# Digital Operating Model
# Final Internal Audit Report

October 2022

Cwm Taf Morgannwg University Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

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Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg University Health Board

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# Executive Summary

**Purpose**

To ensure that the organisation has an appropriate digital operating model that supports staff, enables transformation and reflects the current operating environment.

**Overview**

We have issued limited assurance on this area. The Health Board understands its target digital operating model. However, this is not fully operational as yet, and requires increased funding.

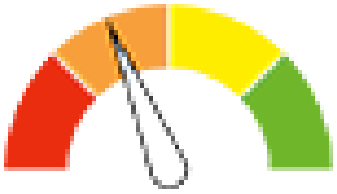
The matters requiring management attention include:

- The steering and stakeholder ownership governance level has not yet been established.
- There is a lack of digital clinical leadership across the Health Board which has impacted on engagement.
- The staffing resource within digital is not sufficient to meet the full organisational need.
- The funding for equipment has not kept pace with requirements, leading to an out of data asset base.

Other recommendations / advisory points are within the detail of the report.

## Report Opinion

Limited



More significant matters require management attention.

**Moderate impact** on residual risk exposure until resolved.

## Assurance summary[1]

| Objectives | | Assurance |
|---|---|---|
| 1 | Control & Governance | Limited |
| 2 | Digital Structure | Limited |
| 3 | Digital Skills | Reasonable |
| 4 | Equipment and Support Structure | Limited |

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

## Key Matters Arising

| | | Objective | Control Design or Operation | Recommendation Priority |
|---|---|---|---|---|
| 1 | Steering Level | 1 | Operation | High |
| 2 | Digital Clinical Leadership | 1 | Operation | High |
| 3 | Digital Resource | 2 | Operation | High |
| 4 | Development Resource | 2 | Design | Medium |
| 5 | Skills | 3 | Operation | Medium |

| | | | | |
|---|---|---|---|---|
| 6 | Digital Equipment | 4 | Operation | High |
| 7 | Digital Literacy | 4 | Operation | Medium |
| 8 | Support | 4 | Operation | Medium |

# 1. Introduction

1.1 In line with the 2022/23 Internal Audit Plan for Cwm Taf Morgannwg University Health Board (the 'Health Board' or 'organisation') a review of the digital operating model was undertaken.

1.2 A digital operating model is the combination of multiple dimensions that collectively deliver the digital and IT services to an organisation. Organisations must ensure that they design a digital operating model that fully supports business needs and enables the digital organisation to deliver on its mandate.

1.3 The relevant lead director for the review is the Director of Digital.

1.4 The potential risks considered in the review are as follows:

- Health Board staff do not have adequate support to enable objectives to be met.
- The Digital Directorate cannot fulfil the Health Board's requirements.

# 2. Detailed Audit Findings

**Objective 1: The control and governance structure for digital ensures appropriate risk management, decision making and ownership of digital.**

2.1 The governing committee for digital is the Digital and Data Committee. Its terms of reference:

- makes clear that it is the delegated committee for digital;
- includes digital and data strategies oversight;
- includes digital risk management;
- oversees digital transformation; and
- notes that KPIs are to be reported on.

2.2 The level under the Committee is the Digital Delivery Board (DDB). However, there is limited attendance from stakeholder and wider service representatives and as such does not enable an ownership or steering functionality on behalf of the service and stakeholders.

2.3 There is a gap at the steering and ownership level of the digital operating model. A target operating model (TOM) was proposed in July 2021 which set out Strategic Capability Boards to manage and push the delivery of the programmes within the Digital Strategy. These boards would have membership from stakeholders and facilitate the ownership of digital, however they have not been set up and, as the DDB is not acting as a steering or ownership mechanism, then clear ownership of digital is not in place. (Matter Arising 1)

2.4 The concept of ownership of digital within the Health Board is not embedded. It appears that the culture is of IT being something that is done by IT as opposed to digital being a facilitator that is owned by the service. Part of the reason for this is a perception of under delivery of IT projects and weaknesses in the infrastructure, which has led to frustration within the clinical staff cohort and a lack of engagement.

Without this cultural change the digital model for transformation of services cannot happen. However, the Health Board's revised operating model has a clinical engagement work stream that seeks to alleviate this lack of engagement.

2.5 There are structures in place to enable digital engagement with the clinical staff groups, these include the Chief Clinical Information Officer (CCIO) / Chief Nurse Information Officer (CNIO) Teams channels, the CTM Improvement Group and extant clinical networks.

2.6 In addition, we note that there is now an end user group operating as a function of IT which is focussed on the user experience and training to help ensure digital is focussed on users' needs.

2.7 There is a limited amount of digital clinical leadership in place, with a single CCIO and CNIO. We note that the CNIO role is not yet formally defined. These roles enable the link between clinical staff groups, management and the digital directorate and support the development of clinical information needs and encourage and empower staff to engage in digital transformation. The lack of capacity in this space restricts the ability of the Health Board to fully embed digital. A move towards having a digital lead representing different staff groups in each area would better enable the embedding of digital and the ownership by the service. (Matter Arising 2)

2.8 We note that there have been frequent changes to the accountability line for Digital, with changes of Executive and in the Assistant Director for Informatics (ADI) role. This has led to a loss of visibility of Digital at the highest level of the organisation, although the recent appointment of the Director of Digital should resolve this.

2.9 The Digital Directorate is split into a number of functions and streams and there are structures to oversee and govern the delivery level of Digital.

2.10 In addition to regular meetings with department heads, there are weekly senior team meetings which include all department heads. The purpose of these meetings is to provide updates across the directorate and ensure each area is aware of work ongoing across the directorate. These meeting include a strategic feed from the Director of Digital to ensure that the directorate is aware of issues at that level.

2.11 There is a specific group for dealing with digital and IM&T risks, this group reviews all identified risks held on the directorate risk register and escalates those which score above 15 to the corporate risk register.

2.12 The directorate management structure enables reporting from the directorate level to the Committee level, via the Digital Delivery Board, and we note that there is consistency of messaging throughout the structure.

### Conclusion:

2.13 The digital operating model is appropriate, but it is not fully operating as set out. The reason for this is partly because the defined governance framework has not been fully established, partly due to change at senior level, and partly due to the lack of digital clinical leadership which has fed into a lack of engagement and embedding of digital throughout the organisation. There are actions in train to try to resolve these matters and to focus digital on users and their needs. The

established directorate's management structure enables workstream information sharing within the directorate and management. However, as the model is not fully functional at present, we have provided **Limited** Assurance over this objective.

**Objective 2: The staffing and structure of the Digital Directorate is appropriate to meet the support needs of Health Board staff and for the delivery of digital transformation.**

2.14 The current Digital Directorate structure is relatively flat, although we understand that this is being reviewed and some reconfiguration has already happened. The review has two aspects: firstly to restructure in line with the current funding position for digital; and secondly, in line with what an ideal future position would look like that enables the directorate to provide the full service required by the organisation. This work will then enable the gaps and the associated costs to be fully defined.

2.15 Management acknowledge gaps within the digital structure. The Health Board employs approximately 80 staff within the digital structure, which is low in comparison to other organisations. There has also been an historic reliance on the use of agency / contractor staff. Whilst we note that the use of temporary staff provides a valuable resource pool for the Health Board, the continued use temporary staff results in increased costs, staffing instability, and a loss of organisational knowledge.

2.16 The changes in the Health Board environment due to the rapid roll out of digital solutions mean that there is an increased asset base to support, along with an increased staff support requirement. The current structure is more focussed on this than enabling transformation and digital projects, with the transformation structure being under-resourced, with a low number of staff involved in projects. There is also under resourcing for ongoing change management. Although change managers are included within business cases, this support is time limited and is not fully supporting the embedding of digital systems into organisational processes.

2.17 While the organisation has rolled out digital solutions and has implemented office 365, the structure within the organisation is not sufficient to maximise the potential for these products, with no 365 team and limited support and training available. There appears to be an appetite for digital transformation and digital functionality within the Health Board, but without the directorate structure to support this and enable rollout of solutions the Health Board will struggle to gain the benefits. (Matter Arising 3)

2.18 There is very little development resource within the directorate due to historical decisions to use Digital Health & Care Wales (DHCW) as much as possible. This has meant that there is a great deal of reliance on DHCW, and on the pace and prioritisation decisions within DHCW for the development and roll out of the national solutions, with limited ability for the Health Board to develop its own solutions. As such, the directorate is not able to provide an agile service to the wider Health Board and fully control the development of digital solutions that meet the Health Board's objectives and priorities. (Matter Arising 4)

Conclusion:

2.19 The Digital Directorate structure is appropriately defined and is being reviewed in order to maximise the use of the staff resource in place and to define a required staff resource position that is fit for digital support and delivery. There are gaps within the currently structure, along with under provision of development and transformation resource. Without appropriately resourcing the Digital Directorate the directorate will not be able to fully support the organisation. Accordingly we have provided **Limited Assurance** for this objective.

**Objective 3: The knowledge and skills within the Digital Directorate is appropriate to meet the Health Boards' needs.**

2.20 Linked to the shortages within the directorate structure, there are shortages in key skills. Although the full skills shortage has not at present been fully assessed, the work on restructuring the directorate that is underway is considering the need for digital skills as part of that process. (Matter Arising 5)

2.21 These gaps are acknowledged by management and include development and integration skills, analytics skills, Office 365 and gaps within technical areas such as infrastructure and cyber security. The skills gap within the Digital Directorate is hindering the ability of the organisation to move forward with digital transformation and the support of the organisational strategy.

2.22 Skills and training needs are identified within the directorate as part of the PADR process, and opportunities are also identified via contact from providers. We note that there is funding in place for a training contract which allows training to be provided when needs are identified. Training is provided to enhance skills in areas such as clinical coding, business informatics (BI) training on Qlik, ITIL, clinical systems and infrastructure.

Conclusion:

2.23 Training is available for digital staff with training needs being identified via the PADR process and by supplier contacts. There are acknowledged skills gaps and work is underway to fully define the required skills and the gaps. Accordingly, we have provided **Reasonable** Assurance for this objective.

**Objective 4: Health Board staff have access to the right equipment and level of digital support, through the right channels to enable them to deliver their objectives.**

2.24 Historically the Health Board has not invested in its digital architecture to the extent that would enable it to provide a fully digital service at present, this has been identified within a recent external review by 4C and changes are being enacted. The current position is such that the Health Board is not investing sufficient funding into the provision of technology that will enable it to meet its stated digital strategy and objectives (Matter Arising 6)

2.25 The Health Board made a decision to opt for a thin client model using I-GEL and Citrix which provides staff with low performance computers to run applications where most of the actual processing is done on a remote server linked over a

network, however the age of some of the devices mean that they are not all fit for use in a modern digital environment. We note that a large number of laptops were provided as part of the Covid response, out of necessity this was reactive and did not always evaluate the user need.

2.26 We note that the knowledge of the equipment that is in place and the use of this is improving, with a recent purchase of an asset management package which will identify both older equipment and equipment with problems, together with the use of equipment. The stated intention of the TOM is to use this information to match user need with the right level of equipment to get better value and minimise staff dissatisfaction. Work is also ongoing to identify the use of Office 365 products to ensure that the allocated licence matches the need, and so avoiding unnecessary expenditure whilst ensuring staff have the appropriate tools.

2.27 There is a process within the Health Board for trialling equipment and different configurations to identify those that work best. There have been delivery successes using this approach, such as devices for the Welsh Clinical Nurse Record (WCNR) and carts for use with the Welsh Emergency Department System (WEDS).

2.28 However, we note that there are a lot of old devices in place due to the underfunding of the equipment refresh programme. The Health Board's identified required funding for a six year replacement plan is £2.3m, however the allocation is only £300k, although additional funding is provided for specific projects such as £200k for WCNR. Without staff having access to up to date devices the organisation may struggle to enable its digital transformation and the TOM may not operate, the Digital Strategy may not be delivered and people may become disengaged. (Matter Arising 6)

2.29 We note that the ICT risk register includes a risk relating to the replacement programme. This was scored at '12' in April 2022, so has not been escalated to the corporate register. As this risk has the potential to impact on transformation programmes and service delivery the assessed scoring may not fully reflect the impact.

2.30 As the Health Board moves towards greater digital transformation staff across the Health Board will need to be involved in process design and accept the need for the use of digital solutions. At present there is no stated expectation by the Board that staff should maintain a level of digital literacy. In some cases it appears that staff are not able, or are unwilling to attempt to resolve issues themselves, which increases the demand on the digital support resource. (Matter Arising 7)

2.31 The digital operating model for support blends human contact with self-help guides for users, however as previously noted, resourcing is an issue and as such the human aspect has not been fully provided.

2.32 Health Board staff can access support by either calling the help desk number or by logging a call online. Management acknowledge that while the support requirements for the Health Board have changed, the support structures have not fully adjusted. The Office 365 roll out has led to this being the focus of a large number of calls, and as digital services get rolled out there is more need for 24/7 support.

2.33 We note that funding was provided for two staff as part of the Office 365 implementation, but this funding expires in September 2022 and no ongoing support provision is currently funded. A digital champions group for Office 365 was established, but there is limited capacity to support others.

2.34 Feedback from clinician groups is that the help desk is not very responsive and without a fix at first contact approach, with the user being passed between departments and often having to wait for a call back. Again, this has been acknowledged by management and work is ongoing to improve support within clinical systems teams, improve information collection at first point of contact, and improve problem management in order to fix issues at source. (Matter Arising 8)

2.35 We note that the structure is being revised, and new leadership and focus on service management has been installed for the help desk. In addition, there is work ongoing to assess increasing the methods of providing support, including 'floor walking'.

2.36 There are self-help and 'how to' guides available for staff within the Health Board, however the collation and presentation of these, alongside other information is not well structured with information situated in a number of different places, although we note that work is ongoing to develop the digital SharePoint site.

Conclusion:

2.37 The support channels for staff have not been fully adjusted to meet the changed requirements although work is ongoing in this area and improvements have been made. There has been historic under investment in technology, which means that the equipment currently in place is not always up to date and fully suited for a digital organisation. Work is ongoing to match available equipment to job function to maximise the use of the available resources and processes are in place to identify the best suited equipment for digital solutions. However, the Health Board should recognise that the technical equipment needed to support its stated intention and strategy will need appropriate funding. Accordingly, we have provided limited assurance for this objective.

# Appendix A: Management Action Plan

| **Matter Arising 1: Steering and ownership level** (Operation) | | | **Impact** |
|---|---|---|---|
| There is a gap at the steering and ownership level of the digital operating model. A TOM was proposed in July 2021 which set out Strategic Capability Boards to manage and push the delivery of the strategic programmes. These were to have membership from stakeholders and so facilitate the ownership of digital, however they have not been set up and as the digital delivery board (DDB) is not acting as a steering or ownership mechanism then this governance level is not in place. | | | Potential risk that the Digital Directorate cannot fulfil the Health Board's requirements. |
| **Recommendations** | | | **Priority** |
| 1.1 | An appropriate steering and ownership governance tier should be established that enables stakeholders to own, steer and oversee the delivery of digital objectives. | | **High** |
| **Agreed Management Action** | | **Target Date** | Responsible Officer |
| 1.1 | Accept<br>A new governance and ownership arrangement will be created to align to the Health Board Transformation Change Programme and delivery board created as part of the Care Group Model Implementation. | Qtr 3<br>2022/2023 | Director of Digital |

| **Matter Arising 2: Limited Digital Clinical Leadership** (Operation) | | | **Impact** |
|---|---|---|---|
| There is a restricted amount of digital clinical leadership in place, with a single CCIO and CNIO. The lack of capacity in this space restricts the ability of the Health Board to fully embed digital. | | | Potential risk that Health Board staff do not have adequate support to enable objectives to be met. |
| **Recommendations** | | | **Priority** |
| 2.1 | The Digital Clinical leadership structure should be revised and improved.<br>• The CNIO role should be formalised; and<br>• a network of digital clinical leaders should be established that mirrors the Health Board structure to ensure that each area as a defined leader who can act as a conduit and help embed digital. | | **High** |
| **Agreed Management Action** | | **Target Date** | **Responsible Officer** |
| 2.1 | Accept<br>Digital Clinical Leadership will be developed and formally recognised as part of the Strategic Leadership Group within the Digital & Data Directorate.<br>A new set of roles & capabilities will be identified as part of the new Digital & Data Governance arrangements. | Qtr 3 2022/2023 | Director of Digital |

| **Matter Arising 3: Digital Resource** (Operation) | | | **Impact** |
|---|---|---|---|
| The current structure in place is not sufficient to fully support the organisation, enable digital transformation and digital projects. There are gaps within the structure with a low number of staff involved in projects, limited change management support for fully supporting the embedding of digital systems into organisational processes and there is no dedicated Office 365 team.<br><br>This means that the directorate is not meeting the demands of the organisation for digital functionality and the organisation is not maximising the benefits from investment in digital technologies. | | | Potential risk that the Digital Directorate cannot fulfil the Health Boards requirements. |
| **Recommendations** | | | **Priority** |
| 3.1 | As part of the review of the directorate structure, consideration should be given to ensuring that the structure and resources includes:<br>• appropriate digital leadership within the structure;<br>• ongoing change management support;<br>• digital transformation and project resource; and<br>• Office 365 team and support. | | **High** |
| **Agreed Management Action** | | **Target Date** | **Responsible Officer** |
| 3.1 | Accept<br><br>A Digital Leadership Change Process will be initiated in the Autumn of 2022.<br><br>A subsequent review of senior management support and related resources will commence in the first half of 2023. | Qtr 3 2022/2023<br><br>Qtr 4 2022/2023 | Director of Digital<br><br>Director of Digital |

| **Matter Arising 4: Development Resource** (Design) | | | **Impact** |
|---|---|---|---|
| There is very little development resource within the directorate due to historical decisions to use DHCW as much as possible. This has meant that there is a great deal of reliance on DHCW, and on the pace and prioritisation decisions within DHCW for the development and roll out of the national solutions, with limited ability for CTMU to develop its own solutions.<br><br>As such the directorate is not able to provide an agile service to the Health Board and fully control the development of digital solutions that suit the Health Board's objectives and priorities. | | | Potential risk that the Digital Directorate cannot fulfil the Health Boards requirements. |
| **Recommendations** | | | **Priority** |
| 4.1 | The balance between the use of DHCW solutions and development of in house solutions within the operating model should be reviewed to ensure that it matches the needs of the organisation.<br><br>Consideration should be given to increasing the level of in house development resource in order to provide Health Board specific digital solutions at a pace that suits the Health Board. | | **Medium** |
| **Agreed Management Action** | | **Target Date** | **Responsible Officer** |
| 4.1 | Accept<br><br>Development resources will be considered and proposed as part of subsequent structural reviews.<br><br>Acknowledgement that any development resource proposal will need to be prioritised against other financial decision points for the Health Board. | Qtr 2<br>2023 / 2024 | Director of Digital |

| **Matter Arising 5: Skills** (Operation) | | | **Impact** |
|---|---|---|---|
| The full skills shortage within the Digital Directorate has not been fully assessed. However, we note that the ongoing work on restructuring the directorate is considering the need for digital skills as part of that process. | | | Potential risk that the Digital Directorate cannot fulfil the Health Boards requirements. |
| **Recommendations** | | | **Priority** |
| 5.1 | The skills required by the Digital Directorate should be fully defined and mapped to those already in place.<br>A structured training & development plan should be defined to meet skills shortages, alongside the use of temporary staff to meet gaps short term. | | **Medium** |
| **Agreed Management Action** | | **Target Date** | **Responsible Officer** |
| 5.1 | Accept<br>Full review of the capacity and capability required will be completed in 2023 as part of a phased approach to the future target operating model for the Digital & Data Directorate. | Qtr 2<br>2023 / 2024 | Director of Digital |

| **Matter Arising 6: Digital Equipment** (Operation) | | | **Impact** |
|---|---|---|---|
| Historically the Health Board has not invested in its digital architecture to the extent that would enable it to provide a fully digital service at present. The current position is such that the Health Board is not investing sufficient funding into the provision of technology that will enable it to meet its stated digital strategy and objectives.<br><br>We also note the volume of old devices in place, due to the underfunding of the equipment refresh programme. The required funding for a six year replacement plan is £2.3m, however the allocation is only £300k. Without staff having access to up to date devices the organisation may struggle to enable digital transformation and the TOM may not operate, the Digital Strategy may not be delivered and people may become disengaged. | | | Potential risk that the Digital Directorate cannot fulfil the Health Boards requirements. |
| **Recommendations** | | | **Priority** |
| 6.1 | The Health Board should ensure that appropriate funding is provided to enable equipment to be kept up to date. | | **High** |
| **Agreed Management Action** | | **Target Date** | **Responsible Officer** |
| 6.1 | Accept<br><br>Appropriate funding will be identified as part of the IMTP process for a 2023 submission. | Qtr 4 2022/2023 | Director of Digital |

| **Matter Arising 7: Digital Literacy** (Operation) | | | **Impact** |
|---|---|---|---|
| At present there is no stated expectation by the Health Board that staff should maintain a level of digital literacy. In some cases staff are not able, or are unwilling to attempt to resolve issues themselves, which increases the demand on the digital support resource. | | | Potential risk that the Digital Directorate cannot fulfil the Health Boards requirements. |
| **Recommendations** | | | **Priority** |
| 7.1 | The Health Board should clearly state that minimum digital literacy is a requirement, with provision of training if required. | | **Medium** |
| **Agreed Management Action** | | **Target Date** | **Responsible Officer** |
| 7.1 | Accept<br><br>Digital literacy to be included within the workforce and organisational development plan as part of the IMTP. | Qtr 4<br>2022/ 2023 | Director of Digital |

| **Matter Arising 8: Support** (Operation) | | **Impact** |
|---|---|---|
| The support structures for the Health Board have not been fully adjusted to reflect organisational needs.<br><br>Support is available for Health Board staff, with two methods for accessing this, either by calling the help desk number or by logging a call online. It is acknowledged by management that the support requirements for the Health Board have changed, however the support structures have not fully adjusted.<br><br>Feedback from clinician groups is that the help desk is not very responsive without a 'fix at first contact' approach, with the user being passed between departments and often having to wait for a call back.<br><br>We note that the structure is being revised, and new leadership and focus on service management has been installed for the help desk. In addition, there is work ongoing to assess increasing the methods of providing support, including 'floor walking'. | | Potential risk that the Digital Directorate cannot fulfil the Health Boards requirements. |
| **Recommendations** | | **Priority** |
| 8.1 | The work to restructure support should be finalised, with greater provision of:<br>- fix at first contact;<br>- use of process automation for handling calls;<br>- use of digital champions within services;<br>- a structured SharePoint site; and<br>- how to guides. | **Medium** |

| Agreed Management Action | | Target Date | Responsible Officer |
|---|---|---|---|
| 8.1 | Accept<br><br>A phased programme of work will be developed alongside the structural review.<br><br>This programme is likely to run for 12 months. | Qtr 3<br><br>2023/ 2024 | Director of Digital |

# 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.<br>**Low impact** on residual risk exposure. |
|  | **Reasonable assurance** | Some matters require management attention in control design or compliance.<br>**Low to moderate impact** on residual risk exposure until resolved. |
|  | **Limited assurance** | More significant matters require management attention.<br>**Moderate impact** on residual risk exposure until resolved. |
|  | **No assurance** | Action is required to address the whole control framework in this area.<br>**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.<br>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.<br>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.<br>Some risk to achievement of a system objective. | Within one month* |
| Low | Potential to enhance system design to improve efficiency or effectiveness of controls.<br>Generally issues of good practice for management consideration. | Within three months* |

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

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