	10 June 2024
Final report issued:	11 June 2024
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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.

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 assess and provide independent assurance over the effectiveness of governance arrangements in place for the Health Board’s assessment against the Planning Maturity Matrix.

Overview

We have concluded **Reasonable** assurance overall, with two medium priority matters arising relating to:

- supporting evidence was not provided to the Planning Steering Group to facilitate the blind scoring session; and
- arrangements for sign-off of the maturity matrix, ensuring presentation to Board ahead of submission to Welsh Government.

Full details of the matters arising, and associated recommendations are provided at Appendix A on page 8.

Report Opinion

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Objectives	Assurance
1 Sufficient and appropriate evidence to support the self-assessment score and reported justification.	Reasonable
2 Governance arrangements for the scrutiny and approval of the self-assessment ahead of submission to Welsh Government.	Reasonable

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

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Assessment & Evidence - Approach	Design	Medium
2	Maturity Matrix Sign-Off	Design	Medium

1. Introduction

- 1.1 In September 2022 the Health Board was escalated from 'enhanced monitoring' to 'targeted intervention' for finance and planning, due to the Health Board's failure to submit a balanced and approvable Integrated Medium-Term Plan (IMTP) or a finalised annual plan, and a growing financial deficit.
- 1.2 The planning element of the Targeted Intervention status centres on four key themes, which includes the development of a planning maturity matrix through which the organisation could assess themselves against in order to identify the steps required to develop the planning processes.
- 1.3 The draft planning maturity matrix was presented to the Strategic Development and Operational Delivery Committee (SDODC) in December 2022 and the draft baseline assessment to the SDODC in February 2023.
- 1.4 Following a meeting with Welsh Government (WG) in January 2024, it was noted that even though a baseline assessment against the planning maturity matrix had been completed, WG requested further validation and another assessment to be undertaken.
- 1.5 This assessment is now completed and has been submitted to WG following sign off at SDODC as part of the Targeted Intervention meeting on the 30 April 2024, noting that presentation to and approval by the Board will be sought at the end of May 2024.
- 1.6 In January 2024 the Health Board was escalated from enhanced monitoring for performance and targeted intervention for finance and planning to targeted intervention for the entire organisation. This decision reflected Welsh Governments concerns about the lack of sustained progress over a period of time on integrated planning, finance, and delivery.
- 1.7 The potential risk considered in the review is that the planning maturity matrix self-assessment is not prudent or realistic, compromising the Health Board's response to and de-escalation from targeted intervention status.
- 1.8 The scope of this review is limited to considering the governance arrangements for determining and agreeing self-assessment scores and the availability of evidence to support the scores. We will not seek to assess or provide assurance on the appropriateness of those scores.

2. Detailed Audit Findings

Objective 1: Sufficient and appropriate evidence to support the self-assessment score and reported justification

- 2.1 The 2024 self-assessment scores have been derived through a collaborative approach with independent assessments undertaken by the Deputy Director of Operational Planning and Commissioning, a Directorate Scoring Session and by the Planning Steering Group (PSG).
- 2.2 On completion of the reviews the scores were amalgamated to form the *Comprehensive Review of the Maturity Matrix – Annual Update* report, which is intended to provide an 'open, transparent, and honest review of where the Health Board finds itself against the maturity matrix one year on'.
- 2.3 The report provides an extensive narrative for each domain, documenting the PSG reflections and assessment, lessons learned from annual plan feedback (directorate feedback), WG feedback, positive steps identified in the annual plan recovery with an overall conclusion and justification summarising the maturity level assessment score for each domain.
- 2.4 Baseline and revised assessment scores are summarised in the table below. Four domains remained the same with no progression, three domains increased, and two domains regressed:

Domain	Baseline Score (2023)	Current Score	Trend
Strategy Development	3	2	↓
Strategy Alignment and IMTP	1	2	↑
Dynamic and Engaged Planning	1/2	2	↑
Operational Planning	1	1	↔
Best Practice Approach to Improvement	2	2	↔
Realistic and Deliverable	0	0	↔
System and Processes for Performance, Accountability, and Improvement	2	1	↓
Measurable and Improving Performance	1	1	↔
Assurance	2	3	↑

- 2.5 We reviewed the narrative within the *Comprehensive Review of the Maturity Matrix – Annual Update* report and evidence in support the revised reassessment scoring for each of the domains. The evidence provided appears reasonable with no significant gaps identified.
- 2.6 We acknowledge and concur with the blind scoring approach at the Directorate and PSG scoring sessions, although there is opportunity to further enhance the

assessment process through the presentation of an evidence base to facilitate scoring. **[Matter Arising 1]**

Conclusion:

2.7 The maturity matrix annual update report is a comprehensive document produced through a collaborative approach encompassing discussions, feedback, narrative and justification in arriving at the reassessed scores. Evidence was available to support assessed scores, although this was not utilised in the scoring sessions. Accordingly, we have concluded **Reasonable** assurance for this objective.

Objective 2: Governance arrangements for the scrutiny and approval of the self-assessment ahead of submission to Welsh Government

2.8 The timeline of the development, scrutiny, review and approval of the maturity matrix annual update report prior to submission to WG is set out below:

TI meeting with WG – reassessment requested	10 January 2024
Deputy Director of Operational Planning and Commissioning – assessment / scoring	29 February 2024
Directorate Scoring Session – assessment / scoring	6 March 2024
Planning Steering Group – assessment / scoring	20 March 2024
Executive Director of Strategy and Planning - approval	9 April 2024
SDODC - approval	25 April 2024
TI meeting with WG	30 April 2024
Health Board – approval	30 May 2024

2.9 Minutes of the Escalation Steering Group (ESG), SDODC and Health Board for the period December 2022 to April 2024 demonstrate discussion and workshops relating to the preferred planning maturity matrix model, the initial baseline self-assessment scoring and the 2024 re-assessment.

2.10 At the Targeted Intervention meeting on the 10 January 2024 it was agreed with WG that a reassessment of the planning maturity matrix would be submitted within the next three months.

2.11 The planned sign-off arrangements did not include presentation to Board prior to submission to WG. This changed in March 2024, with the matrix due to be presented to the Health Board on 30 May 2024. To avoid delay in submission to WG, the Chair of the Health Board agreed with the submission of the maturity matrix to WG as part of the TI pack in April, ahead of presentation to the Board. **[Matter Arising 2]**

2.12 Following the SDODC meeting on the 25 April 2024, minor adjustments have been made to the maturity matrix annual update report to include reference and narrative relating to the new groups established by the CEO.

2.13 The report was discussed at the quarterly TI meeting with WG on the 30 April 2024. We were advised that WG welcomed the presentation of the maturity matrix and the evidence provided to support the scoring, whilst noting that WG colleagues

have not had time to review the matrix in detail therefore any comments or feedback would be forwarded.

Conclusion:

2.14 The maturity matrix annual update report has been developed through a collaborative and consensus approach, with evidence available in support of the scores assessed. Whilst the matrix has been scrutinised and approved at SDODC, in light of the current escalation status it would have been prudent to also present to Board prior to WG submission. We have concluded **Reasonable** assurance for this objective.

Appendix A: Management Action Plan



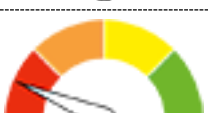

Matter Arising 1: Assessment & Evidence - Approach (Design)		Impact
<p>We acknowledge and concur with the blind scoring approach at the Directorate and PSG scoring sessions, although there is opportunity to further enhance the assessment process through the presentation of an evidence base to facilitate scoring.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> the planning maturity matrix self-assessment is not prudent or realistic, compromising the Health Board's response to and de-escalation from targeted intervention status.
Recommendations		Priority
1.1	<p>The approach to future self-assessment scoring sessions should involve scoring based on available evidence to demonstrate achievement of the criteria within the planning maturity matrix domains.</p>	<p>Medium</p>
Agreed Management Action		Target Date
1.1	<p>The evidence to support the discussions was collected proactively, and was used to shape these discussions. In future we will ensure that all evidence is made available for those discussions in advance.</p> <p>We will include this in any future review(s) of the Maturity Matrix – which we would expect to undertake in March 2025</p>	1 st May 2025
		Responsible Officer
		Lee Davies, Executive Director of Strategy and Planning

Matter Arising 2: Maturity Matrix Sign-Off (Design)		Impact
<p>The planned sign-off arrangements did not include presentation to Board prior to submission to WG. This changed in March 2024, with the matrix due to be presented to the Health Board on 30 May 2024. To avoid delay in submission to WG, the Chair of the Health Board agreed with the submission of the maturity matrix to WG as part of the TI pack in April, ahead of presentation to the Board.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> the planning maturity matrix self-assessment is not prudent or realistic, compromising the Health Board’s response to and de-escalation from targeted intervention status.
Recommendations		Priority
2.1	In future, planned sign-off arrangements should include presentation to the Board prior to submission to Welsh Government.	Medium
Agreed Management Action	Target Date	Responsible Officer
<p>2.1 It was agreed with Welsh Government that the assessment would be submitted in April following conclusion of the annual planning round and committee sign-off (initially it was not intended to take it to Board). When it was decided it should go to Public Board, to avoid delaying the submission to WG, it was agreed we would submit in April noting that the assessment would go to Board in May and WG informed of any material changes if necessary.</p> <p>In future, we will ensure any revised scoring of the maturity matrix and relevant evidence is factored into the timeline such that review by the Board is enabled prior to submission to Welsh Government. We will include this in any future review(s) of the Maturity Matrix – which we would expect to undertake in 12 months’ time.</p>	1 st June 2025	Lee Davies, Executive Director of Strategy and Planning

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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