



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	05 May 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Assurance Report on Board Effectiveness Assessment 2020/21
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Board Secretary
SWYDDOG ADRODD: REPORTING OFFICER:	Charlotte Beare, Head of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

One of the mandatory requirements of the Annual Governance Statement (AGS) is that the Board undertakes an annual review of its effectiveness. This report is to provide the Audit & Risk Assurance Committee (ARAC) with assurance of the process the Health Board has undertaken to review the effectiveness of the Board.

Cefndir / Background

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.

Last year, as the Board were in the early stages of its COVID-19 response, the Chair and Chief Executive undertook an assessment of the Board's effectiveness during the previous year on behalf of the Board, and reported the Board's maturity level to ARAC and the Board as:

Level 3 - We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.

Given the current pressures, the same approach to assessing its effectiveness has been taken as last year, in that the Chair and Chief Executive considered a range of external and internal assurances provided to the Health Board on how it has performed during the year and agreed its maturity level as a Board. It is hoped that next year, this process will be undertaken as part of a Board Seminar discussion.

Asesiad / Assessment

During 2020/21, 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. The Chair and Chief Executive have reviewed the following assurances as part of this assessment:

Internal Sources of Assurance:

- 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 via [this weblink](#) (Appendix 1).
- Annual Assessment against Health and Care Standard 1 – Governance, Accountability and Leadership. The assessment is available via [this weblink](#) (Appendix 2).
- 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
 - Committee Cycle of Business/Work Plan
 - Annual Committee Report on Activity to the Board
 - Assurance Reports provided to ARAC on annual basis on whether Committees have discharged their Terms of Reference

External Sources of Assurance:

- Joint Escalation and Intervention Arrangements status – During 2020/21, in recognition of the continued good performance of the Health Board prior to the pandemic and the professional and considered way in which the Health Board responded to the extraordinary circumstances of the pandemic response, WG **reduced the Health Board’s escalation status from ‘targeted intervention’ to ‘enhanced monitoring’**. Further reduction in escalation status to ‘routine monitoring’ will be dependent on the Health Board’s future financial plans, which are intrinsically linked to successful delivery of the clinical strategy. The letter is available via [this weblink](#) (Appendix 3).
- Audit Wales (AW) Structured Assessment 2020 – this was undertaken at a time when NHS bodies were responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic. AW reported that ‘the Health Board worked within revised frameworks to discharge Board duties and maintain good governance throughout the COVID-19 pandemic. Adapting quickly to virtual meetings, the Board continued to conduct its business in an open and transparent way. Revised governance arrangements have supported rapid decision making and effective scrutiny, with a focus on learning and improvement embedded. Systems of assurance have also been maintained, with a strong focus on the quality and safety of services’. The Health Board received a positive report that concluded that the Health Board had **maintained good governance throughout the pandemic with no recommendations issued**, only a small number of improvement opportunities. This reflects the increasing maturity and confidence in the Board. The report is available via [this weblink](#) (Appendix 4).
- Draft Head of Internal Audit Opinion (HOIA) - Whilst the HOIA report will not be finalised until June 2021, the draft HOIA provides a ‘reasonable assurance’ rating. A small proportion of internal audits were postponed resulting in changes to the Internal Audit Plan which allowed the organisation to test its response to the pandemic in some areas such as Agility to flex workforce to COVID planning (substantial), Information technology in

response to COVID (substantial), Data Modelling (substantial) and the Vaccination Programme (advisory/no rating). The draft HOIA report is a separate agenda item.

- Internal Audits – Internal Audit undertook a rapid review of Governance Arrangements during the COVID-19 Pandemic. This was an advisory report which found that the Health Board's **response to COVID-19 was positive overall** and that **governance arrangements operated effectively** during the peak of the pandemic and complied with the guidance and the principles issued by Welsh Government. The report is available via [this weblink](#) (Appendix 5).
- Internal Audit of Health and Care Standards (HCS) – Internal Audit reviewed the Health Board's self-assessment against the HCS and awarded a **'substantial' assurance** rating which highlighted that further positive progress has been made since the previous review in 2019/20. Internal Audit reports that the **maturity of the embedded Health and Care Standards within the organisation's governance framework has resulted in information for each standard being reported through to the Board and fully adopted into day-to-day practices**. The report is available via [this weblink](#) (Appendix 6).
- Internal Audit of Quality Governance Arrangements – The Internal Audit review awarded a **'reasonable' assurance rating**. The audit concluded that the Health Board has **made progress in embedding governance arrangements** to review and progress quality and safety issues within the sampled directorates. Management should continue to rollout the embedding of quality and safety across other directorate and service governance groups, including lessons learned. The business goals of the quality and safety groups were clearly found to be driven by the directorate's risks. However, it was noted that some directorates do not regularly submit their risk registers for review. Two medium priority findings were highlighted in regard of inconsistencies identified within the sampled Quality and Safety Governance Group terms of reference and the lack of regular progress and action reports. The report is available via [this weblink](#) (Appendix 7).
- Internal Audit of Standards of Behaviour – Internal Audit review evaluated the adequacy of the systems and controls in place within the Health Board for the management of Standards of Behaviour Framework. This policy should be in place in all Health Boards that sets out the arrangements for ensuring that all staff comply with the Welsh Government's Citizen-Centred Governance Principles. The audit provided **'reasonable assurance'** and identified a number of medium priority findings where controls could be strengthened relating to the processes and controls, including lessons learned during the COVID-19 pandemic, are required to be reflected in the Standards of Behaviour Policy; the instances of 'Nil Return' declaration forms to be recorded on the staff declaration of interest register; and instances where a 'Gifts, Hospitality, Honoraria and Sponsorship Form' had not been completed and authorised for items listed on the registers. The report is available via [this weblink](#) (Appendix 8).
- HSE Improvement Notices – During 2020/21, the Health Board has continued to address the findings from the 8 Improvement Notices and 13 Material Breaches issued by the Health and Safety Executive in October 2019. The HSE undertook a follow up visit in January 2021 and reissued new timescales for the remaining 4 Improvement Notices and 5 Material Breaches. This is supported by the recent Internal Audit on Health and Safety which provided **'reasonable assurance'**. The report is a separate agenda item.
- Fire Enforcement Notices – Work also progressed to address the Fire Enforcement Notices during 2020/21. The Health Board continues to work to address the 6 outstanding Enforcement Notices issued by the Mid and West Wales Fire and Rescue Service and has

recently been issues with a '**substantial**' assurance' rating from Internal Audit in respect of its 'Management of Fire Enforcement Notices'. The report is available via [this weblink](#) (Appendix 9).

The Chair and Chief Executive have considered the evidence set out above and agreed the overall level of maturity for the Health Board in respect of governance and Board effectiveness for 2020/21 as **Level 4** (an increase from last year's assessment of level 3). The Health Board recognises that it has only just moved into level 4 and therefore work is needed to maintain this level and to progress towards a level 5.

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 AGS, and the Health Board will endeavour to address the areas of improvement and board development during 2021/22. The table below identifies what we are doing well, what we could improve and suggested Board training requirements.

IN THE BOARD'S OPINION WHAT ARE WE DOING WELL?	<ul style="list-style-type: none"> • Corporate governance and management arrangements • Pandemic response and management • Strategic planning • Financial management arrangements • Workforce planning • Engage wider workforce in the change agenda
IN THE BOARD'S OPINION WHAT COULD WE BE DOING BETTER?	<ul style="list-style-type: none"> • Implement quality and safety governance arrangements • Strengthen the Regional Partnership Board governance arrangements • Managing the challenges in unscheduled care to improve performance • Performance management • Financial planning to demonstrate management within resources and to attain an approvable plan.

	<ul style="list-style-type: none"> Align the Board Assurance Framework to support implementation of the Health Board's strategy
ARE THERE BOARD TRAINING/ DEVELOPMENT NEEDS?	<ul style="list-style-type: none"> Redesign Independent Member (IM) development, Executive Director (ED) development and joint IM/ED development in 2021/22 Tailored local induction and attendance at national induction for new independent members in 2020/21

Argymhelliad / Recommendation

Whilst the process has not been as inclusive as it could be due to COVID-19, the Audit & Risk Assurance Committee is asked to take an assurance from the process that has been undertaken this year to review the Board's effectiveness.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	N/A
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 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:	Internal and External sources of assurance listed in report
Rhestr Termiau: Glossary of Terms:	Contained in the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Chair Chief Executive Chair of Audit and Risk Assurance Committee

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