

**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	09 June 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Assurance Report on Board Effectiveness Assessment 2021/22
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

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 Board with assurance of the process that has undertaken to review its effectiveness during 2021/22.

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.

Over the previous two years, as the Board was focussed on its COVID-19 response, 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, as the Board and Committees are operating as normal, the Board was asked at its Board Seminar on 7th April 2022 to consider whether it agreed with the Chair and Chief Executive Officer's initial assessment of the Board's effectiveness during 2021/22. 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. The assessment was also presented to the Audit and Risk Assurance Committee on 5th May 2022.

Asesiad / Assessment

During 2021/22, 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 at Appendix 1.
- Annual Assessment against Health and Care Standard 1 – Governance, Accountability and Leadership. The assessment is available at 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 & 6 month follow up review of agreed actions
 - 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 – The Health Board has remained in ‘enhanced monitoring’ status throughout 2021/22, following its de-escalation from ‘targeted intervention’ in 2020/21. 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 from Welsh Government is available at Appendix 3A and the Health Board’s response at Appendix 3B.
- Audit Wales (AW) Structured Assessment 2021 – In 2021, AW Structured Assessment work was split into 2 phases of work, the first phase examined the operational planning arrangements within the UHB. This was presented to the Audit and Risk Assurance Committee (ARAC) in June 2021. The full report is available here: [Hywel Dda University Health Board – Structured Assessment 2021: Phase1 Operational Planning Arrangements \(audit.wales\)](#). The overall conclusion from Phase 1 was: ‘*the Health Board’s arrangements for developing operational plans are generally effective, although it does not have the processes necessary to monitor and review progress in delivering its priorities*’. There were 4 recommendations

The Structured Assessment 2021 (Phase 2 – Corporate Governance and Financial Management Arrangements Report: Hywel Dda University Health Board) considered how corporate governance and financial management arrangements have adapted over the last 12 months. The key focus of the work was on the corporate arrangements for ensuring that resources were being used efficiently, effectively, and economically. AW also

considered how business deferred in 2020 was reinstated and how learning from the pandemic shaped future arrangements for ensuring good governance and delivering value for money. AW also sought to gain an overview of the Board's scrutiny of the development and delivery of the Health Board's 2021-22 Annual Recovery Plan. The overall conclusion from Phase 2 was that *'the Health Board has effective Board and committee arrangements, is committed to high quality services and staff wellbeing, and has well-developed plans which are now routinely monitored. A number of innovative approaches have been adopted to aid scrutiny and assurance, and although operational arrangements for risk and quality governance have posed some risks, improvement action is now underway.'* Some of the positive work acknowledged by AW in the report included that the Health Board:

- conducts its business in an open and transparent way and has maintained good governance arrangements and has made a number of positive changes to its committee structures.
- is laying the foundations to deliver its longer-term strategic intent and has good mechanisms in place to monitor and scrutinise delivery of its plans.
- has developed an innovative approach to enable effective scrutiny of strategic risks and outcomes is in place through the interactive Board Assurance Framework and performance dashboard.
- has maintained appropriate financial controls and monitoring and reporting is robust.
- continues to maintain appropriate financial controls and is working hard to strengthen financial management to support longer term sustainability.

The Health Board received a positive report with no new recommendations however several minor improvement opportunities were noted through the report which will be followed up as part of the 2022 review. The full report is available here: [Hywel Dda University Health Board - Structured Assessment 2021: Phase 2 Corporate Governance and Financial Management Arrangements](#).

- [Audit Wales Review of Quality Governance Arrangements – HDdUHB](#) – The audit examined whether the organisation's governance arrangements support delivery of high quality, safe and effective services. It tested the 'floor to Board' perspective by drawing on the findings from a previous local review of operational quality and safety arrangements, and focused on both the operational and corporate approach to quality governance, organisational culture and behaviours, strategy, structures and processes, information flows and reporting. Audit Wales overall conclusion was that *'the Health Board is committed to providing safe, high quality services and has aligned its strategy and plans with risk and quality improvement. While corporate structures and resources provide effective support for quality governance and improvement, inconsistencies in operational arrangements and weaknesses in operational risk management limit the provision of assurance. Monitoring and scrutiny of the quality and safety of services is being strengthened through increased use of quality outcome measures'*. The full report is available here: [Review of Quality Governance Arrangements - Hywel Dda University Health Board](#).

Internal Audit Reports - Whilst there have been changes to the Audit Plan agreed for 2021/22, these did not affect the ability of the Head of Internal Audit to provide an annual opinion (to be presented to the Board as separate item). The Head of Internal Audit has concluded for 2021/22:

Reasonable assurance



The Board can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

ARAC have approved adjustments to the plan and have 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.

- Internal Audit of Financial Planning, Monitoring and Reporting - The Internal Audit review evaluated the processes surrounding the management, co-ordination, monitoring and reporting of budgets. There were 3 medium priority matters which are being addressed by management. The overall rating of 'reasonable assurance' was issued on the basis of the systems and process in place, whilst acknowledging the ongoing financial challenges. The full report is available here: [Final Internal Audit Report - Financial Planning, Monitoring and Reporting \(nhs.wales\)](#)
- Internal Audit of Annual Recovery Plan / Planning Objectives - 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. The audit provided 'reasonable assurance'. There were 2 medium and 1 low priority findings to further enhance the completeness and clarity of submitted documents and plans which are being addressed by management. The full report is available here: [Final Internal Audit Report - Annual Recovery Plan/Planning Objectives \(nhs.wales\)](#)
- Internal Audit of Performance Monitoring and Reporting – The purpose of this audit was to review was to provide assurance on the quality of information and effectiveness of the arrangements in place for the monitoring and reporting of performance. The overall assurance rating of 'substantial assurance' was based on the systems in place for Performance Management and progress made on implementing Improving Together, whilst acknowledging the programme is yet to be fully implemented due to delays resulting from the COVID-19 pandemic response. There were no matters arising requiring management attention. The full report is available here: [Final Internal Audit Report – Performance Monitoring & Reporting \(nhs.wales\)](#)
- Internal Audit of Risk Management – The purpose of the audit was to review the organisation-wide risk management arrangements and the development of the Board Assurance Framework. The audit provided 'substantial assurance' 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 arising was identified, relating to the need to review and clarify the arrangements for monitoring principal risks within the BAF, which are assigned to Board committees but currently monitored by the Board. The full Internal Audit report is available at Appendix 4.
- HSE Improvement Notices – During 2021/22, the Health and Safety Executive confirmed that the Health Board had complied with the all the extended Improvement Notices and

recognised the very significant improvement in the profile, understanding and leadership of health and safety management at senior level since their intervention in 2019.

- **Fire Enforcement Notices** – The Health Board continues to address the 6 outstanding Enforcement Notices issued by the Mid and West Wales Fire and Rescue Service (MWWFRS). Extensive fire safety improvement works are being undertaken at Witybush Hospital, Glangwili Hospital and at Bronglais Hospital from WG agreed funding, with regular progress updates reported to the Health & Safety Committee, which provides assurance to the Board on the work undertaken towards improving compliance.

In their initial assessment, 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 2021/22 is **Level 4** (no change from 2020/21). Whilst there are pockets of good practice and innovation being shared with others, the Health Board is still working to demonstrate sustainable improvement throughout the organisation, and recognises that there is further work required to maintain this level and to progress towards a level 5.

Assessment Matrix level Tick the matrix box that most accurately reflects how your service is doing with this standard	Level 1 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.	Level 2 We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	Level 3 We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.	Level 4 We have well developed plans and processes and can demonstrate sustainable improvement throughout the service.	Level 5 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 2022/23. 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 and monitoring arrangements of delivery of SOs/POs • Financial management arrangements • Workforce planning • Staff Well-being
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IN THE BOARD'S OPINION WHAT COULD WE BE DOING BETTER?	<ul style="list-style-type: none"> • Implementing quality and safety governance arrangements • Strengthen the Regional Partnership Board governance arrangements • Managing the challenges in unscheduled care and discharge arrangements to improve performance • Performance management arrangements • Financial planning to demonstrate management within resources and to attain an approvable plan/IMTP.
ARE THERE BOARD TRAINING/ DEVELOPMENT NEEDS?	<ul style="list-style-type: none"> • Sessions have been planned on Behaviours, Systems and Governance with Baroness Rennie Fritchie, and on Incivility; Reflections and Next Steps with Dr Chris Turner for Independent Member (IM) development, Executive Director (ED) development and joint IM/ED development in 2022/23.

Argymhelliad / Recommendation

The Board is asked to take an assurance from the process that has been undertaken this year to review the Board's effectiveness; recognising that this has been discussed by the Board at the Board Seminar held on 7th April 2022 and was also presented to the Audit and Risk Assurance Committee on 5th May 2022 as part of its review of year-end processes.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
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): Hyperlink to NHS Wales Health & Care Standards	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives: Hyperlink to HDdUHB 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 Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Chair Chief Executive Board Seminar Chair of Audit and Risk Assurance Committee Audit and Risk Assurance Committee
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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.