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The team who delivered the work comprised Gabrielle Smith, Nathan Couch, Deborah Woods and Gareth Rees.

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Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2019 structured assessment work at Aneurin Bevan University Health Board (the Health Board). The work has been undertaken to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2014, to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.
- 2 Our 2019 structured assessment work has included interviews with officers and Independent Members, observations at board and committee meetings and reviews of relevant documents, performance and financial data.
- 3 The key focus of structured assessment is on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. Auditors also reviewed the progress made to address previous recommendations. The report groups our findings under four themes – governance arrangements, strategic planning, managing financial resources and managing the workforce.

Background

- 4 Our 2018 structured assessment concluded that the Health Board had effective planning processes, but there was more to do to ensure governance arrangements operated as intended and to improve performance against some key targets. The Health Board achieved a balanced financial position in 2018-19 and reported a small surplus (£0.2 million) at year end. It met its duties to break even over the rolling three-year period 2016-17 to 2018-19 and to have an approved integrated medium-term plan (IMTP).
- 5 The Health Board's status under the [Joint Escalation and Intervention Arrangements](#) remains as 'routine arrangements'. There are concerns, however, about deteriorating waiting times for both referral to treatment (RTT) and attendances at emergency departments, especially at the Royal Gwent Hospital (RGH).
- 6 The Health Board's long-term strategy for modernising clinical services across primary, community and secondary care, Clinical Futures, is now moving to the implementation phase. Building of the new Grange University Hospital (the Grange) is currently on schedule and a ceremony in Spring 2019 marked a key construction stage. There are now less than 12 months before the Health Board starts turning the building into a functional hospital, ready to open in March 2021.
- 7 As this report provides a commentary on key aspects of progress and issues since our last review, it should be read with consideration to our [2018 report](#).

Main conclusions

- 8 Our overall conclusion from 2019 structured assessment work is that **the Health Board's corporate governance arrangements generally work well but risks to achieving strategic priorities have not been clearly articulated and documented in a board assurance framework (BAF). There is scope to improve aspects of risk management, and to increase reporting on patient experience and progress against IMTP priorities. In addition, there are significant performance challenges and an increasing risk that the Health Board will fail to achieve financial balance.**
- 9 The Board has generally effective arrangements to support the conduct of business with changes to committee operation set to improve overall Board effectiveness. Assurance mechanisms to support good governance are generally sound and the Health Board is making good use of the national fraud initiative. Risks to achieving strategic priorities have not been clearly articulated, development of a documented BAF has slowed, and risk management arrangements and the quality of the corporate risk register (CRR) need further improvement. The timeliness and quality of responses to complaints and concerns is improving but further progress is needed, and patient experience and outcomes are not routinely reported. Improvements to clinical audit arrangements are now underway. Significant challenges in operational performance persist, especially waiting times at emergency departments and for referral to treatment.
- 10 The planning approach remains robust with workforce and financial requirements an integral part of the process. Arrangements for monitoring and reporting on delivery of strategic plans are well established but formal reporting on IMTP progress was delayed. And, there is scope to clarify risk mitigation related to Clinical Futures and better link IMTP progress with the high-impact priorities.
- 11 Arrangements for financial planning and monitoring financial performance are generally sound and financial controls are satisfactory. The Health Board has a track record in achieving its financial duties, but increasing financial pressures risk a deficit unless further savings are achieved.
- 12 Although sickness absence rates remain stubbornly high, targeted support is reducing rates in some areas. There is a comprehensive programme of work to recruit and retain staff and redesign the way in which staff work. Continued reliance on locum and agency staff to cover vacancies, sickness absence and operational pressures means expenditure on temporary staff is rising. Compliance with the appraisal process, statutory and mandatory training and consultant job planning is improving, albeit slowly. The Health Board remains committed to looking after the health and wellbeing of its staff.
- 13 The Health Board has made good progress to address our 2018 structured assessment recommendations with ongoing work to complete remaining actions by March 2020.

Recommendations

- 14 Recommendations arising from this audit are detailed in **Exhibit 1**. The Health Board's management response to these recommendations and our final report will be available on our website when considered by the Audit Committee. The Health Board will also need to address previous recommendations still outstanding.

Exhibit 1: 2019 recommendations

Recommendations	
Board assurance and risk	
R1	<p>The risks to delivering the IMTP service change plans (SCPs) and the high-impact priorities extrapolated from the IMTP strategic priorities have not been clearly articulated in a board assurance framework (BAF). The Health Board should:</p> <ol style="list-style-type: none">Complete the development of a BAF by March 2020 and in doing so look to see how other NHS organisations in Wales construct theirs and consider whether the approach can be adapted; andClearly articulate and document risks to delivering the SCPs and high-impact priorities as part of the IMTP refresh for 2020-21 in a BAF.
R2	<p>There is scope to improve the quality of the corporate risks register (CRR). The Health Board should review the CRR by the end of March 2020 to ensure it clearly articulates cause and effect, reduces overlap between controls and mitigating actions, specifies controls such as policies and procedures, aligns assurances to controls, indicates whether mitigating action is effective and includes timescales to monitor progress.</p>
Reporting on delivery of the IMTP and Clinical Futures	
R3	<p>Board updates on Clinical Futures do not include information on whether planned actions/mitigation are effective, and it is unclear whether risks no longer reported have been eliminated. The Health Board should include information on the effectiveness of risk mitigation in its board updates.</p>
R4	<p>The recent report to the Finance and Performance (F&P) Committee on progress against the IMTP SCPs did not include progress against the relevant high-impact priorities aligned to them. The Health Board should ensure that committee reports on SCP progress clearly link relevant high-impact priorities with the achievements set out.</p>

Detailed report

Governance

- 15 As in previous years, our structured assessment work has examined the Health Board's governance arrangements and the way in which the Board and its sub-committees conduct their business. We considered the information that the Board and its sub-committees receive to help it oversee and challenge performance. We also reviewed the progress made in addressing previous recommendations.
- 16 In 2019, we found that **the Board is generally effective in the conduct of its business and has made key changes to committee operation but the pace of work on board assurance and risk has slowed, performance challenges persist, and patient experience and outcomes are not yet routinely reported.**

Conducting business effectively

The Board has generally effective arrangements to support the conduct of business with changes to committee operation set to improve overall Board effectiveness

- 17 The Board remains committed to improving its effectiveness and board members agreed a range of actions following an externally facilitated review of effectiveness earlier in the year. A follow-up session is planned in early 2020 to test progress and continue team building given the Board is still relatively new with most Independent Members (IMs) joining in 2017. Board membership is stable with little turnover during 2019 with one IM departing and the appointment of a substantive executive nurse director. The IM's departure left a gap in finance experience amongst IMs. To address the gap in the short-term, the Board appointed an individual with a finance background to support the Audit Committee Chair. Recruitment to replace the IM was underway at the time of our fieldwork.
- 18 The Health Board is developing a more consistent annual approach to assessing committee effectiveness, which will start in early 2020, given infrequent review by some committees. The Audit Committee has always conducted in-depth self-assessments, the last in Spring 2019, but given changes to committee membership shortly afterwards, the findings were not discussed. However, Audit Committee members do seek opportunities for development. The Audit Committee has also adopted an interactive handbook, which was developed at another Welsh health board to supplement the NHS Wales Audit Committee Handbook. The interactive handbook enables all IMs to explore a wide range of information relevant to their role.
- 19 The Welsh Government is introducing legislation – the Health and Social Care (Quality and Engagement) (Wales) Bill – that will place a duty of candour on NHS organisations along with the need to put quality at the centre of what NHS organisations do. The Health Board has begun to explore what the Bill will mean in practice for the organisation.
- 20 The administration of board and committee meetings is generally good. Most meetings run to time and allow appropriate discussion and constructive challenge.

- 21 There are good flows of assurance and risks from committees to Board with enough time to discuss matters set out in the committee chairs' update reports. Specific training for committee chairs, executive leads and the committee secretariat for planning and managing effective meetings was identified as part of the Board's effectiveness review. Training is open to all board members in anticipation that chairs may change in future.
- 22 Declaration of interests are formally recorded at Board and committee meetings. Business is conducted in accordance with the Heath Board's Standing Orders (SOs), Standing Financial Instructions (SFIs) and Scheme of Delegation, which are typically reviewed annually. In November, the Board adopted the new model Standing Orders issued by Welsh Government.
- 23 The Health Board plans to revise the SFIs in line with national work due to finish in early 2020-21. Meanwhile, the Scheme of Delegation and the Policy for Standards of Business Conduct, which incorporates the Declarations of Interest and Receipt of Gifts and Hospitality, were updated and recently approved.
- 24 In 2018, we reported that communications between board committees was not always systematic, while the Board's self-assessment at that time indicated a lack of understanding about committee roles and responsibilities and perceptions of duplication. The Board approved proposals to change committee structures in May 2019, including:
- establishing a People and Culture Committee to oversee workforce and organisation development (OD) matters;
 - the Mental Health and Learning Disabilities Committee becoming the Mental Health Act Committee to oversee Mental Health Act compliance;
 - the Planning and Strategic Change (PSC) Committee becoming a workshop style committee that all board members can attend; and
 - establishing a group for the Chairs of Committees to meet with the Board Chair for regular review of the Board and committee business and to discuss key matters and flows of information.
- 25 Changes to committee membership took effect from July and should help provide a better balance of work between IMs ensuring their skills are utilised effectively. The opportunity for IMs to be involved in regular detailed strategic discussions through the PSC Committee will help increase understanding of the organisation's planning arrangements and implementation of major change programmes. Committee terms of reference were revised in discussion with committee chairs and ratified by the Board in November following approval by respective Committees.
- 26 The Health Board has also introduced a new mechanism for setting committee agendas whereby the Board Secretary attends all agenda setting meetings with the committee chair and lead executive. This change will help ensure discussions are consistent with the plans of Board and committee business, reduce duplication and provide oversight of the interconnections between committees.

27 Our review of committee agendas found that committee workplans, except for the Audit Committee, are not included as an agenda item for discussion by respective committees. We understand that it has been custom and practice for committee work plans to be developed and maintained outside meetings. The Health Board has indicated that this practice will stop. This change is to be welcomed and should support committees in assessing their effectiveness relative to the programme of business. Over the last few years, committees have not prepared annual reports for the Board, instead providing written updates for each board meeting. The Health Board has indicated that in line with the revised committee terms of reference, the Board will, in future, also receive annual reports from committees setting out the impact and effectiveness of their work.

Managing risks to achieving strategic priorities

Risks to achieving strategic priorities have not been clearly articulated, development of a documented BAF has slowed, and risk management arrangements and the quality of the corporate risk register need further improvement

- 28 In 2018, we found that the Health Board was making progress to develop a BAF with work underway to improve and strengthen its risk management arrangements. Work to review the risk management landscape concluded in March 2019 but development of the BAF has slowed.
- 29 The landscape review identified four themes, namely:
- responsibilities for risk management at a division/department level were often unclear and undervalued, with responsibility seen as a bolt on to the day job with no central resource to provide expertise and support;
 - different understanding of the risk management framework, for example confusing risks and issues or control and assurance when developing risk registers;
 - tensions between balancing every day delivery with identifying and managing risks; and
 - a lack of understanding on how risks impact on, and link to, strategic or divisional objectives.
- 30 As areas for improvement were identified, the Health Board acted by: ensuring risk is a standing agenda item on divisional assurance meetings; organising a board development session on risk appetite; and redesigning the format of the corporate risk register to present a 'risk on a page'. Action to address the landscape review should also address areas for improvement identified by Internal Audit's review of the risk management arrangements. It found variability in the format and quality of divisional risk registers, with some divisional risk registers reviewed infrequently. A new NHS Wales concerns management and risk system will roll out in 2020-21 providing a standardised approach to compiling risk registers. The landscape findings are informing work to update the risk management strategy.

- 31 The pace at which the Health Board can address the landscape review findings is dependent upon how quickly it recruits a dedicated risk manager to the corporate services team. We understand the risk manager will contribute to the overall design of the risk management system, maintain the corporate risk register, provide training on risk management and improve the quality of risk registers. At the beginning of October, the post had yet to be advertised but the Health Board remains confident it can quickly recruit to the post.
- 32 We found that neither the risks to delivering the IMTP SCPs or ten high-impact priorities extrapolated from the IMTP have been clearly articulated. Instead, the Board receives the corporate risk register (CRR) at every meeting. The Health Board's current risk management strategy indicates that CRR risks scoring 15 and above, should be considered by the Board. The CRR presented at the November board meeting included 31 risks, 15 which scored 12 or below. The large number of risks that do not meet the inclusion criteria for board reporting may limit time for adequate scrutiny. Board committees also receive relevant parts of the CRR at each meeting to enable scrutiny and provide assurance to the Board and in future, the Audit Committee will receive the CRR twice yearly.
- 33 Board members are generally welcoming of the risk on a page format introduced in May 2019. Our review of the CRR found:
- risk statements do not clearly articulate cause and effect and several risks overlap with the stated impact;
 - several risks appear to overlap, for example those related to IT and cyber security;
 - there are overlaps between controls and mitigating actions, and overlaps between controls and assurance
 - controls, such as policies and procedures, are not clearly specified;
 - there are no timescales for delivering mitigating actions and no information to monitor progress and effectiveness; mitigating actions change each month listed but it is unclear if previous actions are complete
 - sources of assurance are not easily aligned to controls; and
 - sources of assurance, the evidence that controls are effective, are non-specific and do not include clinical audit or patient experience measures or outcomes.
- 34 Last year, we commented on board member concerns about the extent to which the risk appetite applied throughout the organisation and whether there was common understanding of the risk statement. This issue was also highlighted in the landscape review. As part of revising the risk management strategy, the Health Board has clarified its appetite and tolerance for risk in relation to the ten core business drivers, such as patient safety and finance. In future, the risk score and appetite will determine which risks the Board and assuring committees will review. The CRR includes a target risk score and risk appetite for individual risks.

Embedding a sound system of assurance

Assurance mechanisms to support good governance are generally sound, and the Health Board is making good use of the national fraud initiative

- 35 The Health Board has a comprehensive programme of internal audit, which includes audits related to the implementation of Clinical Futures. A separately funded programme of internal audit for the Grange is providing reasonable or substantial assurance that Health Board arrangements for managing its contracts are working well.
- 36 The Corporate Governance team continues to maintain the Health Board's system for updating more than 900 organisation-wide policies and procedures. The clinical standards and policy group and the workforce and organisational development (OD) policy group, which includes trade union representatives, meet regularly to discuss and update policies in a timely way before approval by the Board or a delegated committee.
- 37 The Health Board has a well-established programme of regular patient safety walkarounds by executive directors, to see and hear first-hand from staff about patient safety concerns. Additionally, there are quarterly structured visits for IMs which focus on strategic themes. These visits help IMs get a better understanding of sites/services and triangulate with the assurances and information received at Board and committees.
- 38 The Audit Committee continues to receive the tracker to monitor progress against internal and external audit recommendations. Progress is considered at every meeting with pace of progress regularly challenged. Until recently the Committee only monitored Internal Audit recommendations categorised as high priority¹, but has recently reinstated medium priority recommendations to better monitor progress towards completion. Progress against audit recommendations and the actions taken is also discussed and challenged by the executive team at least quarterly and prior to each Audit Committee meeting. Following these discussions, the executive team will advise the Committee which recommendations can be closed because actions are complete.
- 39 At the time of our audit work in 2018, the Health Board was developing a process to track progress against recommendations made by other regulators and inspectors, such as Healthcare Inspectorate Wales (HIW) for oversight by the Quality and Patient Safety (QPS) Committee. The Audit Committee was assured in January 2019 that the new system to track HIW recommendations had been introduced. The Health Board has indicated that the tracker will be presented to the Committee at its meeting in February 2020. In the meantime, the Committee has received and discussed HIW inspection findings. The Health Board recently

¹ High-priority recommendations should be addressed within one month and those categorised as medium or low priority should be addressed within one or three months respectively.

assessed progress against HIW Improvement Plans dating back to 2017. It also cross-referenced common themes with those highlighted in Community Health Council reports. The Health Board found 70% of actions were complete and identified further improvements, which it is addressing, including:

- differences in divisional approaches and structures for the oversight and management of the actions needed to address HIW’s recommendations;
- the need to set realistic timeframes to complete actions;
- recommendations not always closed when actions are complete, or when a recommendation will not be progressed;
- an inconsistent use of RAG (red, amber, green) ratings when assessing progress;
- a lack of consistent director oversight; and
- missed opportunities for wider learning outside of respective divisions.

40 The biennial national fraud initiative (NFI) matches data across organisations and systems to help public bodies identify potentially fraudulent or erroneous claims and transactions². The Health Board developed a plan to ensure the 2019 NFI data matches were prioritised for review and investigated in a timely way. On 15 October, the Health Board had reviewed most high-risk matches with enquiries ongoing in a small number of cases. Some three-way data-matches between payroll, creditor payments and Companies House did not appear to have been reviewed. These are important matches because they can help to identify undisclosed staff interests and procurement fraud and should be reviewed as soon as possible. By 2 December, creditor matches had been processed, but there was insufficient detail on the NFI web-application to indicate what the Health Board did. **Exhibit 2** provides more detailed information on progress against our 2018 recommendation.

Exhibit 2: progress on 2018 recommendation to review and investigate NFI date matches

Recommendation	Description of progress
<p>R2 The Health Board should put in place an action plan to ensure that the matches it receives in future NFI exercises are reviewed and where necessary investigated in a timely manner. We expect the Health Board to:</p>	<p>Complete</p> <p>a. Complete – see paragraph 40</p> <p>b. Complete – The Health Board indicated that delayed release of some NFI data matches affected its ability to review a sample of remaining matches in a timely way, but a large sample was reviewed, and no fraud identified. The Health Board</p>

² The Auditor General is undertaking further work to examine the effectiveness of counter fraud arrangements across the public sector in Wales with a view to publishing his findings in summer 2020.

Recommendation	Description of progress
<ul style="list-style-type: none"> a. commence review of the data-matches as soon as possible following the release of the next NFI matches in January 2019; b. in addition to reviewing all the high priority matches recommended for review, carry out a review of a sample of the remaining data matches; and c. ensure that where data-matches have been reviewed, the NFI web application is updated to clearly record how matches were reviewed and the outcomes of those reviews 	<p>is proposing not to investigate the remaining low risk matches, which it will record on the NFI web-application.</p> <ul style="list-style-type: none"> c. Complete - The Health Board is confident that the NFI web application is updated as data matches are reviewed. Any reviews undertaken off line may be one reason that data matches do not appear to have been reviewed. Our review of the NFI web-application on 2nd December found that many matches were closed with no comments at a report level to indicate how matches were dealt with.

Quality governance

The timeliness and quality of responses to complaints and concerns is improving but further progress is needed, patient experience and outcomes are not routinely reported and improvements to clinical audit arrangements are now underway

- 41 Last year, we reported that the Health Board was working to improve its clinical audit arrangements. Internal Audit's follow-up review on clinical audit in early 2019 found limited progress against its 2017 recommendation and several weaknesses remained. There was no overarching strategy and assurance framework to bring together different quality improvement activities, including clinical audit. There was no organisation-wide plan to bring together national and local clinical audits for approval by the QPS Committee not least to enable monitoring of progress and hold divisions to account. Better mechanisms are needed for sharing findings, organisation-wide learning and ensuring improvements are made.
- 42 The Health Board is now making progress to improve clinical audit arrangements and is investing in additional resource to increase participation in national clinical audits. The clinical audit strategy and policy have been finalised and a clinical effectiveness group established to oversee the clinical audit plan and implementation of any recommendations. Development of a quality and patient safety improvement strategy and assurance framework is underway, to bring together the different strands of quality improvement activity. In December, the QPS Committee received the 2019-20 clinical audit plan for approval. It sets out the five organisation-wide audits that affect a large part of the Health Board, for example compliance with the discharge policy.
- 43 Recent recruitment to the Putting Things Right (PTR) team is providing stable senior leadership and management. Work is ongoing to review the current infrastructure to ensure substantive appointments are made as most staff are on secondment. The PTR team continue to work with divisions to secure significant

improvements in the timeliness and quality of responses to complaints and concerns (Exhibit 3). Complaints received by the Public Service Ombudsman for Wales (PSOW) about the Health Board increased from 121 in 2017-18 to 134 in 2018-19. Complaints upheld by the PSOW nearly doubled from 17 in 2017-18 to 31 in 2018-19, and the number of complaints where PSOW intervention was necessary also rose from 31 to 49 this year.

- 44 Poor patient experience features as a risk on the CRR. Other than patient stories and complaints and incidents, information on patient experience or outcomes is not routinely reported despite mechanisms to collect it. A dedicated person-centred care team has been established to align all patient experience work and to take forward the systematic use of patient reported experience measures alongside those for family and staff. The Health Board has indicated that patient experience measures will become a feature of its performance reporting approach aligned to the quality and patient safety improvement strategy and assurance framework, which it is developing.
- 45 A more detailed examination of the elements underpinning the Health Board’s quality governance arrangements will be undertaken in early 2020. We will look to see what progress has been made to address these issues as part of this work.

Previous recommendations

- 46 In 2018 we made several governance related recommendations and the Health Board is making good progress to address them. Exhibit 3 describes the progress made.

Exhibit 3: progress on 2018 governance related recommendations

Recommendation	Description of Progress
<p>R1 The Health Board should:</p> <ul style="list-style-type: none"> a. ensure board member induction and training meets the needs of Independent Members; b. explore the reasons for the increase in complaints from patients and service users as part of its Putting Things Right Service Improvement plan; and c. clarify perceptions around interoperability of the Board committees. 	<p>On track but not yet complete</p> <ul style="list-style-type: none"> a. On track – At the Board development session in April, a plan of action was agreed that included developing a skills matrix based on a skills audit. A follow up session is planned for the end of the year to test progress. A new national induction programme for IMs is scheduled to go live before the end of the 2019. b. On-going – performance against the 30-day response target improved significantly from 30% in January 2019 to 71% in September 2019 but performance has continued to fluctuate. At December, performance was 68%.

Recommendation	Description of Progress
	<p>c. Complete – board committee structures were reviewed with changes taking effect in July 2019. The recently revised Board committee terms of reference set out the relationships between committees and the need to share concerns and information.</p>
<p>R3 The Health Board should improve its information governance arrangements by:</p> <ul style="list-style-type: none"> a. improving compliance with the information governance training programme to reach the national rate of 85%; b. improving performance against information access targets for the Freedom of Information Act and Data Protection Act to reach the statutory targets; and c. strengthening the focus of the Information Governance Committee to scrutinise delivery of informatics strategic plans rather than operational matters 	<p>On track for planned completion by March 2020</p> <ul style="list-style-type: none"> a. On-going - The Health Board's information governance e-learning includes a cyber security module that is mandated for all staff. Approximately 72% of staff have completed the training. Information governance delivery groups have been established for each division and are tasked to improve compliance. b. On-going – Compliance with the 28-day timescale to respond to subject access requests is improving. Figures reported by the Health Board show compliance at 95% in October 2019. Compliance with the 20-day timescale to respond to Freedom of Information requests has also improved. The Health Board has indicated that the FOI figure is now 93% up to the end of November 2019. c. Complete – the Committee's agenda is focused on strategic plans for informatics aligned to the IMTP. The recently revised committee terms of reference reinforce the committee's strategic role.
<p>R4 The Health Board should address areas for improvement in relation to informatics, specifically:</p> <ul style="list-style-type: none"> a. assessing resource needs within the Informatics Department to improve the resilience of the ICT infrastructure and replace ageing hardware and software; b. completing and approving the digital transformation strategy by the end of 2019; c. oversight of national system risks and scrutiny of the 	<p>On track for planned completion by March 2020</p> <ul style="list-style-type: none"> a. Complete – additional staff were recruited to the cyber security team in spring and summer, and the team operating model agreed. The team is making progress to address the outstanding 2018 Stratia review recommendations. b. Complete - the Digital Strategy, Transformation through Digital, and steps for implementation, were approved by the Board in July 2019. Delivery is

Recommendation	Description of Progress
<p>delivery of these services and their impact on the organisation;</p> <p>d. completing the implementation of plans to strengthen cyber security control arrangements; and</p> <p>e. updating ICT disaster recovery plans and test these to ensure they work as intended</p>	<p>overseen by a delivery board as part of the Clinical Futures programme.</p> <p>c. Complete – the Health Board continues to engage with Welsh Government and the NHS Wales Informatics Service to review systems risks. The Informatics Committee agreed to include a standing agenda item on systems outages as well as differentiating risks of outages by either national or local.</p> <p>d. Complete – as ‘a’ above and ‘e’ below.</p> <p>e. On-going– The cyber security team is working to ensure compliance with the NIS Directive. In October 2019, the Health Board reported that system availability testing continues, and ICT disaster recovery plans were being developed.³</p>
<p>R5 The Health Board should take steps to improve the management of its non-estate assets by:</p> <p>a. agreeing an Asset Strategy; and</p> <p>b. ensuring there are suitable asset registers to support the management of assets</p>	<p>Complete</p> <p>IT holds an Asset Register linked to all IT equipment, while the Information Governance unit holds the Information Asset Register with these registers reviewed annually.</p>

Performance monitoring and reporting

Significant challenges in operational performance persist, especially waiting times at emergency departments and referral to treatment

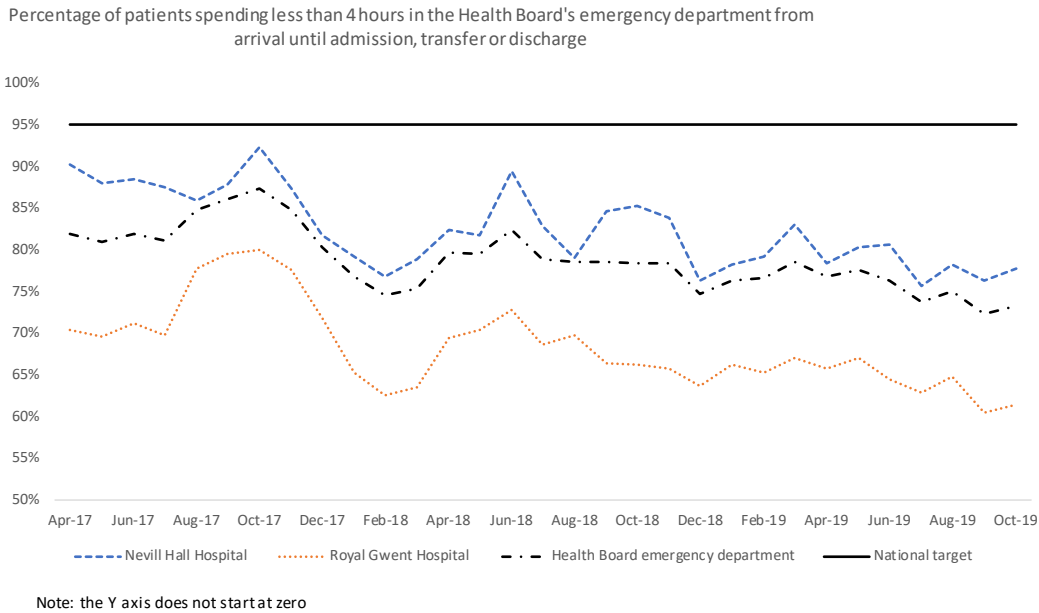
- 47 The Board and Finance and Performance Committee continue to monitor financial and operational performance. The Integrated Performance Dashboard sets out performance against the national outcomes and performance framework highlighting performance over the last 12 months using the RAG system. Detailed narrative is included for some measures, but reports do not provide comparisons between acute sites.
- 48 The Health Board has clear performance management arrangements and action is taken to address poor performance. However, the Health Board has largely failed

³ Recommendations 4d and 4e are similar to those made by Internal Audit in its report on cyber security, which the Audit Committee received in July 2019. Internal Audit categorised its recommendations as medium priority for action and therefore progress, to date, has not been tracked by the Audit Committee (see paragraph 38).

to achieve both national performance targets and those identified in its IMTP. There are some exceptions, such as the proportion of patients assessed by a stroke consultant in 24 hours where performance consistently exceeds the national target.

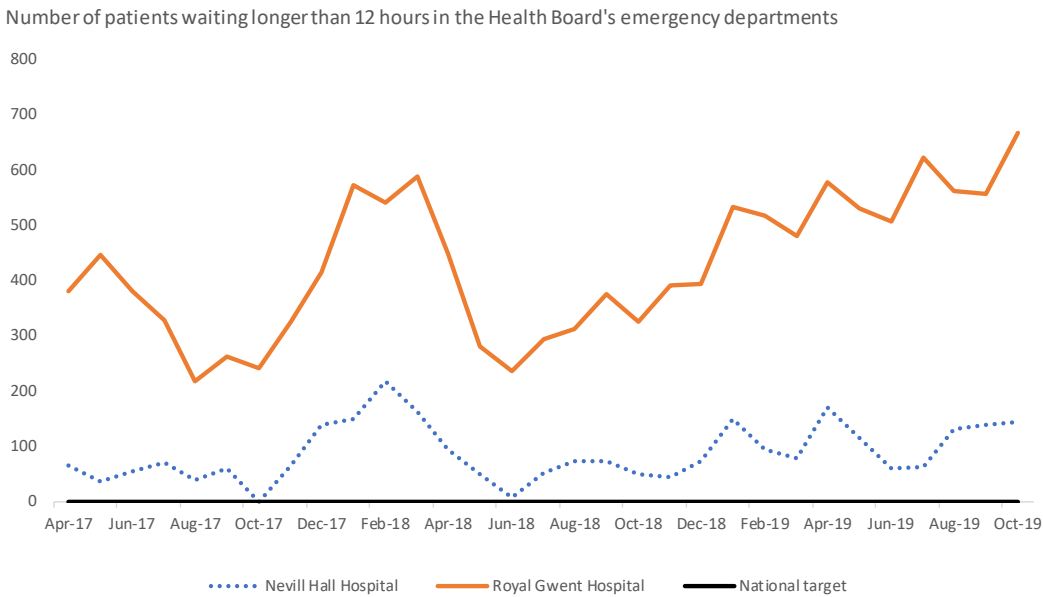
- 49 The terms and conditions for approving the Health Board's IMTP included improving waiting times for RTT but performance is well below that planned. The Health Board has been unable to achieve the zero 36-week RTT. These have risen each month, reaching 1,313 breaches in September compared with 1,061 in July and 112 at the end of 2018-19. The Health Board has indicated that emergency pressures experienced early in 2019-20 led to high numbers of bed cancellations coupled with a reduction in additional work undertaken by medical staff because of pension/tax issues. Meanwhile, there has been no real change in the 26-week RTT since April; compliance was 89% at September (national target 95%).
- 50 The Health Board has not met its ambition to improve emergency department waiting times. Since April 2017, the 4-hour waits performance was well below the national target (95%) and worsening, particularly at the RGH ([Exhibit 4](#)). 12-hour breaches are also rising ([Exhibit 5](#)). Health Board information shows a continuing deterioration in ambulance handovers over 60 minutes with 933 in September compared with 271 in April. Numbers of attendances at emergency departments are rising, up by 4% between April and September compared with the same period in 2018. The Health Board reports that more patients require admission to hospital with many patients waiting more than 4 hours for a bed.
- 51 The Health Board conducted an audit of emergency department attendances at the RGH to understand why patients were attending the department and to identify what proportion could have been appropriately treated elsewhere. The audit findings are being used to develop pre-hospital streaming and further develop the Clinical Futures model for out-of-hospital urgent care services.

Exhibit 4: trend in 4-hour waiting times at emergency departments



Source: Wales Audit Office analysis of emergency department data set NHS Wales Informatics Services (accessed from StatsWales November 18, 2019)

Exhibit 5: trend in number of patients waiting more than 12 hours in emergency departments



Source: Wales Audit Office analysis of emergency department data set NHS Wales Informatics Services (accessed from StatsWales November 18, 2019)

Strategic planning

- 52 Our work considers how the Board sets strategic objectives for the organisation and how well it plans to achieve and monitor them.
- 53 In 2019, we found the **strategic planning remains robust but there is scope to strengthen aspects of formal IMTP reporting.**

Setting the strategic direction and developing strategic plans

The strategic planning approach remains robust with workforce and financial requirements an integral part of the process

- 54 The Health Board regularly articulates its vision and organisational values throughout strategic plans, as well as emphasising the importance of quality and patient safety. Its organisational priorities and plans are framed by its change ambition, which is a description of what the local health and care system will look like in 2021.
- 55 The 2019-20 IMTP received ministerial approval in April with the IMTP seen as demonstrating a growing maturity within the organisation. The IMTP sets out seven SCPs, which remain the vehicle for delivering Clinical Futures and realising the change ambition. The SCPs are executive led to facilitate a structured approach to change across the organisation and largely set out high-level actions or objectives and corresponding milestones over the lifetime of the plan.
- 56 Since 2017, the Health Board has extrapolated ten key priorities from the IMTP that require greater focus and enhanced executive leadership to ensure delivery. Senior managers, clinicians and board members work collectively to identify and agree these priorities. Once agreed, the priorities are subject to further challenge by board members where priorities can and do change.
- 57 The Health Board continues to make good use of the NHS planning framework building on lessons from the previous year. Divisional IMTPs are the essential building blocks for the organisation-wide IMTP, which the Health Board indicates have matured and developed over time. Detailed planning guidance for divisions is available to ensure an inclusive 'bottom-up' approach with support from workforce, finance and planning business partners.
- 58 Workforce and financial requirements remain an integral part of the planning process at both an operational and corporate level. Divisional plans are informed by planned contributions to efficiency savings, demand and capacity profiles and opportunities to improve capacity within existing resources based on benchmarking data. The Health Board completed its work to update the 47 clinical service models, which cover workforce requirements to sustain the configuration of clinical services when the Grange opens. Internal Audit's review of the clinical service model redesign process found areas for improvement, such as refining workforce numbers and financial implications as a result of bed reductions or performance improvements.

- 59 There is a clear timetable for refreshing divisional and corporate IMTPs with key stages of the process identified. The Health Board is on track to refresh the IMTP within required timescales. The emphasis this year is on refreshing and not rewriting divisional IMTPs and ensuring the transition elements related to the opening of the Grange are included and support continued commitment to Clinical Futures. We have been told that Clinical Futures is helping to forge relationships between different staff groups or disciplines, particularly when mapping interdependencies between clinical service models.

Monitoring and reporting on delivery of strategic plans

Arrangements for monitoring and reporting on delivery of strategic plans are well established but formal reporting on IMTP progress was delayed, and there is scope to clarify risk mitigation related to Clinical Futures and better link IMTP progress with the high-impact priorities

- 60 Arrangements for operational and corporate scrutiny and oversight for IMTP delivery are in place with the Board retaining overall responsibility for delivery of the IMTP and Clinical Futures. The Health Board's IMTP Delivery Framework sets out clear accountability for delivery and reinforces the importance of performance at individual, team, division and organisational level.
- 61 Individual executive directors are responsible for delivery of one or more SCPs with scrutiny provided by a delivery/assurance board, chaired by the responsible director. The executive team is collectively responsible for overall delivery of the IMTP with priorities and risk to delivery scrutinised at a dedicated monthly session.
- 62 Operational responsibility for delivery remains with divisional directors and other senior managers accountable to the executive team. Divisional IMTPs are monitored monthly by the two lead executive directors responsible for operational delivery and through twice-yearly divisional performance reviews.
- 63 The IMTP Delivery Framework indicates which board committee is responsible for scrutinising progress of the SCPs and the IMTP's ten high-impact priorities. However, these responsibilities are not wholly reflected in the revised committee terms of reference. The F&P Committee retains responsibility for monitoring progress against agreed annual actions in the IMTP and prioritises scrutiny of SCPs in turn. In 2018-19, the F&P Committee received regular progress reports but received its first report for 2019-20 only in October. The report provides enough information on progress against key milestones, notable achievements over the previous quarter and performance against relevant national indicators. The report also sets out activity planned for the subsequent quarter and risks to delivery, but the narrative does not clearly link relevant high-impact priorities with the achievements set out. At the time of our work, no other committee had received progress reports on SCPs or the high-impact priorities relevant to their remit, risking limited scrutiny and assurance to the Board.
- 64 Board reporting on IMTP progress has also been less frequent this year with the Board receiving its first report in November. The report sets out progress against

the ten high-impact priorities and all SCPs with detailed narrative on achievements at mid-year. It also sets out key concerns and actions to be taken in the subsequent quarter. The Health Board indicated that delays in reporting arose because responsibility for performance reporting changed in year.

- 65 The Welsh Government continues to monitor delivery of the IMTP through its existing arrangements. As part of the accountability conditions for approving the IMTP, the Health Board reports quarterly to Welsh Government on areas, such as action to improve waiting times. Other aspects, such as quality or collaboration, are included by exception. The Health Board's return to Welsh Government (quarter 1) is consistent with the Integrated Performance Report and Dashboard and Clinical Futures updates received by the Board and its committees. Unlike the F&P Committee which receives a summary of the financial monitoring return to Welsh Government, the performance accountability report is not shared with the Board or its committees.
- 66 Arrangements for monitoring delivery of the Clinical Futures programme are unchanged with the Chief Executive chairing monthly meetings of the Clinical Futures Delivery Board. Governance arrangements for delivery of the seven workstreams remain in place with progress assessed monthly using the RAG system. At September 2019, the Health Board rated the overall programme status as Amber because there were several ongoing risks, such as challenges to recruiting staff to deliver the service models and one new risk related to patient flow across acute hospital sites.
- 67 The Director of Planning and Performance continues to report formally to both the PSC Committee and Board on progress to deliver Clinical Futures. In 2018, we concluded that the progress reports provided enough information to the Board to enable effective monitoring of progress, risks and issues. These reports continue to set out high-level information on key activities, risks and mitigation. However, with less than 12 months until the Health Board begins turning the building into a functional hospital, these reports may benefit from more detail to provide assurance that risks are adequately mitigated.
- 68 Our review of the Clinical Futures progress reports found little change in identified risks and planned mitigations during 2019. There is no information about whether planned actions/mitigation are timely and effective. When risks are no longer reported, it is unclear whether these risks are now 'closed'. For example, a new risk on estates workforce in May was not in the September Board report, with no indication whether the risk had been addressed.
- 69 The Welsh Government's 2018 OGC Gateway Review of the Clinical Futures programme identified 11 areas where further action was required. The Health Board prepared an action plan to address improvements needed, and in early 2019 Internal Audit reviewed the adequacy of the plan and progress. It found that planned actions would address the Gateway review recommendations and there was documented progress against most actions. Internal Audit also found difficulties determining what actions were still outstanding and identified a need to

improve accountabilities of the Clinical Futures Delivery Board, which the Health Board is working to address.

Managing financial resources

- 70 We considered the action that the Health Board is taking to achieve financial balance and create longer-term financial sustainability. We have assessed the financial position of the organisation, the approach to financial planning, financial controls and stewardship, and the arrangements for financial monitoring and reporting.
- 71 We found that **financial management arrangements are largely sound, but delivery of savings is essential to achieve financial balance.**

Financial planning

Financial planning arrangements are generally sound

- 72 Financial planning and budget setting are an integral part of the Health Board's strategic planning approach and broadly sound. Financial plans are underpinned by an understanding of cost drivers and efficiency gains based on benchmarking activity. Resources are prioritised and budgets delegated based on a set of principles agreed by the Board, such as demonstrating how service and workforce plans will deliver within agreed resources and achieving savings before approving new funding or re-investment.
- 73 Roles and responsibilities for financial planning are clear, both corporately and operationally. Budget setting is a shared responsibility between divisions and the finance team. Budgets are initially based on the recurrent month six position of the previous year. Finance templates and guidance on planning assumptions are prepared to support the division IMTP process. The finance template must show how financial balance will be achieved, including the full-year effect of in-year savings and in the medium term. Any service change with a financial impact on other divisions should be identified and agreed with the affected division before budget plans are approved.
- 74 To achieve financial balance in 2019-20, the Health Board identified the need to deliver savings totalling £16.8 million. The savings are needed to cover cost and service specific pressures, reduce the underlying deficit, improve financial sustainability and ensure some financial flexibility to support transition for the opening of the Grange. At March 2019, only 60% (£10 million) of the savings were considered deliverable by the Health Board with more work needed to deliver the remaining savings to support additional spending in line with IMTP priorities. The Health Board expects to generate the balance of savings through performance and

efficiency improvements as set out in the Efficiency Compendium⁴ or new opportunities set out in the NHS Wales Finance Delivery Unit Efficiency Framework. Based on the Efficiency Compendium, the Health Board has identified the potential to make efficiency savings totalling £34 million where performance differs to peers. Of this total, £5 million is included in the IMTP savings plan.

- 75 The Capital Plan, approved by the Board in March, includes a breakdown of planned expenditure on the All Wales Capital Programme (AWCP) and discretionary capital. Funding totalled £123.5 million, which included anticipated income from the disposal of assets. The Grange accounts for most (£110 million) of the AWCP (£112.3 million). Discretionary capital totalling £10.8 million will be used on schemes prioritised by divisions and approved by the Board. These schemes include for example equipment replacement, ward refurbishments and a lift replacement programme.
- 76 In line with the resource allocation principles, the Board approved the establishment of reserves to support priorities where plans needed further development or to provide contingency for financial risks. The Health Board's 2019-20 budget plan earmarked funding totalling £18.9 million to provide for planned commitments as well as contingency. Just over half (£9.6 million) is intended to support divisions' underlying deficits.

Financial control and stewardship

Arrangements for financial control are satisfactory

- 77 Policies and procedures to support financial controls are regularly reviewed and updated and approved by the Audit Committee. Budget holders are required to formally 'sign up' to managing their budgets with clear monitoring and reporting lines. Internal Audit assessed the budgetary controls to provide reasonable assurance of their effectiveness but identified a few areas for improvement, which the Health Board has addressed. These areas included better explanations for budget variance and remedial actions, ensuring monthly meetings between finance business partners and division managers took place and ensuring budget holders sign budget delegation letters on a timely basis.
- 78 Based on our annual accounts audit work, the Health Board's financial management and control arrangements are effective, enabling the Auditor General to certify each year's accounts as materially 'true and fair'. This part of our work mainly considers whether the Health Board's annual accounts are materially accurate and conform to the required accounting standards and principles.

⁴ The Health Board's Efficiency Compendium sets out detailed benchmarking and other business intelligence across the range of services provided.

Oversight and scrutiny of financial performance

Arrangements for monitoring financial performance are generally sound

- 79 The Health Board has a clear framework in place for managing and monitoring its revenue and capital budgets. Revenue budgets together with savings targets are devolved to divisions. The Health Board's finance business partners meet monthly with divisional managers to scrutinise the financial position relative to budgets and agree the actions needed to manage risks and recover overspends.
- 80 The monthly meetings between divisions and the lead executive directors responsible for operational delivery include scrutiny of financial performance, as well as operational performance, progress against IMTP, risks and quality and safety. The divisional mid and year-end performance reviews provide additional scrutiny of financial performance to ensure corrective action is taken
- 81 The Board and F&P Committee regularly receive reports enabling adequate scrutiny of the financial position, risks and opportunities. The content includes:
- Divisional revenue performance and factors affecting variances
 - Savings achieved and savings required
 - Pay and non-pay expenditure
 - Capital expenditure
 - Balance sheet
 - Income and allocation assumptions
- 82 The information is consistent with figures and budget variances reported each month to the Welsh Government, which the Health Board includes in the F&P Committee reports. In addition, the Health Board will prepare more additional reports, such as the recent update on the capital plan.

Financial performance

The Health Board has a track record in achieving its financial duties, but increasing financial pressures risk a deficit unless further savings are achieved

- 83 The Health Board regularly achieves financial balance having done so over the last five years making very small surpluses each year. It met its financial duty to break even over a three-year rolling period. The Health Board continues to forecast a balanced financial position for 2019-20, despite the £2.4 million revenue deficit at the end of December, largely due to increasing expenditure on agency and locum staff. Our analysis of the Health Board's financial position shows that historically it has recovered its financial position, that is, in-year deficits by year end.
- 84 To achieve financial balance, the Health Board needs to reduce spend or increase savings. At the end of December, it had delivered £11.2 million (66%) of the £16.8 million savings identified at the start of the year. The focus on savings is critical to support both in-year financial balance, the underlying financial position going forward and to support additional Clinical Futures investments funded through savings over and above the initial target. The Health Board remains confident that

it will achieve £15.4 million for 2019-20 given performance last year when it exceeded the IMTP savings target by £9 million.

- 85 At month nine, the Health Board assessed its revenue risk to range between breakeven and a potential deficit of £8.9 million, which has increased from £7 million at the start of 2019-20. This includes a potential additional contribution to the Welsh Risk Pool totalling £1.7 million and the possible clawback of RTT funding totalling £4 million. At the end of 2018-19, the Health Board retained RTT funding on condition 36-week RTT waits reduced to zero by the end of June 2019 and were sustained. It has not achieved this target (see paragraph 49). The Health Board's month seven finance report indicates that it does not have a plan to deliver the target and is in discussion with the Welsh Government to retain the funding to deliver an approved three-year plan for 2020-21.
- 86 At October, there were changes to the AWCP allocation (£114.8 million) following Welsh Government approval for equipment replacement at Nevill Hall and a very small increase to the discretionary capital allocation (£11.3 million) with adjustments to individual schemes. Expenditure on the Grange is expected to total £108.8 million for 2019-20 providing some financial headroom in case costs increase over the remainder of the year. Based on current assessments of funding and spending plans, the year-end capital forecast is breakeven with 80% of the allocation already spent at the end of December.
- 87 In October, the Health Board was holding reserves totalling £23 million to support planned commitments. The total earmarked to support divisions' underlying deficits had reduced to £8.9 million as a result of in-year decisions taken by the Board. The Health Board indicates that it is applying the discretionary reserves against divisional deficits in line with the budget delegations approved by the Board.

Managing the workforce

- 88 We considered the action being taken to ensure that the workforce is well managed.
- 89 We found that **workforce challenges persist, despite action being taken on key areas, such as recruitment and retention, sickness absence and employee wellbeing.**

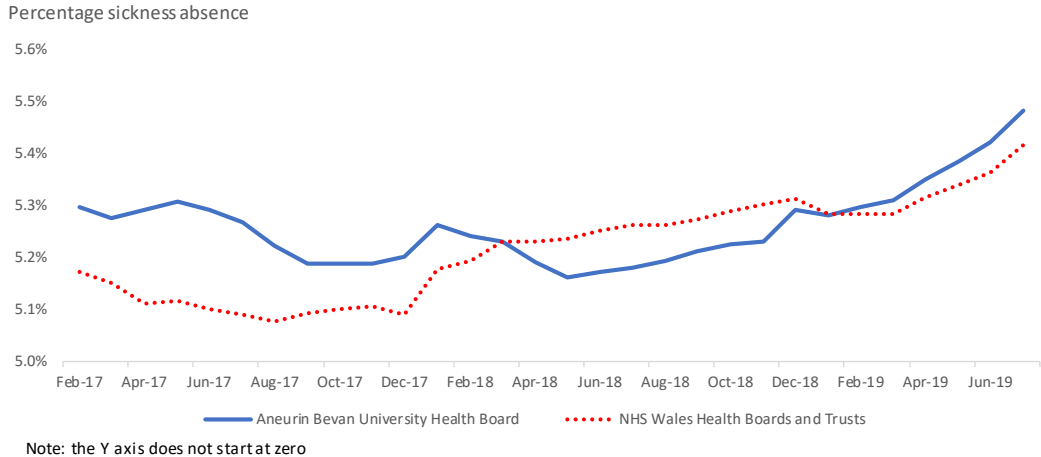
Sickness absence

Although sickness absence rates remain stubbornly high, targeted support is reducing rates in some areas

- 90 The Health Board's People Plan aims to enable staff to work productively and efficiently by reducing sickness absence to less than 5%. However, sickness absence remains stubbornly high (Exhibit 6), particularly for some staff groups. The 12-month rolling average sickness absence rate has fluctuated above 5% over the

last two years, steadily rising to 5.5% at July 2019. Approximately 6% of hours are lost to sickness absence and in 2018-19, sickness absence cost the Health Board £18.5 million.

Exhibit 6: trend in the 12-month rolling average sickness absence rate



Source: NHS Wales Workforce Dashboard, Health Education and Improvement Wales, July 2019

- 91 The Health Board aimed to reduce sickness absence to 4.75% by September in line with the national Agenda for Change pay deal for 2018-2021. At the end of August sickness absence was 5.65%. The rolling average sickness absence varies between staff groups. Sickness absence levels are well below 5% for five groups, but range between 5.5% to 8.3% for three groups. Further analysis by the Workforce and Organisation Development team indicates that a large proportion of staff (61%) did not have any sickness absence in the previous 12 months, while a large majority (42%) off sick for any reason are aged 55 or older.
- 92 The main reason for sickness absence remains anxiety, stress and depression, which accounts for over a quarter of all sickness absence. The current information system does not enable the Health Board to differentiate whether these absences are work related or for personal reasons. The Health Board is working to understand whether differentiation of reasons is possible and is working with Caerphilly County Borough Council, which examined this issue.
- 93 Several times a year, the F&P Committee receives a detailed Workforce Performance Report ensuring good levels of scrutiny and assurance across a range of workforce metrics and action to improve workforce productivity. The reports include an integrated workforce dashboard that is circulated monthly to the executive team, divisions and corporate departments to act on. The Workforce and OD team is now producing a 'heat map' to quickly identify divisions or corporate

departments where support is needed to improve performance, such as sickness absence.

- 94 The Health Board has targeted areas with high levels of sickness absence with coaching and consistent support for managers helping to reduce absence rates to below 5%. The Health Board has also been implementing the all Wales Managing Attendance at Work Policy, which was adopted by the Board at the end of 2018. This policy shifts the emphasis from managing absence to improving attendance at work. Sickness absence levels are discussed with the Trade Union Partnership Forum and a training programme on the new policy was delivered in partnership with trade union representatives, alongside raising staff awareness about the process. Evidence presented to the F&P Committee shows a possible correlation between lower levels of sickness absence where higher proportions of managers are trained to apply the policy.

Turnover and vacancies

There is a comprehensive programme of work to recruit and retain staff and redesign the way in which staff work

- 95 At July 2019, turnover was 8.2%, which is higher than the Wales average (7.1%) and varies across staff groups and divisions. The Workforce and OD team utilise other measures – the employee stability index and the workforce survival curve – to understand the extent and nature of turnover. The team share information with divisions to explore further and to identify necessary action. As part of the online exit questionnaire, the Health Board introduced an option for leavers to share contact details to allow staying in touch with news, vacancies and recruitment events, retire and return workshops and focus groups.
- 96 At July, the Health Board advertised more than 600 vacancies, roughly a quarter of the vacancies advertised across NHS Wales. Vacancies for registered nursing and midwifery and medical and dental staff accounted for 64% of the vacancies advertised by the Health Board. Information presented to the F&P Committee shows that the time taken to recruit⁵ improved during 2018-19 from an average of 81.1 days in April 18 to 71.1 days in March 2019. The Committee would like to see the time to recruit reduce further and the Health Board is acting to improve it.
- 97 Recruitment and retention are principal risks to the delivery of Clinical Futures, and as part of the Workforce and OD workstream, the Health Board is delivering a range of activities up to April 2021. In March, the Board approved time critical investments to recruit earlier into hard to fill posts in the run up to opening the Grange. It is working with an external recruitment advertising company to develop recruitment branding materials and working to attract and grow its own workforce. For example, the Health Board is developing options to offer and deliver new

⁵ Time taken to recruit is the difference between the time when the manager requests the vacancy to an unconditional offer.

apprenticeship opportunities as a route to employment as well as developing its graduate scheme. Events with young people are held to encourage them to consider a career in health and social care.

- 98 Workforce redesign is a critical component of the service models underpinning Clinical Futures. Last year, we reported on some of the new roles and ways of working introduced by the Health Board. To maintain momentum, divisional IMTP guidance includes a workforce planning checklist to prompt divisions to clarify what is being done to improve workforce productivity and efficiency, not just reducing sickness absence but improvements through technology, skill mix and redesigning roles using the Health Board's compendium of new roles.
- 99 The Health Board offers a range of flexible working options and is developing a toolkit for agile and flexible working. A recent review by Internal Audit found that the Health Board's policy exceeded legislative requirements and is being revised to support staff approaching retirement with options to return on different arrangements, as well as career break options. However, overall uptake of the different types of flexible working options is not currently differentiated within the electronic staff record system. The Health Board is also exploring with staff what is important in terms of flexible working options and associated reasons for different age groups.

Use of temporary staffing

Continued reliance on locum and agency staff to cover vacancies, sickness absence and operational pressures means expenditure on temporary staff is rising

- 100 The Health Board continues to rely on locum and agency staff to cover vacancies and sickness absence and support RTT delivery, and other operational pressures. Expenditure is growing and is above planned trajectory despite action to reduce it.
- 101 In early 2019, Internal Audit reviewed the Health Board's progress in reducing agency and locum expenditure in line with requirements set by Welsh Government. It found widespread non-compliance with the Health Board's documented procedures for booking medical locum and agency staff, including breaches of the pay cap. The Health Board acted quickly to strengthen its arrangements.
- 102 Comparing expenditure for the first five months of 2019-20 with the same period in 2018-19, expenditure on bank and agency nursing increased by £1.56 million or 24% in the first five months of 2019-20 compared with the same period in 2018-19. The scale of expenditure on medical agency staff is similar with expenditure increasing by £1.65 million or 48%. The Health Board has indicated that substantive nursing staff numbers have remained broadly level, but service pressures have led to additional workforce costs. Medical agency is used to cover vacancies and gaps in rotas and to support delivery of RTT.
- 103 If agency expenditure continues to increase at the same level for both nursing and medical agency staff, the Health Board predicts it will exceed £9 million and £12.3 respectively compared with £7.3 million and £10 million in 2018-19. The Health

Board acknowledges that continuing increases in spend are not financially sustainable and will risk incurring a deficit in 2019-20.

Training and development

Compliance with the appraisal process, statutory and mandatory training and consultant job planning is improving, albeit slowly.

- 104 At the end of August 2019, three-quarters (74%) of staff had taken part in the appraisal process in the last 12 months, although this proportion was higher in March (77%). Despite action to improve compliance, it remains below the all-Wales target of 85% with only one of the eight divisions achieving the target.
- 105 Internal Audit's follow-up work in 2019 on the appraisal process found improvements to the quality of the completed appraisal paperwork and the quality of the objectives set. Improvements to management information enabled analysis of compliance within the last 15 months. It showed that 85% of staff completed the appraisal process within 15 months.
- 106 Job planning compliance at the Health Board remains a challenge with little change in the proportion of consultants with an up-to-date job plan. In our 2018 Structured Assessment report, we reported that 79% of job plans had been reviewed. The workforce dashboard for May 2019 shows that 80% of consultants had had job plans reviewed within 15 months with compliance well below 80% in two divisions. The F&P Committee received assurance that the Medical Director had issued letters to remind individuals that they were out of compliance.
- 107 Compliance with statutory and mandatory training is improving, albeit very slowly. At July 2019, compliance was 70% compared with 67% in July 2018. However, compliance remains well below the national target (85%), and Wales average (80%). Workforce Performance Reports do not provide accompanying narrative or corrective action in relation to this indicator. Poor compliance with statutory and mandatory training features on the CRR with the QPS Committee taking assurance but the last reference to corrective action was in April 2019. A Health Board wide review of statutory and mandatory training is planned in 2020.

Staff engagement and wellbeing

The Health Board remains committed to looking after the health and wellbeing of its staff

- 108 The Health Board's commitment to looking after the health and wellbeing of its staff is reflected in its People Plan and is one of the ten high-impact priorities. The Health Board has established a range of activities and initiatives to prevent and shorten absence or to support wellbeing more generally. These include 'chill out in the chapel' where staff can receive a neck or shoulder massage during their lunch break, more traditional counselling or listening services, peer-to-peer support for issues like bullying and financial wellbeing advice and support.

- 109 The Health Board is also scoping the feasibility of creating a Centre of Excellence for Employee Well-being to promote and develop well-being strategies and approaches for the benefit of its staff and the wider NHS in Wales.
- 110 In February 2019, the Health Board launched its updated employee experience framework as planned. The framework is strongly evidence based and makes the important link between good employee wellbeing and high levels of employee engagement. The framework includes an online employee experience survey to monitor engagement and well-being that managers can use with their teams. The Health Board used the survey in the summer to establish a baseline against which to measure engagement in future.
- 111 In addition to the patient safety walkabouts where board members can hear directly from staff, the executive team shadow staff across the organisation. The Chief Executive also runs monthly drop-in sessions across a variety of Health Board's premises to enable staff to meet with her, while an online forum enables staff to ask any question. The Chief Executive indicated that wherever appropriate, she acts on the feedback.
- 112 The Health Board has a range of mechanisms, at division and corporate level, to engage and prepare staff for the changes related to Clinical Futures, such as division staff events, regular newsletters and a network of 400 to 500 Clinical Futures champions. A recent review by Internal Audit found that the Health Board's staff engagement plans are comprehensive and working well.

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