

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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	14 December 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Capital Governance Review
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies, Director of Operational Planning & Strategic Development
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Lee Davies, Director of Operational Planning & Strategic Development

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

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

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

This report presents the Audit & Risk Assurance Committee (ARAC) with the Management Response to the Capital Governance Review, which was presented to ARAC in October 2021.

**Cefndir / Background**

Following discussions at ARAC on 10<sup>th</sup> June 2021, the Committee requested that an internal Capital Governance Review be undertaken, and a report be prepared for the October 2021 meeting.

The report was presented to ARAC on 19<sup>th</sup> October 2021 and the Committee requested that a management response and action plan be prepared.

**Asesiad / Assessment**

The review made the following recommendations:

Continue with the following work already commenced in the following areas:

- Standardisation of documentation being used for projects
- Checklist of items for sign off & assurance
- Complete the Capital Project Management framework
- Sign off to the contract type and level of damages included at internal business case approval
- Continue with a rolling programme for the Lessons Learnt and Post Project Evaluation and the development of a Lessons Learnt log
- Review the Terms of Reference for Capital, Estates, and Information Management & Technology Sub-Committee (CEIM&TSC) and subgroups to reflect the new Committee structure and requirements for the future

Further consideration be given to the following areas:

- Setting up of an internal scrutiny process for business cases prior to them being finalised and presented to CEIM&TSC for approval

- Consideration be given to whether CEIM&TSC and the Groups that sit underneath it should have delegated approval limit
- The current and future capacity of the existing core teams who support the capital process to deliver the UHB's ambitious capital agenda
- For future complex schemes the UHB might want to consider the resourcing of additional scrutiny of the Supply Chain Partner, dependent on a legal review of the implications of doing so
- Consider the appointment, training and backfilling of Project Directors' time
- The process for the prioritisation of schemes for the Infrastructure Investment Enabling Plan

The management response and action plan to these recommendations are attached as Appendix 1 to this report.

The delivery of this action plan will be monitored through the Strategic Development and Operational Delivery Committee (SDODC).

**Argymhelliad / Recommendation**

The Audit & Risk Assurance Committee is asked to take assurance from the management response and action plan prepared.

**Amcanion: (rhaid cwblhau)**

**Objectives: (must be completed)**

Committee ToR Reference  
Cyfeirnod Cylch Gorchwyl y Pwyllgor

3.1 The Committee shall review the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

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:

Not applicable

Safon(au) Gofal ac Iechyd:  
Health and Care Standard(s):

Governance, Leadership and Accountability

Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 4. The best health and wellbeing for our individuals, families and communities 5. Safe sustainable, accessible and kind care 6. Sustainable use of resources
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Audit Reports Capital Investment Guidance
Rhestr Termau: Glossary of Terms:	Contained within the body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Capital Estates and IM&T Sub-Committee Strategic Delivery and Operational Planning Committee Estates, Finance and Planning Teams

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Not applicable
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not applicable
<b>Gweithlu: Workforce:</b>	Not applicable
<b>Risg: Risk:</b>	Not applicable
<b>Cyfreithiol: Legal:</b>	Not applicable
<b>Enw Da: Reputational:</b>	Not applicable
<b>Gyfrinachedd: Privacy:</b>	Not applicable
<b>Cydraddoldeb: Equality:</b>	Not applicable

<b>Action Plan – November 2021</b>				
	<b>Action</b>	<b>Management Response</b>	<b>Responsibility</b>	<b>Completion</b>
1	Develop a Capital Project Management Framework	Work in progress	Capital Planning Team	February 2022
2	Develop Standardised Project Governance Documentation including a checklist for sign off and assurance	Work in progress	Capital Planning Team	February 2022
3	Sign off to the contract type and level of damages included at internal business case approval	Complete	Estates & Capital Planning Team	Already actioned
4	Continuation of Post Project Evaluation and Lessons Learnt Evaluation	Programme of work agreed	Capital Planning Team	Already actioned
5	Develop a Lessons Learnt Log	Work in progress	Capital Planning Team	December 2021
6	Terms of Reference for CEIM&T to be reviewed	For November CEIM&T	Capital Planning Team	January 2022
<b>Consideration</b>				
7	Setting up of an internal scrutiny process for business cases prior to them being finalised and presented to CEIM&T for approval	Work will be undertaken to develop a proposal and draft terms of reference for Executive Team to consider. This will cover how the process will be resourced and ensure upfront scrutiny and approval prior to CEIM&T submission	Capital Planning Team	March 2022
8	Consideration be given if CEIM&T and the Groups that sit underneath it should have delegated approval limit	Review the current capital approval framework documentation and delegated capital approval limits with the		

		Governance Team. SBAR to May CEIM&T	Capital Planning Team with input from the Governance Team	May 2022
9	The current and future capacity of the existing core teams who support the capital process to deliver the UHB's ambitious capital agenda	<p>As part of the A Healthier Mid and West Wales PBC development a resource gap analysis is being undertaken which will inform an SBAR for Executive Team consideration. This will inform our discussions with Welsh Government to enable us to take the PBC onto OBC development.</p> <p>The Director of Estates is also undertaking a similar exercise as part of the progression of the Major Infrastructure PBC.</p>	<p>Capital Planning Team</p> <p>Director of Estates</p>	<p>December 2021</p> <p>March 2022</p>
10	For future complex schemes the UHB might want to consider the resourcing the additional scrutiny of the SCP	The Health Board will assess the risk at the commencement of the project FBC stage. The availability of funding from WG would also need to be tested and approved as part of the resource schedule for FBC development.	Capital Planning & Estates Team	Development of next FBC
11	Consideration of Project Director role	Given the significant step up in the UHB's aspiration to deliver capital projects over the next few years Project Director roles for specific projects will		

		<p>have to be full or part time roles.</p> <p>On their appointment specific agreement for time allocation and resourcing and backfill will need to be agreed.</p> <p>The operational impact on costs will need to be reflected in the appropriate Appointment Certificates and the Executive Director signature whose portfolio the Project Director sits will need to confirm that they are satisfied with these arrangements if they are not the Senior Responsible Owner</p>	Capital Planning & Estates Team	Next project Director appointment
12	Training for Project Director	<p>For the Project Directors that will be appointed for the specific AHMWW projects specific training sessions will be organised and facilitated to include the WG Assurance Hub, NWSSP Audit and Assurance input.</p> <p>For smaller Projects specific SRO/PD facilitated sessions with NWSSP Audit and Assurance will be organised</p> <p>Develop a PD Pocket Guide</p>	<p>Capital Planning Team</p> <p>Capital Planning Team</p> <p>Capital Planning Team</p>	<p>As appointed</p> <p>As appointed</p> <p>May 2022</p>

13	Review the resourcing of capital projects for Project Director	As point 11 above	As point 11 above	As point 11 above
14	The process for the prioritisation of schemes for the Infrastructure Investment Enabling Plan	<p>Work has already been undertaken on the development of a prioritisation matrix for the allocation of part of the UHB's discretionary programme.</p> <p>WG Planning Framework call out the need to prioritise the bids for All Wales Capital.</p> <p>The prioritisation framework will need to link with the</p> <ul style="list-style-type: none"> <li>• UHB Strategic objectives</li> <li>• UHB's Planning Objectives</li> <li>• Implementation of AHMWW Strategy</li> <li>• Business continuity</li> </ul>	Capital Planning Team with feedback from CEIM&T	January 2022