

Digital Strategy Internal Audit Report

June 2022

Cwm Taf Morgannwg University Health Board
NWSSP Audit and Assurance Services

Contents

Executive Summary	3
1. Introduction.....	4
2. Detailed Audit Findings.....	4
Appendix A: Management Action Plan.....	9
Appendix B: Assurance opinion and action plan risk rating	13

Review reference:	CTM-2122-22
Report status:	Draft
Fieldwork commencement:	8 November 2021
Fieldwork completion:	27 January 2022
Draft report issued:	
Debrief meeting:	
Management response received:	
Final report issued:	
Auditors:	M Lewis
Executive sign-off:	Kelechi Nnoaham, Director of Public Health
Distribution:	Andrew Nelson, Chief Information Officer Karen Winder, Assistant Director of ICT
Committee:	Audit & Risk 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 & Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Cwm Taf Morgannwg 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.

Executive Summary

Purpose

To evaluate and determine the adequacy of systems and controls in place for the Digital Strategy to ensure that it is still valid and being implemented appropriately.

Overview

Key matters arising concerned:

- The impact of not delivering the Digital Strategy components on enabling delivery of Health Board objectives and transformation is not fully articulated.
- The Health Board does not have a fully functional and integrated process for benefits realisation.

Report Classification



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary¹

Assurance objectives	Assurance
1 Digital Strategy still meets organisational need.	Substantial
2 Maintenance of Digital Strategy	Substantial
3 Implementation of Digital Strategy	Reasonable
4 Benefits of the Digital Strategy are being realised	Reasonable

Matters Arising

		Assurance Objective	Control Design or Operation	Recommendation Priority
2	Roadmap	2	Operation	Medium
3	Benefits Realisation	4	Operation	Medium

¹ The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

- 1.1 A review of the implementation of the Digital Strategy for Cwm Taf Morgannwg University Health Board (the 'Health Board' or the 'organisation') has been completed in line with the 2021/22 Internal Audit Plan. The current Digital Strategy was produced in 2017, and work has been ongoing to implement it.
- 1.2 The risk considered in this review is as follows:
- The Digital Strategy does not meet the needs of the organisation and value is not gained from investment.

2. Detailed Audit Findings

Objective 1: The Digital Strategy is still appropriate for the needs of the organisation and its organisational strategy.

- 2.1 The Digital Strategy identifies eight themes, or strategic solutions, each of which identifies a number of projects to be progressed in order to deliver the Strategy. These themes are:
- the Digital Health Board, representing the overall digitisation of processes within the Health Board;
 - insights driven healthcare, representing the use of information, data and analysis to feed decision making;
 - single patient view, representing the integration of systems to provide single view of patient health;
 - intelligently integrated healthcare, representing the integration of processes to break down silos and creating workflows;
 - digital workforce, representing the provision of digital tools for staff;
 - adoption and exploitation, representing the supporting mechanisms for digital take up, and identification of new possibilities;
 - managing innovation, representing the supporting mechanisms for innovation and finance; and
 - digital enablers, representing the infrastructure and supporting capabilities for digital.
- 2.2 These strategic themes are still valid and represent an effective way of breaking down the organisation's strategic intent for digital.
- 2.3 The Digital Strategy links to organisational and national strategies and organisational objectives, including Informing Healthcare, the Health Board Vision and Health Board objectives and priorities.
- 2.4 We note that work is currently ongoing to refresh the NHS Wales Digital Strategy, and the organisational Strategy and IMTP and these are subject to future updates.

- 2.5 However, while the Digital Strategy references the wider organisational Strategy and objectives, these have changed since it was approved in 2017, and so it does not fully link to the current versions of the IMTP and the Health Board objectives. (Matter Arising 1)
- 2.6 We also note that subsequent to the publication of the Digital Strategy, the Cwm Taf Regional Plan was developed and published. Although this is not referenced within it, the Digital Strategy does support the aims of the plan.
- 2.7 In terms of delivery, the Digital Strategy fits into the IMTP, with the IMTP being subject to more frequent iterations. The IMTP consistently notes digital as an enabler for delivery of the wider Health Board Strategy.
- 2.8 The IMTP quotes the digital vision from the Digital Strategy, and gives specific priorities linked to the Digital Strategy themes. As such, the Digital Strategy is integrated into the IMTP which enables it to maintain a strategic fit.
- 2.9 The sections for service change within the IMTP refer to digital, with assistive / digital technology, maximisation of digitisation, the digital patient record and digital productivity all being noted. Each of these are still relevant and included within the Digital Strategy.
- 2.10 The IMTP notes the organisation's digital priorities, these being:
- facilitate benefits from the Bridgend move;
 - maximise benefits from existing digital solutions and increasing uptake;
 - enhance in house developed systems;
 - deploy the digital medical record; and
 - deploy the Welsh Emergency Department System.
- 2.11 Not all of these priorities are explicitly stated within the Digital Strategy as specific projects were identified subsequently, but they do fit thematically within the Digital Strategy.
- 2.12 The risk of digital 'drifting away' from the core aims of the Health Board is acknowledged by the Chief Information Officer and a process to enable integration has been established whereby Digital Department meetings start with a review of the Health Board's performance report to try and identify areas where they can assist. This process seeks to ensure that the Digital Department and the Digital Strategy is fully linked to the organisation.

Conclusion:

- 2.13 The Digital Strategy references the wider organisational context and strategy, although these have changed since its publication. However, there has not been a significant drift, and the Digital Strategy still supports the organisation strategy. Delivery of the Digital Strategy is enabled by inclusion within the IMTP and there are strong links to ensure that delivery of the Digital Strategy enables and fits within service needs. Accordingly, we have provided substantial assurance over this objective.

Objective 2: The Digital Strategy has been maintained and is flexible in order to meet changing needs and environment.

- 2.14 When published in 2017 the Digital Strategy contained a roadmap setting out the projects to be undertaken and timescales for implementation of these in order to deliver the objectives of the Digital Strategy.
- 2.15 In addition to the roadmap the Digital Strategy includes a maturity assessment of capabilities. Both the projects and the capabilities have been subject to recent updates / re-evaluations and this has fed into the development of a target operating model (TOM) which sets out the updated digital strategic operating model and priorities.
- 2.16 We note that the TOM has fed into the IMTP and includes an annual plan and priorities. The IMTP clearly prioritises projects that support delivery of the Digital Strategy and indicates those to include within 2022/23 and those for future years.
- 2.17 There is no longer term roadmap that defines how the Health Board intends to move forward with the Digital Strategy over a number of years. We note that the resource position and current status of the Health Board within targeted intervention does not easily facilitate the development of a multi-year roadmap. However, the impact of not delivering the Digital Strategy components on enabling delivery of Health Board objectives and transformation is not fully articulated. (Matter Arising 2)
- 2.18 The external environment has changed in some areas relating to the Digital Strategy such as the move away for systems provided by DHCW to increased choice, with standards to ensure interoperability, and the new National Data Resource Programme. However, these changes are reflected in the detail for the TOM and do not affect the overall Digital Strategy.
- 2.19 As we note above, the IMTP has undergone multiple iterations, and these have included digital items. These have changed as the IMTP has been updated, but there is consistency across years.
- 2.20 Digital items are brought in and drop out of the IMTPs, so IMTPs are being amended to reflect changing needs and priorities of the organisation. We also note that changes to the digital components within IMTPs have been made to reflect environmental changes (National Strategies), and local issues and strategy.
- 2.21 As such it is evident that there is ongoing assessment and maintenance of the digital priorities of the organisation and of the Digital Strategy.

Conclusion:

- 2.22** The Digital Strategy sets out the digital vision for the Health Board and contained a roadmap for delivery. There has been a recent re-assessment of the digital capabilities and roadmap and a TOM has been developed. Although we note that this is a short-term plan and there is nothing that fully sets out how the Digital Strategy will be delivered over a multi-year period. The Digital Strategy is delivered via the IMTP and this has been updated to reflect the changing needs and priorities

of the organisation. Accordingly, we have provided substantial assurance over this objective.

Objective 3: The Digital Strategy has been implemented appropriately.

- 2.23 The governance and monitoring process for the delivery of the Digital Strategy is via the Digital and Data Committee (DDC) as a Board committee, and this is clearly set out in the terms of reference of the committee.
- 2.24 Below this committee, monitoring and management is via the Digital Delivery Board (DDB), which is the management tier, and comprises key executives, Integrated Locality Group (ILG) representation, and digital staff.
- 2.25 Our review of DDC business confirmed that the DDC monitors progress and governance of the Digital Strategy, and our review of DDB business confirmed that the DDB takes ownership of delivery of the Digital Strategy items.
- 2.26 As such, the framework for delivery is that the Digital Strategy sets out the themes, the IMTP process identifies the most valuable projects to deliver the strategic themes via the DDC, and the DDC and DDB guide and oversee delivery.
- 2.27 Our review of delivery of the Digital Strategy has confirmed that there has been progress against most items within it. We note that there have been delays in some areas, both due to Covid, and due to other external factors such as finance or the speed of delivery of national programmes.
- 2.28 In terms of moving forward with the Digital Strategy. Covid has had impact on the delivery of patient services and so the organisational priority is on Covid recovery. As such, the prioritisation of the digital rollout will be on the basis of finance and improvement on patient service delivery and pure digital transformation.
- 2.29 There has been work undertaken within the Digital Directorate to identify progress and achievements within digital, and to identify the priorities to feed into the IMTP process. This has included a risk v benefit assessment to identify where to focus resources to gain the most benefit to the organisation.
- 2.30 The Digital Strategy itself contains 2 themes which act as enablers to delivery. The Managing Innovation stream aims to work to enable ideas to be identified and progressed and a digital portal to enable this is about to be implemented. The Adaption and Exploitation stream aims to ensure that digital systems are used within the Health Board and gain traction. We note that there has recently been funding to enable this using change managers and training.

Conclusion:

- 2.31 There has been good progress on delivering the Digital Strategy, with the majority of the projects identified being progressed appropriately. We note that there have been delays for some of the items. However, management have put processes in place to improve the delivery rate and success of the Digital Strategy and as such we have not raised a matter arising relating to this. There are appropriate governance and monitoring processes in place to oversee delivery of the Digital Strategy, although we note the underlying risk to delivery associated with Covid. Accordingly, we have provided reasonable assurance over this objective.

Objective 4: the benefits identified within the Digital Strategy are being realised.

- 2.32 The Digital Strategy does not explicitly state the benefits from its delivery, with benefits being dealt with and stated within the individual projects that make up the Digital Strategy.
- 2.33 The Health Board can show benefits from project implementation for specific cases. e.g. for the CITO health record scanning solution. There was also work done to identify the benefits from the rapid roll out of telehealth in response to Covid.
- 2.34 However, in general the Health Board does not have a fully functional and integrated process for benefits realisation. Although benefits are included within business cases, these are not always fully defined or quantified, the current status is not always baselined, and benefits realisation is not always formally included within projects. As such, benefits realisation is not always undertaken and the benefits accruing from specific projects are not always clearly demonstrated. (Matter Arising 3)
- 2.35 In addition, there is no structure to pull all the benefits together and report and so make clear what the benefits are from the implementation of the Digital Strategy as a whole. We note that a lot of the benefits from projects are not necessarily quantitative but qualitative and so harder to measure, however this can be clarified at the outset.
- 2.36 We note that the Digital Directorate is aware of the poor benefits tracking and have started to ensure that benefits realisation is factored in at the business case stage. For example, the Welsh National Clinical Record (WNCR), where benefits are more clearly defined and part of the funding is to track benefits. We also note that there is an intent to develop user questionnaires to get user perspectives. This will allow the identification of more qualitative benefits.

Conclusion:

- 2.37 The Health Board is gaining benefits from the implementation of digital projects, but demonstrating this is not always clear, and the overall benefits realisation process is not fully operational. Accordingly, we have issued a reasonable assurance opinion over this objective.

Appendix A: Management Action Plan

Matter Arising 1: Link to Wider Organisational Strategy (Operation)		Impact
<p>Although the Digital Strategy references the Health Board's IMTP and objectives, these have changed since the Digital Strategy was approved, and so it does not fully link to the current versions as below:</p> <ul style="list-style-type: none"> the organisational vision has changed, with the Digital Strategy still referencing an older version. However, we note that the Digital Strategy aligns to the new vision; the organisational objectives have changed since the Digital Strategy was approved, and so it does not now accurately reference these; and the organisational priorities quoted in the Digital Strategy are for years 2016-2019 and do not match the current priorities. 		Risk that the Digital Strategy may diverge from organisational Objectives and Strategy.
Recommendations		Priority
<p>1.1 A process to enable digital to contribute to the revision of the WG Digital Strategy for NHS Wales should be enabled, alongside contribution to the revision of Health Board Strategy and IMTP.</p> <p>Once these have been finalised, consideration should be given to updating the Digital Strategy to reflect the current organisational vision, objectives and priorities.</p>		Low
Agreed Management Action	Target Date	Responsible Officer
<ul style="list-style-type: none"> Members of the UHB to take part in the steering group and WG strategy development meetings A workstream will be developed to identify the digital plan for 'digitally' enabling the new strategy 	Qtr 3 2022/2023	Director of Digital

Matter Arising 2: Roadmap (Operation)		Impact
<p>There is no longer term roadmap that defines how the Health Board intends to move forward with the Digital Strategy over a number of years. We note that the resource position and current status of the Health Board within targeted intervention does not easily facilitate the development of a multi-year roadmap. However, the impact of not delivering the Digital Strategy components on enabling delivery of Health Board objectives and transformation is not fully articulated.</p>		<p>Risk that the Digital Strategy will not be successfully implemented.</p>
Recommendations		Priority
<p>2.1 The impact of not delivering on the Digital Strategy items on the wider Health Board objectives and transformation should be fully articulated and reported to Committee.</p>		<p>Medium</p>
Agreed Management Action	Target Date	Responsible Officer
<p>The UHB is in discussion with WG around the wider organisational environment and financial position and will not be submitting a 3 year IMTP this year. Until these discussions are concluded the short and medium term risks relating to non delivery of the digital strategy and the impact that these have on the wider HB objectives are less clear.</p> <p>As such the digital team will continue to present risks to the Digital & Data Committee following existing risk management processes.</p> <p>It is important to note that the Health Board has developed a new Board Assurance Framework which includes an overarching strategic risk for Digital and Data. This will evolve during the remainder of 2022/2023.</p> <p>A core action is to finalise the articulation of this risk – this will be completed in Quarter 2 of 2022/2023</p>	<p>Qtr 2 2022/2023</p>	<p>Director of Digital</p>

Matter Arising 3: Benefits Realisation (Operation)		Impact
<p>The Health Board does not have a fully functional and integrated process for benefits realisation. Although benefits are included within business cases, these are not always fully defined or quantified, the current status is not always baselined, and benefits realisation is not always formally included within projects. As such, benefits realisation is not always undertaken and the benefits arising from specific projects are not always clearly demonstrated.</p> <p>In addition, there is no structure to pull all the benefits together and report and so make clear what the benefits are from the implementation of the Digital Strategy as a whole.</p>		Risk that benefits associated with the Digital Strategy will not be fully realised.
Recommendations		Priority
<p>3.1. Work should continue to ensure benefits are fully defined within business cases, along with a baseline position and a process for benefits realisation.</p> <p>3.2 Consideration should be given to defining an overall benefits position for the Digital Strategy.</p>		Medium
Agreed Management Action	Target Date	Responsible Officer
<p>All moderate to major digital developments now require a business case and are subject to a degree of scrutiny which incorporates not only the anticipated benefits but the process by which these benefits will be measured and actions taken where there is limited delivery.</p> <p>In regards to overall benefits measuring the UHB is committed to ensuring that this is incorporated within the WG digital and data strategy and that there is alignment to the Value Based Health Care Programme</p>	Qtr 3 2022/2023	Director of Digital






<p>In addition to this the Health Board is currently reviewing its operating model and there is an opportunity to re-align and strengthen the relationship and ways of working between major digital developments and the change hub where the majority of capacity for programme and project management, service change and benefits management.</p>		
---	--	--

This review is planned to be complete by the end of September 2022

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

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



NHS Wales Shared Services Partnership
4-5 Charnwood Court
Heol Billingsley
Parc Nantgarw
Cardiff
CF15 7QZ

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)