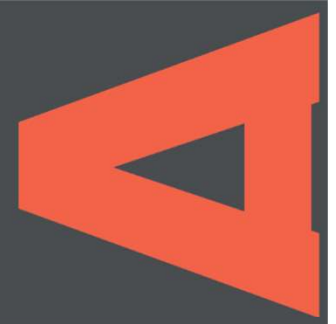


DHCW 2024 Structured Assessment

Conclusions and findings

Audit Overview



Aim

To help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2004.

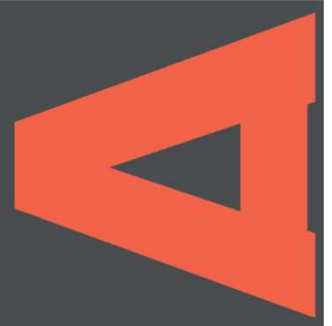
Areas of focus

- Board transparency, effectiveness, and cohesion
- Corporate systems of assurance
- Corporate approach to planning
- Corporate approach to managing financial resources

Approach

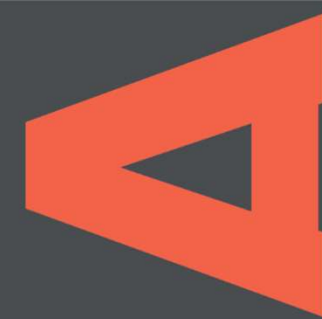
- Self-assessment
- Documentation reviews
- Board and committee observations
- Structured interviews

Overall conclusion



DHCW's corporate arrangements support good governance and the efficient, effective, and economical use of resources. However, it now needs to use its new long-term strategy to demonstrate its value and consolidate its position as a digital system leader and enabler in the NHS.

Board transparency, effectiveness, and cohesion



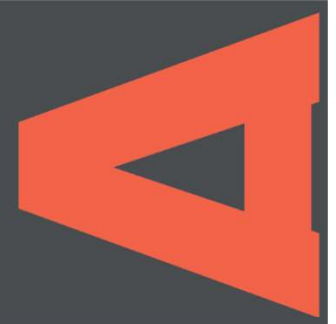
Conclusion:

DHCW has a stable and cohesive Board that conducts its business appropriately, effectively, and transparently. The new Programmes Delivery Committee is increasing the scrutiny on the progress and risks of key national programmes. However, opportunities remain for Independent Members to gain insight from frontline services on the impact of digital systems in Wales.

Key Findings:

- DHCW continues to demonstrate a strong commitment to public transparency of Board and committee business.
- DHCW continues to have good arrangements in place to support the effective conduct of Board business.
- Whilst Board and committee meetings continue to be conducted properly and effectively, opportunities exist to further strengthen committee assurance reporting to Board.
- The new Programmes Delivery Committee is improving the level of oversight on key national digital programme risks.
- There are reasonable arrangements to hear from staff and service users, but opportunities remain for Board Members to engage directly with other health bodies to better understand the digital challenges of frontline services.
- The Board is cohesive and remains committed to continuous improvement.

Corporate systems of assurance



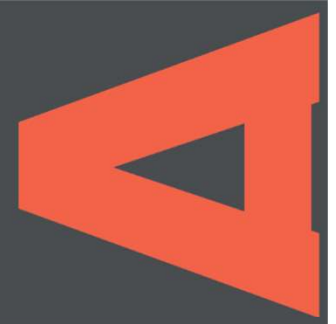
Conclusion:

DHCW's systems of assurance continue to be robust and operate effectively, but there is scope for greater use of the Board Assurance Framework to shape Board and committee business.

Key Findings:

- Whilst DHCW continues to have effective arrangements for managing its strategic and corporate risks, there is scope to enhance the Board Assurance Framework further.
- DHCW continues to have effective performance management arrangements, with increased scrutiny and challenge on organisational performance and improving assurances provided to Board on actions to address underperformance.
- DHCW continues to have effective quality assurance arrangements, and processes to enable staff to raise concerns. It is also continuing to embed its arrangements to comply with the Duty of Quality and Candour.
- DHCW has broadly effective arrangements for monitoring and tracking progress against internal and external audit recommendations.

Corporate approach to planning



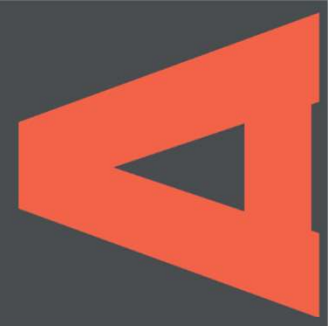
Conclusion:

DHCW's has set an ambitious direction for the organisation; however, it needs to strengthen how it assesses the impact and value it is providing to the NHS and enhance reporting on plan delivery in some areas.

Key Findings:

- DHCW has an effective corporate approach to producing strategies and plans and has recently published a long-term strategy underpinned by a key transformational programme. However, it needs to provide further clarity around strategy and IMTP delivery, and complete and embed its 'value proposition' work to demonstrate the impact it is having on the wider NHS in Wales.
- Whilst DHCW continues to have effective arrangements for overseeing IMTP delivery, it will need to consider how it measures the impact of delivery of its long-term strategy.
- Arrangements for overseeing the delivery of other corporate strategies and plans have been strengthened, but opportunities remain to enhance them further.

Corporate approach to managing financial resources



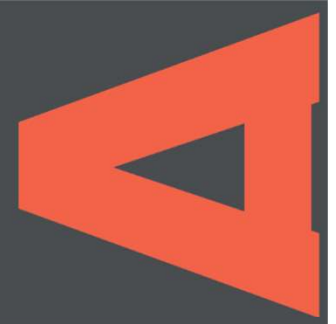
Conclusion:

DHCW continues to have a generally effective approach to financial planning, monitoring, and reporting. However, risks around the sustainability of the Digital Priorities Investment Fund funding model and over-reliance on non-recurrent savings remain.

Key Findings:

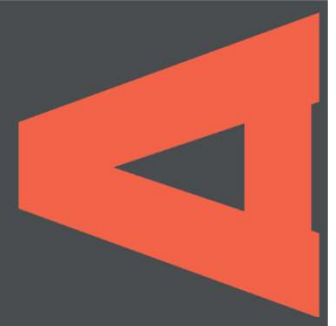
- DHCW met its financial objectives for 2023-24 and is forecasting a breakeven position for 2024-25.
- DHCW continues to have an effective approach to financial planning and is clear on its financial risks. However, risks around the sustainability of the Digital Priorities Investment Funding (DPIF) model remain, and it continues to over-rely on vacancies to deliver savings.
- Board financial reports provide sufficient information to enable appropriate scrutiny and oversight supported by committee deep dives of financial risks.

Recommendations



- Strengthen the Programmes Delivery Committee's Programme Overview Report by ensuring that it provides a clearer assessment of the risks facing partners and other stakeholders where there are significant programme delivery challenges.
- Ensure that committee highlight reports to Board provide clearer narrative on actions required from the Board where it has been alerted to issues.
- Strengthen the Board Assurance Framework (BAF) by:
 - clearly reporting the impact of actions that DHCW is taking to mitigate principal risks;
 - reflecting the risks to achievement of its wellbeing objectives, now that the organisation is subject to the requirements of the Wellbeing of Future Generation (Wales) Act 2015; and
 - better utilising the BAF and ongoing strategic risk assessment to inform committee work programmes and agenda setting
- Ensure that the corporate risk register clearly identifies and distinguishes between existing controls to reduce likelihood and new mitigating actions to reduce severity of corporate risks.

Recommendations (Continued)



- Ensure that future Integrated Medium-Term Plans provide greater clarity on the priorities the organisation intends to deliver in the 2nd and 3rd year of those plans.
- Develop an approach to periodically review the effectiveness, impact and possible challenges of its long-term strategy delivery.
- Quantify the tangible efficiencies and value the organisation is hoping to generate from its 'Finding more Value' workstream to enable it to monitor the achievement of benefits from the programme and to demonstrate improved internal efficiency to its key stakeholders.