

Annual Recovery Plan and Planning Objectives

Final Internal Audit Report

October 2021

Hywel Dda University Health Board

NWSSP Audit and Assurance



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Acknowledgement

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Executive Summary

Purpose

The purpose of the review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board for the development and management of the Annual Recovery Plan and Planning Objectives.

Overview

Overall, we identified satisfactory reporting, governance and assurance arrangements in place, with plans and required documents in place to support the strategic and planning objectives that underpins the Annual Recovery Plan.

Whilst no high priority issues for reporting in our review, a number of medium priority findings were highlighted to further enhance the completeness and clarity of submitted documents and plans.

Report Classification



Reasonable

Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Trend

N/A

Assurance summary¹

Assurance objectives	Assurance
1 Development of the Annual Recovery Plan and delivery of Planning Objectives	Reasonable
2 Appropriate Reporting, governance and assurance arrangements	Substantial

Matters Arising

		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Missing Planning Objective	1	Operation	Low
2	Technical Documents	1	Operation	Medium
3	Planning Objective Plans	1	Operation	Medium

¹ The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

- 1.1 The review of the Annual Recovery Plan and Planning Objectives was completed in line with the 2021/22 Internal Audit Plan. The Executive lead for this review was the Director of Strategic Development & Operational Planning.
- 1.2 The introduction of the *NHS Finance (Wales) Act 2014* by the Welsh Government (WG) required all Local Health Boards in Wales to produce an Integrated Medium Term Plan over a three-year period that demonstrates financial balance and achievement of NHS Outcomes performance targets.
- 1.3 Following the outbreak of the Covid-19 pandemic in 2020, the WG's fluid approach to the planning framework has resulted in Health Boards and Trusts requiring to develop an Annual recovery plan for 2021/22.
- 1.4 The following inherent risks were considered during this audit:
 - the Annual Recovery Plan fails to deliver the Health Board's objectives; and
 - objectives and targets are not met due to inadequate monitoring and scrutiny mechanisms.

2. Detailed Audit Findings

Objective 1: The Annual Recovery Plan 2021/22 has been developed to ensure delivery of the Health Board's strategic planning objectives, with the development process ensuring engagement across the organisation to address key challenges with appropriate actions in place to deliver plans and objectives

- 2.1 In July 2020, a revised approach to the identification and development of strategic and planning objectives was undertaken to identify gaps and opportunities in the Annual Recovery Plan 2021/22. A '*Strategic Discover Report*' was submitted to the Health Board in July 2020 that reviewed the strategic aims set out in the *A Healthier Mid and West Wales* document and the impact the Covid-19 pandemic has had in achieving the long-term strategic goals through collating lessons learned and the identification of collective priorities and ambitions from a number of sources.
- 2.2 The paper '*Developing the 3 Year Plan for the Period 2021/22 – 2023/24 – Strategic and Planning Objectives*' was submitted to the Health Board in September 2020 that outlined the development of a three-year plan, incorporating the lessons learned from the Covid-19 pandemic, resulting in the identification of six new strategic objectives.

1	Putting people at the heart of everything we do	4	The best health and wellbeing for individuals, families and our communities
2	Working together to be the best we can be	5	Safe, sustainable, accessible and kind care
3	Striving to delivery and develop excellent services	6	Sustainable use of resources

- 2.3 Concluding the identification of the strategic objectives, the Health Board undertook a mapping exercise to identify the various objectives and commitments assigned corporately, and within directorates and services. The identified objectives and commitments were assigned to the applicable strategic objective and consolidated into the planning objectives included in the Annual Recovery Plan 2021/22.
- 2.4 A review of the Strategic Discover Report was undertaken and confirmed that issues raised in the Strategic Discovery Report were incorporated in the planning objectives for 2021/22. Whilst all the planning objectives were listed in the Annual Recovery Plan 2021/22, detailed information and narrative for one planning objective (3C) had not been explicitly reflected in the document. **[Matter Arising 1]**
- 2.5 The NHS Wales *Annual Planning Framework 2021-22* states that the Health Board's annual plan must be supported by seven defined enablers. Concluding a review of the Health Board's completed enablers (a mixture of technical and strategy documents), we can confirm that they addressed the topic areas required by WG. However, we noted inconsistencies in the information included in the technical and strategy documents with the lack of deliverable target dates, responsible officers

and clarity in their alignment to the strategic and planning objectives. **[Matter Arising 2]**

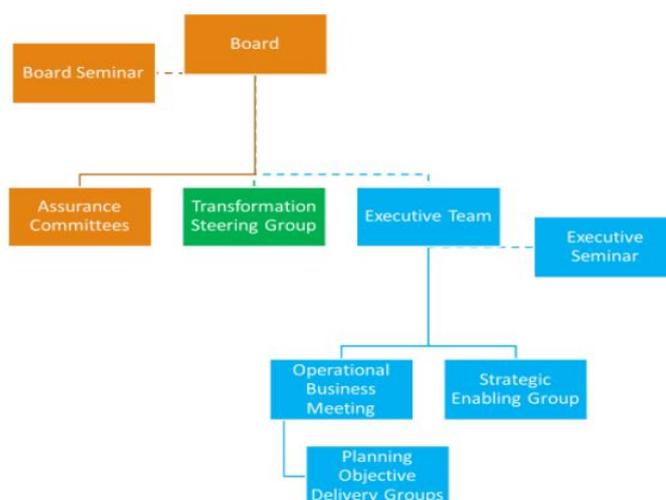
- 2.6 Responsibility for the delivery of the planning objectives were allocated to Executive Directors based on their portfolios. The Health Board adopted a 'Plan on a Page' approach in the development of the planning objectives for 2021/22. Through engagement with directorates and services, a 'Plan on a Page' was required to be developed detailing how they would meet the planning objective.
- 2.7 We can confirm that a 'Plan on a Page' template was used to capture the required information including project scope, outcomes, governance, risks, delivery dates and responsible officers. A review of submitted 'Plan on a Page' identified that the templates had been fully completed for the majority. However, we identified four 'Plans on a Page' that were incomplete and were missing key information, such as risks not being scored, no target completion dates and lack of identified officers. In addition, some planning objectives have yet to have a plan developed to date. **[Matter Arising 3]**

Conclusion:

- 2.8 This has resulted in a Reasonable assurance rating.

Objective 2: The Health Board has established appropriate reporting, governance and assurance processes

- 2.9 The Command and Control Structure was established at the start of the Covid-19 pandemic and was formally stood down in July 2021 with a new reporting structure implemented. Confirmation of the revised structure and governance was presented and approved by the Health Board in July 2021.



- 2.10 In addition to the organisation's revised reporting structure, a paper was submitted to the Health Board meeting in September 2021 that set out a refreshed Board

Assurance Framework (BAF) report. The new report will provide the Board with a visual representation of the organisation's progress against each strategic objective in a dashboard format.

2.11 The Executive Team informed committee leads in September 2021 that strategic and planning objectives would be aligned to the appropriate assurance committee of the Board. The assurance committees are responsible for the scrutiny and progress of the objectives that will be used to feed into the BAF dashboard.

2.12 Quarterly progress reports providing updates on all of the planning objectives for that period will be submitted to the SDODC. We can confirm that the quarterly and BAF dashboard reports have been included in the SDODC workplan for 2021/22, with the Quarter 1 report submitted to the meeting in August 2021 and the Health Board in September 2021.

Conclusion:

2.13 This has resulted in a Substantial assurance rating.

Appendix A: Management Action Plan

Matter Arising 1: Missing Planning Objective (Operation)		Impact
Whilst all the planning objectives were listed in the Annual Recovery Plan 2021/22, detailed information and narrative for one planning objective (3C) had not been explicitly reflected in the document.		Potential risk of: <ul style="list-style-type: none"> the Annual Recovery Plan fails to deliver the Health Board's objectives.
Recommendations		Priority
Management should ensure all planning objectives are referenced in future annual plans for completeness.		Low
Agreed Management Action	Target Date	Responsible Officer
The planning process for the 2022/25 Integrated Medium Term Plan has begun. This includes a review of all Planning Objectives, and these will form the key deliverables for the Plan. The Health Board will ensure that all Planning Objectives are included in future iterations of the Plan.	31 st January 2022	Lee Davies (Director of Strategic Developments and Operational Planning)

Matter Arising 2: Technical Documents (Operation)		Impact
<p>Concluding a review of the completed technical documents, we can confirm that plans were in place for the enablers. However, we noted inconsistencies with technical documents lacking key information such as no deliverable target dates, responsible officers or clarity in their alignment to the strategic and planning objectives.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> the Annual Recovery Plan fails to deliver the Health Board’s objectives.
Recommendations		Priority
<p>Management should ensure the structure and contents of submitted technical documents are consistent to enable key information to be aligned to the current year's strategic and planning objectives.</p>		<p>Medium</p>
Agreed Management Action	Target Date	Responsible Officer
<p>As part of the development of the technical documents to support the Integrated Medium Term plan, the Health Board will ensure that there is greater alignment to the strategic and planning objectives.</p> <p>To support this, guidance will be provided to all authors of the technical documents to ensure better alignment with the strategic and planning objectives.</p>	<p>31st January 2022</p>	<p>Lee Davies (Director of Strategic Developments and Operational Planning)</p>

Matter Arising 3: Planning Objective Plans (Operation)		Impact
<p>We identified four 'Plans on a Page' that were incomplete and were missing key information, such as risks not being scored, no target completion dates and lack of identified officers. In addition, some planning objectives have yet to have a plan developed to date.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> the Annual Recovery Plan fails to deliver the Health Board's objectives.
Recommendations		Priority
<p>Management should ensure that 'Plans on a Page' for every planning objective is promptly developed and fully completed with key information before their submission.</p>		<p>Medium</p>
Agreed Management Action	Target Date	Responsible Officer
<p>The plans on a page for the 2021/22 Annual Plan will be reviewed to ensure all key information is completed.</p> <p>All new or revised Planning Objectives for the 2022/25 Integrated Medium Term Plan, will be supported by 'plans on a page'. The Health Board will ensure that all key information is completed prior to submission.</p>	<p>31st January 2022</p>	<p>Lee Davies (Director of Strategic Developments and Operational Planning)</p>

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.



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