



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	20 February 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Audit Wales Structured Assessment 2023 Management Response
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Professor Philip Kloer, Interim Chief Executive Officer
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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 Audit and Risk Assurance Committee (ARAC) is asked to take assurance from the management response (Appendix 1) to the recommendations identified by Audit Wales (AW) in their [Structured Assessment 2023](#) (SA23) report.

#### 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 Structured Assessment 2023 was on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on Board transparency, cohesion, and effectiveness, corporate systems of assurance, corporate approach to planning, and corporate approach to financial management. Updates on progress against recommendations identified in previous structured assessment reports were also included in the report.

The AW SA23 report has been presented to both ARAC and Public Board in December 2023 and January 2024 respectively, where it was reported that the management response would be considered by ARAC at its meeting in February 2024.

#### Asesiad / Assessment

AW provided 5 recommendations in the SA23 report in relation to:

- R1 (Enhancing public transparency) – Director of Corporate Governance
- R2 (Board member patient safety walkabout) – Interim Director of Nursing, Quality and Patient Experience
- R3 (Performance management arrangement assurance) – Director of Finance

- R4 (Aligning planning and strategic objectives) – Director of Strategy and Planning
- R5 (Financial Scrutiny) – Director of Finance

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

Progress on the implementation of the new recommendations, and the recommendations that remain open from previous Structured Assessments (outlined on page 30-32 of [Structured Assessment 2023](#)), will be monitored by the Audit and Risk Assurance Committee throughout 2024/25.

### **Argymhelliad / Recommendation**

The Audit and Risk Assurance Committee is asked to consider whether the management response provides assurance that the recommendations within the Structured Assessment 2023 report will be addressed appropriately.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.3 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
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Structured Assessment 2023 report
Rhestr Termiau: Glossary of Terms:	Included in report
Partion / 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.

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

## Organisational response

**Report title:** Structured Assessment 2023

**Completion date:** December 2023

**Document reference:** 3950A2023

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<b>Enhancing public transparency</b> We found that, Public Board papers include a high-level summary of private Board meetings. To further enhance transparency this arrangement should be extended to private committee meetings through individual committee assurance reports received by the Board.	The Committee Update Report template to the Board will be updated to include a section 'Key Matters considered by the In-Committee'. These will be completed for January 2024 Board.	Complete	Director Corporate Governance/ Board Secretary
R2	<b>Board member patient safety walkabout</b>	A refreshed briefing on the role and content of the Patient Safety Walk Rounds will be drafted	31 March 2024	Executive Director of

	<p>Board members conduct regular Patient Safety walkabouts, supported by a member of the patient safety team who takes notes, with a clear process to provide feedback to visited services and monitor actions points. However, those we interviewed were unclear about what happened after the visit. The Health Board should clarify the Patient Safety Walkabout process with new Independent Members.</p>	<p>for use within induction for all new Independent Members and Executive Directors.</p> <p>Reporting and monitoring arrangements following Patient Safety Walk Rounds will be refreshed and reconfirmed for all participants. Reports are action oriented and prepared by the Quality Assurance Team. All actions are logged on the AMAT system and monitored via the Quality Assurance Team.</p> <p>The refreshed Patient Safety Walk Round handbook will be reviewed and recirculated to all Board members by the Head of Quality Assurance.</p> <p>Consideration will be given to providing a Patient Safety Walk Round update to Board members at a future Board Seminar. To be forward work planned through the Director of Corporate Governance/Board Secretary.</p>	<p>31 March 2024</p> <p>31 March 2024</p> <p>30 July 2024</p>	Nursing, Quality and Patient Experience
R3	<p><b>Performance management arrangement assurance</b></p> <p>Given the Health Board is under Welsh Government's Enhanced Monitoring arrangements for some service areas, there is scope to demonstrate the effectiveness of the Improving Together Framework. The Health Board should develop a mechanism for periodically providing assurance that its performance management arrangements are working as intended.</p>	<p>We will commission an annual review of the effectiveness of the Improving Together Framework from Internal Audit. We will ask for the first review to be undertaken during Q1 2024/25.</p>	30 June 2024	Executive Director of Finance

R4	<p><b>Aligning planning and strategic objectives</b></p> <p>The Health Board has taken steps to better articulate its planning objectives in its 2023-24 Annual Plan, by streamlining the planning objectives and setting them against eight strategic planning goals and four domains. However, the domains and strategic planning goals do not explicitly align to the Health Board's six overarching strategic objectives, as detailed in its Board Assurance Framework (BAF) and Integrated Performance Assurance Report (IPAR) dashboards. As part of the next planning cycle, the Health Board should more explicitly set out how each of its planning objectives link to its strategic objectives.</p>	<p>A process and action plan has been detailed as part of the Planning Cycle for the development of the 2024/25 Plan.</p> <p>This process and action plan (as detailed in the annex), sets out the process for reviewing the Strategic Objectives, the Planning Objectives and the removal of the four planning domains to simplify the process.</p> <p>Steps are also included to ensure the appropriate alignment of Planning Objectives to the appropriate Committees of the Board for assurance purposes, and the revision of the BAF.</p>	31 March 2024	Executive Director of Strategy and Planning
R5	<p><b>Financial scrutiny</b></p> <p>Whilst there is a good level of scrutiny on the financial position within the Sustainable Resources Committee, the scrutiny has predominantly been focused on the Director of Finance. Whilst this has improved in recent meetings with members of the Core Delivery Group and the Financial Control Group now in attendance, the Health Board needs to do more to ensure scrutiny by Independent Members is appropriately focused across all members of the executive team.</p>	<p>There is a greater understanding amongst Board Members that the causes of our financial challenges relate to the strategic, operational and clinical configuration and choices which are made across the organisation.</p> <p>Consequently, scrutiny has increasingly moved into these areas as part of SRC and Board deliberations. This has been facilitated by broader attendance now being seen in the Sustainable Resources Committee.</p>	Complete	Executive Director of Finance