

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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	11 May 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Assurance Report on Board Effectiveness Assessment 2021/22
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Joanne Wilson, Director of Corporate Governance/Board Secretary
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Charlotte Beare, Assistant Director of Risk & Assurance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

To comply with Standing Orders, the Board should introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups. This is one of the mandatory requirements set out within the Governance Statement (GS) that the Health Board prepares for Welsh Government.

This report is to provide the Audit and Risk Assurance Committee (ARAC) with assurance of the process the Health Board has undertaken to review the effectiveness of the Board, recognising this has been discussed, with the level agreed, by the Board at the Board Seminar meeting held on 20 April 2023.

**Cefndir / Background**

Section 10.2.2 of Standing Orders states ‘the Board shall introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups. Where appropriate, the Board may determine that such evaluation may be independently facilitated’.

Prior to COVID-19, the Health Board had identified itself as one of two NHS Wales organisations to pilot a new approach to the annual assessment of Board effectiveness. This was developed through the all Wales NHS Deputy Board Secretaries’ Forum, whose work is directed by the all Wales NHS Board Secretaries Network.

During the pandemic, the Chair and Chief Executive undertook an assessment of the Board’s effectiveness on behalf of the Board, and reported the Board’s maturity level to ARAC and the Board.

This year, the Board was asked in its seminar on 20 April 2022 to consider whether they agreed with the Chair and Chief Executive Officer’s initial assessment of the Board’s effectiveness during 2022/23. This assessment was based on the evidence provided from a

range of external and internal assurances provided to the Health Board on how it has performed during the year.

### Asesiad / Assessment

During 2022/23, the Health Board has undertaken or engaged in a number of assessments that provide internal and external sources of assurances to support the review of its annual effectiveness. At the Board Seminar on 20 April 2023, the Board reviewed the following assurances as part of this assessment:

- The Health Board has completed a self-assessment against the Corporate Governance in Central Governance Departments: Code of Good Practice 2017. The Health Board used the “Comply” or “Explain” approach in relation to the Code of Good Practice. The Self-Assessment is available at Appendix 1.
- Board Committee Effectiveness – There is a programme in place to ensure the Committees delegated by the Board review or undertake the following activity on an annual basis:
  - Terms of Reference and Operating Arrangements
  - Committee Self-Assessment of Effectiveness Exercise & 6 month follow up review of agreed actions
  - Committee Cycle of Business/Work Plan
  - Annual Committee Report on Activity to the Board
  - Ongoing work with the Chair of the Quality, Safety and Experience Committee to improve committee effectiveness and cross committee working (Appendix 2)
- Letter from Chair to Minister on Board Effectiveness – Following the recent Audit Wales review of Board Effectiveness at Betsi Cadwaladr University Health Board (BCUHB), Chairs from NHS Wales were asked to provide assurance on the following areas:
  - Proof of a unified and cohesive approach that drives necessary action
  - Working relationships that are sound and appropriate and which ensure maximum effectiveness
  - That the Board has a clear agreement on the level of risk it can absorb and its risk appetite
  - Special measures and their consequences on the behaviour of the Board
  - Methodology used to ensure that action in respect of external reviews has been enacted and is effective
  - The Board’s approach to strengthening senior leadership capacity and capability

A review has also been undertaken to identify the areas of weakness, these have been extracted and were considered and discussed at the Board Seminar on 20 April 2023.

### **External Sources of Assurance:**

- Joint Escalation and Intervention Arrangements status – In September 2022, the Welsh Government (WG) raised the escalation status of the Health Board from ‘enhanced monitoring’ to targeted intervention’ for finance and planning, as the Health Board has been unable to produce an approvable three-year IMTP or a finalised annual plan, and in recognition of the growing financial deficit. The Health Board remained in ‘enhanced monitoring’ for quality issues related to performance resulting in long waiting times and poor patient experience. The Escalation Status Report and the Health Board’s response were presented to the Audit and Risk Assurance Committee in October 2022 to advise of the escalated status.

Governance and scrutiny arrangements have been established within the Health Board and approved by the Board. WG have confirmed these arrangements represented a thorough and comprehensive approach, ensuring that effective oversight and accountability were balanced with a recognition of the demands currently faced by the organisation. While the Health Board can to a large degree demonstrate Board oversight of key concerns, it recognises that there is currently a 'gap' in the organisation's medium-term planning and that while there is a focus upon both its Annual Plan and its Ten-Year plan, further detail is required in terms of the steps to be taken to enable the Health Board to achieve the goals of its long-term plan, and to be de-escalated to routine monitoring status.

- Audit Wales (AW) Structured Assessment 2022 – As part of their annual review, AW reviewed 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. The full report is available here: [Annual Audit Report and Structured Assessment Report](#).

Overall, AW found that 'the Health Board has good governance arrangements in place at a corporate level, with a clear strategic vision, improving systems of assurance, and a strong focus on staff and patients. But the Health Board has been unable to produce a Welsh Government approvable Integrated Medium-Term Plan and is on track to deliver a significant financial deficit at the end of 2022-23. Further work is needed to streamline the Health Board's operational structure and performance management arrangements to support delivery'. Some of the positive work acknowledged by AW in the report included that the Health Board has:

- A very strong commitment to public transparency
- Arrangements in place to support the effective conduct of Board business and enable the Board and committees to work effectively
- Good quality information to support effective scrutiny, assurance, and decision making, and there remains a strong commitment at Board to hearing from patients and staff
- A robust approach to learning, development, and continuous improvement
- An effective Board Assurance Framework in place, and robust arrangements for managing risk
- Improving quality governance and information governance arrangements
- Effective arrangements in place for tracking audit and review findings and recommendations
- A clear vision for healthcare in West Wales supported by clear strategic objectives
- Robust arrangements for ensuring plans are aligned, stakeholder engagement, and embedding value-based healthcare are in place.
- Robust processes for monitoring and scrutinising delivery of the Health Board's strategic and operational plans.
- Appropriate arrangements for financial management and controls and there are comprehensive financial reports in place which are regularly scrutinised at Board and committees
- Robust arrangements in place to support staff well-being, which is seen as a significant priority
- A clear vision for both digital and its estate, but funding is a significant challenge
- Robust arrangements are in place for maintaining oversight and scrutiny of the estate, but some gaps exist with respect of digital.

There were 6 recommendations made in respect of the following:

1. Public transparency of Board business
2. Operational structure
3. Operational performance management arrangements
4. Expected outcomes
5. Implementation plans to support strategies
6. Financial sustainability plan

The [AW Structured Assessment Report 2022](#) was presented to the Audit and Risk Assurance Committee and Board in December 2022 and January 2023 respectively, with the [management response](#) to the 6 recommendations presented to ARAC in February 2023.

- Internal Audit Reports – ARAC has scrutinised internal audit reports throughout the year, seeking assurance on behalf of the Board that management responses are robust and will reduce risk in the areas reviewed. As at the February 2023 ARAC meeting, the number of internal reviews reported from the [IA Plan for 2022/23](#) were as follows:
  - Limited Assurance – 1
  - Reasonable Assurance – 14
  - Substantial Assurance – 6
  - No rating – 2
  - Still to be received in April/May ARAC – 12
- Internal Audit of Risk Management – The review evaluated the organisation-wide risk management arrangements and the development of the board assurance framework. It concluded **substantial assurance** overall on the basis that the Health Board has an effective risk management process in place, incorporating a robust Board Assurance Framework aligned to strategic objectives. One medium priority matter relating to the need to review and clarify the arrangements for monitoring principal risks within the BAF, was identified and has been addressed. The full report is available here: [Risk Management & Board Assurance Framework Final Internal Audit Report \(nhs.wales\)](#)
- Internal Audit of Performance Reporting and Monitoring – This audit reviewed the quality of information and effectiveness of the arrangements in place for the monitoring and reporting of performance. An overall **substantial assurance** rating was concluded, based on the systems in place for performance management and the progress made on implementing Improving Together, whilst acknowledging the programme is yet to be fully implemented. There were no matters arising requiring management attention, and the Improving Together Directorate Review sessions commenced in January 2023. The full report is available here: [Performance Monitoring & Reporting Final Internal Audit Report \(nhs.wales\)](#).
- Internal Audit of Quality and Safety Governance Framework – This audit reviewed the operational quality & safety governance arrangements in place at directorate level to ensure that issues fundamental to the quality and safety of services were managed, monitored and escalated, where appropriate. A **reasonable assurance** rating was provided, with two medium priority matters arising relating to the adoption of the standard terms of reference (ToR) and agenda templates by all directorates, and the quality of minutes to clearly evidence discussion of key issues. The full report is available here: [Quality and Safety Governance Framework Internal Audit Report \(nhs.wales\)](#).

- Internal Audit of Directorate Governance Withybush - The review was to establish whether the Directorate governance structures follow the principles set out in the Health Board's system of assurance and support the management of key risks. A **reasonable assurance** rating was concluded with one high priority matter arising due to finance matters not being discussed or monitored at an appropriate Directorate-level forum. The full report is available here: [Directorate Governance Review: Withybush Internal Audit Report \(nhs.wales\)](#)
- Internal Audit of Directorate Governance Glangwili - The review was to establish whether the Directorate governance structures follow the principles set out in the Health Board's system of assurance and support the management of key risks. A **reasonable assurance** rating was concluded overall with one high priority matter arising relating to the lack of appropriate record keeping in relation to sickness absences, to demonstrate compliance with the Managing Attendance at Work Policy The full report is available here: [Directorate Governance Review: Glangwili Internal Audit Report \(nhs.wales\)](#)
- Internal Audit of Fire Governance - This audit sought to establish and assess the arrangements in place for ensuring that recommendations from the Health Board's internal Fire Safety Governance review are implemented and effective. A substantial rating was concluded as all actions to address the recommendations identified in the Health Board's Internal Fire Safety Governance review were reported as completed as at July 2022. The full report is available here: [Fire Governance Internal Audit Report \(nhs.wales\)](#).
- Internal Audit of Financial Management – Due to be presented to ARAC in June 2023.
- Internal Audit of Strategic Transformation Programme Governance – Due to be presented to ARAC in June 2023.
- Internal Audit of Regional Integrated Fund – This review was to evaluate and determine the adequacy of systems and controls in place for the administration of the Regional Integration Fund (RIF). A reasonable assurance rating was concluded with one high priority matter arising, due to the lack of an agreed Memorandum of Understanding setting out the requirements of the Health Board in its role for the retention and issuing of investment funds, and risk sharing arrangements, and one medium priority finding in relation to the reporting of financial risk to the Health Board. The full report will be presented to the May ARAC meeting.
- Fire Enforcement Notices - The Health Board closed 2 Enforcement Notices issued by Mid and West Wales Fire and Rescue Service (MWWFRS), and continues to address the 4 outstanding Enforcement Notices. One additional Enforcement Notices have had all works completed, with the MWWFRS invited to inspect the completed work. Extensive fire safety improvement works are being undertaken at Withybush Hospital, Glangwili Hospital and at Bronglais Hospital from WG agreed funding, with regular progress updates reported to the HSC, which provides assurance to the Board on the work undertaken towards improving compliance.

The Board agreed that based on the evidence set out above, the overall level of maturity for the Health Board in respect of governance and Board effectiveness for 2022/23 is **Level 4** (no change from 2021/22). Despite the escalation status of the Health Board being raised in September 2022 to 'targeted intervention' for finance and planning, there is good practice and innovation being shared with other NHS organisations across the UK, and the Health Board continues to improve and demonstrate sustainable improvement throughout the organisation,

whilst recognising that there is further work required to maintain this level and to progress towards a level 5. The Board, through its governance structure, is fully congruent and acquainted with the fundamental challenges we need to address in the short, medium and long term.

Assessment Matrix level	Level 1	Level 2	Level 3	Level 4	Level 5
Tick the matrix box that most accurately reflects how your service is doing with this standard	We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve.	We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.	We have well developed plans and processes and can demonstrate sustainable improvement throughout the service.	We can demonstrate sustained good practice and innovation that is shared throughout the organisation and which others can learn from
				X	

The outcome of the above assessment will be included in the Governance Statement, and the Health Board will endeavour to address the areas of improvement and board development during 2023/24. The table below identifies what we are doing well, what we could improve and suggested Board training requirements.

<b>IN THE BOARD'S OPINION WHAT ARE WE DOING WELL?</b>	<ul style="list-style-type: none"> <li>• Corporate governance and management arrangements</li> <li>• Strategic and corporate risk management</li> <li>• Financial management arrangements</li> <li>• Corporate Performance monitoring and arrangements</li> <li>• Workforce planning</li> <li>• Corporate quality governance arrangements</li> </ul>
<b>IN THE BOARD'S OPINION WHAT COULD WE BE DOING BETTER?</b>	<ul style="list-style-type: none"> <li>• Public transparency of Board business</li> <li>• Operational structure</li> <li>• Operational performance management arrangements</li> <li>• Expected outcomes</li> <li>• Implementation plans to support strategies</li> <li>• Financial sustainability plan</li> <li>• Strengthen the Regional Partnership Board governance arrangements</li> <li>• Strengthening operational risk management</li> </ul>
<b>ARE THERE BOARD TRAINING/ DEVELOPMENT NEEDS?</b>	<p>Integrated Board Development sessions have been proposed as outlined below:</p> <ul style="list-style-type: none"> <li>• Reflection on Board Dynamics to date, Changes Ahead and Mission for the Future,</li> <li>• Six Emergent Issue Learning sessions to explore new policy development; All Wales requirements, etc.</li> <li>• Six Leadership Development sessions to stimulate strategic and divergent thinking for the future.</li> </ul>

## Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to take an assurance from the process that has been undertaken this year to review the Board's effectiveness, recognising this has been discussed by the Board at the Board Seminar meeting held on 20 April 2023.

<b>Amcanion: (rhaid cwblhau) Objectives: (must be completed)</b>	
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:	Internal and External sources of assurance listed in report
Rhestr Termiau: Glossary of Terms:	Contained in the report.
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to Audit and Risk Assurance Committee::	Chair Chief Executive Board

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	No direct impacts.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	No direct impacts.
<b>Gweithlu:</b> <b>Workforce:</b>	No direct impacts.
<b>Risg:</b> <b>Risk:</b>	No direct impacts.
<b>Cyfreithiol:</b> <b>Legal:</b>	No direct impacts.
<b>Enw Da:</b> <b>Reputational:</b>	Board effectiveness is a core component of good corporate governance, and it is essential that the Board addresses any areas of weakness.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	No direct impacts.
<b>Cydraddoldeb:</b> <b>Equality:</b>	No direct impacts.

**2022/23 HYWEL DDA UNIVERSITY HEALTH BOARD SELF ASSESSMENT AGAINST THE CORPORATE GOVERNANCE – CODE OF PRACTICE 2017**

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
<b>CGC 1</b>	Each organisation should have an effective board, which provides leadership for the business, helping it to operate in a business-like manner. The board should operate collectively, concentrating on advising on strategic and operational issues affecting the department's performance, as well as scrutinising and challenging departmental policies and performance, with a view to the long-term health and success of the organisation. (2.1 and 2.2)	<p>The Board is scheduled to meet every alternate month. During 2022/23, 3 extraordinary Board meetings were held. These were held for the following purposes:</p> <ol style="list-style-type: none"> <li>To approve the Annual Report and Accounts for 2021/22.</li> <li>To feedback on the land appraisal workstreams for the development of a new urgent and planning care hospital and approve the sites to be taken forward for public consultation.</li> <li>To approve the decision made by a Vacant Practice Panel in respect to provision of General Medical Services for patients of a local GP Practice to be transferred to a Health Board managed practice.</li> </ol> <p>A Board Cycle of Business is in place. This is developed on an annual basis and updated throughout the year.</p> <p>The Board routinely receives information on strategic activity, risk and performance matters as standing agenda items.</p> <p>The Annual Plan is scrutinised by the Board and its Committees.</p> <p>Joint Executive Team meetings are held with Welsh Government colleagues.</p> <p>The Board collaborates with partners and key stakeholders as described in the Annual Plan.</p> <p>During 2022/23, there has been stability at Board level with very limited changes made to the Executive Team and Independent Members (IMs).</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p>	Comply	<p>Board and Committee Minutes – demonstrate scrutiny and support.</p> <p>Board Papers.</p> <p>Board Work Plan 2022/23.</p> <p>Joint Executive Letters.</p> <p>AW Structured Assessment report 2022.</p>
<b>CGC 2</b>	<p>The Board does not decide policy or exercise the powers of the ministers. The organisation's policy is decided by ministers alone on advice from officials. The Board advises on the operational implications and effectiveness of policy proposals. The Board will operate according to recognised precepts of good corporate governance in business:</p> <ul style="list-style-type: none"> <li>Leadership – articulating a clear vision for the department and giving clarity about how policy activities contribute to achieving this vision, including setting risk appetite and managing risk</li> <li>Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous</li> </ul>	<p>The submission of a three year Integrated Medium Term Plan (IMTP) to Welsh Government (WG) is a statutory obligation. However, for an IMTP to be approvable it must show financial balance over the lifecycle of the Plan and, as such, HDdUHB has not produced an approvable Plan to date. Whilst a draft three year plan was approved for onward to submission to WG by Public Board on 31 March 2022, it was been agreed with WG that an annual plan set within a three-year outlook would be submitted to WG in July 2022 rather than an IMTP. The Health Board's updated Plan was subsequently submitted in draft form to WG on 8 July 2022, noting that it was subject to consideration at the Public Board meeting on 28 July 2022. However, WG wrote to the Health Board on 12 July and 20 July advising that the financial position laid out in the plan, a deficit of £62m, was unacceptable. Therefore, the Board remains in a position where it does not have sufficient assurance to approve an IMTP or an acceptable annual plan and as a consequence, WG has escalated the Health Board from enhanced monitoring to targeted intervention for planning and finance.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Strategic Planning Arrangements – Paragraph 39-61</p> <p>Managing Financial Resources – Paragraph 62-80.</p>	Comply	<p>Annual Plan 2022/23</p> <p>Annual Plan 2022/23 reports to Board during 2022/23</p> <p>CEO Reports to Board include updates on Escalation status</p> <p>Escalation Status update reports to ARAC</p> <p>Standing Orders and Standing Financial Instructions.</p> <p>AW Structured Assessment report 2022</p> <p>Well-being Statement.</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	<p>challenge and scrutinising performance</p> <ul style="list-style-type: none"> <li>Accountability – promoting transparency through clear and fair reporting.</li> <li>Sustainability – taking a long-term view about what the department is trying to achieve and what it is doing to get there.</li> </ul> <p>(2.3)</p>	<p>The Annual Plan outlines how the Health Board engages and ensures that it considers the principles of citizen engagement, the Wellbeing of Future Generations Act and also the Health Boards Wellbeing Statement.</p> <p>The Health Board adopted its revised Standing Orders in July 2022. The Standing Orders and Standing Financial Instructions (SFIs) are designed to translate the statutory requirements set out in the National Health Service Trusts (Membership and Procedure) Regulations 1990 (S.I.1990/2024) into day to day operating practice, and, together with the adoption of a Schedule of Decisions reserved to the Board of Directors; a Scheme of Decisions to Officers and Others, they provide the regulatory framework for the business conduct of the Health Board. These documents form the basis upon which the Health Board's governance and accountability framework is developed and, together with the adoption of its Values and Behaviour Framework and Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.</p>			
<b>CGC 4</b>	<p>The Board should meet on at least a quarterly basis; however, best practice is that boards should meet more frequently.</p> <p>The Board advises on five main areas:</p> <ul style="list-style-type: none"> <li>Strategic Clarity</li> <li>Commercial Sense</li> <li>Talented People</li> <li>Results focus</li> <li>Management information</li> </ul> <p>(2.4 and 3.10)</p>	<p>The Board meets every alternate month. During 2022/23, 3 extraordinary Board meetings were also held (see CGC 1 for further detail).</p> <p>There is a Board Cycle of Business in place, developed on an annual basis and updated throughout the year.</p> <p>Board agendas are divided into Good Governance, Quality and Safety, Delivering on our Purpose, Delivering our Plan, Assurance and Working in Partnership.</p> <p>The Board routinely receives information on strategic activity, improving patient experience, risk and performance, financial activity, workforce planning matters as standing agenda items.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p>	Comply	<p>Standing Orders and Standing Financial Instructions.</p> <p>AW Structured Assessment report 2022</p> <p>Board Annual Workplan</p>
<b>CGC 5</b>	<p>The Board also supports the accounting officer in the discharge of obligations set out in <i>Managing Public Money</i><sup>1</sup> for the proper conduct of business and maintenance of ethical standards.</p> <p>(2.7)</p>	<p>The Board approves the Accountability Report on an annual basis which includes the Statement by the Accountable Officer assuring the Board on the System of Internal Control.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Governance Arrangements – Paragraph 12-38.</p>	Comply	<p>Annual Accountability Report</p> <p>Board papers</p> <p>AW Structured Assessment 2022</p>
<b>CGC 6</b>	<p>Where Board members have concerns, which cannot be resolved, about the running of the department or a proposed action, they should ensure that their concerns are recorded in the minutes.</p> <p>(2.12)</p>	<p>Any concerns raised at Board and Committee meetings will be formally recorded in the minutes.</p> <p>The role of the Director of Corporate Governance (DoCG)/Board Secretary is to be responsible for ensuring these matters are effectively managed, recorded and resolved where possible.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p>	Comply	<p>Role of the DoCG/Board Secretary</p> <p>AW Structured Assessment report 2022</p> <p>Board and Committee Minutes – available on the Health Board Internet site.</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
<b>CGC 7</b>	The Board should have a balance of skills and experience appropriate to fulfilling its responsibilities. The membership of the board should be balanced, diverse and manageable in size. (3.1, 3.11, 3.12 and 3.13)	<p>Constitution is set out in the Organisation's Establishment Orders and the Health Board abides by this composition.</p> <p>Standing Orders also capture the composition of the Board.</p> <p>Executive Director skill mix is considered prior to recruitment to align with organisational objectives and required Executive Portfolios, and this is considered prior to new appointments. Recruitment process includes internal and external stakeholder panels. The Board is made up of 11 females and 10 males, with strengthened diversity through the Vice-Chairs of the Black, Asian, Minority, Ethnic Advisory Group being invited to attend Board meetings. Diversity of the Board has also been improved through the Board taking part in the Reverse Mentoring programme.</p> <p>The IM) roles are appointed in areas of expertise to ensure appropriate skill mix. Gaps between outgoing and incoming IMs have been minimal, with no implications on attendance or continuity at Board and committee meetings.</p> <p>Public Bodies Unit support the process – set criteria within an IM Role. Maximum of 2 tenures of up to 8 years.</p> <p>IM membership on Board Committees is rotated at appropriate times to ensure there is a mix and balance of experience across all meetings.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p> <p>Organisational Design – Paragraph 24-29.</p>	Comply	<p>Establishment Orders</p> <p>Standing Orders</p> <p>AW Structured Assessment report 2022</p>
<b>CGC 8</b>	The roles and responsibilities of all board members should be defined clearly in the department's board operating framework. (3.2)	<p>Constitution is set out in the Organisation's Establishment Orders and the Health Board abides by this composition.</p> <p>Standing Orders also outline the composition of the Board.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p> <p>Organisational Design – Paragraph 24-29.</p>	Comply	<p>Establishment Orders</p> <p>Standing Orders</p> <p>AW Structured Assessment report 2022</p>
<b>CGC 9</b>	The Finance Director should be professionally qualified. (3.3)	Executive Director of Finance is professionally qualified.	N/A	Comply	Recruitment and appointment documentation for the Executive Director of Finance
<b>CGC 10</b>	Independent Members will exercise their role through influence and advice, supporting as well as challenging the executive. (3.5)	<p>Annual Committee Self-Assessment process addresses the effectiveness of how Committees operate and conduct meetings, allowing debate and constructive challenge.</p> <p>Meeting principles adopted that support this constructive challenge.</p> <p>The WG IM training captures effective challenge and scrutiny role on the Board. There is also a local induction programme in place to advise Board Members on to discharge their role.</p> <p>Standing Orders outline the role of the Board Members.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p>	Comply	<p>AW Structured Assessment report 2022</p> <p>Standing Orders</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
		<p>Reflective exercise held at the end of each Committee meeting.</p> <p>Board Seminars which are held every other month provide the Board with the opportunity for debate on key issues facing the organisation, and enable IMs to influence and advise the Executive Team.</p> <p>A meeting of the committee chairs has been established which is a forum to triangulate information from the Committees which also enables IMs to influence and advise.</p> <p>As part of their roles, IMs also undertake engagement visits and quality visits across services within Hywel Dda, to gain knowledge and assurance on systems and processes, and will key findings are reported back to Committees on the key outcomes and themes.</p>			
<b>CGC 11</b>	The board should agree and document in its board operating framework a <i>de minimis</i> threshold and mechanism for board advice on the operation and delivery of policy proposals.	<p>Standing Orders detail how the Board regulates its proceedings and business.</p> <p>There is a Board Cycle of Business in place developed on an annual basis and updated throughout the year.</p> <p>The Terms of Reference Operating Arrangements for the Board Committees articulate their remit and the information that should be received. Committee Workplans are in place and updated throughout the year to support the flow of information through the Board Committees.</p> <p>The Scheme of Delegation outlines the information that should flow through to Board and its Committees as appropriate.</p> <p>The Scheme of Delegation for Officers details 'top level' delegations and responsibilities within the Health Board.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p>	Comply	<p>AW Structured Assessment report 2022.</p> <p>Committee Terms of Reference and Operating Arrangements</p> <p>Board and Committee Cycles of Business.</p> <p>Standing Orders and Scheme of delegation</p> <p>Scheme of Delegation for Officers</p>
<b>CGC 12</b>	The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including: <ol style="list-style-type: none"> <li>1. formal procedures for the appointment of new board members, tenure and succession planning for both board members and senior officials</li> <li>2. allowing sufficient time for the board to discharge its collective responsibilities effectively</li> <li>3. induction on joining the board, supplemented by regular updates to</li> </ol>	<p>IMs Terms of Office are monitored by the DoCG/Board Secretary to ensure succession planning is timely and managed in conjunction with the Public Bodies Unit in WG.</p> <p>Agenda planning is managed by the DoCG/Board Secretary in conjunction with the Chair and CEO to ensure adequate time is spent on the appropriate matters at Board meetings.</p> <p>The Health Board has a robust induction programme for IMs. This programme consists of the following areas to ensure that a robust and supportive induction plan is in place for all new Board appointments: <ul style="list-style-type: none"> <li>• Attendance at the Mandatory Welsh Government Induction Training.</li> </ul> </p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p>	Comply	<p>AW Structured Assessment report 2022</p> <p>Terms of Reference and Operating Arrangements</p> <p>Board and Committee Cycles of Business</p> <p>Standing Orders and Scheme of delegation</p> <p>Committee Terms of Reference</p> <p>Standing Operating Procedure for the Management of Board and Committees</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	<p>keep board members' skills and knowledge up-to-date</p> <p>4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively</p> <p>5. a mechanism for learning from past successes and failures within the departmental family and relevant external organisations</p> <p>6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members</p> <p>7. a dedicated secretariat with appropriate skills and experience (4.1)</p>	<ul style="list-style-type: none"> <li>• Provision of a detailed induction pack/manual which includes information about the role of each Board Committee, their role as a Trustee as well as an IM.</li> <li>• Core Induction Programme – planned within the first month, three months and six months. This includes meeting with Executive Directors, Directors and site visits</li> <li>• A mentoring / shadow arrangement with an existing/experienced IM.</li> <li>• To further support IMs ongoing development, the Chair undertakes regular and robust Personal Appraisal and Development reviews in accordance with WG guidance.</li> <li>• The Health Board has a schedule of Board Development Sessions throughout the year to discuss topical issues.</li> </ul> <p>Committee Terms of Reference direct that agenda and papers are circulated to members at least 7 days prior to meeting.</p> <p>The Standard Operating Procedure for the Management of Board and Committees provides guidance in relation to Board and Committee arrangements and management of papers.</p> <p>Report templates are continually reviewed to ensure they support effective reports being received at the Board.</p> <p>Dedicated Committee Services Officers support the Board and Committee business to ensure high quality and consistency of papers.</p> <p>Annual Board effectiveness assessment and annual Committee Self-Assessment of Effectiveness process ensures Board and Committees remains fit-for-purpose and identifies areas of improvement.</p>			<p>Board Effectiveness Assessment</p> <p>Committee Self-Assessment Reports</p>
<p><b>CGC 13</b></p>	<p>The terms of reference for the nominations committee will include at least the following three central elements:</p> <ul style="list-style-type: none"> <li>• scrutinising systems for identifying and developing leadership and high potential</li> <li>• scrutinising plans for orderly succession of appointments to the board and of senior management, in order to maintain an appropriate balance of skills and experience</li> <li>• scrutinising incentives and rewards for executive board members and senior officials, and advising on the extent to which these arrangements are effective at improving performance (4.5)</li> </ul>	<p>Remuneration and Terms of Service (RTSC) Committee Terms of Reference. The RTSC key responsibilities are as follows:</p> <p>With regard to its role in acting on behalf of the Board, and in providing advice and assurance to the Board, the Remuneration and Terms of Service Committee will comment specifically upon:</p> <ol style="list-style-type: none"> <li>1. Remuneration and terms of service for the Chief Executive, Executive Directors, other Very Senior Managers (VSMS) and others not covered by Agenda for Change; ensuring that the policies on remuneration and terms of service as determined from time to time by Welsh Government are applied consistently;</li> <li>2. Objectives for Executive Directors and other VSMS and their performance assessment;</li> <li>3. Performance management systems in place for those in the positions mentioned above and its application;</li> <li>4. Proposals to make additional payments to medical Consultants outside of normal terms and conditions;</li> <li>5. Proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination</li> </ol>		<p>Comply</p>	<p>RTSC Terms of Reference and Operating Arrangements.</p> <p>Board and Committee Cycles of Business</p> <p>Standing Orders and Scheme of delegation</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
		<p>payments in accordance with the provision of the Regulations and in accordance with Ministerial instructions;</p> <p>6. Consider and approve Voluntary Early Release applications and redundancy/severance payments in respect of Executive Director/Director posts, in line with Standing Orders and extant Welsh Government guidance. The Committee to be advised also of all Voluntary Early Release Scheme applications and severance payments;</p> <p>7. Approve any Strategic Advisor arrangements, including scope and pay;</p> <p>8. To approve the University Health Board's honours submission recommendations.</p>			
<b>CGC 14</b>	The attendance record of individual board members should be disclosed in the governance statement and cover meetings of the board and its committees held in the period to which the resource accounts relate. (4.6)	<p>Board Members attendance record for Board and Committees is captured in the Accountability Report on annual basis.</p> <p>Attendance at meetings is also considered at annual appraisal discussions.</p>		Comply	Accountability Report
<b>CGC 15</b>	Where necessary, board members should seek clarification or amplification on board issues or board papers through the board secretary. The board secretary will consider how officials can best support the work of board members; this may include providing board members with direct access to officials where appropriate. (4.10)	<p>This is the relationship between the DoCG/Board Secretary and the Board Members. Before each Board meeting, there is a pre-meeting with the Chair, IMs and the Director of Governance to discuss the Board papers.</p> <p>The role of the DoCG/Board Secretary is to act as principal advisor to the Board and the organisation as a whole on all aspects of governance and to ensure that it meets the standards of good governance set for the NHS in Wales.</p> <p>Regular IM meetings with Chair and DoCG/Board Secretary.</p> <p>Chairs of committees have also retained a touchpoint meeting with the relevant lead executive officer between committee meetings.</p>		Comply	<p>Board Secretary role description</p> <p>Standing Orders</p>
<b>CGC 16</b>	<p>An effective board secretary is essential for an effective board. Under the direction of the permanent secretary, the board secretary's responsibilities should include:</p> <ul style="list-style-type: none"> <li>developing and agreeing the agenda for board meetings with the chair and lead non-executive board member, ensuring all relevant items are brought to the board's attention</li> <li>ensuring good information flows within the board and its committees and between senior management and non-executive board members, including:</li> <li>challenging and ensuring the quality of board papers and board information</li> </ul>	<p>DoCG/Board Secretary works closely with the Chair and Chief Executive to agree the next Board agenda following each meeting.</p> <p>DoCG/Board Secretary attends Health Board Chairs and Independent Board Members meeting prior to Board to discuss agenda and papers.</p> <p>All draft Board papers are reviewed by the Chair and DoCG/Board Secretary prior to publication.</p> <p>DoCG/Board Secretary ensures that all Board papers are issued in accordance with Standing Orders.</p> <p>DoCG/Board Secretary ensures decision log is maintained.</p> <p>DoCG/Board Secretary led on the development of interactive handbook for IMs.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 14-23.</p> <p>Organisational Design – Paragraph 24 - 29</p>	Comply	<p>Board Secretary role description</p> <p>Standing Orders</p> <p>Interactive IM Handbook</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	<ul style="list-style-type: none"> <li>ensuring board papers are received by board members according to a timetable agreed by the board</li> <li>providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements</li> <li>ensuring the board follows due process</li> <li>providing assurance to the board that the department complies with government policy, as set out in the code</li> <li>adheres to the code's principles and supporting provisions on a comply or explain basis (which should form part of the report accompanying the resource accounts)</li> <li>acting as the focal point for interaction between non-executive board members and the department, including arranging detailed briefing for non-executive board members and meetings between non-executive board members and officials, as requested or appropriate</li> <li>recording board decisions accurately and ensuring action points are followed up</li> <li>arranging induction and professional development of board members (including ministers)</li> </ul> <p>4.11</p>	<p>DoCG/Board Secretary meets regularly with the Chair to discuss governance</p> <p>DoCG/Board Secretary attends Board Chair and</p>			
<b>CGC 17</b>	<p>Evaluations of the performance of individual board members should show whether each continues to contribute effectively and corporately and demonstrates commitment to the role (including commitment of time for board and committee meetings and other duties).</p> <p>4.14</p>	<p>Board Member Appraisal process in place.</p> <p>Committee Effectiveness Exercises.</p> <p>Attendance record reported in Accountability Report.</p>		Comply	<p>Accountability Report</p> <p>Appraisal Documentation and Process</p>
<b>CGC 18</b>	<p>All potential conflicts of interest for non-executive board members should be considered on a case by case basis. Where necessary, measures should be put in place to manage or resolve potential conflicts. The board should agree and document an appropriate system to record and manage conflicts and potential conflicts of interest of board members. The board should</p>	<p>The Health Board has an agreed process in place for managing Declarations of Interest.</p> <p>All Board Members are asked to formally declare on an annual basis and advised of their responsibility to notify of any changes in year.</p> <p>Declarations of interest are captured on a register which is available for public inspection, a link to which is included in the Accountability Report.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Board and committee effectiveness – Paragraph 18.</p>	Comply	<p>Standards of Behaviour Framework Policy</p> <p>Accountability Report</p> <p>Standing Orders</p> <p>Declarations of Interest Process and Register</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	publish, in its governance statement, all relevant interests of individual board members and how any identified conflicts, and potential conflicts, of interest of board members have been managed. 4.15	<p>A report on Declarations of Interest is received by the Audit and Risk Assurance Committee on an annual basis.</p> <p>Declarations of Interest are captured at the start of each Board and Committee meeting.</p> <p>The Standards of Behaviour Policy details the responsibility under Declarations of Interest.</p> <p>Standing Orders also outlines the responsibilities for Declarations of Interest.</p> <p>The Declarations of Interest form includes how declarations and potential conflicts are managed and these are recorded on the register.</p>			<p>Annual Report of the Adequacy of Arrangements for Declaring, Registering and Handling Interests, gifts and Hospitality presented to Audit and Risk Assurance Committee</p> <p>Structured Assessment 2022</p>
<b>CGC 19</b>	<p>The board should ensure that there are effective arrangements for governance, risk management and internal control for the whole departmental family. Advice about and scrutiny of key risks is a matter for the board, not a committee. The board should be supported by:</p> <ul style="list-style-type: none"> <li>an audit and risk assurance committee, chaired by a suitably experienced non-executive board member</li> <li>an internal audit service operating to <i>Public Sector Internal Audit Standards</i><sup>1</sup></li> <li>sponsor teams of the department's key ALBs (5.1 and 5.8)</li> </ul>	<p>The Audit and Risk Assurance Committee (ARAC) is chaired by the IM who is legally qualified, with a Vice-Chair with a financial background.</p> <p>NWSSP Internal Audit Services are appointed as the Health Board's Internal Auditors. The Annual Internal Audit Plan is informed by the Corporate Risk Register, Board Assurance Framework and previous audit work as appropriate.</p> <p>ARAC is provided with assurance on risk management activities through the Risk Assurance Report.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p>Internal Audit Risk Management and Board Assurance Framework (BAF) (June 2022) <i>Substantial Assurance rating</i></p>	Comply	<p>Structured Assessment 2022</p> <p>Internal Audit Report on Risk Management Arrangements/BAF</p> <p>Terms of Reference &amp; Operating Arrangements for the Audit and Risk Assurance Committee.</p> <p>Accountability Report</p> <p>Risk Assurance Report</p>
<b>CGC 20</b>	<p>The board should take the lead on, and oversee the preparation of, the department's governance statement for publication with its resource accounts each year.</p> <p>The annual governance statement (which includes areas formerly covered by the statement on internal control) is published with the resource accounts each year. In preparing it, the board should assess the risks facing the department and ensure that the department's risk management and internal control systems are effective. The audit and risk assurance committee should normally lead this assessment for the board (5.2 and 5.13)</p>	<p>The Governance Statement is included within the Accountability Report which is received by the Audit and Risk Assurance Committee to endorse prior to approval formally by the Board each year.</p>	<p>Audit Wales and Internal Audit receive and review the Accountability Report for comment and ensuring compliance with the Manual for Accounts.</p>	Comply	<p>Accountability Report</p> <p>Board and Committee Minutes</p> <p>Annual Report Timetable</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
<b>CGC 21</b>	<p>The board's regular agenda should include scrutinising and advising on risk management (5.3 and 5.10)</p>	<p>In 2022/23, the Health Board approved the following key documents within the Health Board:</p> <ul style="list-style-type: none"> <li>• Risk Management Framework</li> <li>• Risk Management Strategy</li> </ul> <p>The Health Board receives the following key documents within the Health Board:</p> <ul style="list-style-type: none"> <li>○ Board Assurance Framework (every other meeting)</li> <li>○ Corporate Risk Register (every other meeting)</li> </ul> <p>The Risk Appetite and tolerance levels are defined and approved by the Board.</p> <p>The Audit and Risk Assurance Committee provide assurance to the Board on the Risk and Assurance Framework.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Systems of Assurance – Paragraph 30-38.</p> <p>Internal Audit Risk Management and Board Assurance Framework (BAF) (June 2022) <i>Substantial Assurance rating</i></p>	Comply	<p>Board Cycle of Business</p> <p>AW Structured Assessment 2022</p> <p>Internal Audit Report on Risk Management Arrangements/BAF</p> <p>Corporate Risk Register reports to Board and Committees</p> <p>Board Assurance Framework Reports to Board</p> <p>Committee Update Reports to the Board</p>
<b>CGC 22</b>	<p>The key responsibilities of non-executive board members include forming an audit and risk assurance committee.</p> <p>The board and accounting officer should be supported by an audit and risk assurance committee, comprising at least three members.</p> <p>An audit and risk assurance committee should not have any executive responsibilities or be charged with making or endorsing any decisions. It should take care to maintain its independence. The audit and risk assurance committee should be established and function in accordance with the <i>Audit and risk assurance committee handbook</i>.</p> <p>The board should ensure that there is adequate support for the audit and risk assurance committee, including a secretariat function.</p> <p>The terms of reference of the audit and risk assurance committee, including its role and the authority delegated to it by the board, should be made available publicly. The department should report</p>	<p>Standing Orders are explicit that the Health Board as a minimum must establish Committees that cover certain aspects, one of which is the Audit and Risk Assurance Committee.</p> <p>Audit and Risk Assurance Committee established in 2010.</p> <p>The Terms of Reference and Operating Arrangements in respect of the Audit and Risk Assurance Committee are clear in relation to its authority and delegated responsibilities.</p> <p>DoCG/Board Secretary is the lead officer for the Audit and Risk Assurance Committee, however only IMs are 'members'. Officer members are invited to attend for individual agenda items.</p> <p>Full secretariat function in place supporting the Audit and Risk Assurance Committee.</p> <p>The Audit and Risk Assurance Committee Terms of Reference are published as an appendix to the Standing Orders on the Health Board's website.</p> <p>The Audit and Risk Assurance Committee also has its own webpage which publishes the Terms of Reference and papers for each meeting.</p> <p>Audit and Risk Assurance Committee Annual Report produced and presented to Board.</p>		Comply	<p>Standing Orders</p> <p>Terms of Reference for the Audit and Risk Assurance Committee</p> <p>Internet Site: Board Papers, Standing Orders and Statutory Committees of the Board webpages</p> <p>Audit and Risk Assurance Annual Report</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	<p>annually on the work of the committee in discharging those responsibilities</p> <p>Boards should ensure the scrutiny of governance arrangements, whether at the board or at one of its subcommittees (such as the audit and risk assurance committee or a nominations committee). This will include advising on, and scrutinising the department's implementation of, corporate governance policy. (5.4 and 5.9, 5.11, 5.12 and 5.14 and 5.15)</p>				
<b>CGC 22</b>	<p>The head of internal audit (HIA) should periodically be invited to attend board meetings, where key issues are discussed relating to governance, risk management processes or controls across the department and its ALBs (5.5)</p>	<p>The role of the HIA is clearly set out in Standing Orders.</p> <p>The HIA attends all Audit and Risk Assurance Committee meetings which report to Board.</p> <p>Audit and Risk Assurance Committee Terms of Reference state that the HIA has access to the Committee Chair.</p> <p>The HIA has a private meeting with members of the Audit and Risk Assurance Committee at least once a year.</p> <p>If there was anything specifically escalated to the Board then the HIA would be invited to attend.</p> <p>DoCG/Board Secretary has fortnightly meetings with HIA.</p> <p>Regular meetings between Chair of Audit and Risk Committee, HIA and CoCG/Board Secretary.</p>		Comply	<p>Standing Orders</p> <p>Terms of Reference for the Audit and Risk Assurance Committee</p> <p>Internet Site: Audit and Risk Assurance Committee webpage</p>
<b>CGC 23</b>	<p>The board should assure itself of the effectiveness of the department's risk management system and procedures and its internal controls. The board should give a clear steer on the desired risk appetite for the department and ensure that:</p> <ul style="list-style-type: none"> <li>there is a proper framework of prudent and effective controls, so that risks can be assessed, managed and taken prudently</li> <li>there is clear accountability for managing risks</li> <li>Departmental officials are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently.</li> </ul> <p>The board should also ensure that the department's ALBs have appropriate and</p>	<p>In 2022/23, the Health Board approved the following key documents within the Health Board:</p> <ul style="list-style-type: none"> <li>Risk Management Framework which sets out the foundation and organisational arrangements for supporting the risk management process in Hywel Dda</li> <li>Risk Management Strategy which sets out the key risk management objectives that the Health Board wants to achieve for the next 12 months.</li> </ul> <p>The Health Board's Risk Management Framework is based on the 3 lines of Defence model whereby management control is the first line of defence in managing risk, the various specialist functions such as Finance, Workforce, Quality, etc are the second line of defence, with the third line provided by independent assurance on effectiveness of the risk management framework.</p> <p>The Audit and Risk Assurance Committee receive a Risk Assurance Report which provides assurance on the effectiveness of the risk management framework and the implementation of the Risk Management Strategy.</p>	<p><b>Title:</b> AW Structured Assessment</p> <p><b>Reference Point:</b> Systems of Assurance – Paragraph 30-38.</p> <p>Internal Audit Risk Management and Board Assurance Framework (BAF) (June 2022) <i>Substantial Assurance rating</i></p>	Comply	<p>AW Structured Assessment 2022</p> <p>Internal Audit Report on Risk Management Arrangements/BAF</p> <p>Risk Management Framework</p> <p>Risk Management Strategy</p> <p>Corporate Risk Register reports to Board and Committees</p> <p>Board Assurance Framework Reports to Board</p> <p>Internet Site: Board Papers, Standing Orders and Statutory Committees of the Board webpages</p> <p>Staff intranet: risk management webpage</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	<p>effective risk management processes through the department's sponsor teams</p> <p>Advising on key risks is a role for the board. The audit and risk assurance committee should support the board in this role.</p> <p>(5.6, 5.7 and 5.10)</p>	<p>The Health Board has agreed and implemented its Risk Appetite and Tolerance levels.</p> <p>Managers take a lead on risk management and are responsible for role modelling a risk aware culture within their area. Managers receive training 121 training on the Health Board's Risk Information Management System.</p> <p>Tools, procedures and guides are available on the staff intranet site.</p> <p>Operational services are challenged on their risk management through the Executive operational Risk Reviews</p> <p>The Board receives the Board Assurance Framework and the Corporate Risk Register 3 times a year. Principal risks are aligned to the Board whereas each corporate risk is aligned to the Board's Committees who ensure that risks are being effectively managed on behalf of the Board.</p>			<p>Terms of Reference for the Audit and Risk Assurance Committee</p> <p>Committee Update Reports</p> <p>Risk Assurance Report</p>

## Proposed Annual Report and Self-Assessment Process for 2023/2024

The approach to Committee self-assessment and annual reporting needs to be proportionate, achievable and add value to our governance capability. It is an opportunity to reflect on the previous 12 months and learn from areas that the committee has helped to influence or drive improvements and areas where Committee could have had more focus on. The Committee update reports tell the Board what business the Board has undertaken at its meetings therefore the Annual Report needs to tell the Board what difference the Committee has made over the preceding 12 months. There is also an ambition to strengthen cross-committee collaboration and so progress towards this ambition will be overseen via this ongoing process of assessment.

### Future Annual Reporting

The Annual Reports will reflect the views of all members and support the Health Board to continuously learn and improve. They will:

- Detail at least 4 areas, aligned to the Health Board's priorities/planning objectives, that demonstrate that the Committee has made a positive difference in the preceding 12 months that will evidence that we have a functioning assurance approach at committee level, for example, areas that the Committee has uncovered and/or shone a light on and further work has been undertaken that have led to improvements or areas that the Committee has advised the Board that the risk needs to be tolerated unless we invest in that area.
- Incorporate reflection of some areas that did not go as well, for example, with benefit of hindsight, what would the Committee have done differently or have more focus on.
- Give the Board the opportunity to consider and understand the value the Committee has added over the preceding 12 months, areas where the Committee could have focused more, identify areas that Committees need to work together on, etc.
- Move away from reflection as an annual retrospective to an ongoing reflexive process in which we capture learning through year and take action accordingly, after each meeting in the 'Reflection' session, on what went well and why, what did not go as well and what are we going to do differently, and use these to inform the annual report.

### Future Committee Effectiveness Assessment process

The future Committee Effectiveness Assessment process will link and inform committee annual reporting in a staggered approach over the year (mindful of the need to comply with SO's), and will take the following format:

- All Committee membership and attendees (as per TORs) will be asked to complete a short digital form, using a rating scale to grade the Committee's effectiveness (e.g. on a scale of 1 to 5) and provide a short example to support their answer. This will include how it has worked with other Committees.
- Survey responses will be collated, along with feedback captured through the preceding 12 months from:
  - Committee Reflective Sessions (at end of meeting agenda)
  - IM Debrief Sessions (which follow every meeting)
  - Changes to risks and outcome measures aligned to the Committee
  - Any Internal or External Auditor or other regulator feedback
- An interactive session (approximately 90 minute) which will take the form of an in-person workshop to discuss the feedback from the above and develop action plan which will also identify areas that it can take forward with other committees.
- An outcome report which will:
  - Identify 4 areas that the Committee have added value (for the Committee Annual Report)
  - Reflect on areas that the Committee could have done better (for the Committee Annual Report)
  - form the basis of work for the Committee for next 12 months (an action plan for the Committee for next 12 months).