



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	10 June 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Assurance Report on Board Effectiveness Assessment
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 Board with assurance of the process that has undertaken to review its effectiveness during 2020/21.

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 the maturity level of the Board. This was also presented to the Audit and Risk Assurance Committee in May 2021. 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, Welsh Government (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).
- Final Head of Internal Audit Opinion (HOIA) - The HOIA has provided 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 its ability 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 Final 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 WG. 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).
- Health and Safety Executive (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 HSE 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 available via [this weblink](#) (Appendix 9).
- Fire Enforcement Notices – Work also progressed to address the Fire Enforcement Notices during 2020/21. The Health Board continues to work to address the outstanding

Enforcement Notices issued by the Mid and West Wales Fire and Rescue Service and has recently been issued 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 10).

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 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 Annual Governance Assessment, 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

	<ul style="list-style-type: none"> Financial planning to demonstrate management within resources and to attain an approvable plan. 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 Board is asked to take an assurance from the process that has been undertaken this year to review the its effectiveness, noting that this has been approved by the Chair, Chief Executive and Chair of the ARAC Committee who recommend this to Board.

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.
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	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.

2020/21 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
CGC 1	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 Trust. (2.1 and 2.2)	<p>Board is scheduled to meet every alternate month, however the frequency of Board meetings also increased to monthly to provide increased public transparency on its response to the pandemic. During there were 2 extraordinary Board meetings. One in April in regard to the Health Board's response to the pandemic and one in June to approve the Annual Report and Accounts for 2019/20.</p> <p>There is a Board Cycle of Business in place 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 2020/21, there has been stability at Board level with limited changes made to the Executive Team and Independent Members.</p>	<p>Title: AW Structured Assessment</p> <p>Internal Audit Governance Arrangements during the Covid-19 Pandemic Advisory Report 2020/21</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94.</p>	Comply	<p>Board and Committee Minutes – demonstrate scrutiny and support.</p> <p>Board Papers.</p> <p>Board Work Plan 2020/21.</p> <p>Joint Executive Letters.</p> <p>AW Structured Assessment report 2020.</p> <p>Internal Audit Governance Arrangements during the Covid-19 Pandemic Advisory Report 2020/21</p>
CGC 2	<p>The Board does not decide policy or exercise the powers of the ministers. The department'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"> 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 Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance Accountability – promoting transparency through clear and fair reporting. 	<p>In March 2020, the WG took the unprecedented decision to pause the IMTP and annual plan process to enable NHS Wales organisations to focus their attention on the immediate planning and preparations to deal with the COVID-19 pandemic, advising that the planning process would be restarted at more appropriate time. Nonetheless the Health Board Three Year Plan for 2020/23 incorporating our Annual Plan 2020/21, developed prior to the pandemic, was approved for submission at our Public Board on 26th March 2020.</p> <p>During 2020/21, the Health Board provided quarterly plans in response to the WG NHS Wales COVID 19 Operating Framework.</p> <p>Despite the Health Board operating within a pandemic, the CEO lead a programme of work to take stock of the organisation, the decisions it has made and the progress achieved towards it strategic vision. This work produced a refreshed set of strategic objectives that set out the aims of the organisation – the horizon it is driving towards over the long term – as well as a set of specific, measurable Planning Objectives, which move us towards that horizon over the next 3 years.</p>	<p>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94.</p>	Comply	<p>Annual Plan 2020/21.</p> <p>Quarterly Plans for Q1, Q2 and Q3&4</p> <p>Developing the 3 Year Plan for the Period 2021/22 – 2023/24 – Strategic and Planning Objectives</p> <p>Standing Orders and Standing Financial Instructions.</p> <p>AW Structured Assessment report 2020</p> <p>Internal Audit Governance Arrangements during the Covid-19 Pandemic Advisory Report 2020/21</p> <p>Well-being Statement.</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"> Sustainability – taking a long-term view about what the department is trying to achieve and what it is doing to get there. <p>(2.3)</p>	<p>The Health Board adopted its revised Standing Orders in January 2021. 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> <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>			
CGC 4	<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"> Strategic Clarity Commercial Sense Talented People Results focus Management information <p>(2.4 and 3.10)</p>	<p>The Board meets every alternate month however the frequency of Board meetings also increased to monthly to provide increased public transparency on its response to the pandemic. During there were 2 extraordinary Board meetings. One in April in regard to the Health Board's response to the pandemic and one in June to approve the Annual Report and Accounts for 2019/20.</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 governance, delivery our strategy, and delivering the 'here and now'.</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>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94.</p>	Comply	<p>Standing Orders and Standing Financial Instructions.</p> <p>AW Structured Assessment report 2020.</p> <p>Internal Audit Governance Arrangements during the Covid-19 Pandemic Advisory Report 2020/21</p> <p>Quarterly Plans for Q1, Q2 and Q3&4</p>
CGC 5	<p>The Board also supports the accounting officer in the discharge of obligations set out in <i>Managing Public Money</i>¹ 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>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94.</p>	Comply	<p>Annual Accountability Report</p> <p>AW Structured Assessment report 2020.</p>
CGC 6	<p>Where Board members have concerns, which cannot be resolved, about the running of the department or a proposed</p>	<p>Any concerns raised at Board and Committee meetings will be formally recorded in the minutes.</p>	<p>Title: AW Structured Assessment</p> <p>Reference Point:</p>	Comply	<p>Role of the Board Secretary</p> <p>AW Structured Assessment report 2020.</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
	action, they should ensure that their concerns are recorded in the minutes. (2.12)	The role of the Board Secretary is to be responsible for ensuring these matters are effectively managed, recorded and resolved where possible.	Conducting Business Effectively – Paragraph 88-94.		Board and Committee Minutes – available on the Health Board Internet site.
CGC 7	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.</p> <p>The Independent Member (IM) roles are appointed in areas of expertise to ensure appropriate skill mix. There have not been any gaps during 2020/21.</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>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94.</p>	Comply	<p>Establishment Orders.</p> <p>Standing Orders.</p> <p>AW Structured Assessment report 2020.</p>
CGC 8	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>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94.</p>	Comply	<p>Establishment Orders.</p> <p>Standing Orders.</p> <p>AW Structured Assessment report 2020.</p>
CGC 9	The Finance Director should be professionally qualified. (3.3)	Executive Director of Finance is professionally qualified.		Comply	
CGC 10	Independent Members will exercise their role through influence and advice, supporting as well as challenging the executive. (3.5)	<p>Annual Committee Self-Assessment – 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>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94</p>	Comply	<p>AW Structured Assessment report 2020.</p> <p>Standing Orders.</p> <p>Cross – reference to 2.4.</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 11	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.</p> <p>The Scheme of Delegation outlines the information that should flow through to Board and its Committees as appropriate.</p> <p>Interactive Scheme of Delegation for Officers details 'top level' delegations and responsibilities within the Health Board.</p>	<p>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94</p>	Comply	<p>AW Structured Assessment report 2020.</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>Interactive Scheme of Delegation for Officers.</p>
CGC 12	<p>The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including:</p> <ol style="list-style-type: none"> 1. formal procedures for the appointment of new board members, tenure and succession planning for both board members and senior officials 2. allowing sufficient time for the board to discharge its collective responsibilities effectively 3. induction on joining the board, supplemented by regular updates to keep board members' skills and knowledge up-to-date 4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively 5. a mechanism for learning from past successes and failures within the departmental family and relevant external organisations 6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members 7. a dedicated secretariat with appropriate skills and experience (4.1) 	<p>IMs Terms of Office are monitored by the Board Secretary to ensure succession planning is timely and managed in conjunction with the Public Bodies Unit in Welsh Government.</p> <p>Agenda planning is managed by the 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 Independent Members. This programme consists of the following areas to ensure that a robust and supportive induction plan is in place for all new Board appointments:</p> <ul style="list-style-type: none"> o Attendance at the Mandatory Welsh Government Induction Training. o 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 Independent Member o Core Induction Programme – planned within the first month, three months and six months. This includes meeting with Executive Directors, Directors and site visits o A mentoring / shadow arrangement with an existing/experienced Independent Member. o To further support IMs ongoing development, the Chair undertakes regular and robust Personal Appraisal and Development reviews in accordance with WG guidance. o The Health Board has a schedule of Board Development Sessions throughout the year to discuss topical issues. <p>Committee Terms of Reference direct that agenda and papers are circulated to members at least 7 days prior to meeting.</p>	<p>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94</p>	Comply	<p>AW Structured Assessment report 2020.</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> <p>Board Effectiveness Assessment.</p> <p>Committee Self-Assessment Reports</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
		<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. Report writing skills for officers is included on Managers Passport Plus Programme.</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>			
CGC 13	<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"> • scrutinising systems for identifying and developing leadership and high potential • 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 • 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) 	Remuneration and Terms of Service (RTSC) Committee Terms of Reference.	<p>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 88-94</p>	Comply	<p>AW Structured Assessment report 2020.</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>
CGC 14	<p>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.		Comply	Accountability Report.
CGC 15	<p>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>	<p>This is the relationship between the Board Secretary and the Board Members.</p> <p>The role of the Board Secretary is to act as principal advisor to the Board and the organisation as a whole on all aspects of governance....and ensure that it meets the standards of good governance set for the NHS in Wales.</p> <p>Executive Director and IM buddying system in place.</p>		Comply	<p>Board Secretary role description.</p> <p>Standing Orders.</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
		<p>Regular IM meetings with Chair and Board Secretary.</p> <p>Fortnightly meetings held by the Chair and CEO with Board Members to discuss the ongoing COVID response and management.</p>			
<p>CGC 16</p>	<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"> 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 ensuring good information flows within the board and its committees and between senior management and non-executive board members, including: challenging and ensuring the quality of board papers and board information ensuring board papers are received by board members according to a timetable agreed by the board providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements ensuring the board follows due process providing assurance to the board that the department complies with government policy, as set out in the code 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) 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 recording board decisions accurately and ensuring action points are followed up 	<p>Board Secretary works closely with the Chair and Chief Executive to agree Board agenda.</p> <p>Board Secretary attends Health Board Chairs and Vice-Chairs meeting prior to Board to discuss agenda and papers.</p> <p>All Board papers are reviewed by Board Secretary and constructive feedback is provided to Executive Directors.</p> <p>Board Secretary ensures that all Board papers are issued in accordance with Standing Orders.</p> <p>Board Secretary ensures decision log is maintained.</p> <p>Board Secretary led on the development of interactive handbook for IMs.</p>		<p>Comply</p>	<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"> arranging induction and professional development of board members (including ministers) 4.11				
CGC 17	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). 4.14	Board Member Appraisal process in place. Committee Effectiveness Exercises. Attendance record reported in Accountability Report.	Title: AW Structured Assessment Reference Point: Conducting Business Effectively – Paragraph 88-94	Comply	AW Structured Assessment report 2020. Accountability Report. Appraisal Documentation and Process.
CGC 18	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 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	The Health Board has an agreed process in place for managing Declarations of Interest. All Board Members are asked to formally declare on an annual basis and advised of their responsibility to notify of any changes in year. Declarations of interest are captured on a register which is available for public inspection, a link to which is included in the Accountability Report. A report on Declarations of Interest is received by the Audit and Risk Assurance Committee on an annual basis. Declarations of Interest are captured at the start of each Board and Committee meeting. The Standards of Behaviour Policy details the responsibility under Declarations of Interest. Standing Orders also outlines the responsibilities for Declarations of Interest. The Declarations of Interest form includes how declarations and potential conflicts are managed and these are recorded on the register.	Internal Audit report on Standards of Behaviour undertaken in June 2020. Assurance Rating: Reasonable	Comply	Standards of Behaviour Framework Policy. Accountability Report. Standing Orders. Declarations of Interest Process and Register. Annual Report of the Adequacy of Arrangements for Declaring, Registering and Handling Interests, gifts and Hospitality presented to Audit and Risk Assurance Committee

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 19	<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"> an audit and risk assurance committee, chaired by a suitably experienced non-executive board member an internal audit service operating to <i>Public Sector Internal Audit Standards</i>¹ sponsor teams of the department's key ALBs (5.1 and 5.8) 	<p>The Audit and Risk Assurance Committee is chaired by the Independent Member 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.</p>		Comply	<p>Terms of Reference & Operating Arrangements for the Audit and risk Assurance Committee.</p> <p>Accountability Report.</p> <p>Internal Audit Annual Plan.</p>
CGC 20	<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 Annual 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 in Quarter 1 of each year.</p>	<p>Audit Wales and Internal Audit receive and review the Accountability Report.</p>	Comply	<p>Accountability Report.</p> <p>Board and Committee Minutes.</p> <p>Annual Report Timetable.</p>
CGC 21	<p>The board's regular agenda should include scrutinising and advising on risk management (5.3 and 5.10)</p>	<ul style="list-style-type: none"> The Corporate Risk Register is received at least twice a year by the Board. The Board Assurance Framework was suspended during COVID whilst the Board focussed on responding to the pandemic. Risk Management Strategy and Risk Appetite are defined and approved by the Board. The Audit and Risk Assurance Committee provide assurance to the Board on the Risk and Assurance Framework. 	<p>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 95-97</p>	Comply	<p>Board Cycle of Business.</p> <p>AW Structured Assessment.</p> <p>Corporate Risk Register reports to Board and Committees</p>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
CGC 22	<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 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>	<ul style="list-style-type: none"> • 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. • Audit and Risk Assurance Committee established in 2010. • 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. • 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. • Full secretariat function in place supporting the Audit and Risk Assurance Committee. • The Audit and Risk Assurance Committee Terms of Reference are published as an appendix to the Standing Orders on the Health Board's website. • The Audit and Risk Assurance Committee also has its own webpage which publishes the Terms of Reference and papers for each meeting. • Audit and Risk Assurance Committee Annual Report produced and presented to Board. 		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>
CGC 22	<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>		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>

REF	Corporate Governance Code Principles	Evidence of Internal Assurance / Supporting Narrative	External Assurance	Comply or Explain	Supporting documentation
		<p>If there was anything specifically escalated to the Board then the HIA would be invited to attend.</p> <p>Board Secretary has fortnightly meetings with HIA.</p>			
<p>CGC 23</p>	<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"> • there is a proper framework of prudent and effective controls, so that risks can be assessed, managed and taken prudently • there is clear accountability for managing risks • Departmental officials are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently. <p>The board should also ensure that the department's ALBs have appropriate and 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 a documented Risk Management Framework in place setting out the foundation and organisational arrangements for supporting the risk management process in Hywel Dda.</p> <p>The 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 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 through Managers Passport Plus Programme and 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>Services are challenged on their risk management through the Executive Performance Reviews.</p> <p>The Board receives the Board Assurance Framework and Corporate Risk Register twice a year. Each principal risk is aligned to the Board's Committees who ensure that risks are being effectively managed on behalf of the Board. Each Committee provides an annual assurance report to the Audit and Risk Assurance Committee which includes providing assurance that risks are being managed.</p> <p>The Health Board's current Risk Management Strategy is currently under further review. This will be considered by the Audit and Risk Assurance Committee prior to approval by the Board.</p>	<p>Title: AW Structured Assessment</p> <p>Reference Point: Conducting Business Effectively – Paragraph 95-97</p>	<p>Comply</p>	<p>Risk Management Framework.</p> <p>Staff intranet: risk management webpage</p> <p>Terms of Reference for the Audit and Risk Assurance Committee.</p>

GOVERNANCE LEADERSHIP AND ACCOUNTABILITY STANDARD

As part of the Annual Governance Statement, the Health Board is required to provide a summary of the steps it has taken to demonstrate that it operates in accordance with this governance standard and the wider standards framework.

Effective governance, leadership and accountability in keeping with the size and complexity of the health service is essential for the sustainable delivery of safe, effective person centred care.

Criteria 1: There are some excellent examples of how the Health Board demonstrates effective leadership by setting direction, igniting passion, pace and drive and developing people.

- In November 2018, the Board approved its *Health and Care Strategy – A Healthier Mid and West Wales: Our future generations living well*, which was developed based on the 11 clinical recommendations that emerged from the University Health Board's (UHB) public consultation 'Our Big NHS Change'. The strategy describes the UHB's:
 - 20 year vision for the population health outcome for current and future generations; and
 - 10 year health and care strategy.
- Whilst the Health Board intended to submit a three year plan for 2019/22, following Welsh Government advice, the Health Board submitted an 'interim draft' annual plan for 2019/20 which set out delivery for year 1 of the Health Board's Strategy.
- From the outset of the pandemic, the Chief Executive established the Command and Control structure which supported agile decision-making in the face of the pandemic, with all Gold decisions ratified by Board, and Silver Tactical decisions reported to Assurance Committees. Whilst Gold set the direction and objectives, it was the role of Silver to develop and implement the tactical plan, empowering operational managers to develop and deliver solutions to the challenges of responding to the pandemic. Bronze groups implemented the plans. A number of cells were also established such PPE, social distancing, modelling, public health
- The development of a Clinical Ethics Panel provided ethics input into Health Board policy and guidelines, supports health professionals with ethical issues arising within patient care and facilitates ethics education for health professionals and other Health Board staff.
- The Chief Executive produces a COVID-19 Report to Board providing an update on the ongoing response to pandemic, including a changes to directions from Gold to Silver and Bronze.
- The Board Secretary, on behalf of the Chair and Chief Executive, provides a 'Maintaining Good Governance' report to the Board to ensure the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively,

whilst recognising the reality of Executive focus and time constraints during the COVID-19 pandemic

- On behalf of the Board, the Chair has been visible and accessible to staff throughout the pandemic, and has led on staff support and wellbeing through the sponsoring of a multi-disciplinary group from the outset, which has created a flexible range of resources for staff wellbeing. The support for staff wellbeing provided by the Health Board is seen as an exemplar; a recent Audit Wales seminar shared this work across Wales.
- The COVID-19 pandemic demanded an urgent response from the Workforce and Organisation Development function to mobilise the existing workforce and ensure a sufficient new workforce supply was in place to meet service delivery requirements. The organisation wide response to COVID-19 has resulted in key learning about our culture, our relationship with staff, enabling their wellbeing at work and beyond. It required changes in working practices to be implemented more rapidly than ever before.
- The Transformation Steering Group engagement events around “Joy at Work” reinforced the acceleration of certain aspects of the Health Board’s ten year Workforce, Organisation Development and Education Strategy, including (1) creating a culture which treats employees as adults, consumers and human beings and moves away from a parent/child relationship; (2) supporting the health and wellbeing of all staff by treating employees as whole people with other ‘life’ responsibilities and events; and (3) creating an agile workforce optimising technology and working practices.
- The Health Board strives to be an employer of choice and the health and wellbeing of its staff is paramount. Hywel Dda’s Values and Behaviours Framework has now been in place for more than three years. The Values Framework underpins leadership and effective management at all levels and a suite of leadership and management development programmes have been developed to support the delivery of a values based, compassionate leadership culture. The programmes aim to develop leaders who engage staff and encourage innovation, and support the ongoing development of skilled effective leaders and managers who drive continual improvement through engagement.
- Despite the suspension of the bespoke Executive Development Programme, the Executive Team has continued to develop and build stronger working relationships through working together to respond to the pandemic.
- Whilst leadership programmes were put on hold during the pandemic, virtual coaching provision arrangements were initially put in place for the Executive Team and 53 senior leaders across Health Board. This formed part of the Staff Psychological and Well-Being Plan. Virtual coaching was further extended to cover Assistant Directors and Service Delivery Managers from April 2020 onwards, increasing the reach to 112 managers. Recognising the need to build further resilience for front line leaders as we approach the Winter and a potential second wave of COVID-19, the coaching provision offer is being extended to cover a further 46 staff including:

- The nursing tier reporting to the Assistant Directors of Nursing
 - Service Delivery Managers in Mental Health
 - Senior Nurse Managers and Clinical Nurse Leaders across the Health Board.
- During 2020/21, the offer of coaching has increased to 168 leaders and we have provided 73 coaching sessions between April 2020 - 31st January 2021.
 - The STAR leadership programme was able to resume in the autumn 2020 with Cohort 1 completed virtually by March 2021, with Cohort 2 continuing with their coaching and action learning virtually and the Cohort 3 process initiated to start in May 2021.
 - Senior Finance Development Programme continued to run on a virtual basis. Coaching has continue, as have the action learning sets with great success. It is anticipated that the planned workshop days will commence in late spring.
 - The Institute of Learning & Management (ILM) Level 5 Coaching has been delivered virtually. One cohort started in October 2020 with another one commencing in spring 2021.
 - The Health Board adopted the revised model Standing Orders in November 2020. These Standing Orders are designed to translate the statutory requirements set out in the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779 (W.67)) into day to day operating practice, and, together with the adoption of a Scheme of decisions reserved to the Board; a Scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the LHB. SFIs were reviewed by the Board in May 2019.
 - The new Chair instigated a revised streamlined structure, which was phased in from April 2020, for the Board and Committee working arrangements, with revised leadership of key committees to match individual areas of expertise and experience. The Board also approved revised arrangements to support agile decision making and reduce unnecessary bureaucracy within the context of maintaining good governance. Audit Wales commented in Structured Assessment 2020 that the extent to which the Health Board maintained its Board and committee business was significant and was above and beyond what was required by the guidance.
 - The Health Board's interactive Scheme of Delegation remained in place during 2020/21, with both third and fourth deputy arrangements were put in place in the event that the Chair and Vice Chair were unavailable. Similar arrangements were adopted for the CEO. Normal business continuity arrangements were applied for the rest of the Executive team with the second level deputies utilised where absences occurred.
 - The Health Board adapted its risk management system during the pandemic. The Board Assurance Framework (BAF) was suspended whilst the Health Board focussed on operational delivery of its quarterly plans. The Corporate Risk

Register was considered by the Executive Team on a monthly basis with corporate risk reports being presented to the Board and its Committees on a regular basis.

- Partnerships that the UHB actively participates in have been mapped and the Partnership Governance Framework and Toolkit was approved in September 2017. The partnerships, which vary in size and purpose, with representation from across sectors and at a national, regional and local level, have been registered by UHB partnership leads. This information populates a partnership register, through completion of a partnership registration form, the purpose of which is to record key details of partnerships, particularly those which meet the UHB's 'significant' definition i.e:
 - How strongly the partnership supports delivery of the UHB's key/strategic objectives, priorities or statutory obligations;
 - The amount of resources the UHB contributes to the partnership; and
 - The levels of liability consequent on any serious failures within the partnership, particularly from a delivery or liability perspective.

This enables the UHB to demonstrate an awareness of its key commitments, and evidence the performance and risk management arrangements it has in place for each partnership.

- In February and March 2021, recruitment took place to replace a number of IMs coming to the end of their terms. This will ensure that the Health Board maintains stability and also enable the Health Board to inject fresh thinking going forward, which will be particularly important as we progress our strategy.
- Given the issues relating to, and the consequence of the current pandemic, WG requested an Annual Plan for 2021/22, rather than an IMTP. In March 2021, the Health Board approved its Draft Annual Recovery Plan 2021/22 which sets out to our priorities for 2021/22 to our organisation and WG.

Criteria 2: There are some excellent examples of how the Board sets strategy with a focus on outcomes, and choices based on evidence and people insight. The approach is through collaboration building on common purpose.

- The UHB's health and care strategy was approved by board in November 2018. It sets out for the first time a strategic vision for services that are safe, sustainable, accessible and kind for current and future generations across Hywel Dda. The strategy is based on the implementation of an integrated social model of health. It signals a shift from our current focus on hospital-based care and treatment, toward a focus on prevention and building the resilience of people and communities, as described above, and establishes a parity of esteem between physical health, mental health and learning disabilities across the age span.
- The aim of the Annual Plan 2019/20 was to demonstrate how the Health Board intended to start delivery of the Health Board's strategy.

- Over the summer period, the Health Board took stock of where it was as an organisation, the decisions that it has made and the progress achieved so far towards its strategic vision over the last 3 years. From this work, a new set of strategic objectives were developed that set out the long term aims of the organisation.
- The West Wales Regional Partnership Board (RPB) has continued to drive the integration of health and social services to plan and ensure the delivery of integrated, innovative services to best meet the needs of people with needs for care and support. The Integrated Executive Group (IEG) sits under the RPB and has monitored the delivery of following key programmes:
 - ✓ The Healthier West Wales programme – funded through the Welsh Government’s Transformation Fund and comprising three ambitious programmes aimed at helping people to stay active, well and independent within their communities whilst providing targeted support where necessary. Transitional funding of £6m has been awarded to support these programmes in 2021/22, building on nearly £12m investment over the past two years.
 - ✓ The Transformation Fund also supports the West Wales Research, Innovation and Improvement Coordination Hub (RIICH), hosted by the UHB and charged with working across all partner agencies to (1) promote the use of research, knowledge and information to understand what works; (2) support shared learning; (3) and use innovation and improvement to develop and evaluate better tools and ways of working.
 - ✓ The Integrated Care Fund – bringing £12m revenue and £5m Capital transitional funding to the region in 2021/22 and supporting a wide range of programmes which bring services together, support independence and aim to significantly reduce the need for long term care. ICF investment spans all population groups, with focused allocations for older people, people with dementia, children and families, learning disabilities, unpaid carers and autism.
- During 2020/21, Gold requested Silver develop quarterly tactical plans in response to the NHS Wales Operating Framework which outlined the need to maintain essential services and retain flexibility and adaptability to changes in the community transmission rates of COVID-19. These outlines the Health Board plans in respect of Test, Track and Protect, delivering essential services and routine services, infection prevention and control, the unscheduled care system, workforce plans, car homes and social care interface and the financial implications.
- The Health Board has maintained strong partnership working with its neighbouring health boards throughout the pandemic with Swansea Bay University Health Board, and its leadership of the Mid Wales Health and Care Committee with Powys Teaching and Betsi Cadwaladr University Health Boards.
- The Health Board has approved a clinical strategy for Bronglais General Hospital (BGH): Delivering Excellent Rural Acute Care in November 2019 which sets out a vision for future services at BGH, as part of the whole system plan for health and care in Ceredigion and surrounding areas. The development of this strategy

was clinically led as part of Hywel Dda's strategic development programme and addresses the challenges of providing high quality care to remote urban and rural populations.

- Strong partnership working with its Public Services Boards has continued through the pandemic.
- The Health Board has engaged and collaborated with stakeholders during this period to inform quarterly planning. For example, discussions with local partners through the Health and Care Delivery Group allowed the diversion of the ICF to enable the provision of field hospitals.
- From the start of the pandemic, the Health Board has met weekly with the three local authority leaders and their CEOs to work together to ensure our population was kept as safe as possible. It allowed the community to respond to the pandemic together, resolving challenges, planning and sharing intelligence. An example of this early on was the Care Home Escalation Framework, which was adopted across Wales.
- The Health Board has worked closely with its local authority partners to establish its nine field hospitals, making use of Licence to Occupy agreements where appropriate.
- The Board and Assurance Committees have scrutinised the Q3/4 plans from an early stage, in committee meetings, weekly discussions and at Board Seminars.
- From a quality and safety perspective, detailed discussions on winter preparedness took place in November 2020, with the feedback received from this session informing the final version of the Winter Plan, approved at Board on 26th November 2020.
- The Strategic Discovery Report, brought together our learning and innovation across the local health and care system to ensure that we apply the initial learning from our pandemic response to the delivery of our health and care strategy. This was done by
 - ✓ “Looking Back” at the history of previous pandemic responses and presenting some of the findings from our research about previous pandemics
 - ✓ “Looking Out” at global learning and research, and the Welsh context; and taking a deep dive of recognised thought leaders in the field of health and care, and related policy areas.
 - ✓ “Looking in” at our system responses, changes and learning as a Health and Care partnership, which has included findings from our Health Board engagement with around 100 clinical, operational and corporate leaders across the organisation. The purpose of this engagement was to discover more about the changes to Health Board services due to COVID-19, and their impact and triangulate the findings with relevant performance data, detailed information about service changes, and wider learning about COVID-19 in order to inform the outputs of this report.

- The pandemic tested and challenged partners across the Region to respond in a coordinated way resulting the development of a Coronavirus (COVID-19) Prevention and Response Plan by the Health Board, Carmarthenshire County Council, Ceredigion County Council and Pembrokeshire County Council, developed.
- The regional Integrated Executive Group (Health Board Directors, Directors of Social Services and Third Sector) that sits under the RPB, assumed the status of a joint tactical group during the first and second waves of the pandemic. This enabled joint consideration of pressures across the system and remedial actions being taken by partners, and supported development of joint solutions as appropriate, such as the positive *Discharge to Recover and Assess and Care Homes Risk Escalation*. The group has also provided strategic oversight of the Mass Vaccination programme in the Hywel Dda area. It reports to the Executive Team (ET) and Gold Command, which I observe, and ultimately to Board for transparency.
- The 2021/22 Annual Plan includes a number of regional plans. For example, one priority area is our regional approach to cataract surgery. Both Health Boards have historically had significant gaps in capacity and demand for cataract surgery, previously managed through high levels of outsourcing to private sector organisations
- The Health Board's collaborative model and approach, as outlined in the Annual Plan 2021/22, is informed by A Healthier Wales, A Healthier Mid and West Wales, the Primary Care Model for Wales, the Regional Partnership Board and its West Wales Area Plan, the three Public Service Board's Wellbeing objectives and the priorities articulated by the 7 Primary and Community Cluster Plans.
- Improved communications across the HB including the CEO and Chair holding virtual staff meetings, fortnightly meetings with independent members, weekly catch-up local politicians/MS/MP on operational and strategic planning.

Criteria 3: There are some excellent examples of how the Board is innovative and improves delivery, plan resources and prioritises, develops clear roles, responsibilities and delivery models and manages performance and value for money.

- The development of A Healthier Mid and West Wales process and the emergence of a clear direction for the future of our Estate has allowed the Health Board to develop a structured Programme Business Case (PBC), to target prioritised infrastructure investment to support this overall strategy. This Major Infrastructure PBC was approved by the Board in November 2020 for submission to WG for consideration and endorsement.
- The Health Board developed a robust Local Testing Delivery Plan in accordance with the latest Welsh Government requirements

- The Health Board developed, and is in the process of delivering a mass vaccination programme Delivery Plan, in accordance with the milestones and requirements set out by Welsh Government.
- Throughout 2021/22, the Health Board maintained an efficient and sustainable plan to predict, source, organise and distribute PPE to health and care services (including domiciliary care, care homes and residential homes).
- A Command Centre was established to manage all COVID related enquiries, coordinate COVID related policy and guidance from national bodies, regulators and advisors, manage local access to antigen and antibody testing, and roll out a process to maintain personalised contact with all patients currently waiting for elective care (single point of contact).
- The Health Board set and achieved an ambitious plan for 2020-21 to deliver a reduced forecast deficit of £25 million.
- Audit Wales advised in Structured Assessment 2020 that 'innovation and learning have been embedded throughout the revised governance arrangements to enable recovery and the acceleration of its strategic vision, but operational and structural pressures continue to present challenges for the financial position which will only be addressed by delivery of the strategic vision'.
- A new opportunities framework had also been implemented which draws on efficiency data such as the Finance Delivery Unit efficiency framework to identify opportunities to make efficiency savings, as well as draw on good practice and opportunities to streamline the allocation of resources.
- During 2019-20, the Welsh Government commissioned KPMG to undertake a detailed review of the Health Board's finances. The KPMG report identified two key drivers to the Health Board's underlying deficit:
 - ✓ the cost of the Health Board's operating model with opportunities to improve productivity, reduce fixed costs and right size hospital services to reduce duplication, variation and sub-scale services; and
 - ✓ the cost of clinical demand from populations for services which is not sufficiently explained by the age of the Health Board's population.
- The finance business partnering model has now become fully established within the Health Board with business partners allocated to all directorates, and through the accountability agreements, clear delegated budgetary responsibility remains in place.
- In 2019, Hywel Dda University Health Board's (HDdUHB) ten year Workforce, Organisation Development and Education Strategy was agreed and it was recognised that a rightsizing investment would be required to facilitate strategy implementation through the development of new roles within the function.
- During 2020/21, the Health Board agreed the governance and high level framework for 'Improving together'. This is a framework which aligns team vision to strategy and empowers teams to set key improvement measures aligned to

their team vision. Visualisation of key data sets including improvement measures and regular team huddles helps drive decision-making. The approach embraces coaching discussions and supports staff to develop solutions, embedding the principles of continuous improvement. The framework will offer a common approach to how we can adapt, adopt and spread good practice in a systematic way. Improving Together will embrace and embed some of the positive lessons learnt through the pandemic. It brings a number of key planning objectives across directorates into one scalable framework for growing and co-ordinating improvement activities aligned to organisational goals. Work is currently being undertaken to develop the baseline and roadmap for rollout.

- The Health Board launched its Healthcare Apprentice Programme on 24th May 2019 which is aimed at developing a future nursing workforce from the local population. In 2020/21, the apprenticeship academy has developed further and launched further apprenticeship programmes in corporate governance, digital services, patient experience as well as healthcare.
- Additional positive impacts providing innovative digital solutions at pace include:
 - ✓ The Health Board purchased Malinko, which allowed the delivery of a scheduling tool that can maximise the response of the Community Services.
 - ✓ Electronic Nursing Documentation was delayed due to COVID pressures, but in March 2021, it will be introduced into South Pembrokeshire Hospital to provide a lesson learned approach before the wider release in a larger site.
 - ✓ The Digital Team has rolled out upwards of 4,000 pieces of digital equipment to Health Board staff. This rapid deployment of equipment has enabled staff to continue to provide services to patients.
 - ✓ From April 2021, District and School Nurses will be issued with suitable equipment to accelerate the adoption of the Welsh Community Care System (WCCIS).
 - ✓ The fast track implementation of Microsoft Office 365 has revolutionised new ways of working within the Health Board. It has allowed more people to work from home and improved the way colleagues communicate. This includes a Digital Champions Network, where staff can be kept informed of new developments, communicate in an open way with the digital team, express concerns and have access to improved learning facilities. To date, we have engaged with over 300 digital champions.

Criteria 4: There are some excellent examples of how the Board fosters a culture of learning and self-awareness, and personal and professional integrity.

Learning and Self Awareness:

- The All Wales Raising a Concern (whistleblowing) policy outlines how the Health Board engages with staff and volunteers on how to raise a concern.
- The Charter for Improving Patient Experience, co-produced with patients and communities, clearly sets out what patients, families and carers can expect when receiving services from the Health Board. The Charter will inform the Health

Board's patient experience programme, individual service plans for patient experience, and integration of patient experience feedback into service planning and improvement.

- Following the first wave of the pandemic the Health Board engaged with over 100 key leaders across clinical, operational, and corporate functions. The pandemic had forced many clinical services and corporate functions to work in radically different ways; we wanted to find out about these changes and innovations, and apply this learning to expediting our strategy, 'A Healthier Mid and West Wales'. We also wanted to understand how the lockdown and new ways of working (such as reduced car journeys, exercise and local sourcing) impact on our ability to deliver our wellbeing objectives, in line with the Well-being of Future Generations (Wales) Act 2015. Here is a summary of our learning.
 - ✓ **Technology enabled care:** Technology has been used to introduce virtual consultations with patients. Assessments and clinics have taken place through smartphones and patient platforms such as Attend Anywhere.
 - ✓ **Common vision and shared goals:** People told us how powerful it had been for teams and departments to work towards one clear goal: to prepare for and manage our response to the pandemic. Although in reality teams have many different objectives, we learnt that we needed a smaller number of clear goals for the organisation in future, to continue to mobilise change.
 - ✓ **Working digitally:** The introduction of Microsoft Teams had changed our ways of working. People told us that this enables remote working, with less paper and less travel. It facilitates collaboration, with people connecting across sectors, and jointly working on documents.
 - ✓ **Empowerment and autonomy to act:** People valued having the autonomy and freedom to make decisions within the framework of the command structure, and this led to efficient and effective decision making. The people that we interviewed told us that decisions about services were 'clinically led and need-driven', and benefited from having a lighter touch governance structure in place, without the need to submit detailed reports and wait for decisions to be approved. Decisions were made quickly through having regular, short, focused meetings, and through an increased multi-disciplinary approach to decision making. They told us that 'local decisions were made by local teams', and that they felt empowered to 'get on and do'.
 - ✓ **Workforce flexibility and 'can do' culture:** We heard many positive examples of staff flexibility and adaptability in response to the pandemic; of people's willingness to work outside traditional role boundaries, take on additional responsibilities, and support changes to services and rotas.
 - ✓ **Camaraderie:** This was the word used most to describe the working culture during the pandemic.
 - ✓ **Restructured services and pathways:** We heard countless examples of how services had been restructured in terms of where and how they are delivered to patients. Some examples involved a shift to delivering services in community settings, and changes to staff rotas. We also heard examples of how restructured pathways led to admission avoidance and early supported discharge from hospital and all hospitals divided into red and green zones.
 - ✓ **Integrated, collaborative partnership working:** Many pathways between primary, community (including local authority), and acute care have been streamlined. Staff have been working across traditional boundaries and sectors, breaking down silos. These examples of partnership and integrated

working are relevant to our ambition to take a whole system approach to transforming health and care.

- ✓ **The shift to virtual consultations and virtual outpatient services:** Out of necessity and to enable safe and sustainable outpatient services has come one of the most profound transformations to the way the Health Board provides treatment.

- A new Listening and Learning sub-committee was established at the start of the pandemic, which includes clinicians from across the Health Board and considers and discusses serious incidents, concerns, claims, Ombudsman reports, trends and actions to improve patient safety.
- A Patient Experience Report is also presented to each Board meeting. The intelligence within this report has grown and improved and gives real insight to the Board of family and service user experience, and the current position in relation to feedback, including complaints. Patient and service user feedback is received into the Health Board through a variety of routes: Friend and Family Test; compliments (formal letters received by the Chief Executive, Chair and the Big Thank You initiative); concerns and complaints, Patient Advice and Liaison Service (PALS) feedback; local surveys; the all Wales NHS survey and via social media.
- During COVID, the Chair increased the Chairs awards, which enabled her to meet many teams and employees nominated by their peers to thank them and award them, whilst also providing the opportunity to listen to many front line staff about their experiences and to thank them for their kindness and their care for patients, their resilience and creativity and their dedication to duty and service.
- The development of the Black, Asian and Minority Ethnic (BAME) Advisory Group, Chaired by the Health Board Chair, to advise the Board on how improvements can be made such as communication, recruitment and selection, welcoming and mentoring, prevention of bullying, a stronger voice, a Charter. Actions include reverse mentoring for the Board, a bullying and harassment group, the development of a SAS Charter with assistance, a Diversity Calendar gifted to all staff; with an Active Bystander video and Charter are in development.
- A Rest and Recovery Reference Group has been established with internal and external experts and a lead from the Tourist Industry, to advise how we best respond at this critical time. As the pandemic gets more under control, staff will check into their stress and we have to normalise this and not pathologise it, but support them. For example, by ensuring there are internal and external staff rest areas across the estate and have the right referral pathways in place should they need access to psychological therapies.
- In December 2020, ARAC received *Agility to Flex Workforce to Covid Planning*. Overall, it held that the controls in place to manage the organisation's ability to quickly flex and upsize the workforce as and when required due to the ongoing pandemic situation was of a satisfactory standard. The changes in strategy and approach taken, and decisions made by the W&OD team were thorough and demonstrated a robust approach. The W&OD function also adapted its delivery of

training to both new and existing staff to ensure it met the new challenges facing the organisation.

- A staff psychological wellbeing plan based on a phased approach that covers four areas (Throughout, Preparation, Sustained Acute (multiple waves), Longer Term Recovery) was developed and updated monthly based on a thematic analysis from multiple staff sources such as counselling sessions; coaching themes; and Facebook and media comments. It also responds to changes in guidance and advice from Welsh Government services, which may directly affect staff experience at work. Since the early stages of COVID-19, the following aspects of the plan have been in place:
 - ✓ Twice-weekly global updates on specific wellbeing topics.
 - ✓ An in-house Staff Psychological Wellbeing Service providing counselling; listening spaces; research support.
 - ✓ A robust psychological wellbeing plan to mirror the phases of the pandemic.
 - ✓ Expansion of service provision to include a 24/7 Employee Assistance Programme delivered by Care First to wrap around our in-house team.
 - ✓ Establishment of a dedicated COVID-19 Intranet page for Staff Mental Health and Wellbeing, enabling wider access to self-help resources and toolkits.
 - ✓ Individual business cards for each staff member with details of Staff Psychological Wellbeing Services (rainbow cards and posters).
 - ✓ Provision of a wider coaching network for key leaders.
- The in-house Wellbeing Team has been strengthened with the appointment of additional counsellors since October 2020 and further appointments for a clinical psychologist, assistant psychologist and trainer are in the recruitment pipeline.
- The Health Board, in conjunction with partner organisations, are piloting the Engagement HQ platform, developed by Bang the Table, to encourage an ethos of two-way communication to improve staff engagement. The Patient & Public Engagement Team have been working with the Organisational Development Team to design two project pages within the platform.
 - Valuing Your Voice - This is designed to encourage staff to share their stories and to voice ideas, solutions or simply wonderful work, how their experiences affected them, and what staff think the Health Board can learn to improve the organisation for all staff. This project page will offer staff an opportunity to be heard.
 - Praise for Peers - This page offers the chance for staff to tell a peer how much their kindness has meant to them by leaving a message in the guestbook about how a colleague has demonstrated kindness, caring or compassion for them, or just recognising someone for doing an outstanding job.
- The Health Board has been preparing for the Triennial review of its 'University Status' which will be assessed by Health Education and Improvement Wales on 16th April 2021. The achievements include significant partnership activity in support of the Health Board's University status:
 - ✓ Workforce strategy, in areas including the 'grow your own – train, work, live' initiative, developing skills and education (e.g. new role creation, degree

apprenticeships, and widening access to courses), supporting high quality placements, and continuing professional development;

- ✓ Research strategy, including jointly supported portfolio studies, research time awards, honorary and jointly funded posts, securing grants from significant research funding bodies and commercial organisations, and maturing formal associations including the West Wales Academic Health Collaborative;
 - ✓ Innovation approach, both demand and supply side, including several joint projects supported through the efficiency through technology fund, meaningful partnerships with the Life Science Hub Wales (e.g. the Accelerate initiative), and significant engagement with the Bevan Commission's programmes, evidenced by the number of Exemplar projects supported.
- A Stress and Burnout staff survey, covering all staff, was also conducted by our Research and Development Team, in conjunction with the Staff Psychological Wellbeing team during April and May 2020. This survey was repeated during autumn 2020 and will be helpful in widening the picture of our staff experience and areas of wellbeing to address as we move forward.
 - A National Staff Survey was conducted during November 2020 with results being made available in December 2020. The format and engagement process for the staff survey has been changed to simplify the questionnaire around key topics and to follow up results with conversations to address the emerging issues on a local basis.
 - The OD team have been working closely with the Communications Team to support the Engagement HQ concept, all with the intention of building a positive and inclusive culture across HDdUHB. One initiative is 'Praise for Peers' where staff will be encouraged to share messages and stories about their colleagues and 'Valuing Your Voice' where staff are being encouraged to share the issues that are important to them. Both these pages will need to be co-ordinated and overseen by the OD Team.
 - As a way of recognising our staff and saying 'thank you', the Chair and CEO commissioned a specific design for a card for every member of staff. These were distributed to every staff member's home address, with a heartfelt message from the Chair and CEO and details of Staff Psychological Wellbeing services on the reverse.

Personal and Professional Integrity:

- The Board's Standards of Behaviour Policy was reviewed in 2019 and approved by the Business Planning and Performance Assurance Committee in August 2019. This policy outlines how the Board is committed to ensuring that its employees and Independent Members practice the highest standards of conduct and behaviour. An Internal Audit review in 2020/21 provided 'reasonable' assurance.
- The Health Board's Standing Orders supported by the Standards of Behaviour Policy aims to ensure that arrangements are in place to support the workforce to

act in a manner that upholds the code of conduct for the NHS. Part of this process is obtaining declarations in respect of Gifts, Hospitality, Honoraria, and Sponsorship etc. The Register and Declaration of Interests is the method by which the Board safeguards against conflict or potential conflict of interest where private interests and public duties of members of staff do not concur. The Board must be impartial and honest in the conduct of its business. An annual report is received by the Audit and Risk Assurance Committee in respect of declarations.

- The introduction of the Healthy Working Relationships Programme and the new Respect and Resolution Policy across Wales in October 2020, will provide a great opportunity to do things differently in partnership. The Health Board will work with Trade Union partners to put trust at the heart of how dignity at work is managed, grievance issues and to encourage managers to do the right thing in resolving issues by treating each matter individually and each member of staff as an adult. Our Trade Union chairs are keen to work with us to develop pledges to ensure we achieve and monitor success of this new approach, putting people at the heart of it.

Recommendations

1. Continue to work towards development and approval of a 3 year Integrated Medium Term Plan.
2. Review the Risk Management Strategy in 2021/22 and update the Risk Management Framework to reflect new risk reporting arrangements in the Health Board approval of the Annual Plan.
3. Renew its commitment to Board development during 2019/20 under the leadership of the Chair.
4. Encourage more Board visibility throughout the organisation and to ensure that the Board continues to listen to and learn from front line staff experience. The introduction of Reverse Mentoring for all Board members is an example of this being applied in practice.
5. Recommence the Executive development programme to strengthen team cohesion, effectiveness and performance.
6. Further strengthen its Board Assurance Framework (BAF) to support the implementation of its strategy.
7. Learn from the second 'Discover' phase to understand more about the experience of staff during the pandemic to inform the organisation's approach to supporting the rest, recovery and recuperation of staff over the coming years.
8. Improve governance of RPB in order that statutory bodies receive assurance on the work being progressed.

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



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Our Ref: AG/MR/SB

5 October 2020

Dear Steve

Joint Escalation and Intervention Arrangements

As you are aware, under the Joint Escalation and Intervention Arrangements, the Welsh Government meets with Audit Wales and Healthcare Inspectorate Wales twice a year to discuss the overall assessment of each health board and trust in relation to the arrangements.

A tripartite meeting has recently taken place and I write now to let you know your health board's status.

On the basis of the tripartite group discussion, Welsh Government officials will be recommending to the Minister that the escalation status of Hywel Dda University Health Board is reduced to 'enhanced monitoring'.

I would like to recognise the professional and considered way in which the NHS and your organisation has responded to the extraordinary circumstances of the pandemic response. I would also like to thank you and your team on the work you did in relation to the setting up of Field Hospitals across Wales. This has been an important initiative in dealing with COVID.

It was agreed the escalation status should be reduced due to the continued good performance the health board was showing prior to COVID. The group was complimentary on the way you had responded to the KPMG review. In order for the health board to move into routine monitoring, the group felt that there was a need for the organisation to focus on future financial plans, which will be dependent on delivering the clinical strategy.

Despite the de-escalation, some concerns and issues were raised by the group for you to consider and improve upon, namely:

- Challenges still remain around the health board's financial position and management;
- The need to ensure that appropriate planning capacity and leadership is in place recognising the significant commitments in the clinical strategy.

In the meantime, Welsh Government colleagues will continue to provide the necessary specialised support and advice to address issues raised. We will continue to have regular JET and Q&D meetings with subject specific discussions as and when considered necessary.

Yours sincerely



Dr Andrew Goodall CBE

Structured Assessment 2020 – Hywel Dda University Health Board

Audit year: 2020

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2020 structured assessment work at Hywel Dda University Health Board (the Health Board). The work has been undertaken to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2014, to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.
- 2 This year's Structured Assessment work took place at a time when NHS bodies were responding to the unprecedented and ongoing challenges presented by the Covid-19 pandemic. On 13 March 2020, the Minister for Health and Social Services issued a framework of actions to help prepare the system for the expected surge in Covid-19 cases. The framework included the cessation of non-urgent planned activity and the relaxation of targets and monitoring arrangements across the health and care system. Emergency funding arrangements were also introduced to facilitate the wide range of actions needed to respond urgently to the Covid-19 pandemic.
- 3 Shorter planning cycles were agreed for 2020-21 and supported by quarterly guidance setting out key considerations for the planning of the next phase of the pandemic, for maintaining delivery of essential services, and a movement towards the gradual reinstatement of routine services.
- 4 Our work¹ was designed in the context of the ongoing response to the pandemic to ensure a suitably pragmatic approach to help the Auditor General discharge his statutory responsibilities whilst minimising the impact on NHS bodies as they continue to respond to the next phase of the Covid-19 pandemic. The key focus of the work is on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. Auditors also paid attention to progress made to address previous recommendations² where these related to important aspects of organisational governance and financial management especially in the current circumstances.
- 5 The report groups our findings under three themes:
 - governance arrangements;
 - managing financial resources; and
 - operational planning: to support the continued response to the pandemic balanced against the provision of other essential services.

¹ The conduct of our work was coordinated with Internal Audit's rapid governance review which includes further testing of key controls noted in this report.

² Previous recommendations can be found in [our 2019 report](#).

Key messages

- 6 Overall, we found that the Health Board has maintained good governance throughout the Covid-19 pandemic and has developed its operational plans in line with the Welsh Government guidance. Innovation and learning have been embedded throughout the revised governance arrangements to enable recovery and the acceleration of its strategic vision, but operational and structural pressures continue to present challenges for the financial position which will only be addressed by delivery of the strategic vision.
- 7 The Health Board has worked within revised frameworks to discharge Board duties and maintain good governance throughout the Covid-19 pandemic. Adapting quickly to virtual meetings, the Board has 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.
- 8 The Health Board continues to face financial challenges, exacerbated by the impact of Covid-19 but is trying to recover the financial position over the longer-term. With a year-end deficit of £34.9 million, it did not meet its financial duties and is forecasting a deficit of £25 million for 2020-21. Without additional funding, the year-end position is likely to be much greater as a result of Covid-19. During the pandemic, the Health Board has however maintained effective financial controls, and comprehensive reporting has supported timely scrutiny and assurance on the financial position.
- 9 The Health Board has developed operational plans in line with the Welsh Government guidance, supported by a rapidly advancing approach to data modelling and guided by stakeholders. All essential services are being maintained with a cautious and flexible approach to recovering routine services. Regional solutions are being considered and arrangements are in place to learn from the pandemic and to accelerate the delivery of the Health and Care Strategy. The Health Board is highly committed to staff well-being although it recognises that staffing remains a significant risk in the event of a second Covid-19 peak. The Health Board is maintaining good oversight and scrutiny of performance and delivery and is reshaping performance reporting in response to the changing requirements arising from the pandemic.

Recommendations

- 10 We have not made any new recommendations based on our 2020 work but have noted improvement opportunities throughout this report. We will review progress against these and outstanding 2019 recommendations as part of our 2021 work.

Detailed report

Governance arrangements

- 11 Our structured assessment work considered the Health Board's ability to maintain sound governance arrangements while having to respond rapidly to the unprecedented challenges presented by the pandemic.
- 12 We found that **the Health Board has maintained good governance throughout the pandemic.**

Conducting business effectively

The Board has adapted its governance arrangements to ensure public transparency, agile decision-making, and effective scrutiny and leadership throughout the pandemic

The Board has continued to conduct its business in an open and transparent way, adapting quickly to virtual meetings

- 13 The Board has a history of holding meetings in public and using external facilities to enable meetings to be live streamed. Due to social distancing requirements and restrictions on public gatherings, the Board has been unable to hold meetings in public during the pandemic. Board members were required to work from home where possible, and as a result, the Health Board escalated the rollout of Office 365 and Microsoft Teams and quickly moved to holding virtual meetings. The Health Board also provided access to Microsoft Teams for the Community Health Council (CHC) to enable CHC members to also participate in Board meetings.
- 14 Virtual meeting etiquette has been adopted, with software functionality used by Board members to raise questions during Board and committee meetings. The issue of additional IT equipment resolved some initial technology challenges and while a few minor connectivity issues remain, the transition to virtual meetings has gone well.
- 15 From the outset, the Health Board has been clear with the public about the changes that needed to be put in place to Board meetings through its website and social media channels. The opportunity for the public to raise questions in advance of the meetings direct with the Chair, the availability of papers on the Health Board's website and live social media updates have continued with additional steps taken to make the draft minutes available within one week of the meeting.
- 16 The frequency of Board meetings also increased to monthly to provide increased public transparency on its response to the pandemic, with the Health Board the first in Wales to record its meetings and then upload the recordings onto its website and social media channels within 48 hours. More recently, the Health Board moved to live streaming meetings with the facility for members of the public to ask questions during the meeting. These actions all reflect the Board's continued focus on conducting business in an open and transparent way.

Revised governance arrangements have supported rapid decision making and effective scrutiny, with the extent to which arrangements have been maintained a reflection of the maturity of the Board

- 17 The Health Board activated its major incident plan and established a robust Command and Control structure in March 2020. Led by the Chief Executive Officer (CEO), Gold Command met three times a week with scope to scale up/down the frequency to reflect Covid-19 peaks. A clear infrastructure which included a Silver (tactical) group and supporting Bronze operational groups, along with a Command Centre and a number of advice cells underpinned the Gold Command arrangements.
- 18 The Chair attended the Gold meetings in an observer capacity. A daily sitrep dashboard was rapidly put in place to provide a status update across a range of Covid-19 related indicators including bed and equipment capacity to inform decision making. The dashboard along with the papers from the Gold Command and Silver group were made available to all Board members, with a formal report provided to the Board each month. The Board was initially scaled down due to Skype limitations, meeting with quorate membership only in March 2020 but following concerns from the Chair that this limited full contribution by all Independent Members, IT support was accelerated, and full membership was resumed from April onwards.
- 19 The Board fully considered the Welsh Government guidance on discharging Board committee responsibilities during Covid-19. At its April meeting, the Board approved revised arrangements to support agile decision making and reduce unnecessary bureaucracy within the context of maintaining good governance. Facilitated by temporary variation to its Standing Orders, the Board agreed changes which included:
- Streamlining Board and Committee agendas to make them 'paper light' and increasing Board meetings to monthly, replacing the bimonthly Board development and seminars;
 - Agreeing a set of minimum agenda items for Board meetings;
 - Revising committee arrangements with:
 - the frequency of the Quality, Safety and Experience Assurance Committee (QSEAC) increased to monthly to allow for Covid-19 related matters to be considered on a regular basis;
 - the Audit and Risk Assurance Committee (ARAC), Finance Committee and newly established Health and Safety Assurance Committee (HSAC) maintained as normal but with more focused agendas; and
 - other committees temporarily stood down with the responsibilities of the newly formed People, Planning and Performance Assurance Committee (PPAC) to be considered through Board and its other committees.

- Agreeing arrangements for all Chairs of committees to meet with the relevant lead Executive(s) on a fortnightly basis, and for Independent Members expertise and contacts to be made available to Executive Directors during the pandemic;
 - Agreeing ways of working principles and governance principles;
 - Detailing the process for Chairs action on urgent matters;
 - Establishing a Recovery Rethink and Innovation Group (subsequently renamed to Recovery, Learning and Innovation Group) to focus on exiting the pandemic, and an Ethics Panel to provide ethics input, advice and education across the Health Board; and
 - Agreeing a range of communication including daily bulletins to all staff, weekly briefings to all Independent Members, and weekly calls with all key partners including local AMs/MPs, local authority leaders and CEOs, and CHC leads. The CHC chief officers and other CHC representatives also retained regular attendance at Board and committees.
- 20 Shorter Board and committee meetings have been fully attended and in the peak of the pandemic, focused on business-critical matters supported by simplified agendas and papers. Information to support decisions and provide assurance on quality, finance and performance has been robust and timely, including the development of an updated Integrated Performance Assurance Report (IPAR) which includes a range of Covid-19 related indicators. Non-critical items have been appropriately deferred until a more suitable time and clearly documented. We also observed effective scrutiny and challenge at all Board and committee meetings.
- 21 There has been limited use of Chairs action but where taken, there is a decision log, evidence of Board scrutiny and subsequent ratification by Board. Decision and action logs have also been maintained throughout the Command structure along with a specific decision log relating to Covid-19 related expenditure. The Command Centre has also maintained a log of all Welsh Government Covid-19 guidance.
- 22 Alongside the Command and Control structure, the Health Board has also utilised its Health and Social Care Delivery Group, a group established in 2019 to support the delivery of its Health and Care Strategy³. The group included membership from the three local authorities and was used to maintain close dialogue with the local authorities during the pandemic. Through the Group, the Health Board has worked with the three local authorities to reutilise ringfenced funding such as the Integrated Care Fund (ICF)⁴, work collectively to consider options for field hospitals and develop a joint response to supporting care homes. This group has subsequently been stood down and replaced with the Joint Integrated Executive Team previously established to support the Regional Partnership Board arrangements.

³ [A Healthier Mid and West Wales – Our Future Generations Living Well](#)

⁴ The ICF was used as a temporary measure to respond to the pandemic. These monies were later replaced by funding received from the Welsh Government relating specifically to Covid-19 and the ICF was reinstated.

Representatives from the three local authorities are also included within a number of the Bronze groups, for example, the group focusing on the community.

- 23 The Command and Control structure that the Health Board has established has clearly worked to support agile decision making in the face of the pandemic. However, the extent to which the Health Board has maintained its Board and committee business has been significant and was above and beyond what was required by the guidance. With the exception of the Bronze groups (excluding Bronze Acute) and advice cells, the Health Board's governance team has serviced all of the structures, and the Executive team have worked hard to provide the information needed to support continued scrutiny and assurance across the broad range of committees and groups that have been functioning. The Health Board should be commended for its efforts in ensuring good governance during the pandemic, which reflects the increasing maturity of the Board. In the event of a second peak, the Board should however consider whether it would be able to sustain the same level of Board and committee business.

Amendments to some tenures and clear schemes of delegations for executive functions have ensured board resilience and stability during the Covid-19 pandemic

- 24 During the pandemic, the tenures of a number of Independent Members were due to end. The Welsh Government subsequently confirmed a second term for the Vice Chair for a period of four years, and an extension of one year for the Independent Member (community), the Independent Member (finance), the Independent Member (local authority) and the Associate Member, Chair of the Finance Committee.
- 25 As part of the Command arrangements, the Chair maintained regular dialogue with the Vice Chair and both third and fourth deputy arrangements were put in place in the event that the Chair and Vice Chair were unavailable. Similar arrangements were adopted for the CEO. Normal business continuity arrangements were applied for the rest of the Executive team with the second level deputies utilised where absences occurred.
- 26 Since June 2020, the Executive Director of Finance has provided oversight and ongoing support to the planning and informatics reporting teams.
- 27 As the Health Board moves into the reset and recovery phase of the pandemic, the Director of Partnerships and Corporate Services leaves to take up a new role. This post is being removed from the organisational structure, with existing roles and responsibilities reallocated across a number of the Executive Team with effect from August 2020 to complement their wider portfolio responsibilities. This is with the exception of communications, which will move to a new Engagement and Communications post reporting directly to the CEO in the Autumn. In addition, the Executive Director of Finance role which was fixed term has now been made a permanent appointment.

- 28 All of these arrangements and amendments to the tenures have helped to provide a stable and cohesive Board during the pandemic and moving into the longer-term phase of recovery.

The Board has fully embedded a focus on learning and improvement within its governance arrangements

- 29 In the early stages of the pandemic, the CEO virtually attended the Command and Control structure for a short period as an observer. This gave him chance to reflect and gave rise to opportunities to make immediate minor adjustments to the way in which the structure operated. This included revising the membership of the Gold, Silver and Bronze groups in place and a realignment of Executive responsibilities during the pandemic. More broadly, the operation of the Command and Control structure has been kept under review through the Executive Team with the frequency of meetings reduced, Bronze groups stood down and new advice cells adopted to address new phases of the pandemic, for example, Public Health, including Test, Trace, Protect, and Social Distancing.
- 30 The revised governance arrangements have also been kept under constant review by the Chair, CEO and Board Secretary, with input from Board members. Board and committees have started to maintain a much broader 'business as usual' focus as the peak in the pandemic has subsided. In June 2020, a new Listening and Learning Sub-Committee of the QSEAC met for the first time and the stood-down committees were reinstated. Board and QSEAC meetings will revert to bimonthly with effect from September 2020. Committee workplans are currently being reviewed and deferred action log items rescheduled.
- 31 In April 2020, the Health Board established a Recovery, Learning and Innovation group as set out in its revised governance arrangements. This group identified innovation and practices to retain going into recovery and beyond. Initially focused on the short-term, the CEO and Chair subsequently saw opportunity for the group to lead innovation and learning for the longer-term, recognising the direct correlation with the longer-term transformation agenda outlined in the Health Board's Health and Care Strategy. The group was subsequently replaced with a Transformation Steering Group (TSG), chaired by the CEO in June 2020. Through the group, the Board has indicated its intent to:
- retain virtual working, focused agendas and 'paper-light' meetings;
 - retain a Command Centre as a central hub for all Welsh Government guidance and a contact point for all staff and members of the public;
 - adopt the 'how' approach applied to the Silver and Bronze structures across the operational elements of the Health Board to promote empowerment and local ownership; and adopt the 'what and why' strategic approach applied to the Gold Command to the Board.
- 32 At the outset of the pandemic, the Health Board also made it clear that it would retain the Ethics Panel that was established as part of the Command and Control

structure. The Board has also identified the need to provide much more focus on the Black, Asian and Minority Ethnic (BAME) group and as such the Chair put forward a recommendation to establish a Board BAME Advisory Group with effect from July 2020. In approving the Advisory Group, the Board also approved attendance by the Advisory Group Vice-Chair at Board meetings.

Systems of assurance

The Health Board has maintained systems of assurance during the pandemic with a strong focus on quality and safety

The Health Board adapted its risk management system during the pandemic

- 33 We have previously identified that the Health Board has a well-developed Board Assurance Framework (BAF) which was due to be updated to support the implementation of the Health Board's strategy from 2020 onwards, with a review of the risk management framework due to take place later in 2020. At the time of the impact of Covid-19 in March 2020, arrangements had been put in place to update the BAF alongside new planning objectives.
- 34 In April 2020, as part of the revision to its Governance arrangements, the Board considered a paper which set out changes to the way in which operational and corporate risks would be managed during the pandemic. Three new Covid-19 corporate risks were identified on the Corporate Risk Register (CRR) with assurance provided through the Gold Command. Review of the CRR was retained by the Board, but the frequency of review was increased to monthly, with a review by the Executive team undertaken prior to each Board meeting. Oversight of all of the quality and safety risks were allocated to the QSEAC, with financial risks allocated to the Finance Committee. The remaining risks rested with the Board until such time as the stood-down committees were reinstated. At that time, it was agreed that the Board would not amend its risk appetite but keep it under review.
- 35 Executive performance reviews were also stood down with an increased responsibility for Executive Directors to retain oversight of operational risks direct with operational teams using the Datix Risk Module. This allowed ownership of risks at a local level, with assurances being provided to the Board on actions being taken through the Command and Control structure and the committee structures. A specific Covid-19 operational risk log is in place in relation to quality and safety risks, which is reported through to the QSEAC.
- 36 A review of the BAF is now due to take place in the Autumn, informed by the work of the TSG and the implementation of the Health Board's strategy.

The Board has maintained a strong focus on quality and safety during the pandemic, but action was taken to strengthen assurance on workforce matters

- 37 From the outset, the Health Board has emphasised the importance of maintaining a continued focus on the quality, safety and experience of patients and their families during the pandemic, by increasing the frequency of the QSEAC. This enabled the Board to maintain a handle on core quality, safety and experience issues, as well as have an increased focus on the impact of Covid-19 on the quality and safety of services. The fortnightly meeting between the Committee Chair and the Lead Executive has also allowed opportunities to identify issues that require escalation.
- 38 Most of the requirements set out in the Welsh Government guidance for quality scrutiny during the pandemic have been considered by the QSEAC. Regular assurance reporting on key agenda issues such as Putting Things Right, infection prevention and control, and compliance with the Nurse Staffing Levels (Wales) Act have also been maintained during the pandemic, along with annual reporting requirements and routine consideration of risks. The additional QSEAC meetings have also allowed deep dive discussions into specific risk areas relating to Covid-19 such as the impact on cancer treatments, and the availability of Personal Protective Equipment (PPE) and critical care medicines. A detailed Covid-19 report is also provided to the QSEAC meeting drawing attention to the key areas of the quarterly operational plans and in particular the reinstatement of essential services, and the clinical prioritisation of patients.
- 39 Where items set out in the Welsh Government guidance have not been considered in detail by QSEAC during the pandemic, they have either been covered elsewhere in the Health Board's governance structure or have been considered as part of the Committee's workplan. For example:
- Safe and timely discharge arrangements, including testing arrangements for patients being discharged back into the community, are being considered by the Bronze group for community, feeding up through the Command and Control structure to Gold Command and the Board; and
 - Detailed updates on clinical audit and mortality reviews are scheduled for the August committee, although verbal updates have been provided on clinical audit. Despite the Welsh Government standing down all national clinical audits, the Health Board's clinical audit team have been able to maintain data collection for a number of national audits during the pandemic as well as support some locally agreed clinical audits.
- 40 To support the QSEAC, the Health Board has largely maintained the supporting QSEAC infrastructure. Apart from one meeting, the Operational QSEAC has met, providing assurance up from the directorates on quality matters, although attendance at these meetings from directorates has been variable, which is understandable during the pandemic. The Safeguarding, Infection Prevention and Control, and Medicines Management groups have been held and as referenced in paragraph 30, the Health Board has established its new Listening and Learning

Sub-Committee. Although stood down, the Effective Clinical Practice group also held an interim meeting to discuss a number of urgent matters before being dissolved. The Research & Development Sub-Committee was also stood down but as an active contributor to international and national Covid-19 trials, this sub-committee was reinstated in July.

- 41 At an operational level, some quality and safety meetings were initially paused but have since been restarted. The new Quality Panel however has been maintained, led by the Executive Director of Nursing, throughout the pandemic to consider specific quality issues. Prior to the impact of Covid-19, the Health Board had been making progress against the recommendations made in our previous report on operational quality and safety arrangements, but changes to strengthen, and in particular standardise, the arrangements across directorates have been paused.
- 42 As part of the revised governance arrangements, Board members receive the daily sitrep report which includes a range of quality indicators including availability of PPE, staff sickness levels, case and admission levels, bed capacity and death rates. More formally, the Board also receives a monthly update on the Health Board's response to Covid-19.
- 43 As part of routine business, the Board has also continued to receive its new Improving Patient Experience Report which has included patient stories, with the patient story agenda item now also reinstated at QSEAC.
- 44 Scrutiny across the quality and safety agenda continues to be good. Whilst the Covid-19 response has had an acute hospital focus, the depth and breadth of challenge has spanned a wide range of issues with mental health, learning disabilities and primary care key focus areas of attention. Papers provide the necessary assurance on the arrangements in place, but Independent Members are increasingly seeking assurance on outcomes, which will need to be addressed as the Health Board starts to exit the pandemic.
- 45 As part of the revised governance arrangements, workforce matters became the responsibility of the Board following the standing down of the PPPAC. Through the Gold Command papers, Independent Members have been kept briefed on a range of workforce issues. A Bronze group specifically dedicated to workforce has been in place during the pandemic and a detailed update on arrangements have been set out in quarterly operational plans. During the early part of the pandemic however, there had been no detailed update to the Board specifically in relation to workforce, although aspects were included in the wider Covid-19 report and via the PPPAC Chair's report. As such an extraordinary PPPAC was held in May to seek assurance on a range of issues, including the arrangements in place to manage staff at risk. An update was provided to the May Board meeting with a recommendation to reinstate the Committee. At the PPPAC meeting in June 2020, the Executive Director of Workforce and Organisational Development (OD) provided a very detailed assurance report. This report included the wellbeing support provided for staff as well as the implementation of the all-Wales Covid-19

staff risk assessment. A new workforce dashboard is due to presented to the August PPPAC meeting.

A balanced and proportionate approach has been taken to tracking high priority recommendations

- 46 As part of its consideration of the Welsh Government guidance, a detailed paper was considered by the Board in April 2020 as to how recommendations from audit, inspection and regulatory bodies would be managed during the pandemic. Recognising the need to maintain good governance, the paper set out a balanced approach which highlighted a series of high priority recommendations which would still need to be addressed and tracked. These fell into four key groups:
- Six Immediate improvement recommendations from Healthcare Inspectorate Wales (HIW);
 - Enforcement notices from the Mid and West Wales Fire and Rescue Service (MWWFRS);
 - Improvement Notices and material breaches from Health and Safety Executive (HSE); and
 - High priority recommendations from Internal and External Audit, including some previous recommendations arising from our Structured Assessment work.
- 47 Executive Directors were also asked to review all other recommendations and assess whether they could be implemented within the planned timescales, and if not, to identify interim arrangements to manage the risk and a revised timescale.
- 48 As part of its core business, the ARAC has maintained oversight of the audit tracker during the pandemic, focusing its attention on the high priority recommendations. The ARAC has also continued to receive finalised internal audit reports to inform the year-end opinion. and has sought to maintain an overview on key controls issues that have been raised in previous audit reports.

Managing financial resources

- 49 Our work considered the Health Board's financial performance, changes to financial controls during the pandemic and arrangements for monitoring and reporting financial performance.
- 50 We found that **the Health Board continues to face financial challenges, exacerbated by the impact of Covid-19 but has maintained effective financial controls, monitoring and reporting.**

Achieving key financial objectives

The Health Board is continuing to face financial deficit, which is now impacted significantly by Covid-19, but is taking steps to attempt to recover over the longer-term

The Health Board did not meet its financial duties in 2019-20, with a year-end deficit of £34.9 million

- 51 During 2019-20 the Health Board continued to spend beyond its means resulting in a year-end deficit of £34.9 million and a three-year cumulative deficit of £139.7 million, although this was an improved position from the previous year^{5,6}. As such, the Health Board did not meet its statutory duty to breakeven against its Revenue Resource Limit over the three-year period 2017-2020.
- 52 At the start of the financial year, the Health Board had set out its intention to deliver against a £29.8 million deficit. A £25 million deficit control total was subsequently agreed with the Welsh Government, which included a brought forward underlying deficit of £47 million. To meet its agreed deficit control total, a £28.8 million savings requirement was identified. Plans were in place to deliver £18.4 million savings, with £18 million achieved, of which £6.2 million were non-recurring. During 2019-20, the Health Board's turnaround process maintained a focus on driving through service efficiencies but a shortfall of £10.4 million in the required savings remained.
- 53 For 2019-20, the Welsh Government offered an additional £10 million to reduce the planned deficit to £15 million on condition that the agreed deficit control total was met at year-end. At month seven, it was clear that the Health Board was going to be unable to meet its deficit control total, and the additional £10 million from the Welsh Government was withdrawn. Operational pressures largely relating to medicines management and unscheduled care resulted in an increased year-end deficit forecast of £35 million. A small impact as a result of Covid-19 was felt in March 2020, but this was largely offset by underspends on activity as a result of a suspension of planned care services at the same time.
- 54 The Health Board did meet its Capital Resource Limit with an underspend of £0.7 million. Total underspend was £1.1 million but £0.4 million was used to offset against Covid-19 related costs in March 2020. The planned spend of £1.1 million was unable to progress due to the impact of Covid-19, and the underspend was returned to the Welsh Government at year-end.
- 55 The Health Board was not able to develop an approvable three-year Integrated Medium-Term Plan with a balanced financial plan, therefore failing to meet its

⁵ Outturn position for 2018-19 was £35.4 million and a rolling three-year deficit of £154.4 million

⁶ Following [ministerial announcement in July 2020](#), historic debt will be written off by the Welsh Government, subject to the Health Board delivering its three-year break-even duty

second statutory duty. The Health Board has remained in Targeted Intervention⁷, and in line with previous years, has continued to operate annual planning arrangements in agreement with the Welsh Government.

The Health Board set an ambitious plan for 2020-21 to deliver a reduced forecast deficit of £25 million, but without additional funding, this will be significantly more as a result of Covid-19

- 56 The Health Board's agreed financial plan for 2020-21 was shared with the Board in January 2020, and again in March 2020. It set out a planned deficit of £25 million which was predicated on achieving a savings requirement of £34.2 million.
- 57 The financial plan built in lessons learnt from the budget setting process applied in 2019-20, for example, allowing for escalated expenditure in medicines management and unscheduled care. Responsibility for the deficit had also to be shared across the operational teams to ensure local ownership rather than being retained as a central responsibility. A new opportunities framework had also been implemented which draws on efficiency data such as the Finance Delivery Unit efficiency framework to identify opportunities to make efficiency savings, as well as draw on good practice and opportunities to streamline the allocation of resources.
- 58 The Health Board has clearly recognised that the impact of the Covid-19 pandemic now presents an unprecedented significant risk to the financial position for this year, and for years ahead. At month one, the Health Board had identified plans to achieve £5.6 million savings. At month four, the Health Board had made savings of just £0.7 million, with a year-end forecast of £3.4 million savings. This leaves a shortfall of £30.8 million, noting that the financial impact of Covid-19 sits outside of the costs included in the 2020-21 financial plan.
- 59 At month four, the Health Board was forecasting a year-end deficit of £108.8 million. This was an improvement on the previous month's forecast of £129.4 million. The year-end forecast deficit includes a reduced £20 million operational deficit. The remaining deficit of £88.8 million is directly linked to the impact of Covid-19.
- 60 The Welsh Government has provided £16.8 million of Covid-19 funding to date. The Health Board remains focused on delivering its baseline plan and has not assumed any further funding from the Welsh Government. It is recognising the effect of reduced planned care expenditure to offset Covid-19 costs, minimising financial run rates and continually reviewing its forecast alongside quarterly operational plans. However, it is unlikely that the Health Board will be able to cover the ongoing Covid-19 costs without significant additional funding or increasing its planned deficit.

⁷ [NHS Wales Escalation and Intervention Arrangements](#)

The Health Board has not yet set out its financial plan beyond 2021 but changes in its transformation arrangements are now bringing a focus on the longer-term financial recovery

- 61 To support the planning process for 2020 onwards, the Health Board developed a three-year plan for the period 2020-23. This plan, developed prior to the impact of Covid-19, aligned with the Health Board's strategy and set out its intentions to continue to focus on value based and prudent healthcare. The plan however did not set out the financial plan for the full three-year period, focussing only on 2020-21 to underpin the current year's annual plan subsequently approved by the Welsh Government.
- 62 The Health Board's Recovery, Learning and Innovation Group established as part of the Command and Control structure was initially tasked with maintaining a focus on how the Health Board's financial position would be recovered in the short-term. The subsequent move to the TSG has now seen the group focus on financial opportunities to aid recovery in the longer-term, recognising that a key factor in the Health Board's ability to recovery financially will be the transformation of its services. The Chair of the Finance Committee is a member of the TSG.
- 63 The TSG has subsequently replaced the Health Board's structure which was set up in 2019 to lead the implementation of its Health and Care Strategy. The Board approved this amendment in July 2020 with the TSG now supported by the Strategic Enabling Group which was also established as part of the health and care strategy delivery structure. The Strategic Enabling Group brings together all of the enabler functions, including finance, digital and procurement, required to deliver the strategic vision and the recovery needed as a result of the pandemic.

Financial controls

The Health Board has maintained effective financial controls throughout the pandemic

The Health Board is continuing to strengthen its financial controls, but longer-term action is required to reduce the underlying deficit

- 64 During 2019-20, the Welsh Government commissioned KPMG to undertake a detailed review of the Health Board's finances. The KPMG report identified two key drivers to the Health Board's underlying deficit:
- the cost of the Health Board's operating model with opportunities to improve productivity, reduce fixed costs and right size hospital services to reduce duplication, variation and sub-scale services; and
 - the cost of clinical demand from populations for services which is not sufficiently explained by the age of the Health Board's population.

- 65 The Health Board maintained its Turnaround Programme during 2019-20, and as well as the opportunities framework identified in paragraph 57, has continued to strengthen its financial controls to reduce operating costs. An action plan to strengthen grip and control, with a particular focus on pay, was developed and monitored through the Finance Committee, although these actions now form part of a wider programme of work focusing on workforce efficiency and effectiveness. The Health Board's Health and Care Strategy provides the necessary focus on reducing fixed costs and right sizing hospital services, although actions to address increased clinical demand have not yet started.
- 66 More generally, the finance business partnering model has now become fully established within the Health Board with business partners allocated to all directorates, and through the accountability agreements, clear delegated budgetary responsibility remains in place. Our annual accounts work has continued to identify that the Health Board has adequate financial controls in place, and the finance team were well placed to deliver against the revised accounts deadline for 2019-20. The Health Board has also made positive use of data analytics to bring forward the monthly financial close down process, enabling operational teams to access updated financial information on day one of the month.

The Health Board has established clear mechanisms for recording and tracking Covid-19 expenditure

- 67 At the start of the pandemic, the Health Board set up a single Covid-19 cost centre to facilitate the identification of all Covid-19 related costs for the financial year 2019-20. This enabled immediate procurement to be made.
- 68 For the financial year 2020-21, internal accountability agreements have not been issued but instead replaced with a delegations and finance delivery letter. These set out the existing financial control principles and reiterate the importance of existing financial governance processes. The letter also set out the need for accurate recording of the financial impact of Covid-19. This has been supported by the establishment of Covid-19 cost centres for each directorate, including the field hospitals. In total, 54 Covid-19 cost centres have been established to enable all costs to be tracked.
- 69 The business partners have been key during the pandemic in providing scrutiny and challenge at a local level and ensuring consistency across the Health Board in relation to Covid-19 expenditure. Decision logs are in place across all spend areas. Where decisions have been made at pace which have involved values above the delegated financial limit of the members of staff authorising the decisions, business partners have consolidated these, and ratification and approval subsequently sought. All decisions where spend has exceeded £25,000 have been monitored by the Finance Committee and reported to the ARAC along with value for money considerations.

The Health Board has operated within existing financial controls during the pandemic

- 70 In May 2020, the Board received a paper setting out the financial governance arrangements during the pandemic, and the value for money considerations in relation to the level of Covid-19 expenditure. The paper set out that existing financial controls set out in the Health Board's Scheme of Delegation, Standing Orders and Standing Financial Instructions would apply, with no amendments needed. The paper however did recognise that there was a risk of breaches against Standing Orders which would be addressed through variations which would require Board approval.
- 71 The Health Board's Scheme of Delegation allows adequate delegation for most large purchases, but further approval was through Gold Command and full Board if necessary. The use of Chair's Action was also available for any urgent decision on significant expenditure if needed, for example expenditure for field hospital set-up, but this has largely been kept to a minimum.
- 72 For the first three months of 2020-21, the Health Board has had access to additional independent hospital beds to support the delivery of essential services. The commissioning of this capacity was undertaken on an all-Wales basis by the Welsh Health Specialised Services Committee (WHSSC) and funded by Welsh Government.
- 73 The Health Board has worked closely with its local authority partners to establish its nine field hospitals, making use of Licence to Occupy agreements where appropriate. In accordance with the Welsh Government directive, funding for these costs has flowed through the Health Board to its local authority partners. The Welsh Government has recently commissioned KPMG to undertake reviews of field hospitals for due diligence, including those established by the Health Board. Once completed, the Health Board will need to respond to any improvement actions identified by the review.
- 74 During the pandemic, there has been a significant increase in the number of charitable gifts and donations. The Health Board has applied its Standards of Behaviour Policy to register gifts and donations, although recognises that the volume has presented challenges for maintaining a central log. Donations received centrally have been recorded, and where possible, the Health Board has promoted the use of the Amazon Wishlist to donate gifts. Financial donations have been directed through the Health Board's charitable fund and an agile but robust process has been adopted to allocate funds to front line services.
- 75 Routine counter fraud arrangements have been maintained during the pandemic. Although the local counter fraud specialist (LCFS) took up a new post in Swansea Bay University Health Board, he provided ongoing support to the Health Board during the peak of the pandemic while a new LCFS was appointed.

Monitoring and reporting

Comprehensive reporting has supported timely scrutiny and assurance on the financial position throughout the pandemic

- 76 During the pandemic, the Board has maintained robust oversight of the Health Board's finance position. The Finance Committee has continued to operate on a monthly basis, with the Board and ARAC receiving timely reporting for each of their meetings. The Chair of the Finance Committee has also maintained contact with the Director of Finance on a fortnightly basis.
- 77 A detailed breakdown of the financial position and the impact of Covid-19 across the directorates and on a health board wide basis has been provided to the Finance Committee. This is then reported through to the Board via the Committee reports, which set out month-on-month trends across a range of measures to help the Board monitor the financial position and track over time. The reports also clearly set out the risks to the Health Board's ability to deliver against its savings target and control expenditure.
- 78 At an operational level, the Health Board's Turnaround Holding to Account meetings were stood down at the end of 2019-20. The finance business partners have maintained oversight during the pandemic but as the Health Board starts to move into the recovery phase, the Executive Director of Operations and the Executive Director of Finance have established a series of system engagement meetings with directorates. These meetings are designed to help understand the actions that directorates are trying to take to recover, including a focus on savings, as well as identify opportunities where the Executive team can help to facilitate improvement.

Operational planning

- 79 Our work considered the Health Board's progress in developing and delivering quarterly operational plans to support the ongoing response to COVID-19 and to provide other essential services and functions in line with Welsh Government planning guidance. At the time of our work, the focus was on essential services with the aim of restoring normal and routine activities when it is safe and practicable to do so.
- 80 We found that **operational plans are informed by strengthened data modelling, and a commitment to stakeholder engagement, regional solutions and staff well-being, with clear arrangements for monitoring performance and delivery. However, another peak in Covid-19 poses a significant risk to workforce arrangements.**

Developing the plan

Operational plans support a flexible approach to service recovery and the Transformation Steering Group is using learning from the pandemic to accelerate strategy delivery

The Health Board quickly developed quarterly plans guided by stakeholders and a rapidly advancing approach to data modelling

- 81 Plans have been developed in line with the revised NHS Wales Operating Framework. The Health Board worked quickly and effectively with its Board in developing quarterly plans. They were submitted to the Welsh Government on time. The Welsh Government submission deadline for quarter one preceded the Board meeting. The draft plan went to key committees and Gold Command. This enabled Board members to comment and challenge before sign-off by the Chair and retrospective ratification at the next Board meeting. The draft quarter two plan was presented to the Board at a Board seminar in June, prior to submission to the Welsh Government at the end of June. The quarter two plan was subsequently approved by the Board in July 2020.
- 82 The Health Board has engaged and collaborated with stakeholders during this period to inform quarterly planning. For example:
- plans define risks and regional solutions as a key part of the planning for the Health Board's regional services;
 - the CHC attended and participated fully in the Board seminar for the quarter two plan; and
 - discussions with local partners through the Health and Care Delivery Group allowed the diversion of the ICF to enable the provision of field hospitals (as set out in paragraph 22).
- 83 The Health Board has responded to the Welsh Government feedback. Feedback indicated that the quarter one plan lacked detail on different scenarios and their implications. Subsequently, the Health Board's modelling cell has rapidly developed its ability to analyse the impact of changes across a range of factors, enabling more accurate forecasting and more informed planning.
- 84 The Health Board has also developed a more comprehensive view on the potential additional non-Covid unscheduled care and winter surge capacity needed to manage usual levels of winter demand when Covid-19 activity is ongoing. The quarter two plan includes refreshed NHS surge capacity plans based on the updated modelling assumptions and requirements for field hospitals and independent sector facilities.

Essential services are being maintained and routine services reactivated in a cautious and flexible way

- 85 The Health Board's quarter two plan indicates that all essential services, as defined in the framework, are being delivered across all Health Board services. Its intention is to ensure that it has the workforce and the infrastructure to respond to future Covid-19 scenarios that may require additional surge capacity. Also, to enable community-based solutions which address the growth in community activity like that experienced during quarter one, whether routine or through intermediate care virtual wards.
- 86 A Task and Finish Group has been set up to ensure that the Health Board is able to restart and continue services safely and effectively. Service plans give priority to those patients at the greatest clinical risk. For example, cancer and ophthalmology patients, and outpatients.
- 87 The approach to the recovery of routine services is cautious and flexible, in line with Welsh Government guidance issued in June 2020. The guidance focuses on safe working practices for NHS buildings in order to reduce the possibility of transmission of Covid-19 in the workplace. Some teams and departments have started to evaluate their working environments in light of the Welsh Government guidance, while others have shown that they already comply with much of it. There are several sources of support to help them complete the process, including from Health and Safety, Infection Prevention and Control, management, and Estates.
- 88 The evaluation needs to be completed in clinical and non-clinical areas before the Health Board can co-ordinate and prioritise the use of control measures across hospital, community and primary care teams. For example:
- installation of bespoke Perspex screens;
 - modifying care pathways to include the use of digital options instead of face-to-face contact;
 - enabling social distancing in clinical and non-clinical areas, which may require a reduction of bed numbers in some areas; and
 - installation of social distancing signage compliant with the recently issued Welsh Government standard.
- 89 The approach being taken to recover routine services invariably will mean many patients will need to wait to receive their care. The Health Board has plans in place to contact each patient individually to explain the reasons for delay, how to self-manage their condition, action they should take should their condition deteriorate and to confirm that the planned procedure is still necessary.

The new Transformation Steering Group is building on the learning from the pandemic to accelerate the delivery of the Health and Care Strategy

- 90 The Health Board re-considered the delivery arrangements for its Health and Care Strategy and recognised that the experience of the Covid-19 pandemic provides an

opportunity to change its approach. This led to the changes to the Recovery, Learning and Innovation Group established as part of the Command and Control structure, as set out in paragraph 31, and the subsequent establishment of the TSG. As well as its role in the immediate recovery, the group has been established to:

- learn from the pandemic and the response to it;
- translate the learning into practical applications; and
- transform services over the lifetime of the Health and Care Strategy.

91 In July 2020, the TSG produced its first Strategic Discover Report to identify initial learning from the pandemic response which can be applied to accelerate delivery of the Health and Care Strategy. The Board authorised the proposed changes as a result of the learning set out in the report. Through its own internal staff engagement, the Health Board identified a range of things that have worked well, including:

- a common vision, shared goals and the empowerment and autonomy to act;
- workforce flexibility, a 'can do' culture, and camaraderie;
- working digitally and use of technology-enabled care;
- restructured services and pathways together with integrated, collaborative partnership working.

92 Similarly, it found things that had worked less well, such as:

- lack of access to timely data and the negative impact on planning and decisions;
- workforce pressures highlighting workforce gaps and under-resourced teams;
- limited strategic planning for large-scale events like the pandemic;
- knee-jerk decisions to stop routine services and the slow pace to re-start them;
- potential impact of changes on patients; and
- limited controls and due diligence leading to risks, particularly unchecked maverick behaviours.

93 The report also draws on learning from other sources across the world. The TSG will bring new ideas to the Board on a regular basis about services, operational changes, and organisational arrangements.

Resources to deliver the plan

The Health Board is committed to staff well-being with regional solutions and resource modelling helping inform plans, although staffing is a significant risk in the event of a second peak

Regional solutions are being considered for field hospitals and for a number of services, while more detailed demand modelling is helping to inform resource plans

- 94 The Health Board is working to find regional solutions, particularly by building on the strong relationship with Swansea Bay University Health Board. In quarter two the focus will include exploration of options for regional solutions for field hospital provision, with a shared prioritisation approach to regional beds, a regional workforce model and joint services in a number of other specialty areas. The health boards covering mid-Wales are also collaborating on service provision to ensure that patient flow is maintained.
- 95 The modelling cell has undertaken detailed work to forecast non-elective demand for the coming winter. This supports the development of Covid-19 and non-Covid-19 demand forecasts for existing hospital and field hospital beds to inform the quarter three plan. The cell has also developed a community Covid-19 demand model to assist the Health Board's community teams to plan services and is working on a more accurate "near-casting" model to improve the accuracy of its short-term functional capacity analysis. The Health Board is seeking to maximise workforce availability and is aware of potential limiting factors on productivity such as social distancing, the need to maintain staffing levels within the Nurse Staffing Levels (Wales) Act, and the need to be able to safely staff surge areas.

The Health Board is highly committed to supporting staff well-being although staffing remains a significant risk in the event of a second Covid-19 peak

- 96 The Health Board has developed workforce plans in response to the enormous challenges presented by the pandemic. The measures taken include:
- a significant recruitment campaign which increased the workforce by 912 whole time equivalent (WTE);
 - reporting staff sickness rates on a daily basis;
 - facilitating remote working to support shielding and social distancing;
 - redeployment of staff to support front line services or to protect at-risk staff; and
 - creating flexible teams for anticipated critical needs at times of escalation. For example:

- a “mortuary bank” of porters trained in core skills to support each county; and
 - a cleaning & infection control rapid response team across counties for care home, schools, field hospitals etc.
- 97 Despite mitigating measures, the supply and availability of workforce is a key risk to delivery for the Health Board as it restarts services, prepares for winter pressures and plans for a possible second Covid-19 peak. The workforce risks, existing actions and further mitigation measures are set out in the quarter two plan and are aligned with the Health Board’s Workforce Strategy. They include:
- an inability to provide appropriate staff psychological well-being support;
 - a lack of trainers and insufficient training to prepare new staff;
 - new employees having insufficient knowledge, skills or experience; and
 - new staff terminating their short-term employment contracts at the end of the fixed period.
- 98 Staff with underlying health conditions are risk assessed, with use of the national Covid-19 Risk Assessment tool adopted following its all-Wales implementation. The Workforce Team have contacted all managers to highlight that it is very important for staff to complete the risk assessment, particularly those identified as BAME. Some of those staff may be reluctant to complete the assessment and the Health Board has worked with representatives of BAME staff to encourage completion and to address any issues. The Workforce and Organisational Development Update Report to the People, Planning and Performance Committee in July 2020 includes:
- the number of managers who responded to the process;
 - the number of staff who completed assessments; and
 - a summary of the assessment outcomes.
- 99 Some staff are unable to work in a patient-facing area. Wherever possible, the Health Board recommends they work at home or in a non-clinical area, using telemedicine and available IT platforms.
- 100 From the outset, the Chair has championed the psychological well-being of staff. The Health Board introduced a Staff Psychological Well-being Plan at the end of March 2020 to support staff through the pandemic. It has been updated twice to ensure that it responds to learning from staff experience, and to any new Welsh Government guidance which has an impact on working arrangements.
- 101 Teams have also been brought together to maximise what is available to support staff. Demand for counselling support decreased after the first peak of Covid-19 but during June the number of requests increased to a record high. There is recognition of the need to address the challenges which staff have experienced as a result of the need for home working, including feelings of isolation, frustrations with technology and the pressure of managing home working. Health Board leaders have been offered coaching to help them cope with the uncertainty and demands created by the pandemic.

- 102 An ongoing staff experience survey and thematic analysis is helping the Staff Psychological Well-being Team to respond to emerging needs. Psychological well-being messages are included twice weekly in the all-staff communication, and all staff have been sent a thank you card for their contribution during the pandemic. A dedicated Covid-19 intranet page for staff psychological well-being provides links to various resources. The Occupational Health Team provides advice and support to managers and staff on staff testing, risk assessment and issues concerning isolation and shielding.
- 103 To provide further support, the Health Board is also now looking to expand its 'Spaces for Listening' with a network of facilitators, offer a new online Building Resilience Programme and make available additional resources and support for managers.

Monitoring delivery of the plan

The Health Board has maintained good oversight and scrutiny of performance and delivery but needs to increase its focus on the four quadrants of harm

- 104 Whilst the national performance monitoring requirements were largely stood down, the Health Board has continued to maintain oversight of performance and the impact that Covid-19 has had on the delivery of services.
- 105 In May 2020, a revised Integrated Performance Assurance Report (IPAR) was produced which focused primarily on unscheduled care, cancer, eye care, childhood immunisations and financial performance. A new Covid-19 section was also introduced. Although the need to submit data nationally was suspended, data was also reported for a range of other indicators and a summary provided in the IPAR.
- 106 The IPAR has subsequently been expanded to reflect the quarterly plans. A revised IPAR was reported to the Board in June 2020 which indicated whether performance was in line with the plans, and the actions due to be taken. For July 2020, an additional section was also added to track Health Board compliance with the essential services framework.
- 107 Key quality and safety elements in the essential services framework are to be further monitored by the PPPAC and any concerns will be referred to the QSEAC. Any exceptions noted at these meetings are to be escalated to Board. To date however, the performance reporting framework has not provided assurance regarding the four quadrants of harm set out in the NHS Wales Operating Framework. The Executive Director of Finance is currently redeveloping the performance framework which will look to include the four quadrants of harm.



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Governance Arrangements during the Covid-19 Pandemic

Advisory Review Final Report

2020/21

Hywel Dda University Health Board

Audit and Assurance Services

Private and Confidential

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Please note:

This advisory review report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee. Advisory review reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. INTRODUCTION AND BACKGROUND

Background and context

The NHS in Wales continues to face unprecedented pressure in planning and providing services to meet the needs of those who are affected by Covid-19 and other essential services. At the time of this report, the number of cases of Covid-19 in Wales is in decline and there is an opportunity for NHS Wales organisations ('organisations') to take stock following the initial peak of cases experienced between March and May 2020.

This rapid advisory review originated following discussions at the All Wales Finance Directors Group to assess the adjusted financial and overall governance arrangements at each NHS Wales organisation. This would enable Hywel Dda University Health Board (the 'Health Board') to maintain appropriate governance whilst enabling its senior leadership team to respond to the rapidly developing emergency.

We have assessed the effectiveness of those arrangements with respect to compliance with Welsh Government guidance. The key objective of the review is to provide independent, timely feedback to enable changes to be made to temporary governance arrangements if they are to be used in the future.

This rapid review was completed during July and August and involved interviewing key members of the Health Board and reviewing associated documentation supplied, where available. We have undertaken further detailed discussions, a walkthrough of arrangements in place and assessed actions undertaken to manage the pandemic within the Health Board. However, whilst we have assessed this information against Welsh Government and other guidance, we have not undertaken detailed operational testing of the arrangements in place. We worked closely with Audit Wales to avoid unnecessary duplication with their work, sharing information where relevant and undertaking a number of interviews together.

Further detail regarding the scope of the review, the guidance used as the basis of the assessment and the review work undertaken are included in the appendices to this report. We are aware of other reviews being undertaken within the Health Board including, for example, the external review of the delivery of the field hospitals. Whilst the scope and remit of these other reviews differ from this governance review, the Health Board will need to fully consider and apply any associated recommendations and lessons identified from those reviews. The Health Board had commissioned Internal Audit to review the establishment of the field hospitals noting a scope had

been agreed between the Health Board and internal audit. It was agreed to defer this audit due to the commencement of an external review, which had been commissioned by Welsh Government.

2. EXECUTIVE SUMMARY

Main Observations

The Health Board's governance arrangements operated effectively during the peak of the pandemic and complied with the guidance and the principles issued by Welsh Government.

Feedback from interviews on the Health Board's Covid-19 response approach was positive overall. It was felt in particular, that the Health Board's emergency response was implemented promptly and revised governance arrangements were introduced. It was considered overall that the Board and the key Committees continued to operate effectively and adapt to new working arrangements whilst still performing their assurance, oversight and scrutiny roles. The outcome from our review of the arrangements and documentation in relation to the governance arrangements was consistent with those views given in the interviews.

The Board received papers, at each meeting, setting out governance arrangements during the pandemic, including the arrangements for the command structure and changes in ways of working for Board and committees. Risk management arrangements during the pandemic were set out in papers to the Board.

The Board, Audit & Risk Assurance Committee, Quality, Safety and Experience Assurance Committee (QSEAC) and Finance Committee meetings continued during the period. The Board moved to monthly focused meetings. QSEAC added a COVID specific meeting, alternating agendas on a monthly basis. During the period the Health Board established a new Health Safety Assurance Committee and People, Planning and Performance Assurance Committee noting the Board had agreed to establish both of these committees in January 2020 prior to the pandemic commencing.

Virtual meetings using Skype and latterly Microsoft Teams have developed over time, after initial teething troubles and connectivity problems nationally throughout the NHS. Board meetings have been recorded with these then available on the Health Board's website. Board meetings have also been also live streamed to allow for as wide access as possible to these meetings during the period of the pandemic. The Health Board had been live streaming Board meetings for two years prior to the pandemic and returned to that position as soon as it was possible.

A Command and Control structure was implemented and operated effectively and this enabled the organisation to make decisions in an agile way.

No changes were made to the Scheme of Delegation, however additional processes were developed to capture, record and ratify decisions that were made at pace during the period that may have been outside of the established processes.

Financial Governance was maintained during the period of the pandemic with the development of a value for money framework, the development of a process to record and regularise expenditure and regular reporting to the Finance Committee. Financial performance has been monitored by the Finance Committee on a monthly basis. Year-end financial accounts and reporting requirements were managed effectively, with the deadlines achieved.

The Health Board continues to assess and update the arrangements used and is looking ahead to securing some of the benefits from working in an agile way.

Priority Considerations for the Future

We have not assigned priority ratings to considerations, but we consider the following to be key priorities:

- Developing a protocol pack for future events that require similar arrangements, to swiftly implement the required measures. For example, building on approved procedures currently in place within the Health Board review and reapprove meeting etiquette, membership and meeting arrangements.
- Papers and minutes for all committees to be brought up to date on the website and maintained in that way.
- Assess aspects of the arrangements established during the pandemic that have worked well and consider whether they will form part of arrangements for the longer term, such as virtual committee meetings.
- Building on the current established process develop guidance for the level of information required to be documented in the Decision Logs, particularly where a large number of items or expenditure is being approved in one decision. This can be used for future mobilisation of the process, in the event of potential future peaks.
- Consider whether any updated working practices, as a result of the pandemic, need to be reflected in future updates of standard operating process or financial control procedures.

- Consider whether the process of documenting and recording items of expenditure that required retrospective ratification, along with the reporting of value for money considerations be regularised into an agreed procedure to be used in the event of a future wave of they pandemic.

3. DETAILED REPORT

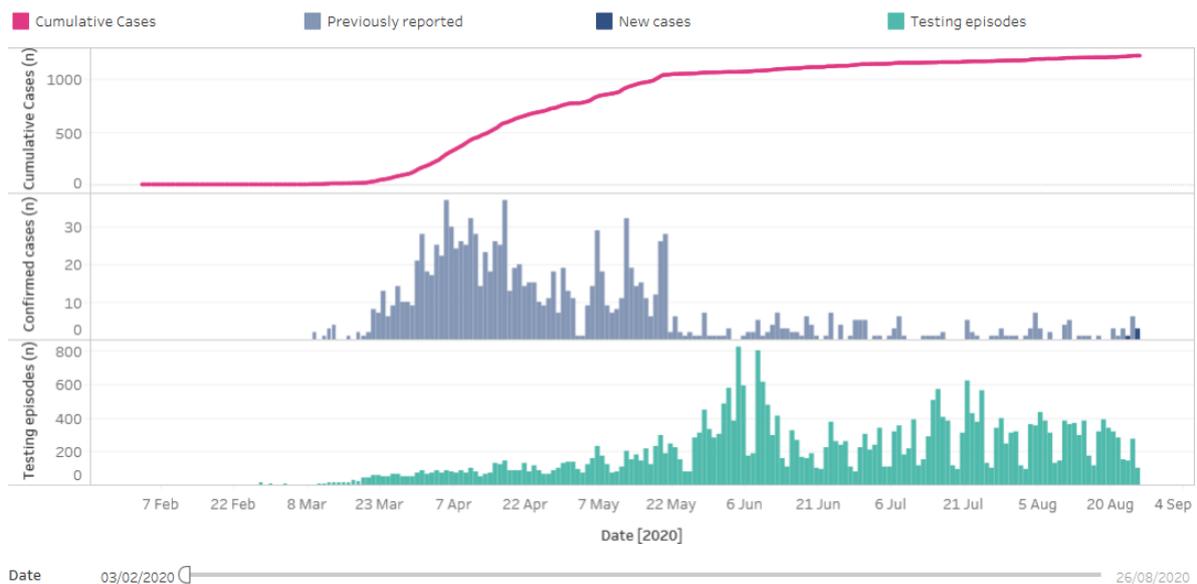
Context

In the period of a few weeks, during March and April, a rapid escalation of the pandemic impacted the Health Board. The graphs below illustrate the acceleration of the cases of Covid-19 within the Health Board's region.

The Health Board's response was driven during March by the modelling data provided by Welsh Government, with the data suggesting a hospital demand peak of over nineteen hundred patients at week thirteen of the predicted figures which was estimated to be mid-May.

As part of the Health Board's response it established nine field hospitals across the three counties, which would provide in excess of one thousand additional beds.

Daily charts



<https://public.tableau.com/profile/public.health.wales.health.protection#!/vizhome/RapidCOVID-19virology-Public/Headlinesummary>

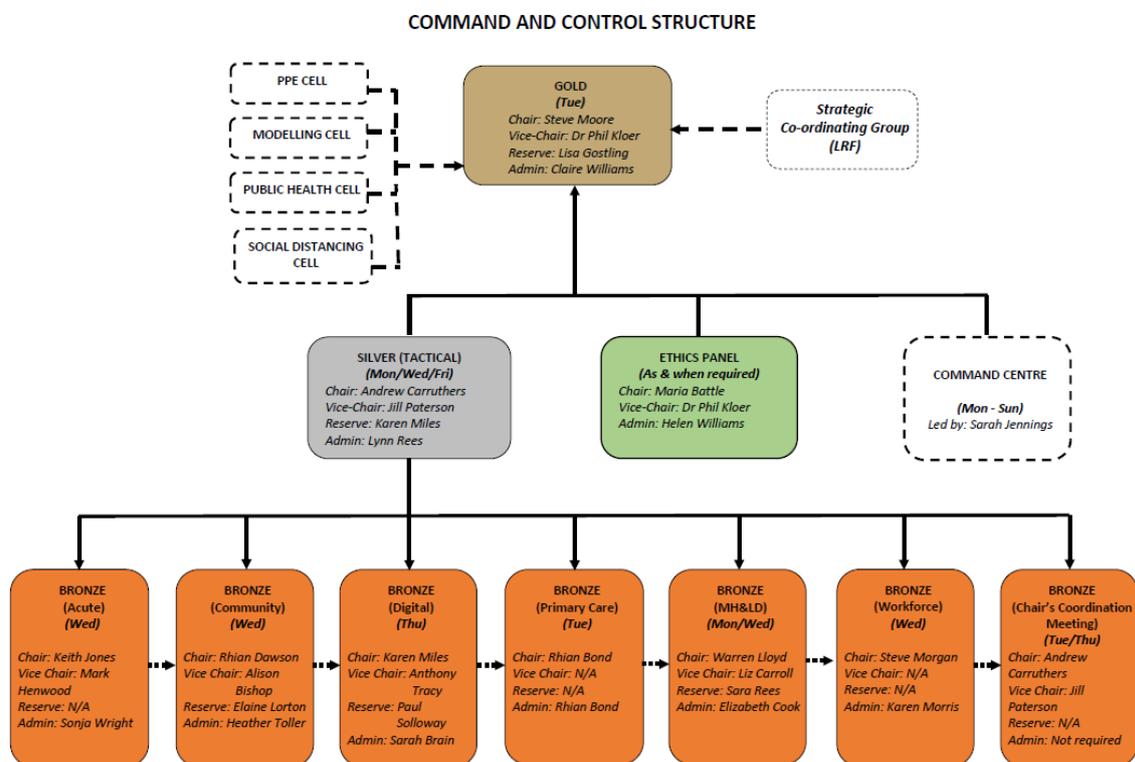
Command and Control Structure

The Health Board established a temporary hierarchy of command and control during March 2020 to progress actions and decisions during the outbreak. The structure had been kept under ongoing review, with updates made to ensure it continued to meet the needs of the Health Board in responding to the pandemic.

Overview of Temporary Governance Arrangements

Initial Command Structure arrangements were put in place during March, with Gold/Strategic, Silver/Tactical, and Bronze/operational groups established. The Chief Executive made changes to the initial arrangements, strengthening and clarifying the functions of the groups.

Further updates have been made during the period with Cells established for specific key issues such as PPE, and also groups have been established and stood down, along with changes to the frequency of meeting as things have developed. The Governance team supported Gold, Silver and acute bronze with minutes of meetings and action logs being maintained. The latest version of the command structure is shown below.



The levels of the Command and Control Structure were described in the papers to the Board as:

Strategic/Gold

The purpose of the Strategic/Gold Group is to take overall responsibility for managing and resolving an event or situation. Establishing a framework of policy within which tactical managers will work by determining and reviewing a clear strategic aim and objectives.

The Strategic/Gold Group has overall control of the resources of the Health Board and should ensure sufficient resources are made available to achieve the strategic objectives set, also considering the longer term resourcing implications and any specialist skills that may be required.

This level of management also formulates media handling and public communications strategies, in consultation with any partner organisations involved. The Strategic/Gold Group will also ensure the Health Board's image and reputation is safeguarded.

The Strategic/Gold Group will then delegate actions to the Tactical/Silver Group for them to implement a Tactical Plan to achieve the Strategic aims. All Strategic actions should be documented to provide a clear audit trail.

Tactical/Silver

Responsible for developing and implementing a Tactical plan to achieve the Strategic direction set by the Strategic/Gold Group and will be required to work within the framework of policy outlined at the Strategic level. This is essential to ensure a consistent and co-ordinated response within an ethical framework.

They provide the pivotal link between Strategic/Gold and Operational/Bronze levels. Tactical/Silver should oversee, but not be directly involved in, providing any operational response at the Operational/Bronze level.

Operational/Bronze

This level responds to events at the operational level as they unfold. The term Bronze refers to Operational teams who will manage the physical response to achieve the tactical plan defined by Silver.

Controlling the management of resources within their given area of responsibility. There may be several Bronze groups based on either a functional or geographic area of responsibility.

Ethics Panel

The purpose of the Ethics Panel (EP) is to provide ethics input into Health Board policy and guidelines, support health professionals with ethical issues arising within patient care and facilitate ethics education for health professionals and other Health Board staff. The EP will not provide legal advice; advise on research ethics or advise on specific issues of resource allocation.

The aim of the advice provided by the EP is to be consultative rather than prescriptive. Where advice is required before the next scheduled meeting of the EP, a sub panel can be convened by the Chair or Vice Chair to represent the EP. This sub panel must report to the full EP at the next scheduled meeting.

4. DETAILED FINDINGS

This section sets out the detailed findings of the review, under the headings of Strategic Governance, Financial Governance and Other Areas of Governance.

Strategic Governance

1. Board and committee meetings
2. Scheme of Delegation and decision-making arrangements
3. Risk management

Financial Governance

4. Annual accounts and reporting
5. Financial systems and processes
6. Covid-19 expenditure (revenue and capital)
7. Workforce
8. Budget and savings

Other Governance Areas

9. Partnership arrangements
10. Charitable funds
11. Information governance

Each section provides commentary on the adjusted governance arrangements put in place and considerations for the Health Board to take into account as it plans for potential further Covid-19 peaks in the future.

Where we consider it appropriate we have suggested areas which should be given greater priority.

Further considerations from our work across NHS Wales will be reported upon conclusion of these reviews.

Strategic Governance

4.1 Board and Committee Meetings

What we found

Our review identified the following:

- The Health Board quickly introduced revised working arrangements in order to ensure that the Board and meetings of key committees could continue to operate during the period of the pandemic. A command and control structure was also established at an early stage.
- A paper on maintaining Good Governance during Covid was first presented to the Board in April, with subsequent papers presented in May and July updating the Board.
- This first of these papers set out arrangements for how the Board and key committees would operate. It also outlined that certain committees, including the newly established People, Planning and Performance Committee Assurance Committee (PPPAC) would not initially meet, that the Mental Health Legislation Assurance Committee would be stood down temporarily and that Remuneration and Terms of Service Committee would only meet if required. The paper also provided details as to how assurance would be gained in these areas and the meetings between committee chairs and lead Executives. Briefings were provided to Independent Members following these meetings.
- The Good Governance papers presented to the Board have also set out the principles and ways of working for the Board, including a streamlined and focused agenda, monthly meetings and arrangements for the publication of papers and minutes. The paper included a small number of recommended amendments to Standing Orders for arrangements during the period e.g. changes to committee arrangements.
- The Board, Audit & Risk Assurance Committee and Quality, Safety and Experience Assurance Committee (QSEAC) and the Finance Committee continued to operate during the period of the pandemic.
- The Board and committee meetings were soon adapted to take in to account social distancing requirements. The meetings became virtual/ semi-virtual with a combination of members and attendees at headquarters and others joining the meeting though virtual means

through skype or the roll out of Teams software. Board members, committee chairs and attendees adapted to the virtual way of working, after initial challenges experienced, with additional technology and support provided. Some challenges with the technology have been experienced over the period.

- The health board decided that in order to continue to make meetings accessible to the public, meetings would be recorded and made available through the website. More recently, they have been live streamed with the public gaining access through a link on the website. This was actively promoted via the website and social media. The health board had been live streaming Board meetings for some time prior to the pandemic and wished to continue with a process that facilitated the continuation of this.
- Regular briefings from both the Chief Executive and Chair with Independent Members took place to ensure an understanding of key issues. There was also an opportunity for IMs to discuss these issues without any Executives present.
- The Audit and Risk Assurance Committee continued to meet during the period and considered required items including all year end reports as well as COVID expenditure and orders.
- Quality, Safety and Experience Assurance Committee (QSEAC) moved to meet monthly alternating the agenda around normal business and COVID specific business each month.
- The Finance Committee met on a monthly basis during the period to maintain oversight of the financial position and financial governance.
- The Board received a paper on the response to COVID-19 at the April Board and at subsequent meetings. The papers have set out details on the operational response to key aspects and challenges in dealing with the pandemic.
- The Board has received papers in order to approve and ratify decisions made in response to the pandemic, as well as papers on financial governance and value for money considerations.
- The June Board considered papers relating to the annual reporting cycle including the financial statements and annual governance statement.

- The Health Board has established an Ethics Panel - to provide specific input into policy and guidelines, support health professionals with ethical Issues arising within patient care, and facilitate ethics education for health professionals and other Health Board staff.
- The Board at its April Meeting received a paper on managing recommendations from auditors, regulators and inspectors. The Board received an update on this at its July meeting.
- Board papers are available on the website in advance of the meetings and also minutes have been added to the papers for the April and May meetings within seven days of the meetings.
- The newly established People, Planning and Performance Assurance Committee (PPPAC) met for the first time at the end of June. In the interim the committee chair met with the lead Executive Directors on a fortnightly basis to look at key issues and ongoing actions, with the Board also looking at performance related matters during this time.
- The new Health and Safety Assurance Committee met for the first time in May and met again in June.
- Discussion took place at the July Board meeting regarding the re-establishment of the Mental Health Legislation Committee from September.
- At an early stage in its pandemic response plan, the Health Board established a Central Command Centre to act as a central coordinating point for a number a key aspects including all enquiries regarding COVID-19 and to receive and disseminate all policy and guidance received.
- A Transformation Steering Group has been established to learn from the pandemic and help transform services for the future.
- At the time of our review a small number of committee papers could not be located on the UHB website, in order to be accessible for the public. These included papers for the Finance Committee, QSEAC and the new PPPAC. We were informed that this was due to difficulties with the new website.
- From the series of interviews undertaken as part of the review, the overall balance of views was that the governance process established during the pandemic had worked well, during what were challenging

circumstances and that aspects could be maintained in the longer term such as virtual meetings.

- Similarly from the interviews, it was felt overall that arrangements for virtual meetings, recording and streaming of Board meetings had been effective. It was also felt that, once the virtual meetings process had settled in and members and attendees became accustomed to it, the meetings became an effective way of working and an efficient use of time.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Developing a protocol pack for future events that require similar arrangements, to swiftly implement the required measures. For example, building on approved procedures currently in place within the Health Board formally review and re approve establish meeting etiquette, membership, platform to use, meeting arrangements.
- Papers and minutes for all committees to be brought up to date on the website and maintained in that way.
- Assess aspects of the arrangements established during the pandemic that have worked well and consider whether they will form part of the arrangements for the longer term, such as virtual committee meetings.

4.2 Scheme of Reservation and Delegation (SoRD) and Decision Making Arrangements

What we found

Our review identified the following:

- It was reported to the Board that the overall Scheme of delegation was not being amended, this included the matters the Board reserves for its own decision.
- Arrangements were put in place for Chair's actions if this was required. These arrangements were described in the maintaining good governance paper to the Board.

- The Director of Finance and Board Secretary wrote to budget holders in April reiterating that whilst some flexibility had existed in the early weeks of the pandemic, there was still the requirements to operate within their delegated limits.
- In respect of COVID 19, the decision making process was undertaken through the Command Structure. The Command Structure was required to operate within the existing Standing Orders, Standing Financial Instructions and limits, with decisions referred to the Board to be ratified or approved.
- We identified that papers were presented to the Board highlighting a range of actions taken during the period and asking for these to be reviewed and ratified. In addition, papers on VFM considerations and any expenditure outside of SFIs were reported to the Finance Committee, ARAC and the Board.
- The Command and Control structure roles are identified as Gold the "What", Silver the "How", and Bronze the "Do it".
- Agendas and minutes were available for the Gold and Silver functions through the IBABs system. Decision and action logs are maintained for each level of the command structure.
- We reviewed a sample of decisions from the Gold and Silver logs and found that these were supported by papers setting out the information and evidence and required recommendations, and were recorded within the minutes.
- From a review of the decisions and actions logs within the Command Structure, it was seen that the level of detail in some cases was limited and may have benefited from a more detailed explanation, it recognised that the Gold Group discussed and agreed the content of the decision log. However, it is noted that detail is available with the minutes and supporting papers.
- The minutes and logs were also made available for Independent Members to view, through a resource centre within the electronic board paper system.

What could be done differently in the future

We advise that priority should be given to considering the following:

- Building on the current established process develop guidance for the level of information required to be documented in the Decision Log may be helpful, particularly where a large number of items or expenditure is being approved in one decision. This can be used for future mobilisation of the process, in the event of potential future peaks of the pandemic.

4.3 Risk Management

What we found

Our review identified the following:

- The Health Board's approach for managing corporate and operational risks during the pandemic was set out in a paper to the Board at its April meeting.
- An update on the arrangements was given in a paper reported to the Board in July on managing corporate risks. This paper highlighted to the Board new risks added to the corporate risk register, risks that have been closed or de-escalated, changes in the risk score and the reasons for these changes to the risk levels. The paper included an updated version of the corporate risk register.
- From our review was evident that the Health Board continued with a process of risks being regularly reviewed and updated through discussion and liaison with Executive Directors and service areas. A review of existing corporate risks has been undertaken by the Health Board to assess the implications the pandemic has had on responding to them.
- Initially, only a small number of broad COVID-19 risks were included on the corporate risk register. Subsequently, a broader range of risks were identified, assessed and added to the corporate risk register in relation to different aspects of the impact of COVID.
- The Quality Safety and Experience Assurance Committee regularly received papers in relation to COVID-19 and non COVID-19 risks. A discussion at one meeting did highlight the need for the consideration of a broader range of risks.
- The Finance Committee has considered specific papers on corporate and operational financial risks, as well as papers on risk issues and those identified within the financial performance reports.

- Risks assigned to PPPAC were reviewed at its inaugural meeting in June.
- From a review of papers from meetings of the groups within the command structure it was evident that papers on individual risks were considered.
- It was noted that the Health Board had not implemented a specific COVID risk register, as had been seen at a number of other organisations. The Health Board continued to manage the risks through the existing corporate and operational risk registers. From discussion with the Health Board it was highlighted that they had considered the approach taken by other organisations and felt that the existing approach represented an effective approach to managing the risks.
- It was identified that a risk register had not been adopted through the levels within the Command Structure, although discussion and papers on individual risks were evident.

What could be done differently in the future

There are no key considerations to raise for the future

Financial Governance

4.4 Annual Accounts and Reporting

What we found

Our review identified the following:

- The production of the annual accounts process was managed effectively. The Health Board worked to the original accounts production timetable, with draft accounts submitted to ARAC at its May meeting and final accounts at the June Meeting.
- The annual accounts were produced effectively to the required deadlines, with staff working remotely.
- Audit Wales did not observe any significant issues in the audit of the draft accounts.
- The Annual Governance Statement was produced within the required timescales and complied with Welsh Government guidance.

What could be done differently in the future

There are no key considerations to raise for the future.

4.5 Financial Systems and Processes

What we found

Our review identified the following:

- A range of Financial Control Procedures (FCPs) are in place within the Health Board. These were not updated as a result of the pandemic. These procedures are available to Finance staff and in addition, Finance staff have access to local system and standard operational procedures and written instructions.
- A paper produced within the Finance Directorate set out some changes to the process for setting up codes and costs centres for COVID-19.

- Remote working was introduced within the Finance department as a result of the pandemic, enabling staff to continue working effectively.
- In order to ensure expenditure could be separately identified a number of specific COVID-19 cost centres were established, with specific linkage to the Oracle approval limits.
- A letter was issued from the Director of Finance and Board Secretary in April, to budget holders, with regards to financial control and governance.
- A process was developed to record and collate retrospective decisions. Finance Business Partners were able to consolidate decisions and commitments made in the early weeks of the pandemic in order that they could be subject to ratification and approval.
- The Director of Finance developed a Value for Money framework and reporting framework for Financial Governance and Value for Money considerations.
- The Welsh Risk Pool issued a guidance document setting out the indemnity arrangements for Health Boards in Wales noting that existing schemes operating within Wales, including the General Medical Practice Indemnity Scheme, NHS Indemnity and the Welsh Risk Pooling arrangements extended to the provision of care to patients who are diagnosed with, or suspected to have, COVID-19.
- The Finance Directorate had a significant involvement in the process for the management and control of PPE. During March 2020 a critical list of specialist PPE was identified and moved to a centralised control process. At each of the four hospital locations within Hywel Dda, a PPE hub was created. The hubs were originally staffed with personnel from Finance. Due to increasing finance related activities, Finance staff have commenced handing over the management of the hubs to appropriate personnel based at each of the locations.
- There were no losses or write offs made during the period covered by this review.
- We were unable to identify a detailed business continuity plan for the Finance Department in line with the Health Board's policy.
- Counter fraud have continued to receive requests for advice and have been proactive in their approach with key departments.

- The Counter fraud team have remained operational and contactable during the COVID-19 pandemic period.
- Referrals and requests for advice have continued to be received. The lead LCFS felt there had been a small reductions in referrals.
- Counter fraud have continued to undertake their work, both proactive and investigations. The pandemic restrictions have had an impact, on certain matters such as the ability to undertake interviews. Reports have continued to be submitted to ARAC during this period, including the Annual Report in June 2020.
- Fraud risks have been considered following the issue of national guidance on key areas such as procurement, recruitment, primary care. A fraud risk paper was submitted to the in-committee session of ARAC in June 2020.

What could be done differently in the future

We advise that priority should be given to considering the following

- Consider whether any changes in working practices as a result of the pandemic need to be reflected in future updates of standard operating process or financial control procedures.

We suggest the following consideration as the organisation looks forward:

- Development of a Finance Directorate Business Continuity Plan in line with the Health Board's policy.

4.6 Covid-19 Expenditure (Revenue and Capital)

What we found

Our review identified the following:

- The Finance Committee has met on monthly basis during the period of the pandemic, receiving papers on key matters including Financial Governance and VFM considerations.
- The Health Board's approach to Financial Reporting and Financial Forecasting was set out in a report submitted to the Finance Committee in May. The report described the arrangements for the

internal and external reporting and forecasting of the financial implications arising from the response to the COVID-19 pandemic.

- The Finance Committee at the April meeting received a report from the Director of Finance setting out how the Health Board was responding to the pandemic in terms of financial management and governance. It included the process the UHB had established in terms of its approach around procurement and the process for the regularisation of expenditure.
- The Director of Finance reported to the May Finance Committee setting out details of staff recruited during the COVID -19 recruitment process, and details of orders over £25k. The papers also set out details of orders raised over £25k but not received and the work being undertaken to review these. Also included within in the paper was a decision log for COVID-19 pays costs.
- A report to the Board in May set out the work undertaken to ensure expenditure incurred has been regularised within the Health Board's scheme of delegation and requesting approval of the expenditure based on the scrutiny already provided by the Finance Committee and the approval by Gold Command.
- The audit identified that the expenditure on additional staffing was approved by the Gold Strategic group on 18 May. It could be seen that this was recorded in the minutes of that meeting and on the decision log. This could be tracked as being reported to the Finance Committee in May for scrutiny and the to the Board meeting on 28 May for approval.
- The audit identified that the Health Board had adopted a Retrospective Decision-Making Record to capture instances where managers, during the early weeks of the repose to the pandemic, had to make decisions or commitments which would not normally be allowable under Health Board SO's, SFI's and Scheme of Delegation.
- A report on COVID-19 Single Tenders Actions was reported to ARAC in May 2020 for Review. The report provided a schedule of orders over £25k that required retrospective Single Tender Action for review.
- The Financial position was reported to the Finance Committee each month. The papers documented the latest position, with year to date variance by Directorate, Covid 19 costs per directorate, spend against key subjective and savings profiles.

- The Health Board have completed monitoring returns to Welsh Government in the format required for capital during 2019/20 and 2020/21.
- A paper was reported to the Finance Committee in April setting out the position in relation to Capital Finance and then a further paper was presented in July.
- From testing a sample of financial commitments it was possible to track broad overall approval through the decision logs as part of a group of financial commitments, although individual approval was not identified for each separate commitment.

What could be done differently in the future?

We advise that priority should be given to considering the following:

- Building on the current established process develop guidance for the level of information required to be documented in the Decision Log may be helpful, particularly where a large number of items or expenditure is being approved in one decision.
- Consider whether the process of documenting and recording items of expenditure that require retrospective ratification along with the reporting of value for money considerations be regularised in to an agreed procedure in the event of a future wave of they pandemic.

4.7 Workforce

What we found

Our review identified the following:

- A large-scale rapid recruitment campaign was undertaken to recruit additional staff in order to respond to the increase in demand placed upon healthcare services resulting from the COVID-19 pandemic.
- A Recruitment Strategy paper was presented to the Gold Strategic Group in March. The paper set out the anticipated increase in demand for certain key roles, particularly for Health Care Support Workers, Porters, Domestic, Catering and Laundry staff. This included the predicated numbers based on different bed number scenarios. The

paper also set out the type of contract being offered, with these being Bank with flexible hours, 3 month and 6 month contracts.

- The paper documented the proposed process for attracting, selecting, assessing, appointing and inducting the additional staff, along with key risks for the different elements of the strategy.
- The minutes of the Gold group meeting on 23 March documented the discussion with regard to the recruitment process, with certain actions recorded and agreement noted. The approval could not be tracked to the decision log. However the process for the Gold log changed at this point to using a similar approach to the Silver and Bronze and being monitored by the governance team.
- The need to rapidly recruit staff and the requirement to change, suspend or scale back a number of workforce procedures was reported to the Board in the '*Responding to the Covid-19 Pandemic*' paper submitted to the Health Board on 16 April.
- A small sample of staff recruited through the rapid recruitment exercise were tracked the system, providing assurance that the process had been followed appropriately.
- A database was in place to record staff movement / redeployment, although we were informed that this was not fully updated with all movements across hospital sites.
- The Health Board has put in place a number of workforce risk assessments, as well as guidance for staff during the pandemic period.
- A number of new workforce risks have been identified during the period and these have been highlighted in a paper to PPPAC.
- The Health Board's approach to managing and maintain nurse staffing levels has been reported to QSEAC and the Board.
- The Director of Workforce and Organisational Development reported to the inaugural meeting of the PPPAC in June providing assurance on a number of key areas, including the introduction of the Staff Psychological Well Being Support Service, the robustness of the recruitment process put in place for the rapid recruitment exercise, engagement with trade unions, and measures put in place to support its workforce during the pandemic.

What could be done differently in the future

We suggest the following consideration as the organisation looks forward:

- Assess learning from the recruitment process to establish if that can enhance the efficiency of the routine process for the future.
- Ensure there is a fully updated record of staff movement / redeployments.

4.8 Budget and Savings

What we found

Our review identified the following:

- An opening budget letter was issued to budget holders for 2020/21 from the Chief Executive, highlighting the opening budget for the year but also setting out that this was different from the usual accountability letter and reflecting that this budget did not reflect any decisions made as part of the response to COVID-19.
- A financial plan was developed for 2020/21, however this highlighted a planned financial deficit.
- The financial position has continued to be reported to the Finance Committee each month during the pandemic, with the reports highlighting the current position, with year to date variance by Directorate, COVID-19 costs per directorate, and spend against key subjective codes, again split by COVID and non-COVID spend.
- The financial position is reported including only confirmed funding, with no assumed funding built in to the position.
- The savings position is also reported on a monthly basis highlighting the risks to the achievement of savings targets.

What could be done differently in the future

There are no improvements identified.

Other Governance

4.9 Partnership Arrangements

What we found

Our review identified the following:

- The UHB undertook considerable work with Care homes to develop a Risk and Escalation Policy which included protocols for implementation to manage risks associated with the impact of COVID 19. A paper was presented to the Board in May outlining the measures put in place.
- The UHB has continued to work with the Community Health Council, and they were included at board development sessions. The UHB has also supported them with technology for the virtual meetings.
- The UHB has extensively worked with each of the three local authorities with regards to the development of the field hospitals across the three counties.
- The Director of Workforce and Organisational Development maintained regular liaison with trade unions through bi-weekly meetings. A virtual Staff Partnership Forum took place in June 2020 with a view of continuing this on a monthly basis.
- The Chair, following liaison with Black Asian and Minority Ethnic (BAME) staff and key individuals from the wider community is establishing a UHB BAME advisory group.

What could be done differently in the future

There are no improvements identified.

4.10 Charitable Funds

What we found

Our review identified the following:

- Robust processes continued to operate during the pandemic in regard to charitable fund donations, expenditure and fundraising.

- Guidance was issued to employees, via the global emails, that charitable funds, including the NHS Charities Together 'COVID-19 Urgent Appeal Grant Scheme fund, were available to services and teams to access and utilise.
- The mechanism for grant funding application and expenditure was developed by the Finance Department and the Health Board Health Charities Team including the identification of acceptable expenditure criteria and the approval procedure.
- As part of the Charitable Funds Audit undertaken testing of a sample of COVID-19 expenditure items selected from the retained spreadsheet managed by the Health Board Health Charities Team confirmed the adequacy of the recently introduced process.
- A Just Giving page was established to assist with the management of donations.
- The Health Board's Command Centre has co-ordinated donations to the Health Board.

What could be done differently in the future

We suggest the following consideration as the organisation looks forward:

- Updating policy to include the expenditure of grant funds and the receipting and handling of donated assets (highlighted in separate Internal Audit Report).

4.11 Information Governance

What we found

Our review identified the following:

- Information Technology (IT) and Information Governance (IG) teams produced guidance bulletins on issues such as working from home, and the advantages / risks of video conferencing solutions and the use of MS Office 365.
- There has been communication around IG and Cyber issues through the Health Board, with links visible through the command structure for IG and Cyber. There was also evidence of communication at a national level.

- Guidance and controls have been implemented to address emerging risks in relation to COVID-19.
- There is evidence of changes to practices which included input from IG and Cyber.
- The Health Board does not have any dedicated Cyber resources / team (this has been highlighted previously in an Internal Audit Report and it is noted that this is now being progressed by the Health Board).
- The IG team have been involved in the governance arrangements for the Field Hospitals, testing sites and Test, Trace, Protect which has included carrying out Data Protection Impact Assessments, risk assessments and developing Information Sharing Protocols.
- There have been no specific changes to Cyber Security as a result of COVID-19.

What could be done differently in the future

We suggest the following consideration as the organisation looks forward:

- Additional specific guidance in relation to staff working at home including, the need to maintain privacy when using video conferencing and the storage of any hard copy documents.

Appendix One – Guidance, Principles and Scope

Guidance and Principles

In its response (dated 26 March 2020) to a letter received on behalf of the Board Secretaries Group, Welsh Government agreed the Governance Principles (the 'Principles') that are designed to help focus consideration of governance matters.

The Principles are:

- public interest and patient safety;
- staff wellbeing and deployment;
- governance and risk management;
- delegation and escalation;
- departures from existing policies and processes;
- one Wales (acting in the best interest of the whole of Wales); and
- communication and transparency.

In particular, the Welsh Government reiterated the importance of continuing the role of both the Audit Committee and the Quality and Patient Safety Committee during the Covid-19 outbreak, in supporting the Board with discharging its responsibilities.

Further detailed guidance was issued regarding financial governance in Covid-19 Financial Guidance to NHS Wales' Organisations and the Covid-19 Decision Making and Financial Governance Letter from Welsh Government dated 30th March 2020.

Scope of this Advisory Review

The advisory review assessed the adequacy and effectiveness of internal controls in operation during the Covid-19 outbreak, with particular regard to the Principles set out by the Welsh Government regarding maintaining financial governance.

This review focused on the following Principles:

- governance and risk management;
- delegation and escalation; and
- departures from existing policies and processes.

In particular, we undertook interviews and review of documentation:

- to ensure that appropriate key decisions are made through the revised management arrangements, with risk, impact and value for money adequately assessed;
- to confirm that the (revised) Scheme of Delegation and escalation requirements are adhered to;
- to ensure appropriate oversight and scrutiny remains by the Board over applicable matters – for example, the risk appetite level set;
- to ensure that departures from existing standards, frameworks, policies and procedures are appropriately documented and reviewed regularly, but still in accordance with the Principles; and
- to determine if the command structure established (i.e. Gold, Silver and Bronze) is appropriate – for example, achieving the Principles set out by the Welsh Government.

In our interviews with Board Members we discussed the remaining Principles and where appropriate commentary on those is include in the detail of this report.

The potential risks considered in this review are as follows:

- decisions are not completed in the best interest of the public;
- statutory requirements are not met;
- inappropriate expenditure and financial commitments;
- insufficient scrutiny of the risks associated with each key decision;
- the Welsh Government Principles are not adhered to; and
- inappropriate governance arrangements.

As this is an advisory review, the assignment is not allocated an assurance rating, but we have suggested some considerations for the future, should temporary governance arrangements be required in response to further peaks in the future.

Appendix Two – What we did

We undertook the following review activity:

- Interviewed the following:
 - Chief Executive;
 - Board Secretary (and the Head of Assurance & Risk and Assistant Director of Corporate Legal Services and Public Affairs);
 - Executive Director of Finance (and the Assistant Director - Value Based Health Care and Senior Finance Business Partner);
 - Executive Director Of Workforce & Organisational Development;
 - Executive Director of Nursing Quality & Safety (and the Assistant Director of Nursing and Assistant Director of Nursing, Quality & Safety)
 - Chair of the Health Board;
 - Vice Chair Of Health Board;
 - Chair of the Audit & Risk Assurance Committee;
 - Chair of the Quality Safety & Experience Assurance Committee and
 - Chair of the People, Planning and Performance Assurance Committee.

In addition to those noted above in the formal interview list, additional staff within the Finance and Workforce and Organisational Development Directorates were contacted in relation to specific aspects of the Audit.

Further to this, staff within the Charity and Fund Raising team and the Governance team were contacted as part of the additional Internal Audits being undertaken during the same period.

Information was provided by the Assistant Director Informatics, Head of IT and Head of Information Governance.

Discussions also took place with the Lead Counter Fraud Specialist.

As a part of the agreed approach regular liaison took place as well as the sharing of information with the Performance Audit Lead from Audit Wales.

- Reviewed papers presented to the Board on maintaining Good Governance during the pandemic, including Board and Committee arrangements as well as the Command and Control Structure.

- Reviewed agendas, papers, and minutes of the:
 - Board
 - Audit & Risk Assurance Committee
 - Quality Safety & Experience Assurance Committee
 - Finance Committee
 - People Planning Performance Committee (30 June meeting)
- Reviewed the availability of Board and Committee papers available through the Health Board's internet site.
- Reviewed papers to Board on Responding to the Pandemic.
- Reviewed the paper to the Board on Financial Governance and Value for Money Considerations.
- Reviewed the paper to the Board on the management of corporate and operational risks.
- Reviewed the risk registers for Covid and non-Covid risks.
- Reviewed papers to the Board regarding the management of recommendations from auditors, inspectors and regulators.
- Considered the Scheme of Delegation arrangements, as well for Standing Orders and Standing Financial Instructions
- Reviewed the command and control structure for managing Covid arrangements.
- Reviewed the papers / documentation / logs from the command and Control Structure.
- Selected a sample of decisions from each of the Gold and Silver Decision Logs for review.
- Considered the Authorised Signatory arrangements.
- Reviewed arrangements for reporting of the annual accounts.
- Reviewed arrangements for reporting of the Annual Governance statement and Accountability Report.
- Reviewed Financial Reports including those to the Finance Committee covering the financial position, financial risks and savings.
- Considered arrangements for new cost centres created for Covid expenditure.
- Considered arrangements for expenditure, reporting, approval and retrospective approval arrangements.
- Considered arrangements for the management and control of PPE.
- Considered indemnity arrangements within the Health Board.
- Considered arrangements for the rapid recruitment process.
- Reviewed arrangements for starters as a result of the rapid recruitment process.
- Discussed arrangements for working with key partners,
- Considered capital project information, including expenditure incurred and the approval and reporting process.
- Reviewed charitable funds arrangements as part of a separate Internal Audit.

- Reviewed arrangements for Declaration of Interests, Gifts and Hospitality through part of a separate Internal Audit.
- Observed the Finance Committee.
- Viewed Board Meetings.
- Reviewed information relating to Information Governance Arrangements.
- Considered information in relation to Local Counter Fraud Arrangements.

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Hywel Dda University Health Board

Health and Care Standards

Final Internal Audit Report

February 2021

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Appendix A	Assurance Opinion and Action Plan Risk Rating
Review reference:	HDUHB-2021-02
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Fieldwork commencement:	13 th January 2021
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Final report issued:	10 th February 2021
Auditor/s:	Sian Bevan
Executive sign off:	Mandy Rayani (Director of Nursing, Quality and Patient Experience)
Distribution:	Sian Passey (Assistant Director of Nursing Assurance & Safeguarding) Cathie Steele (Head of Quality & Governance)
Committee:	Audit & Risk Assurance Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors.

ACKNOWLEDGEMENT

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Disclaimer notice - Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit & Risk Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit & Risk Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. Introduction and Background

The review of the Health and Care Standards was completed in line with the Internal Audit Plan 2020/21. The relevant lead Executive for the assignment was the Director of Nursing, Quality and Patient Experience.

The standards provide a consistent framework that enables health services to look across the range of their services in an integrated way to ensure that all that they do is of the highest quality and that they are doing the right thing, in the right way, in the right place, at the right time and with the right staff.

2. Scope and Objectives

The objective of the audit was to evaluate and determine the adequacy of the systems and controls in place for the Health and Care Standards, in order to provide assurance to the Audit & Risk Assurance Committee that risks material to the achievement of system objectives are managed appropriately.

The purpose of the review was to establish if the Health Board has adequate procedures in place to monitor the effective utilisation of the standards to improve clinical quality and patient experience.

The main areas that the review sought to provide assurance on were:

- An appropriate process is in place to assess the current utilisation of the Health and Care Standards to ensure they are being utilised to improve the quality and safety of services; and
- The Health Board has appropriate processes in place to oversee, monitor and report the utilisation of the standards.

3. Associated Risks

The potential risk considered in the review were as follows:

- The standards are not effectively utilised across the Health Board; and
- The Health Board is not aware of how the standards are used to improve quality.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Health and Care Standards is **Substantial** assurance.

RATING	INDICATOR	DEFINITION
Substantial Assurance		The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.

Our fieldwork highlighted that further positive progress has been made since our previous review in 2019/20. We can confirm that the Health and Care Standards (HCS) assurance matrix, first developed in 2018/19, has been broadened to include an assuring committee for each standard in addition to a sub-committee, steering group or advisory group, if appropriate. We noted that this development satisfies the recommendations made by Internal Audit during previous reviews (H DUHB-1819-04 & H DUHB-1920-01).

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.

No findings were noted as part of this review.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Audit Objective		Assurance Summary*			
					
1	An appropriate process is in place to utilise the Health & Care Standards to improve the quality and safety of services				✓
2	The Health Board has appropriate processes in place to oversee, monitor and report the utilisation of the standards				✓

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the system control/design for Health and Care Standards.

Operation of System/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the operation of the designed system/control for Health and Care Standards.

6. Summary of Audit Findings

OBJECTIVE 1: An appropriate process is in place to assess the current utilisation of the Health & Care Standards to ensure they are being utilised to improve the quality and safety of services

The Health and Care Standards (HCS) Assurance and Scrutiny Matrix was introduced in 2018/19 to capture key information against each of the standards, such as the lead officers and appropriate reporting committees. Further developments were made in 2019/20 to include corporate self-assessments against each standard.

The maturity of the embedded HCS within the organisation's governance framework has resulted in information against each standard being reported through to the Board. To corroborate the embedding of HCS within the governance framework, we reviewed several papers submitted to the Health Board, statutory committees and sub-committees from April 2020 to date and can confirm that the HCS are fully utilised within the key reporting documents noted below and routinely reported upon to the Health Board and its appropriate committees.

Quality Assurance Reports	Improving Patient Experience Reports
SBAR Reports	Fundamental of Care Audits
Annual Quality Statement	HCS Self-Assessment Reports
Integrated Performance Assurance Reports (IPAR)	

No matters arising.

OBJECTIVE 2: The Health Board has appropriate processes in place to oversee, monitor and report the utilisation of the standards

In our previous Internal Audit reports (H DUHB-1819-04 and H DUHB-1920-01), it was noted that certain HCS criteria within the Assurance and Scrutiny Matrix had either no reference to a group/committee or the group/committee was not listed within the Health Board's reporting structure. This year's fieldwork and testing highlighted further development of the matrix to include an assuring committee for each standard, in addition to an Executive Lead, and if appropriate, a sub-committee, a steering or an advisory group. We are satisfied that our previous recommendations have been implemented.

Internal Audit chose a sample of three standards (*Standard 2.9 Medical Devices, Equipment and Diagnostic Systems, Standard 3.4 Information Governance and Communications Technology and Standard 4.2 Patient Information*) and testing was undertaken to ensure the criteria were being reported in papers submitted to the relevant assuring committees. We can confirm that all papers reviewed focussed on reporting against the HCS.

We also reviewed the statutory committees of the Board and confirm that all standards had been embedded into day-to-day practices and was evident in the SBAR section of papers submitted during 2020/21.

No matters arising.

7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	0	0	0

Appendix A - Assurance Opinion and Action Plan Risk Rating

2020/21 Audit Assurance Ratings

 **Substantial Assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

 **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.

 **Limited Assurance** - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

 **No Assurance** - The Board has **no assurance** arrangements in place to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are 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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Hywel Dda University Health Board

Quality & Safety Governance

Final Internal Audit Report

January 2021

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Appendix A	Management Action Plan
Appendix B	Assurance Opinion and Action Plan Risk Rating
Review reference:	HDUHB-2021-28
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Fieldwork commencement:	4 th November 2020
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Executive sign off:	Mandy Rayani, Director of Nursing, Quality & Patient Experience
Distribution:	Sian Passey, Assistant Director of Nursing (Quality, Safety and Safeguarding) Cathie Steele, Head of Quality & Governance
Committee:	Audit & Risk Assurance Committee



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1. Introduction and Background

The review of Quality & Safety Governance was completed in line with the Hywel Dda University Health Board Internal Audit Plan for 2020/21. The relevant lead Executive Director for this review was the Director of Nursing, Quality & Patient Experience.

2. Scope and Objectives

The overall objective of this audit was to establish the Health Board's governance arrangements for quality and safety, in order to provide assurance to the Audit & Risk Assurance Committee that risks material to the achievement of the system's objectives are managed appropriately.

The following objectives were reviewed as part of this audit:

- The revised governance arrangements allow for the reporting of quality and safety issues from services and directorates through to the Health Board; and
- The business goals of quality and safety groups and committees are driven by the risk register.

Testing was undertaken within the following identified directorates – Women & Children's Health, Mental Health and Learning Disabilities and Scheduled Care to identify the extent to which the new governance arrangements for Quality and Safety have been embedded.

3. Associated Risks

The potential risk considered in the review were as follows:

- No governance arrangements in place to review and progress quality and safety issues within the organisation; and
- Current and future quality and safety risks impacting the Health Board are not being addressed.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the

objectives covered in this review.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Quality and Safety Governance based on the three directorates reviewed is **Reasonable** assurance.

RATING	INDICATOR	DEFINITION
<p style="text-align: center;">Reasonable Assurance</p>		<p>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.</p>

Overall the controls in place to manage the risks associated with the systems and processes tested within the review were of a reasonable standard.

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, we noted that some directorates do not regularly submit their risk registers for review.

In addition, 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 by specialties and departments that has been implemented by the Scheduled Care directorate.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Audit Risk		Assurance Summary*			
					
1	The revised governance arrangements allow for the reporting of quality and safety issues from services and directorates through to the Health Board			✓	
2	Current and future quality and safety risks impacting the Health Board are not being addressed			✓	

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the system control/design for the requirements of Quality & Safety Governance.

Operation of System/Controls

The findings from the review have highlighted **three** issues that are classified as weaknesses in the operation of the designed system/control for compliance with the requirements of Quality & Safety Governance. These were identified in the Management Action Plan as (O).

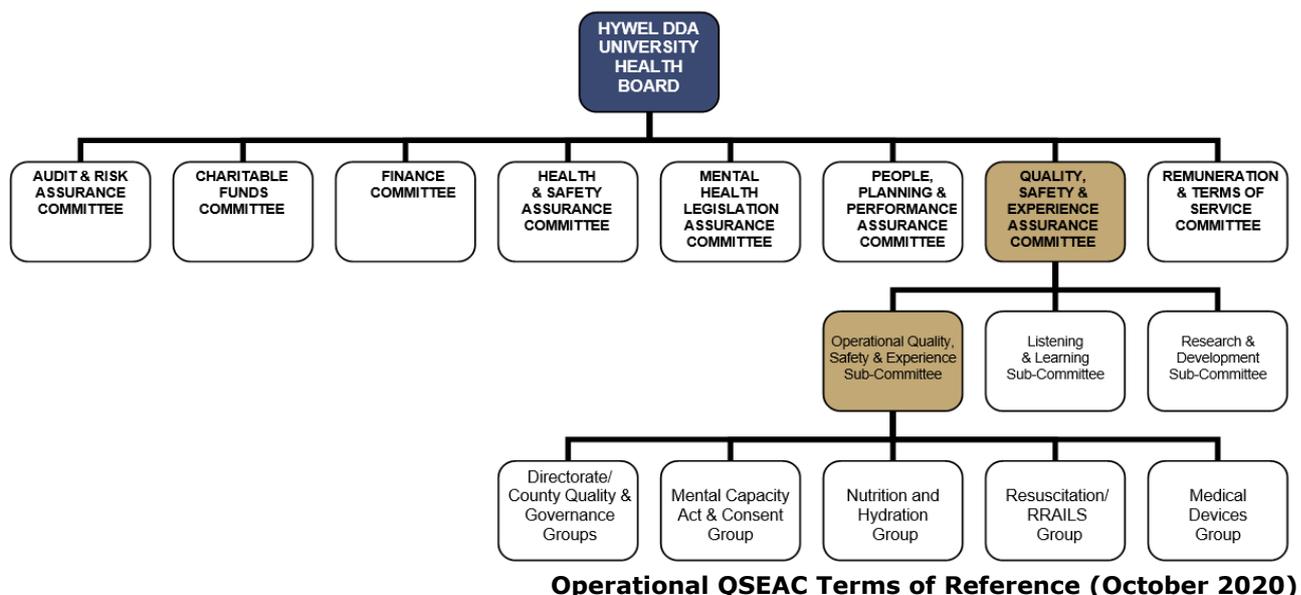
6. Summary of Audit Findings

The key findings are reported in the Management Action Plan at Appendix A.

OBJECTIVE 1: The revised governance arrangements allow for the reporting of quality and safety issues from services and directorates through to the Health Board

A review of the corporate governance arrangements and structure was commissioned by the Health Board Chair in 2019. A paper of the review outcomes was submitted to the Health Board in January 2020 and highlighted the weaknesses within operational quality and safety governance arrangements.

The Health Board agreed that the Quality, Safety and Experience Assurance Committee (QSEAC) would continue to be supported by the Operational QSEAC, whilst acute, community and Mental Health & Learning Disabilities groups feed into the Operational QSEAC.



Plans have been developed to enhance the quality and safety arrangements within directorate and county governance groups through the rollout of a standardised terms of reference (TOR) and agenda in 2021. Progress has begun in embedding quality and safety governance arrangements within the Women & Child Health (W&CH), Scheduled Care and Mental Health & Learning Disabilities (MH&LD) directorates.

We can confirm that agendas, minutes and extant terms of reference were in place for the sampled Quality and Safety Governance Group meetings within the W&CH, Scheduled Care and MH&LD directorates during 2020. A review of the three directorate minutes confirmed the full and accurate recording of the submitted papers.

A review of the TORs currently in place or drafted for the three sampled directorate Quality and Safety Governance Groups highlighted elements of a consistent approach to governance arrangements such as the adoption of a formal structure and headings. However, inconsistencies were identified in the Quality and Safety Governance Group TOR's for the three sampled directorates where content varied, such as reporting frequencies, quoracy and identified key members.

See Finding 1 of Appendix A

OBJECTIVE 2: The business goals of quality and safety groups and committees is driven by the risk register

A review was undertaken of the sampled directorate Quality and Safety Governance Groups to establish whether agendas were driven by their risk registers.

Concluding our review, we identified that there were consistent standing items across the three directorate Quality and Safety Governance Groups agendas with internal arrangements such as incidents, complaints, safeguarding, and health and safety issues regularly reported. In addition, we also noted the submission of external quality and safety reports from organisations such as Healthcare Inspectorate Wales.

The Scheduled Care directorate risk register was regularly reported and scrutinised at their Quality and Safety Governance Group for the period June to October 2020. However, the risk register for MH&LD directorate had not been submitted during this period, whilst the risk register was only submitted once at the W&CH directorate group during the period May to August 2020.

Sound arrangements of a risk-driven agenda was evident within the Scheduled Care directorate that also included specialty assurance and exception reports. These reports detailed the progress and actions made in addressing risks recorded on the local risk register that impact on the specialties, and the identification of further recommendations to mitigate the risks.

See Findings 2 & 3 of Appendix A

7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	3	0	3

<p>Finding 1 – Terms of Reference (O)</p>	<p>Risk</p>
<p>Inconsistencies were identified in the Quality and Safety Governance Group terms of reference for the three sampled directorates where content varied, such as reporting frequencies, quoracy and identified key members.</p>	<p>Inadequate governance arrangements in place to review and progress quality and safety issues within the organisation.</p>
<p>Recommendation 1</p>	<p>Priority level</p>
<p>Management should ensure current and draft Quality and Safety Governance Group terms of reference for directorates are consistent in their approach and reflect the organisation’s agreed quality and safety governance arrangements.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>Accepted. A template terms of reference has been developed for adoption by the Directorate. To share the template terms of reference with all directorates for adoption</p>	<p>Assistant Director of Nursing April 2021</p>

<p>Finding 2 – Risk Registers (O)</p>	<p>Risk</p>
<p>Whilst we noted that the risk register was regularly reported at the Scheduled Care directorate Quality and Safety Governance Group for the period June to October 2020, the risk register had not been submitted to MH&LD directorate meetings during this period, whilst the risk register was only submitted once at the W&CH directorate group meetings during the period May to August 2020.</p>	<p>Current and future quality and safety risks impacting the Health Board are not being addressed.</p>
<p>Recommendation 2</p>	<p>Priority level</p>
<p>Management should ensure risk registers are a standing item on directorate and service Quality and Safety Governance Group agendas.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>Accepted. A template agenda has been developed for use by the Directorate. To share the template agenda with all directorates for adoption.</p>	<p>Assistant Director of Nursing April 2021</p>

<p>Finding 3 – Specialty Assurance (O)</p>	<p>Risk</p>
<p>Sound arrangements of a risk-driven agenda was evident within the Scheduled Care Directorate that also included specialty assurance and exception reports. These reports detailed the progress and actions made in addressing risks recorded on the local risk register that impact on the specialties, and the identification of further recommendations to mitigate the risks.</p>	<p>Current and future quality and safety risks impacting the Health Board are not being addressed.</p>
<p>Recommendation 3</p>	<p>Priority level</p>
<p>Management should implement the good practice demonstrated by the Scheduled Care directorate by ensuring the progress and actions of specialty and department risks are captured and regularly reported to the Quality and Safety Governance Groups.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>This good practice by the Scheduled Care Directorate is noted. To share the good practice at the Senior Nurse Management Team meeting and encourage other Directorates to use same model.</p>	<p>Assistant Director of Nursing April 2021</p>

Appendix B - Assurance Opinion and Action Plan Risk Rating

2020/21 Audit Assurance Ratings

 **Substantial Assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

 **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.

 **Limited Assurance** - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

 **No Assurance** - The Board has **no assurance** arrangements in place to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are 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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Hywel Dda University Health Board

Standards of Behaviour

Final Internal Audit Report

August 2020

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Distribution:	Alison Gittins (Head of Corporate & Partnership Governance)
Committee:	Audit & Risk Assurance Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors.

ACKNOWLEDGEMENT

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit & Risk Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. Introduction and Background

In line with the 2020/21 Internal Audit Plan for Hywel Dda University Health Board (UHB), a review of the management of Standards of Behaviour was undertaken. The relevant lead Executive Director for the assignment was the Board Secretary.

A Standards of Behaviour Framework 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*.

These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales and included in these principles is the recording and declaring of potential conflicts of interest and handling of gifts, hospitality, honoraria and sponsorship.

2. Scope and Objectives

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place within the Health Board for the management of Standards of Behaviour in order to provide assurance to the Audit & Risk Assurance Committee that the risks material to the achievement of systems objectives are appropriately managed.

The purpose of this review was to establish whether the Health Board has the processes in place to ensure that all its employees and Independent Members practice the highest standards of conduct and behaviour.

The main areas that the review sought to provide assurance on were:

- The Health Board has an appropriate and up to date Standards of Behaviour Framework Policy in place and this is widely available to all relevant parties;
- Effective processes are in place to ensure that all employees and Independent Members are aware of the requirements of the Standards of Behaviour Framework and have access to appropriate information, support and advice;
- Effective arrangements are in place to ensure that specific groups of employees and Independent Members complete a Declaration of Interest Form on initial employment with the UHB and at periodic intervals thereafter;

- The Health Board has an up to date Register of Interests in place and the content is reported to the Audit & Risk Assurance Committee at agreed intervals;
- Effective processes are in place for ensuring that employees and Independent Members declare any offer of a gift, hospitality or sponsorship which requires recording; and
- A register of all declared gifts, hospitality, sponsorship and honoraria, whether accepted or declined, is maintained and the content is reported to the Audit & Risk Assurance Committee at agreed intervals.

3. Associated Risks

The potential risks considered in the review were as follows:

- Lack of awareness and / or application of the required standards of behaviour;
- Relevant interests are not declared which could lead to inappropriate decisions / actions; and
- Inappropriate acceptance of gifts, hospitality or sponsorship.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Standards of Behaviour is **Reasonable** assurance.

RATING	INDICATOR	DEFINITION
Reasonable Assurance		<p>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.</p>

Overall the controls in place to manage the risks associated with the systems and processes tested within the review are of a reasonable standard. We concluded that there was a current policy in place and systems were in place in order that individuals were adequately kept informed of their responsibilities. In addition the audit identified that registers were in place for both declarations of interests and declared gifts, hospitality, sponsorships or honoraria.

However, the audit identified a number of findings where controls could be strengthened:

- processes and controls, including lessons learned during the Covid pandemic, are required to be reflected in the *Standards of Behaviour Policy*;
- instances of 'Nil Return' declaration forms that had not been 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.

5. Assurance Summary

The summary of assurance given against the individual objectives is shown below:

Audit Objective		Assurance Summary*			
					
1	The Health Board has an appropriate and up to date Standards of Behaviour Framework Policy in place and			✓	

Audit Objective		Assurance Summary*			
					
	this is widely available to all relevant parties				
2	Effective processes are in place to ensure that all employees and Independent Members are aware of the requirements of the Standards of Behaviour Framework and have access to appropriate information, support and advice				✓
3	Effective arrangements are in place to ensure that specific groups of employees and Independent Members complete a Declaration of Interest Form on initial employment with the UHB and at periodic intervals thereafter				✓
4	The Health Board has an up to date Register of Interests in place and the content is reported to the Audit & Risk Assurance Committee at agreed intervals			✓	
5	Effective processes are in place for ensuring that employees and Independent Members declare any offer of a gift, hospitality or sponsorship which requires recording				✓
6	A register of all declared gifts, hospitality, sponsorship and honoraria, whether accepted or declined, is maintained and the content is reported to the Audit & Risk Assurance Committee at agreed intervals			✓	

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted **one** issue that is classified as a weakness in the system control/design for Standards of Behaviour. This is identified in the Management Action Plan as (D).

Operation of System/Controls

The findings from the review have highlighted **two** issues that are classified as weaknesses in the operation of the designed system/control for Standards of Behaviour. These are identified in the Management Action Plan as (O).

6. Summary of Audit Findings

The key findings are reported in the Management Action Plan at Appendix A.

OBJECTIVE 1: The Health Board has an appropriate and up to date Standards of Behaviour Policy in place and this is widely available to all relevant parties

The Health Board has in place a *Standards of Behaviour Policy*, which was approved by the Business Planning & Performance Assurance Committee (BPPAC) in August 2019 following a consultation exercise with a review date set for 2022.

We can confirm that there is a dedicated page on the Hywel Dda UHB internet site with reference to the registers of interest and gifts, sponsorship & hospitality. We noted that there was no link to the *Standards of Behaviour Policy* on the internet page. This was highlighted to the Head of Corporate & Partnership Governance and has since been amended.

Review of the policy and the Health Board webpage highlighted that there was conflicting information published around the timeliness of publishing the registers of declaration of interest. The *Standards of Behaviour Policy* states that registers will be published quarterly, whereas the Health Board web page and the recently published paper submitted to the Audit & Risk Assurance Committee (ARAC) for June 2020, state the registers will be published annually. The Head of Corporate & Partnership Governance confirmed that the policy will be updated to reflect that registers will be published annually.

See Finding 1 at Appendix A.

OBJECTIVE 2: Effective processes are in place to ensure that all employees and Independent Members are aware of the requirements of the Standards of Behaviour Framework and have access to appropriate information, support and advice

The Corporate Governance Team have actively promoted the Standards of Behaviour Framework to employees and independent members through a number of methods, including:

- Discussions around the Standards of Behaviour had been minuted at several committees/sub-committees of the Health Board;
- Active promotion via emails to Executives/Managers highlighting their responsibilities had been sent;
- There was utilisation of global emails and payslip messaging to remind staff of their responsibilities;

- Literature in relation to the Standards of Behaviour were found in the corporate induction packs for staff and independent members; and
- Details of the Standards of Behaviour was set out in the employee contracts of employment.

No matters arising.

OBJECTIVE 3: Effective arrangements are in place to ensure that specific groups of employees and Independent Members complete a Declaration of Interest Form on initial employment with the UHB and at periodic intervals thereafter

The arrangements implemented by the Corporate Governance Team to ensure specific groups of staff and Independent Members adhere to the Standards of Behaviour Framework includes the completion of a declaration of interest form.

In February 2020, the Corporate Governance Team contacted all specific groups of staff and independent members requiring the completion of an updated declaration of interest form.

A review of declaration of interest forms returned during February 2020 noted that two County Directors had not submitted their forms. This was highlighted to the Head of Corporate & Partnership Governance during fieldwork with the two County Directors subsequently completing and returning their forms in July 2020.

Testing was undertaken on a sample of 20 returned declaration of interest forms (covering Independent Members, Executives and 'Other Staff') to ensure they were adequately completed and signed by the required individuals. We can confirm that 20 forms had been signed by the individual and line manager where appropriate.

No matters arising.

OBJECTIVE 4: The Health Board has an up to date Register of Interests in place and the content is reported to the Audit & Risk Assurance Committee at agreed intervals

The Corporate Governance Team maintain a register detailing the declaration of interest forms completed by the required specific groups of employees and independent members from across the Health Board.

Testing was undertaken on a sample of 20 returned declaration of interest forms to ensure the recorded details corresponded to that in the registers.

Concluding the review, we noted that the register of staff interests had not recorded the 10 individuals that had submitted 'Nil Returns'.

See Finding 2 at Appendix A.

OBJECTIVE 5: Effective processes are in place for ensuring that employees and Independent Members declare any offer of a gift, hospitality or sponsorship which requires recording

The *Standards of Behaviour Policy* states that employees and independent members have a personal responsibility to volunteer information regarding offers of gifts, hospitality, sponsorship and honoraria including those that have been declined.

The Corporate Governance Team utilised a number of methods to promote the Standards of Behaviour Framework, including the declaration of gifts, hospitality and sponsorship, through global emails and payslip messages.

Additional guidance was issued to staff during the Covid pandemic via global emails highlighting awareness of the need to declare gift items received during a period of increased activity.

No matters arising.

OBJECTIVE 6: A register of all declared gifts, hospitality, sponsorship and honoraria, whether accepted or declined, is maintained and the content is reported to the Audit & Risk Assurance Committee at agreed intervals

The Corporate Governance Team maintain a register detailing the declared gifts, hospitality, sponsorship and honoraria in line with policy. We noted that the register had recently undergone review at the ARAC meeting in June 2020.

A review of the registers was undertaken to establish the appropriateness of accepted and declined gifts and sponsorship. A sample of five declared gifts and five declared instances of hospitality, sponsorship and honoraria was selected from the registers and reviewed. We noted the following:

- Three of the five declared gifts were not supported by an authorised, official form. However, email trails were maintained from the authorising officers;
- For one declared gift, the intention was that it was to be donated to the associated charitable fund, however there was no documentation supporting that this action had been taken; and

- One of the five declared instances of hospitality, sponsorship and honoraria was not supported by an authorised, official form.

We noted that in all cases reviewed the acceptance/rejection of gifts, hospitality, sponsorship and honoraria were deemed appropriate. The registers of gifts, hospitality, sponsorship and honoraria have been uploaded on the Health Board's dedicated internet page.

During the Covid pandemic, the Health Board received an increase in gifts and hospitality, such as donated food and drink from local companies and charitable groups. The *Standards of Behaviour Policy* states that individual gifts under the common industry standard of £6 do not have to be declared. However, we noted occasions during the pandemic where the cumulative total of gifts given amounted to more than £6. The policy does not specify the process in place for declarations in this instance.

See Findings 1 & 3 at Appendix A.

7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	3	0	3

<p>Finding 1 – Standards of Behaviour Policy (D)</p>	<p>Risk</p>
<p>A review of the Standards of Behaviour Policy, including the impact of the Covid pandemic on processes and controls, identified the following issues:</p> <ul style="list-style-type: none"> • The Health Board internet site has conflicting information published with that stated in the policy and ARAC paper covering the timings for the publication of the registers of declaration; and • Individual gifts under the common industry standard of £6 do not have to be declared. However, we noted occasions during the pandemic where the cumulative total of gifts given amounted to more than £6. The policy does not specify the process in place for declarations in this instance. 	<p>Lack of awareness and / or application of the required standards of behaviour.</p>
<p>Recommendation 1</p>	<p>Priority level</p>
<p>Management should ensure that the Standards of Behaviour Policy is updated to reflect current process and controls, and lessons learned during the Covid pandemic.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>The Standards of Behaviour Policy has been updated:</p> <ul style="list-style-type: none"> • The following sentence on page 29 of the Policy (extracted below and highlighted in strikethrough) has been removed to reflect current process and controls. This sentence represented an historical position and removing it brings the Policy in line with processes and controls within 	<p>Head of Corporate and Partnership Governance 14th August 2020</p>

<p>other Health Boards and Trusts in the rest of Wales where updated versions of registers are made available following their annual presentation to Audit Committee:</p> <p>22. PUBLICATION OF REGISTERS</p> <p>The Registers of Interests and the Registers of Gifts, Hospitality, Honoraria and Sponsorship will be published on the HDdUHB's internet site. An updated version will be added to the website quarterly.</p> <ul style="list-style-type: none"> The Policy has been updated at Para 8.1.2 Gifts from Suppliers, Contractors and Commercial Organisations to replicate wording contained in Para 8.1.1 in relation to Gifts from Services Users/Patients or their Relatives to state (highlighted in red font below) 'Low cost, branded or promotional gifts may be accepted where they are under the value of the common industry standard of £6 in total (selected with reference to existing industry guidance issued by the ABPI) and need not be declared, other than where several small gifts are received to the value of £6 from the same or closely related source in a 12 month period. <p>The revised Standards of Behaviour Policy has been uploaded to the Corporate Policies webpage with links made available to the dedicated page on the Hywel Dda UHB internet site with reference to the registers of interest and gifts, sponsorship & hospitality.</p>	
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Finding 2 – Declaration of Interest Register (O)	Risk
Of the 20 returned staff declaration of interest forms tested, we identified 10 'Nil Returns' that had not been recorded on the registers.	Relevant interests are not declared which could lead to inappropriate decisions / actions.

Recommendation 2	Priority level
<p>Management should ensure that the staff declaration of interest register is updated to include all individuals with 'Nil Returns' for completeness and ease of reference.</p>	<p>MEDIUM</p>
Management Response	Responsible Officer/ Deadline
<p>The Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship presented to Audit and Risk Assurance Committee in June 2020 confirmed that any positive staff declarations of interest (56 for 2019/20) had been included in the HDdUHB Staff Register of Interests, with any nil declarations received (268) logged and filed separately; this separation assisted the register in not being unduly inflated by nil returns.</p> <p>Again as reported to the Audit and Risk Assurance Committee, a Declarations of Interest functionality has recently been made available within ESR with the ability to issue computer generated requests for interests to be declared to all staff on an annual basis. Responses will be receipted back into a database with the facility to generate relevant in-house reports to demonstrate compliance levels across the organisation. This will be implemented and promoted within Hywel Dda during 2020/21, with a register of all staff interests, whether a positive or nil return, available in time for the next iteration of the Report on the Adequacy of Arrangements for Declaring, Registering and Handling Interests, Gifts, Hospitality, Honoraria and Sponsorship for presentation to the Audit and Risk Assurance Committee in May 2021.</p>	<p>Head of Corporate and Partnership Governance</p> <p>31st May 2021</p>

Finding 3 – Declaration of Gifts & Hospitality Forms (O)	Risk
<p>A review of 10 gifts, hospitality, sponsorship and honoraria forms were tested and identified four instances where the form had not been completed or authorised for items listed on the registers, whilst acknowledging the accompanying email trail provided the detail and the authorisation.</p>	<p>Inappropriate acceptance of gifts, hospitality or sponsorship</p>
Recommendation 3	Priority level
<p>To strengthen governance and transparency, management should ensure an official form is completed and authorised for all instances of declared gifts, sponsorship, hospitality and honoraria, whether accepted or declined, to reflect what is detailed in the official register.</p>	<p>MEDIUM</p>
Management Response	Responsible Officer/ Deadline
<p>Whilst requests are made to complete a Declaration of Gifts, Hospitality, Honoraria and Sponsorship Form when offers of such are made known to the Corporate Governance Team, where a fully completed form is not forthcoming, and where the information is contained within the accompanying e-mail trail (which this internal audit review acknowledged is maintained) together with the required authorisation, this is used to complete the register. In the absence of a fully completed declaration form, it is considered more appropriate to adopt this approach and register these gifts, hospitality, honoraria and sponsorship, rather than wait for the fully completed declaration form to materialise.</p>	<p>Head of Corporate and Partnership Governance 31st August 2020</p>

<p>An escalation process will be adopted, up to Director level if necessary, to ensure declaration forms are adequately completed to match the detail within the accompanying registers.</p>	
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DRAFT

Appendix A - Assurance Opinion and Action Plan Risk Rating

2020/21 Audit Assurance Ratings

 **Substantial Assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

 **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.

 **Limited Assurance** - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

 **No Assurance** - The Board has **no assurance** arrangements in place to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
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Hywel Dda University Health Board

Health & Safety

Final Internal Audit Report

April 2021

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Final report issued:	27 th April 2021
Auditor:	Rhian Williams
Executive sign off:	Mandy Rayani, Director of Nursing, Quality and Patient Experience
Distribution:	Sian Passey, Assistant Director of Nursing Assurance & Safeguarding Tim Harrison, Head of Health, Safety and Security
Committee:	Audit & Risk Assurance Committee



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1. Introduction and Background

The review of Health & Safety within Hywel Dda University Health Board was completed in line with the approved 2020/21 Internal Audit Plan. The relevant lead Executive Director for the review was the Director of Nursing, Quality and Patient Experience.

2. Scope and Objectives

The overall objective of the review was to assess the adequacy of management arrangements for Health & Safety in order to provide assurance to the Health Board that risks material to the achievement of the system's objectives are managed appropriately.

The main control objectives reviewed were:

- The Health Board has up to date approved health and safety policies in place that set a clear direction and clarify responsibilities at all levels of the organisation;
- There is a Health & Safety Committee in place with approved terms of reference;
- Appropriate arrangements are in place for the implementation of the Health & Safety Policy;
- The Health Board measures and monitors the effectiveness of its implementation of policy and plans;
- Issues concerning Health & Safety are reported to the Health Board; and
- Staff training in respect of Health & Safety is appropriate and up to date.

3. Associated Risks

The potential risk considered in the review were as follows:

- The Health Board does not comply with the Health & Safety Work Act 1974;
- Divisions and departments do not have appropriate Health and Safety procedures in place; and
- The Health Board is not aware of any Health & Safety issues.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Health & Safety is **Reasonable** assurance.

RATING	INDICATOR	DEFINITION
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.

Overall the controls in place to manage the risks associated with the systems and processes tested within the review were of a reasonable standard.

The audit concluded that the Health Board has made progress in embedding governance arrangements to allow for the reporting of health and safety from the directorates and services to the Health Board via the Health & Safety Assurance Committee (HSAC). A representative of the Health and Safety Team have begun attending some directorate and service quality and safety meetings during 2020/21. In addition, the Health and Safety Team implemented contingencies to continue the delivery of statutory and mandatory training modules to new and temporary staff during the Covid-19 pandemic.

Whilst no high priority findings were identified, a number of issues were highlighted in this report in relation to weaknesses in the governance arrangements within directorates and services, the lack of reporting of key information at the HSAC and the required updating of the health and safety policy.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Audit Objective		Assurance Summary*			
					
1	The Health Board has up to date approved health and safety policies in place that set a clear direction and clarify responsibilities at all levels of the organisation			✓	
2	There is a Health & Safety Committee in place with approved terms of reference				✓
3	Appropriate arrangements are in place for the implementation of the Health & Safety Policy			✓	
4	The Health Board measures and monitors the effectiveness of its implementation of policy and plans			✓	
5	Issues concerning Health & Safety are reported to the Health Board			✓	
6	Staff training in respect of Health & Safety is appropriate and up to date			✓	

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted **four** issues classified as weaknesses in the system control/design for Health & Safety. These are identified in the Management Action Plan as (D).

Operation of System/Controls

The findings from the review have highlighted **three** issues classified as weaknesses in the operation of the designed system/control for Health & Safety. These are identified in the Management Action Plan as (O).

6. Summary of Audit Findings

The key findings are reported in the Management Action Plan at Appendix A.

OBJECTIVE 1: The Health Board has up to date approved Health and Safety Policies in place that set a clear direction and clarify responsibilities at all levels of the organisation

The Health Board has in place an approved overarching *Health and Safety Policy* that is due for review on 6th March 2022. The policy is available to employees via the organisation intranet site, together with a number of supporting health and safety related policies and procedures.

A review of the *Health and Safety Policy* sets out a defined direction and process of health and safety within the organisation including the roles and responsibilities of various staffing groups. However, the policy requires updating to reflect the change to the executive lead for health and safety from the Deputy Chief Executive to the Director of Nursing, Quality and Patient Experience. We can also confirm that the details stated in the Health Board's Scheme of Delegation were accurate.

Review of the supporting health and safety policies and procedures identified one policy with an elapsed review date. The *Close Circuit Television Policy (No. 323)* was due for review in July 2019. Information provided by management highlighted that an extension was granted for the review period and that the policy was now ready for approval by the Health and Safety Assurance Committee within the coming months.

See Finding 1 Appendix A

OBJECTIVE 2: There is a Health & Safety Committee in place with approved terms of reference

Following a revision of the corporate governance structure and arrangements in early 2020, the Health and Safety Assurance Committee (HSAC) now stands as a statutory committee of the Board.

We can confirm that the HSAC terms of reference (ToR) were approved by the Board in March 2020 with the Health Board Vice Chair identified as the 'Chair' and the Independent Member (Trade Unions) identified as the 'Vice Chair'.

A review of the ToR identified that the committee's purpose and operational responsibilities had been defined, membership was made up of key executive and management personnel, quorum, frequency of meetings and reporting arrangements had been established.

In accordance with the ToR, meetings were scheduled to take place on a bi-monthly basis. We can confirm that all meetings of the HSAC held during 2020/21 were quorate. However, some of those meetings were re-scheduled due to the Covid pandemic.

A review of the HSAC minutes for the period April 2020 to February 2021 to concluded that attendance levels at all meetings was satisfactory and in line with the ToR requirements. In addition, we can confirm that both corporate and operational risk registers were submitted to the HSAC, whilst there was a dedicated workplan in place for 2020/21.

No matters arising.

OBJECTIVE 3: Appropriate arrangements are in place for the implementation of Health & Safety Policy

At a corporate level, the Director of Nursing, Quality & Patient Experience as the executive lead has overall responsibility for health and safety which is outlined in the Scheme of Delegation.

In May 2020, the HSAC requested a review of the health and safety reporting structure and arrangements. To strengthen governance arrangements within these groups, reviews were undertaken to ensure the consistency of standing items that included health and safety.

The governance arrangements for health and safety were reviewed within the following directorates and counties – Scheduled Care, Women and Child Health (WCH) and Carmarthenshire County.

A review was undertaken to seek assurance that health and safety issues arising at directorate/service level were being adequately discussed at the relevant committees/groups and if necessary escalated to the HSAC. A sample of papers from 2020/21 for the following committees/groups was reviewed and the following noted:

- Scheduled Care – Quality, Safety and Experience Meeting
Minutes of the meetings held for the period June 2020 to February 2021 clearly show a dedicated agenda item for health and safety. The ToR for the group identified a Health and Safety Team representative as a member and we can confirm that they were in attendance in these meetings and provided updates on incidents, HSE notifications and improvement actions and fire safety.

- Women and Child Health - Quality, Safety and Experience Meeting
Minutes of the meetings held for the period October 2020 to January 2021 identified no evidence of health and safety issues being discussed, in addition there was no representative present from the Health and Safety Team.
- Carmarthenshire County Partnership Forum
Minutes of the meetings held for the period May 2020 to January 2021 clearly show a dedicated agenda item for health and safety. There was attendance by a member of the Health and Safety Team and updates given on areas such as incidents, HSE notifications and improvement actions and fire safety.

We noted good practice within the Scheduled Care Quality, Safety and Experience Group whereby a dedicated section for 'Items for Escalation' to the statutory committees, including the HSAC, has been implemented.

See Finding 2 at Appendix A.

OBJECTIVE 4: The Health Board measures and monitors the effectiveness of its implementation of policy and plans

The *Health & Safety Policy* states that regular audits are undertaken throughout the organisation as part of their responsibilities. The Health & Safety Team have in place a dedicated health and safety audit programme. We can confirm that progress updates of audits undertaken against the audit programme for 2020/21 was evident in the reports submitted to the HSAC for the period May 2020 to February 2021.

The health and safety audit programme currently in place is a cyclical plan with the aim of undertaking a review of all wards and departments by 2022. Concluding a review of the HSAC papers, we were unable to evidence the submission of the health and safety audit programme 2020/21 for discussion with members nor a summary of the approach taken in selecting wards and departments for review within the plan.

Previous Internal Audit reports (H DUHB-1617-08 and H DUHB-1920-04) both highlighted the lack of key performance indicators (KPIs) for health and safety. The previous audit report in 2019/20 identified the only KPI being reported was for the reporting of injuries, diseases and dangerous occurrence regulations (RIDDOR). Concluding our review, this KPI continues to be the only one being reported to the HSAC.

See Finding 3 & 4 at Appendix A.

OBJECTIVE 5: Issues concerning Health and Safety are reported to the Health Board

The HSAC ToR states that it is responsible for providing assurance of Health Board arrangements in regard to the health, safety, welfare and security of all employees and of those who may be affected by work-related activities. Assurance of these arrangements have been devolved to the directorates and services following the governance review undertaken in May 2020 with reporting progressed through to the HSAC.

Concluding a review of the Scheduled Care and WCH directorate quality and safety groups, we noted that both ToR stated that relevant matters would be reported by exception to the HSAC. However, the Carmarthenshire County Partnership Forum ToR did not explicitly note the reporting arrangements for health and safety issues.

Concluding a review of the HSAC minutes and papers for the period May 2020 to February 2021, we were unable to evidence the clear reporting of directorate or county issues and risks in the Health and Safety Update Reports.

We can confirm there were regular reporting and scrutiny of external reports including the Health and Safety Executive (HSE) reports and fire enforcement notices issued by the Mid and West Wales Fire Rescue Service (MWWFRS).

A review of Health Board minutes for the period July to November 2020 confirmed the regular reporting of health and safety update reports from the HSAC.

Previous audit reports highlighted the lack of an annual health and safety report that summarised the issues, risks and actions faced by the Health Board over the last year. We can confirm that the annual Health & Safety Report 2019/2020 was presented to the Board in July 2020 with the annual report for 2020/21 scheduled to be submitted to the May 2021 HSAC meeting.

See Findings 5 & 6 at Appendix A.

OBJECTIVE 6: Staff training in respect of Health and Safety is appropriate and up to date

All Health Board employees are required to undertake the mandatory health, safety and welfare training every three years as part of the Core Skills Training Framework, in addition to other key modules as detailed below. Figures in the table below highlight that the Health Board's compliance figures of two modules falls below the set targets.

Competence Name	Assignment Count	Required	Achieved	Compliance %
NHS CSTF Health, Safety and Welfare - 3 Years	10936	10936	9255	84.63%
NHS CSTF Moving and Handling - Level 1 - 2 Years	10986	10986	8466	77.06%
NHS CSTF Violence and Aggression (Wales) - Module A - No Specified Renewal	10986	10986	10160	92.48%
NHS CSTF Violence and Aggression (Wales) - Module B - No Specified Renewal	10986	10986	9841	89.58%
NHS MAND Display Screen Equipment - No Renewal	2126	2126	1946	91.53%

Training Compliance Figures @ 16th March 2021

A review of the HSAC papers and Directorate/Service level papers highlighted that there has been no reporting or discussion of training compliance rates, in particular poor performing areas, such as the 'Health, Safety and Welfare' and 'Moving and Handling' modules.

However, we can confirm the positive actions undertaken by the Health and Safety Team during the Covid-19 pandemic including

- The introduction of a two-day training session to improve health and safety awareness amongst management teams was introduced in October 2020. A further three programmes have been delivered to date with a total of 73 managers attending and delivered via Microsoft Teams.
- Bespoke Prevention and Management of Violence and Aggression (PAMOVA) training has been provided to a number of teams within the organisation through remote teaching using Microsoft Teams, with the first session delivered to Portering staff. This is being followed up by practical sessions, thus reducing the amount of time required for face-to-face training.
- Extra training sessions have been provided for temporary staff manning the mass vaccination centres.
- Manual Handling Training for new temporary staff including approximately 450 Healthcare Support Workers and 70 Porters require were undertaken with courses being provided across all three counties throughout January 2021.

See Finding 7 at Appendix A

7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	7	0	7

<p>Finding 1 – Health & Safety Policy (D)</p>	<p>Risk</p>
<p>The <i>Health and Safety Policy</i> requires updating to reflect the change to the executive lead for health and safety from the Deputy Chief Executive to the Director of Nursing, Quality and Patient Experience.</p>	<p>The Health Board is not aware of any Health & Safety issues.</p>
<p>Recommendation 1</p>	<p>Priority level</p>
<p>Management should ensure that the Health and Safety Policy is amended to reflect the change of executive lead for health and safety to the Director of Nursing, Quality and Patient Experience.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>The amendments will be made to the Health and Safety Policy and submitted to the Health and Safety Assurance Committee for approval following the necessary consultation.</p>	<p>Health of Health, Safety & Security – July 2021</p>
<p>Finding 2 – Reporting of Local Health and Safety Issues (O)</p>	<p>Risk</p>
<p>A review of the minutes for the Women and Child Health Quality & Safety meetings highlighted that there was no agenda items or discussions specifically around health and safety. We also note that there was no representative present from the Health and Safety Team.</p>	<p>The Health Board is not aware of any Health & Safety issues.</p>

<p>We noted good practice within the Scheduled Care Quality, Safety and Experience Group whereby a dedicated section for 'Items for Escalation' to the statutory committees, including the HSAC, has been implemented.</p>	
<p>Recommendation 2</p>	<p>Priority level</p>
<p>Management should review the Women and Child Health Quality & Safety Group agenda to ensure health and safety is a standing item, and to ensure the attendance of a Health and Safety Team representative at future meetings.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>A standardised agenda for directorate level quality assurance meetings has been provided to all directorates with Health and Safety as a core heading. Use of the standardised template agenda will be reinforced by the Director of Nursing, Quality & Patient Experience and Director of Operations.</p> <p>A member of the Health and Safety team will be programmed to attend directorate meetings based upon capacity and prioritisation within the Health and Safety work plan.</p>	<p>Health of Health, Safety & Security - July 2021</p>
<p>Finding 3 – Health and Safety Audit Programme (O)</p>	<p>Risk</p>
<p>Whilst we can confirm that a health and safety audit programme has been produced and updates on review progress submitted to the Health & Safety</p>	<p>The Health Board is not aware of any Health & Safety issues.</p>

<p>Assurance Committee, we were unable to evidence the submission and approach taken to compile the audit programme 2020/21 for discussion.</p>	
<p>Recommendation 3</p>	<p>Priority level</p>
<p>The Health and Safety Team should submit their annual audit programme and approach taken to the Health & Safety Assurance Committee for discussion.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>A formal audit programme shall be devised and presented to the Health and Safety Assurance Committee for discussion.</p>	<p>Health of Health, Safety & Security and the Health, Safety and Security Officer – July 2021</p>
<p>Finding 4 – Key Performance Indicators (D)</p>	
<p>Previous Internal Audit reports highlighted the lack of key performance indicators (KPIs) for health and safety. The previous audit report in 2019/20 identified the only KPI being reported was for the reporting of injuries, diseases and dangerous occurrence regulations (RIDDOR). Concluding our review, this KPI continues to be the only one being reported to the HSAC.</p>	<p>Risk</p> <p>The Health Board is not aware of any Health & Safety issues.</p>
<p>Recommendation 4</p>	<p>Priority level</p>

<p>Management should introduce key performance indicators to enable the organisation to measure and monitor health and safety performance.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>The development of KPIs forms part of the current work towards satisfying the requirements of the HSE.</p>	<p>Health of Health, Safety & Security – September 2021</p>
<p>Finding 5 – Carmarthenshire County Reporting Arrangements (D)</p>	
<p>Concluding a review of the sample directorate and service quality and safety groups, we noted that the Carmarthenshire County Partnership Forum ToR did not explicitly note the reporting arrangements for health and safety issues to be progressed through to the HSAC.</p>	<p>Risk The Health Board is not aware of any Health & Safety issues.</p>
<p>Recommendation 5</p>	
<p>Management should ensure there is a clear reporting structure from the county partnership forums through to the Health & Safety Assurance Committee.</p>	<p>Priority level MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>

<p>A standardised agenda which includes Health and Safety has been issued to all services as part of the revision of quality governance and assurance arrangements. The Health of Health, Safety & Security will work with the chair of the Staff Partnership to ensure that county level partnership forums routinely provide a report to Staff Partnership forum and that issues are raised at HSAC on an exception basis.</p>	<p>Health of Health, Safety & Security - July 2021</p>
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<p>Finding 6 – Reporting of Directorate/Service Issues to HSAC (O)</p>	<p>Risk</p>
<p>Concluding a review of the HSAC minutes for the period May 2020 to February 2021, we were unable to evidence escalation of key issues, trends and actions from directorate/service quality and safety groups within the Health and Safety Update Reports.</p>	<p>The Health Board is not aware of any Health & Safety issues.</p>
<p>Recommendation 6</p>	<p>Priority level</p>
<p>Management should ensure a summary update of issues, risks and actions arising at directorate and service level is reported through to the Health & Safety Assurance Committee within the Health and Safety Update Reports.</p>	<p>MEDIUM</p>
<p>Management Response</p>	<p>Responsible Officer/ Deadline</p>
<p>The Health of Health, Safety & Security will remind the Chair of each directorate level quality governance meeting to provide exception reports for</p>	<p>Health of Health, Safety & Security - July 2021</p>

consideration at HSAC meetings as appropriate.	
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Finding 7 – Training Compliance Reporting (D)	Risk
A review of the HSAC papers and Directorate/Service level papers highlighted that there has been no reporting or discussion of training compliance rates, in particular poor performing areas.	The Health Board is not aware of any Health & Safety issues.
Recommendation 7	Priority level
Management should ensure that training compliance figures are reported at directorate/service quality and safety meetings and the Health & Safety Assurance Committee to allow for the identification of risks, trends and actions.	MEDIUM
Management Response	Responsible Officer/ Deadline
Training figures will be collated at agreed timescales and reported to the directorate/service quality and safety meetings and the Health & Safety Assurance Committee.	Health of Health, Safety & Security – September 2021

Appendix B - Assurance Opinion and Action Plan Risk Rating

2020/21 Audit Assurance Ratings

 **Substantial Assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

 **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.

 **Limited Assurance** - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

 **No Assurance** - The Board has **no assurance** arrangements in place to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are 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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Management of Fire Enforcement Notices

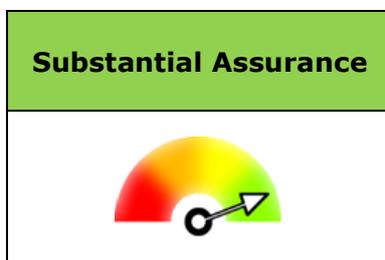
Final Internal Audit Report

2020/21

Hywel Dda University Health Board

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Committee:	Audit & Risk Assurance Committee

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NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.



Audit and Assurance Services conform to all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Internal Auditors.

1. Introduction and Background

The audit forms a part of the approved 2020/21 internal audit plan.

The Mid & West Wales Fire & Rescue Service (MWWFRS), as part of their normal routine inspections, visited Withybush General Hospital (WGH) in July 2019, and Glangwili General Hospital (GGH) in February 2020, to undertake fire safety inspections.

Resulting from these inspections, Fire Enforcement Notices and Letters of Fire Safety were issued for the WGH site, and a single Fire Enforcement Notice for the GGH site. The Notices and Letters included multiple actions, which required completion within specific timeframes.

The focus of this audit was limited to an assessment of the actions being taken by the UHB to address the Fire Enforcement Notices and Letters of Fire Safety specifically at WGH (noting this is the further progressed of the two programmes).

A Programme Business Case (PBC) to address the issues at WGH was submitted to the Welsh Government (WG) in March 2020 and was subsequently endorsed in August 2020, to be followed by separate Business Justification Cases (BJCs) for the associated Phases 1 & 2.

At the time of the audit, a number of early actions had already been addressed with funding from the University Health Board's (UHB) Discretionary Capital Programme and advanced funding of £350k from WG (addressing vertical escape routes).

At the date of reporting, the BJC for Phase 1, to address horizontal escape routes, was in development, with works forecast for completion by April 2022. Phase 2, involving occupied areas, is forecast for completion by April 2025.

Delays to the original timeline have been experienced in the endorsement of the PBC by WG, and the appointment of the Supply Chain Partner. However, revised dates had been accepted by the MWWFRS and factored into updated Enforcement Notices.

Noting the impact of Covid-19, the delivery of this assignment has involved an increased element of remote working. Any limitations to the audit fieldwork as a consequence of the Covid-19 restrictions are clearly outlined at the report.

2. Scope and Objectives

The review was undertaken to determine the adequacy of, and operational compliance with, the UHB's systems and procedures, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate.

The audit evaluated the systems and controls in place within the UHB with a view to delivering assurance to the Audit & Risk Assurance Committee that risks material to the objectives of the areas covered were appropriately managed.

Accordingly, the scope and remit of this audit was limited to the following areas:

- **Governance and reporting**
 - executive leadership is demonstrated for fire safety;
 - evidence of integrated governance arrangements between the project and existing fire safety management arrangements; and
 - evidence that Fire Notices and warnings are appropriately escalated, reported and monitored in accordance with procedures and regulations.
- **Strategy**
 - evidence that the UHB has an approved strategy to manage Fire Safety (including emerging issues at WGH and their implication on the wider UHB estate);
 - the business case has been approved and clearly outlines the expected objectives;
 - fire risks have been formally identified and risk assessed; and
 - resulting plans/ programmes are risk based.
- **Performance and local implementation**
 - a review of the status of notices and warnings;
 - an assessment of the current performance against the implementation programme agreed with the MWWFRS;
 - an assessment of the cost management of the works to date; and
 - a review of any emerging risks as a result of the works and how these are managed.

3. Associated Risks

The potential risks considered in the review were as follows:

- Risk to life of patients and staff in the event of a fire;
- Breach of regulations;
- Non-compliance with Enforcement Notices;
- Prosecution / financial penalties;

- Financial pressure on UHB budgets;
- Adverse publicity;
- Project time, cost and/or quality are adversely affected.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

Robust controls were evidenced in all key areas at this review, including:

- Clear executive leadership for fire safety matters;
- Sound governance and reporting arrangements for fire safety and the delivery of the required programme of works, both within the project and via the wider UHB governance structure;
- A clear strategy for delivery of the required works, agreed by the WG and MWWFRS;
- Appropriate risk assessment, management and reporting processes in operation; and
- Delivery of the agreed programme to the (revised) timescales at the time of reporting.

Emerging risks, primarily in terms of the cost of Phase 1 delivery and management of the risk/contingency approach, were being assessed in conjunction with NWSSP: Specialist Estates Services, in readiness for submission of BJC1 to WG.

A small number of recommendations have been raised for management attention (see **Appendix A**).

Recognising the commitment made by the UHB in responding to the Enforcement Notices to date, and the agreement from WG and MWWFRS to the timelines for addressing the issues raised, **substantial assurance** has been determined. This assurance rating recognises the work now required to address and close the Enforcement Notices.

This assurance rating does not incorporate an assessment of the level of fire safety risk currently within the UHB, which, as reflected in the receipt of multiple Enforcement Notices, will remain high until the programme of works has been delivered. It is also recognised that wider audit coverage of the project is proposed through the development of Integrated Audit Plans for

2021/22 onwards. These will be incorporated within the respective Business Justification Cases (see **Appendix B**).

RATING	INDICATOR	DEFINITION
Substantial Assurance		The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Assurance Summary					
1	Governance & Reporting				✓
2	Strategy				✓
3	Performance & Local Implementation			✓	

** The above ratings are not necessarily given equal weighting when generating the audit opinion.*

Design of Systems/Controls

The findings from the review have highlighted **no** issues that were classified as weaknesses in the system control/design for fire safety.

Operation of System/Controls

The findings from the review have highlighted **3** issues that were classified as weaknesses in the operation of the designed system/control for fire safety.

6. Summary of Audit Findings

The key findings are reported within the Management Action Plan (**Appendix A**).

Governance & Reporting



That executive leadership is demonstrated, there are integrated governance arrangements operating between the project and existing fire management, and that ENs/Letters have been appropriately escalated and monitored.

The Director of Operations is the appointed Designated Person for Fire Safety within the UHB; however, it was noted that the Fire Safety Policy does not reflect the current responsible officer (**recommendation 1**).

There was a clear and coordinated governance structure in place for fire safety matters, including the management of the Enforcement Notices (ENs). This included:

- Overarching oversight and scrutiny of fire safety governance (including management of the ENs) at Board level by the Health & Safety Assurance Committee (HSAC) ;
- Oversight and scrutiny of capital expenditure and project delivery by the Capital, Estates and Information Management & Technology Sub-Committee (CEIM&T);
- Early reporting of the ENs to the Health & Safety Sub-Committee (recognising the HSAC was only in place from May 2020);
- Statutory compliance oversight by the Fire Safety Group (FSG);
- Management of the delivery of early discretionary capital and advanced works actions by the 'fire-safety enforcement control group,' following initial receipt of the ENs (note: the group is now disbanded but appropriate reporting has been maintained through the remaining governance structure); and
- Capital project delivery by the Project Board and associated project governance structure (delivery team etc.). It was noted however that terms of reference had not been prepared for the Project Board (**recommendation 2**).

Recognising the number of forums involved, and to ensure completeness of reporting, the updates prepared for the HSAC were disseminated for information to the other relevant forums noted above.

Updates have been reported in a timely and consistent manner from initial receipt of the ENs, incorporating information in relation to the timeline of delivery, including slippage (and its impact on the UHB's response to the ENs), enabling effective scrutiny and direction of subsequent actions.

At the time of reporting the BJC was in development and the assurance provision for the programme of works had not been determined. The UHB are working with Audit & Assurance Services to agree appropriate narrative associated with the independent assurance mechanisms for inclusion (see **Appendix B**).

Recognising the strength of governance arrangements operating, **substantial assurance** has been determined in this area.

Strategy



That the UHB has an approved strategy to manage fire safety; business case objectives have been clearly outlined and approved and that fire risks have been assessed and resulting programmes are risk based.

The UHB's strategy for addressing the requirements of the ENs was set out in its Fire Precaution Works Programme Business Case.

The UHB's overarching fire safety risk is included on the Corporate Risk Register (current risk score of 15 [red]), ensuring sufficient focus at Board/Committee level, with additional reporting of fire-related risks and mitigating actions to the Fire Safety Group observed.

Fire risks continue to be assessed via the all-Wales Fire Risk Assessment (FRA) process (monitored centrally by NWSSP:SES), with management confirming that FRAs will be revisited and closed as actions associated with the above programme of works are concluded. The UHB has recently reported a positive position regarding its management of FRAs, with a minimal number requiring updating at the time of the audit.

The NWSSP: SES '*NHS Estate in Wales Fire Audit Safety Review 2020*' reports that the UHB benchmarks well against the position across NHS Wales in terms of completed FRA. Further, the UHB has recently invested in a new electronic system ('Boris') to aid the management of fire risk assessments and associated actions.

The PBC set out the UHB's approach to discharging the ENs, via a programme of phased works, across the next four years. The programme involves:

- Advanced works – priority works including vertical escape routes, which were delivered ahead of the main programme, and demonstrate early progress to the MWWFRS;
- Phase 1 – including horizontal escape routes (corridors to the point of entry/exit), compartmentation between wards and high-risk rooms, and upgrading fire/smoke dampers and fire doors; and
- Phase 2 – including the occupied areas e.g. wards / departments, where complex works are required i.e. decant.

In addition to endorsement of the strategy by the WG, the UHB has secured commitment from MWWFRS to the proposed phased approach and current timeline of delivery, recognising available funding and constraints of an operational site (see **Performance & Local Implementation** below).

The WG provided early funding of £350k in August 2020 to deliver the Advanced Works, which have now concluded. Additional WG funding of £350k was also provided in December 2020 to support the development of the individual business cases. Funding for Phases 1 & 2 will be requested via detailed Business Justification Cases (BJCs), noting that BJC1 was being prepared at the time of the audit.

Substantial assurance is therefore determined in this area.

Performance & Local Implementation



An assessment of the current status of the ENs and letters, and of the performance of the programme against agreed timelines and costs; and consideration of emerging risks which may impact the works.

The UHB was operating a robust system for the monitoring of individual recommendations contained within the ENs and letters, with the 'audit and inspection' tracker reviewed and updated on a fortnightly basis, to reflect the current / agreed timeline for action:

Phase	Timeline at PBC submission	Forecast position as at February 2021
PBC submission to WG	March 2020	March 2020
PBC endorsement by WG	April 2020	August 2020
Advanced Works completion	September 2020	January 2021
Phase 1		
BJC1 submission to WG	July 2020	March 2021
Completion of works	August 2021	April 2022
Phase 2		
BJC2 submission to WG	June 2021	February 2022
Completion of works	May 2024 (TBC)	May 2024 (TBC)

There has been some slippage to date to the programme outlined in the PBC, caused by matters outside the control of the UHB:

- Delays in the endorsement of the PBC from WG, and
- Delays in securing a Supply Chain Partner via the Designed for Life Framework.

The revised timescales were communicated to and agreed with WG and MWWFRS in October 2020, and reported clearly within the UHB. MWWFRS subsequently issued updated ENs incorporating the new timescales for completion of works, aligned with the UHB's revised programme.

At the date of reporting, the UHB was on target with the BJC1 development for submission by end of March 2021. It was noted that work was ongoing to review project costs, including the approach to the management of risk and contingency, in conjunction with NWSSP: SES. Recognising the same, the programme anticipates a period of one month agreement by Welsh Government. Noting the imminent Welsh Government elections and associated restrictions arising from the pre-election period this programme may be at risk (**recommendation 3**).

Costs incurred to date have been managed through both the UHB's discretionary capital programme (DCP) and All Wales Capital Funds:

- £470k invested to date from the DCP, to fund early actions on fire safety measures across the UHB following receipt of the ENs;
- £290k forecast outturn cost (from a total funding envelope of £350k awarded by WG) to deliver the Advanced Works programme. The WG has agreed the residual monies can be invested in related fire safety works within the UHB; and
- £566k to date on fees related to the development of BJC1 (£350k funded by WG in December 2020), with the balance of £216k funded at risk by the UHB from the DCP, in lieu of WG approval of the BJC.

Allocations and expenditure have been monitored appropriately within the project and reported to the Capital Planning Group / CEIM&T Sub-Committee.

The PBC provided a high-level estimate of potential programme costs for Phase 1 of £4,110m, and £8,140m for Phase 2. As required at PBC level, these indicative costs were based on information already held by the UHB, e.g. existing surveys, and were not informed from detailed, expert analysis.

Whilst cost management will be assessed at future audits, it was noted that a detailed analysis and survey work undertaken during BJC1 development has seen Phase 1 costs increase to £10.2m (note, these costs were still undergoing review at the time of reporting). The UHB, in conjunction with NWSSP:SES, has prepared a detailed break-down of the cost changes, between PBC and BJC1, to aid WG scrutiny.

In order to mitigate the risk of insufficient contingences for issues arising mid-project and associated pressure on the UHB's DCP, if the project exceeds its allocated funding envelope, the UHB is proposing a two-tier contingency approach. This approach will provide for a standard contingency within the main allocation, with a second level of contingency to be held back by the WG (to be accessed by the UHB in the event of unforeseen issues arising mid-works). This approach also recognises the additional risk of rising costs that come with the chosen contract strategy: NEC Option E, 'cost-plus'. It is noted that this proposed approach has not yet been approved by WG.

Management have also highlighted the risk of insufficient internal project resource, both in numbers and experience, particularly with regards the more complex Phase 2 works. Whilst acknowledging additional resource is due to be appointed shortly, further consideration will need to be given to requirements before and during the development of BJC2.

Whilst recognising that the current programme timeline has been agreed by key parties (WG / MWWFRS), there is a risk that pre-election restrictions may adversely impact on delivery. Accordingly **reasonable assurance** has been determined in this area.

7. Summary of Recommendations

The audit findings, recommendations are detailed in **Appendix A** together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below:

Priority	H	M	L	Total
Number of recommendations	-	1	2	3

Finding 1: Governance – Executive Responsibility	Risk
<p>Appropriate executive leadership was evidenced from the Board-level Director with fire safety responsibility (Director of Operations), demonstrated through the reporting of fire safety matters, including management of the Enforcement Notices, to the Health & Safety Committee.</p> <p>It was noted, however, that in the recently approved Fire Safety Policy (December 2020), the Deputy Chief Executive is named as the Board-level Director for fire safety. These documented arrangements reflect the previous responsibilities, now amended, as above.</p> <p>The Policy therefore requires updating to reflect current operational arrangements.</p>	<p>Appropriate executive leadership is not demonstrated.</p> <p>The Board may not be adequately informed on fire safety matters.</p>
Recommendation 1	Priority level
<p>The Fire Safety Policy should be updated to reflect the current arrangements in relation to Board-level responsibility (○).</p>	<p>Low</p>
Management Response	Responsible Officer/ Deadline
<p>Agreed. The policy will be updated accordingly.</p>	<p>Director of Estates, Facilities & Capital Management May 2021</p>

Finding 2: Governance – Project Board	Risk
<p>A Fire Precautions Project Board was convened from August 2020, to provide oversight and direction in the development of business cases and delivery of the capital works.</p> <p>Whilst the Project Board was observed to be meeting with appropriate regularity and attendees, discussing matters relevant to the current stage of the project, a formal terms of reference had not been developed.</p> <p>It is recognised that, whilst some information regarding programme management arrangements were included at the Programme Business Case, updated detail will be included within the 'management case' currently being prepared for Business Justification Case 1. A formal terms of reference should be prepared alongside this.</p>	<p>Potential insufficient clarity as to the role, function and required attendees of a key project group.</p>
Recommendation 2	Priority level
<p>A terms of reference should be prepared for the Project Board, confirming responsibilities, reporting lines and membership (including quorate requirements) (O).</p>	<p>Low</p>
Management Response	Responsible Officer/ Deadline
<p>Agreed. The terms of reference will be prepared as the project enters its next phase.</p>	<p>Director of Estates, Facilities & Capital Management May 2021</p>

Finding 3: Programme delivery	Risk
<p>The revised programme delivery timescales were communicated to and agreed with WG and MWWFRS in October 2020. This revised programme confirmed the completion of all works associated with the Enforcement Notices by May 2024.</p> <p>As noted in finding 3, the BJC is currently in development and targeted for submission by the end of March 2021.</p> <p>At the date of reporting, it was noted that work was ongoing to review project costs, including the approach to the management of risk and contingency, in conjunction with NWSSP: SES. Recognising the same, the programme anticipates a period of one month agreement by Welsh Government.</p> <p>However, noting the imminent Welsh Government elections and associated restrictions arising from the pre-election period this programme may be at risk.</p> <p>It is recognised that, at the time of reporting, this was an evolving issue. Discussions and programme scrutiny are ongoing with Welsh Government and UHB Executives regarding the timeline for approval and financing of the initial stages of the planned delivery from the UHB's discretionary capital programme.</p>	<p>The Fire Enforcement Notices are not actioned within the agreed programme timeline.</p>
Recommendation 3	Priority level
<p>A paper supporting the business case outlining the UHB's approach to delivery and the associated risks and management arrangements should be presented to the Board, or an appropriate forum, for acceptance (O)</p>	<p>Medium</p>

Management Response	Responsible Officer/ Deadline
<p>Agreed. Discussions have since been held with the Welsh Government and the UHB to agree a timetable for scrutiny of the BJC [noting the pre and post-election restrictions] and internal financial arrangements for the interim period.</p> <p>A paper will be prepared for the appropriate Committee setting out the agreed arrangements.</p>	<p>Director of Estates, Facilities & Capital Management April 2021</p>

Integrated Audit Plan

The NHS Wales Infrastructure Investment Guidance (updated guidance issued by Welsh Government in October 2018) requires that all business cases include an Integrated Assurance and Approval Plan (IAAP) that sets out assurance and approval points for each stage of the project/ programme. Accordingly, Health Boards/Trusts are required to outline the various formalised assurance mechanisms proposed (e.g. internal audit, Gateway reviews, functional reviews etc.) and the timing of each. The guidance indicates that the IAAP should be used as a tracker to monitor assurance against key milestones and updated as part of each business case submission.

The Integrated Internal Audit Plans developed by NWSSP: Audit and Assurance (A&A) are drafted in compliance with the Public Sector Internal Audit Standards; with requirements developed based on a standard governance based audit assessment methodology that recognises e.g. project risks, costs, development timetable, corporate importance and political materiality etc.

The specific project/programme requirements are then developed based upon an audit-resourcing model and A&A's experience of major project/ programme audits – i.e. a straight line fee percentage of the overall project cost is therefore not considered appropriate for business case submissions.

The table on the next page is the proposed integrated audit plan for Phase 1 of the programme:

Assurance/Approval	Outline Scope	2020/21			2021/22												2022/23				
		Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug
Programme/Project Milestones																					
Approvals	Programme Business Case endorsed by WG - August 2020 Targets: Estimated Cost - £10.4m BJC submission - March 2021 Start on Site - May 2021 Completion - July 2022 (78 weeks) Project Closure - July 2023	BIC Development	BIC Submission	BIC Approval	Construction												Post Completion				
General Project Level Assurance																					
Validation of Management Action	Assurance of Management Actions																				
Governance	Defined Arrangements Programme Management Effectiveness of Operation Adequacy of Management and Control Arrangements Approvals Readiness to Proceed Adequacy and effectiveness of work streams																				
Functional Assurance																					
Financial	e.g. Approvals Budget setting Financial Monitoring/Management Use of Project Bank Accounts Cost Control Contingency Management Risk Management (and associated costs) Ongoing Cost Monitoring																				
Technical	e.g. Project Management Determination of Target Cost Validation of costs to date Calculation of Pain/Gain Adequacy of site surveys incl. Construction Environmental																				

Audit Assurance Ratings



Substantial assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.



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.



Limited assurance - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.



No Assurance - The Board has **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

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