



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	21 February 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit Wales Structured Assessment 2022 Management Response and Revised Responses to Previous Recommendations that are not yet completed
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Steve Moore, Chief Executive Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Director of Corporate Governance/Board Secretary

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The Committee is asked to take assurance from the management response (Appendix 1) to the recommendations identified by Audit Wales (AW) in their [Structured Assessment 2022](#) (SA22) report.

Also, attached is an updated response to the management responses to 2 of the 4 recommendations from Structured Assessment 2021: Phase 1 Operational Planning Arrangements (SA21) that had been previously closed by management, and reported to ARAC in June 2022. These recommendations were reviewed by AW as part of the SA22 assessment and were considered to be still in progress (Appendix 2).

Cefndir / Background

The structured assessment work undertaken by Wales Audit Office enables the Auditor General to discharge his statutory requirement under section 61 of the Public Audit (Wales) Act 2014 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

The key focus of the SA22 was on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on the organisation's governance arrangements; strategic planning arrangements; financial management arrangements; and arrangements for managing the workforce, digital assets, the estate, and other physical assets. Updates on progress against recommendations identified in previous structured assessment reports have also been included in the document.

The AW SA22 report has been presented to both ARAC and Board in December 2022 and January 2023 respectively, where it was reported that the management response would be considered by ARAC at its meeting in February 2023.

Asesiad / Assessment

SA22

AW provided 6 recommendations in the SA22 report in relation to:

- R1 (Public transparency of Board business) – Director of Corporate Governance
- R2 (operational structure) – Director of Operations
- R3 (Operational performance management arrangements) – Director of Finance
- R4 (Expected outcomes) – Director of Planning
- R5 (Implementation plans to support strategies) – Director of Planning
- R6 (Financial sustainability plan) – Director of Finance

The Health Board's management response, at Appendix 1, has been developed in response to these new recommendations.

SA21

As part of the SA22 process, AW also reviewed progress against recommendations made in its previous report. Of the 4 recommendations previously raised with regards to the operational planning arrangements, 2 have been confirmed as completed, and 2 remain in progress. These are in relation to:

- R1 - Alignment of plans - Director of Planning
- R2 - Planning capacity - Director of Planning

The recommendations have been reviewed and new management responses, as Appendix 2, have been provided by the Director of Planning.

Progress on the implementation of the recommendations will be monitored by the Audit and Risk Assurance Committee throughout 2023/24.

Argymhelliad / Recommendation

The Committee is asked to:

- Consider whether the management response to SA22 provides assurance that the recommendations within the SA22 report will be addressed appropriately (Appendix 1).
- Consider whether the revised management responses to SA21 recommendations provide assurance that these areas will be addressed in the coming year (Appendix 2).

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y Pwyllgor:

5.3 In carrying out this work the Committee will primarily utilise the work of Internal Audit, Clinical Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	N/A
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Structured Assessment 2021 and 2022 reports
Rhestr Termau: Glossary of Terms:	Included in report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	All relevant Executive Directors have been asked to contribute to the management response.

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No direct impacts from this report.
Ansawdd / Gofal Claf: Quality / Patient Care:	No direct impacts from this report.
Gweithlu: Workforce:	No direct impacts from this report.
Risg: Risk:	No direct impacts from this report.
Cyfreithiol: Legal:	No direct impacts from this report.
Enw Da: Reputational:	No direct impacts from this report.

Gyfrinachedd: Privacy:	No direct impacts from this report.
Cydraddoldeb: Equality:	No direct impacts from this report.

Management response

Ref	Recommendation	Intended outcome/benefit	Management response (updated as at 9 February 2023)	Completion date	Responsible officer	Progress
R1	Planners are not involved in all planning processes and must rely on others to make sure that plans align. The Health Board should determine individual responsibilities for ensuring that key planning processes are effectively linked.	Increased connectivity between plans	As part of Targeted Intervention, the Health Board is undertaking an assessment of its planning maturity, incorporating the alignment of plans. In addition, an Independent Review is being conducted by Sally Attwood on behalf of Welsh Government. Once complete the Health Board will develop action plans to respond to both of these pieces of work. The capacity and role of the planning function will be important considerations within this, see below for an update on capacity.	March 2024	Director of Planning	The WG Review is underway and will report back to the Health Board in March 2023, at which point the Health Board will develop a further action plan.

Ref	Recommendation	Intended outcome/benefit	Management response (updated as at 9 February 2023)	Completion date	Responsible officer	Progress
R2	The planning team have adopted a 'business partnering' approach to support the development of the quarterly operational plans which has worked well but there has been over-reliance on one individual within the planning team due to capacity constraints. The Health Board should review its planning capacity to ensure that resilience is built into the team, and the expertise and knowledge needed to support the planning process is developed across all team members.	Increased resilience, and expertise and knowledge across the planning team	The Health Board has recently (January 2023) transferred the commissioning function in to the Planning Directorate. The alignment and amalgamation of the Planning and Commissioning team has provided additional resilience within the Directorate. However, it is worth noting the commissioning team only consisted of 2.0 WTEs (with 1.0 WTE split between Planning and Commissioning) and are responsible for a budget of circa £170m. As part of Targeted Intervention, there is an Independent Review being conducted by Sally Attwood on behalf of Welsh Government. It is anticipated this will consider the capacity and capabilities within the team, which the Health Board will then consider how best to respond.	March 2024	Director of Planning	The WG Review is underway and will report back to the Health Board in March 2023, at which point the Health Board will develop a further action plan.