

PCH Redevelopment Programme Integrated Audit Plan 2022/23

April 2022

Cwm Taf Morgannwg University Health
Board



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1. Background

NHS Wales Infrastructure Investment Guidance (updated guidance issued by **Welsh Government** in October 2018) requires an Integrated Assurance and Approval Plan (IAAP), that sets out assurance and approval points for each stage of the Business Case process. Accordingly, the organisation is required to outline the various formalised assurance mechanisms proposed (e.g. internal audit, Gateway reviews, functional reviews etc.) and the timing of each.

The updated IAAP seeks to address a common misconception that Gateway reviews and Internal Audit Reviews provide the same level of assurance; it requires that Health Boards/ Trusts separately identify both.

The UHB made a provision for the Audit fee within the Phase 2 Business Case – accordingly, this document provides clarity on the expected coverage for 2022/23.

2. Methodology

This paper sets out the risk based audit plan for 2022/23 – subsequent year's requirements will be risk assessed and agreed with management. The proposal has been drafted in compliance with the Public Sector Internal Audit Standards.

For the purposes of this plan, key source information has been utilised as provided during the recent 2021/22 audits. The current programme anticipates:

- **Phase 1a:** Construction complete.
- **Phase 1b:** Construction complete.
- **Phase 2:** Construction ongoing and due to complete in June 2026.
- **Programme Business Case:** Submitted in April 2019.

The requirement has been developed based on our audit resourcing model and our experience of major project audits.

Applying our standard governance-based audit assessment methodology, the PCH Redevelopment Programme is identified as a high priority due to its significant cost, corporate importance and political materiality. As such, the audit plan has been developed to reflect this assessment.

The proposal includes a combination of programme-level, functional and consultancy assurance that, when combined, provide a balanced programme for the client to achieve the desired level of assurance.

The integrated audit plan will be kept under review and may be subject to change to ensure it remains fit for purpose – mindful of the ongoing Covid-19 response.

3. Outputs

The plan at **Appendix A** outlines that a number of audit reports will be targeted in the year. These will be reported to the Lead Executive (SRO) and Audit & Risk Committee.

This will be further supplemented with output(s) from the Non-Opinion Assurance elements that will be shared with management for consideration/ implementation, as appropriate.

4. Recommendation

The overall audit plan was included within the Full Business Case for Phase 2 and, accordingly, the funding of the associated fee has been agreed with Welsh Government.

This paper has been developed after consultation with management and the Responsible Officer. The proposed coverage aligns with the assumptions of the initial plan, with costs adjusted for inflation. This has been agreed by the Director of Finance/ Senior Responsible Officer.

The Audit & Risk Committee is asked to approve the attached audit plan for 2022/23.

Appendix A: Audit Plan 2022/23

Assurance/Approval	Outline Scope	2022/23 Financial Year												Total
		A	M	J	J	A	S	O	N	D	J	F	M	
Programme/Project Milestones														
	Phase 1b: Complete September 2021													
	Phase 2: Construction Phase	Construction Period												
General Programme-Level Assurance														
Validation of Management Action														
Governance														
Functional Assurance														
Financial	e.g. Budget setting Cost Control Ongoing Cost Monitoring & Reporting													
Technical	e.g. Programme Management Contractual Appointments Validation of Costs to Date Calculation of Pain/Gain Compliance with Framework Conditions Site co-ordination arrangements													
Quality	e.g.													

Assurance/Approval	Outline Scope	2022/23 Financial Year												Total	
		A	M	J	J	A	S	O	N	D	J	F	M		
	Site Supervisor role Planning Conditions														
	Design Review & Approval BREEAM Performance Management														
Stakeholders	e.g. Stakeholder engagement Fire Service engagement														
Non- Opinion Assurance															
Attendance at Key Meetings															
Responsible Officer Support															
General Advisory Support															
Audit & Risk Committee Prep and Attendance															
£50,993.73															

Recharges		
	Nov-22	£25,496.86
	Feb-23	£25,496.86
Total		£50,993.73