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Mr Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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Reference 0429.mju.millar.bcu
Date 29 April 2015
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Dear Darren,

Betsi Cadwaladr University Health Board: written evidence to the Public Accounts Committee

At its 5 May 2015 meeting, the Public Accounts Committee is due to consider the written evidence submitted by Dr Peter Higson, the Chair of Betsi Cadwaladr University Health Board (the Health Board), following his appearance before the Committee on 24 March.

To assist the Committee in its deliberations, the Auditor General has asked that I provide some observations on that written evidence, in my capacity as his Engagement Director for the audit of the Health Board.

Much of Dr Higson's letter of 13 April to the Committee centres on the Health Board's considerations regarding the provision of clinically-led obstetrics and gynaecology services at Ysbyty Glan Clwyd (YGC), and sets out a range of information regarding the identification and handling of concerns within the Health Board since 2013. That information aligns with our own audit evidence from our 2013 and 2014 Structured Assessment work at the Health Board.

As the Committee will doubtless be aware, the Health Board's proposal to suspend the provision of these services at YGC and to transfer clinically led obstetric care to the Wrexham Maelor Hospital and Ysbyty Gwynedd is now the subject of an application for Judicial Review. As the matter is therefore currently *sub judice*, it would be inappropriate for the Auditor General or Wales Audit Office staff to make any public comments regarding this matter until the outcome of the Review is known. However, I can confirm that the Health Board's governance arrangements surrounding this matter will feature as part of our 2015 Structured Assessment work.

Dr Higson's letter also provides information on the training of Board members, together with a schedule showing that attendance by both independent and executive members at Board development sessions over the past 16 months has been somewhat patchy. Last week, the Health Board announced the appointment of three new Independent Members and so we will be looking carefully at the Health Board's induction arrangements, together with the measures that it is taking to ensure an improvement in overall member attendance at future Board development sessions.

The Health Board overhauled its performance reporting framework during 2014-15, and enclosed with the Chair's letter is an example of the new format for the monthly 'Integrated Quality and Performance Report' to the Board. This report sits alongside a suite of other reports, including financial reports, and the February 2015 example illustrates well the breadth and depth of performance information that is now made available to Board members, which is intended to better equip them to provide robust and constructive scrutiny and challenge to the executive team. We will be reviewing the effectiveness of these enhanced arrangements as part of our 2015 Structured Assessment work.

The letter concludes by briefly summarising the outcome of recent work by the Health Board to review its arrangements for managing capital schemes. The need for significant improvements in this area was cited last autumn by the Welsh Government as being one of the grounds for the Health Board's escalation to 'targeted intervention' status. The further changes to capital management arrangements that the Health Board is introducing as a result of recent internal audit work and the Capita review will be covered as part of our Structured Assessment work this autumn.

During their oral evidence at the 24 March meeting, the witnesses briefly referred to the review of the Health Board that was being conducted by Ann Lloyd, the former Chief Executive of NHS Wales. That work has recently been completed, and our understanding is that the Health Board intends to publish Ann Lloyd's report once it has been considered by the full Board at its June meeting. We will be reviewing the adequacy of the Health Board's response to the recommendations made by Ann Lloyd, once these have been developed and agreed by the Board.

Finally, the Committee will also wish to be aware that later this year, and once again in conjunction with Healthcare Inspectorate Wales, we will be conducting a further follow-up of our 2013 joint review of governance arrangements at the Health Board during the autumn. The Auditor General anticipates being able to lay the joint follow-up report before the National Assembly before the end of the calendar year, which would then provide the Committee with a further opportunity to take oral evidence from the Health Board if it wishes to do so.

I hope that this information is helpful to the Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mike Usher". The signature is written in a cursive style with a prominent loop at the end.

MIKE USHER
Engagement Director

