

PCH Redevelopment Programme Integrated Audit Plan 2023/24

April 2023

Cwm Taf Morgannwg University Health
Board



Partneriaeth
Cydwasaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services
Partnership
Audit and Assurance Services



Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board



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 potential coverage for 2023/24.

2. Methodology

This paper sets out the risk based audit plan for 2023/24 – 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 2022/23 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.

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 2023/24.

Appendix A: Audit Plan 2023/24

Assurance/Approval	Outline Scope	2023/24												Total
		A	M	J	J	A	S	O	N	D	J	F	M	
Programme/Project Milestones														
	Phase 2: Construction Phase	Construction Period												
General Programme-Level Assurance														
Validation of Management Action	Assurance of Timely/ Appropriate Management Action													
Delivery of Key Project Objectives	Time Cost Quality													
Governance	Defined Arrangements 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 Risk Management (and associated costs) Ongoing Cost Monitoring													
Technical	e.g. Programme Management Determination of Target Cost Tender Evaluation Validation of costs to date Calculation of Pain/Gain Adequacy of site surveys incl. Construction Environmental Management Plan, Green Information Management System, EPS Licence arrangements etc. Compliance with Framework Conditions Utilities Management Compliance with third party agreements Agreement of the Final Account													
Change Control	e.g. Change Management Arrangements Delegated Authority Case for Change													

Assurance/Approval	Outline Scope	2023/24												Total
		A	M	J	J	A	S	O	N	D	J	F	M	
	Approvals Change - Cost control													
Advisers	e.g. Appointments Contractual arrangements Fee Management Monitoring/Reporting Performance													
Quality	e.g. Site Supervisor role Planning Conditions Design Review & Approval BREEAM Performance Management													
Information	e.g. Information Management Systems													
Stakeholders	e.g. Stakeholder engagement Fire Service engagement													
Non- Opinion Assurance														
Attendance at Key Meetings														
SRO/Deputy SRO Support														
General Advisory Support														
Audit Committee Prep & Attendance														
													£ 53,798.38	