

Structured Assessment 2024 – Cardiff and Vale University Health Board

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Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2024 structured assessment work at Cardiff and Vale University Health Board (the Health Board). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement under section 61 of the Public Audit (Wales) Act 2004 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources.
- 2 Our 2024 Structured Assessment work took place at a time when NHS bodies were continuing to respond to a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. In addition, NHS bodies are still dealing with the legacy of the COVID-19 pandemic. More than ever, therefore, NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to themselves, the public, and key stakeholders that the necessary action is being taken to deliver high-quality, safe and responsive services, and that public money is being spent wisely.
- 3 The key focus of the work has been on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on;
 - corporate approach to planning;
 - board transparency, cohesion, and effectiveness;
 - corporate systems of assurance; and
 - corporate approach to financial management.We have not reviewed the Health Board's operational arrangements as part of this work.
- 4 Our work has been informed by our previous structured assessment work, which has been developed and refined over a number of years. It has also been informed by:
 - model Standing Orders, Reservation and Delegation of Powers
 - model Standing Financial Instructions
 - relevant Welsh Government health circulars and guidance
 - the Good Governance Guide for NHS Wales Boards (Second Edition)
 - other relevant good practice guidesWe undertook our work between May 2024 and September 2024. The methods we used to deliver our work are summarised in **Appendix 1**. Our work was conducted in accordance with the auditing standards set by the International Organisation of Supreme Audit Institutions.

- 5 We also provide an update in this report on the Health Board's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

Key findings

- 6 **Overall, we found that the Health Board's corporate governance arrangements continue to operate effectively. The Health Board is taking positive steps to operationalise its long-term strategy, ensuring governance arrangements support its delivery. Whilst the Health Board has ambitions to achieve financial sustainability, the financial position remains challenging.**
- We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery. We found that arrangements for producing, overseeing, and scrutinising strategies and corporate plans continue to strengthen, and the Health Board is taking positive steps to operationalise and embed its refreshed strategic objectives.
 - We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently. We found that the Board and its committees continue to conduct their business transparently, operate effectively, and remain committed to continuous improvement. There are opportunities to improve some aspects of administrative governance and to enhance learning from patient safety walkabouts and Board effectiveness reviews.
 - We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services. We found that the Health Board continues to strengthen its corporate systems of assurance. There are opportunities to clarify oversight arrangements for strategic and corporate risks and to update the Performance Management Framework.
 - We considered whether the Health Board has a sound corporate approach to managing its financial resources. We found that whilst the Health Board maintains clear processes for financial planning, management and monitoring, the financial position remains challenging. The Health Board must address overspends and strengthen its approach to the identification and delivery of recurrent savings in order to achieve its financial sustainability ambitions.

Recommendations

- 7 **Exhibit 1** details the recommendations arising from our work. The Health Board's response to our recommendations is summarised in **Appendix 3**.

Exhibit 1: 2024 recommendations

Recommendations

Annual Plan monitoring

- R1 To ensure ongoing scrutiny of the Annual Plan, as part of the Integrated Performance Report, the Health Board should reintroduce the quarterly high-level overview of achievements against Annual Plan milestones and highlight how delivery of the milestones is impacting performance in priority areas (**see paragraph 20**).
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Administrative Governance

- R2 In order to strengthen its administrative governance arrangements, the Health Board should ensure that:
- R2.1 all relevant Board and committee meeting papers are publicly available and published on its website in a timely manner (**see paragraph 26**).
 - R2.2 standing Financial Instructions are reviewed annually and that changes are formally documented or equally that no amendments are required (**see paragraph 30**).
 - R2.3 up to date Board and committee workplans are available to the public (**see paragraph 36**).
 - R2.4 all Board and committee papers use the correct cover report template (**see paragraph 39**).
 - R2.5 the public is signposted to the current Board Assurance Framework (**see paragraph 55**).
-

Patient Safety Walkabouts

- R3 As part of its review of arrangements for Patient Safety Walkabouts, the Health Board should consider how to ensure learning and resulting actions from walkabouts is reported to the Board (**see paragraph 43**).

Recommendations

Board effectiveness and improvement

- R4 As part of its continuous approach to reviewing Board and committee effectiveness, the Health Board should capture and report improvement activities and consider whether they are achieving the intended benefit (see **paragraph 49**).
-

Risk management

- R5 The Health Board should ensure that arrangements for scrutinising strategic and corporate risks are clarified and consistent across all committees (see **paragraph 55**).
- R6 The Health Board should refresh the Risk Management Strategy to ensure it includes new arrangements for recording and escalating operational risks (see **paragraph 56**).
-

Finance and Performance Committee deep-dives

- R7 The operational performance deep dives received by the Finance and Performance Committee should be triangulated with financial performance information (see **paragraph 92**).

Detailed report

Corporate approach to planning

- 8 We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 9 We found that **arrangements for producing, overseeing, and scrutinising strategies and corporate plans continue to strengthen, and the Health Board is taking positive steps to operationalise and embed its refreshed strategic objectives.**

Corporate approach to producing strategies and plans

- 10 We considered whether the Health Board has a sound corporate approach to producing, overseeing, and scrutinising the development of strategies and corporate plans. We were specifically looking for evidence of:
- a clear Board approved vision, appropriate objectives and a long-term strategy in place which are future-focussed, rooted in population health, and informed by a detailed and comprehensive analysis of needs, opportunities, challenges, and risks;
 - the long-term strategy underpinned by an appropriate Board approved long-term clinical strategy;
 - appropriate and effective corporate arrangements in place for developing and producing the Integrated Medium-Term Plan (IMTP), and other corporate plans; and
 - the Board appropriately scrutinising the IMTP and other corporate plans prior to their approval.
- 11 We found that **the Health Board's corporate planning arrangements continue to strengthen. Corporate plans are appropriately aligned to and support delivery of the organisation's long-term strategy.**
- 12 In July 2023, the Board approved the Health Board's refreshed long-term strategy, including its updated strategic objectives / wellbeing objectives. Since its approval, the Health Board has been focusing on operationalising its long-term strategy by developing processes and systems to support its delivery and aligning wider governance arrangements (see **paragraph 35**). Central to this is developing a strategic portfolio framework, which is a group of programmes aligned to six change portfolios¹ to support the achievement of the strategic objectives². This approach is designed to establish clear monitoring arrangements for the delivery of

¹ Our People and Culture; Our Population Health and Place Based Partnerships; Our Quality, Value and Sustainability; Our Clinical Services; Our Infrastructure and Our Future Generations.

² Putting People First; Providing Outstanding Quality; Delivering in the Right Places; and Acting for the Future.

the long-term strategy, a clear line of sight between the programmes / portfolios and strategic objectives, and ensure a consistent approach to programme management. The Health Board has agreed appropriate governance arrangements to manage and monitor delivery of the strategic portfolios. Whilst it is too early to judge the effectiveness of these arrangements, we have seen evidence that the Board has been well engaged in the framework's development.

- 13 The 2024-25 Annual Plan (see **paragraph 15**) commits to launching the Health Board's 10-year Clinical Services Plan by Quarter 4. However, recent updates to the Board suggest the plan is more likely to be launched in Quarter 1 of 2025-26. This will be the first product from the Our Clinical Services strategic portfolio. The Board received an update at its April 2024 Board Developments Session, which included a commitment to continue to engage the Board at key stages of the plan's development. It also highlighted key risks to developing the plan on time; these relate to the organisation's limited capacity and capability in certain areas such as modelling and workforce planning. To mitigate these risks, the Health Board has extended the development timeline and revised the depth of the plan to make it a high-level, strategic plan. The Health Board reported that the plan would not be costed because it is designed to be high-level and also because there are several unpredictable variables, such as the availability of capital funding. However, our 2024 Review of Cost Savings arrangements in the Health Board recommends that once developed, plans underpinning the 10-year clinical services plan should clearly set out the costs and savings associated with transforming services.
- 14 The Health Board's strategic objectives are also its well-being objectives. Last year, we found that whilst the Health Board's new strategic objectives / well-being objectives are underpinned by clear priorities, they do not encompass all aspects of sustainable development, for example, priorities relating to biodiversity or climate adaptation. The Health Board reported that work to broaden the coverage of its well-being objectives is in progress (see **Appendix 2 R1a 2023**). Some of the environmental aspects, such as biodiversity, are being incorporated in the Decarbonisation Action Plan. But overall, the Health Board intends to ensure all aspects of sustainable development are incorporated in the strategic portfolios. The re-established Well-being of Future Generations Group will also ensure the strategic portfolios support all aspects of sustainable development. It is clear in the 2024-25 Annual Plan how the Health Board's strategic objectives / well-being objectives align to the national well-being goals and to the well-being objectives of partners (see **Appendix 2, R1b 2023**).
- 15 The Health Board was unable to produce a Welsh Government approved Integrated Medium-Term Plan (IMTP) for 2024-27 due to its planned financial deficit. Therefore, it developed an Annual Plan for 2024-25. In August 2023, the Board set guiding principles for the development of the 2024-25 Annual Plan, namely that it should be set in the context of a low investment environment and focus on driving value and quality. Within that context, clinical boards and corporate teams identified their priorities for delivery. The 2024-25 Annual Plan was approved by the Board and submitted to the Welsh Government in March

2024. Welsh Government have received the Annual Plan and set accountability conditions related to delivering and improving on the deficit plan, further de-risking the financial plan to ensure the savings plan is delivered in-year, maximising opportunities for efficiency and productivity and progressing regional solutions for endoscopy and other clinical challenges. The Health Board intends on using the strategic portfolios to guide development of its 2025-28 IMTP.

- 16 In June 2024, Internal Audit issued a reasonable assurance report on the Health Board's IMTP / Annual Plan development process. The review found the Health Board has good governance arrangements to oversee the development of the Annual Plan, with good engagement from the Board and relevant committees. All areas reviewed received substantial or reasonable assurance, except for governance arrangements specifically relating to the Minimum Data Set, due to inadequate oversight. Overall, the review made two high and one medium priority recommendations.

Corporate approach to overseeing the delivery of strategies and plans

- 17 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising the implementation and delivery of corporate plans. We were specifically looking for evidence of:
- corporate plans, including the IMTP, containing clear strategic priorities/objectives and SMART³ milestones, targets, and outcomes that aid monitoring and reporting; and
 - the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.
- 18 We found that **the Health Board continues to have good arrangements for maintaining Board oversight of key corporate strategies and plans. The 2024-25 Annual Plan contains a clear delivery plan, supported by new reporting arrangements, however, it is too early to comment on their effectiveness.**
- 19 Through its 2024-25 Annual Plan, the Health Board continues to focus on five key delivery priorities for the year⁴. For each delivery priority, the 2024-25 Annual Plan clearly sets out an aim, key areas of focus, the actions the Health Board intends to deliver, and the measures of success for each quarter. The 2024-25 Annual Plan continues to link to other corporate plans, such as estate, digital, decarbonisation, and people and culture, with appropriate, high-level actions included in the respective sections. Internal Audit's review of the IMTP / Annual Plan development

³ Specific, measurable, achievable, relevant, and time-bound.

⁴ Urgent and Emergency Care; Planned Care, Cancer, and Diagnosis; Specialist Services; Mental Health; and Children and Women.

process found that the plan included clear measurable targets and actions towards delivering the priorities set by the Cabinet Secretary for Health and Social Care⁵.

- 20 In May 2024, the Board received the Quarter 4 2023-24 Integrated Annual Plan delivery report. The report highlighted that of the 169 specific milestones in the 2023-24 Annual Plan, 78 were not achieved and have been rolled over into the 2024-25 Annual Plan. For 2024-25, the Health Board has stopped using the quarterly Integrated Annual Plan report. Instead, as reported to the Board in July 2024, going forward, the existing Integrated Performance Report (IPR) will be used to report the Annual Plan's delivery. As the IPR is a monthly report, this ensures more regular scrutiny of Annual Plan delivery. Whilst it is too early to comment on the effectiveness of the new arrangements, on reviewing the IPR received by the Board in September 2024, we found that having one performance report linking Annual Plan priority delivery alongside key performance measures reduces duplication (see **Appendix 2 R6 2023**). However, an obvious omission is the high-level quarterly overview of achievements against Annual Plan milestones, which the Health Board should consider reintroducing as part of the existing report. There is also opportunity to highlight how delivery of the milestones is impacting performance in priority areas. (**Recommendation 1**) We discuss the Integrated Performance Report further in **paragraph 59**.

Board transparency, effectiveness, and cohesion

- 21 We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently.
- 22 We found that **the Board and its committees continue to conduct their business transparently, operate effectively, and remain committed to continuous improvement. There are opportunities to improve some aspects of administrative governance and enhance learning from patient safety walkabouts and Board effectiveness reviews.**

Public transparency of Board business

- 23 We considered whether the Board promotes and demonstrates a commitment to public transparency of board and committee business. We were specifically looking for evidence of:
- Board and committee meetings that are accessible to the public;
 - Board and committee papers being made publicly available in advance of meetings; and

⁵ The Cabinet Secretary for Health and Social Care has set six priority areas; these relate to improving: delayed transfers of care, access to primary care services, urgent and emergency care, planned care, cancer, and mental health services.

- Board and committee business and decision-making being conducted transparently.

- 24 We found that **whilst the Board remains committed to conducting its business transparently, opportunities remain to improve some aspects of administrative governance to further increase public access to Board business.**
- 25 Since January 2024, the Health Board has enhanced public transparency of Board business by routinely live streaming public Board meetings and making the recordings available on its website shortly after (see **Appendix 2 R2 2023**). The Health Board also promotes public Board meetings on social media, which includes a link to the livestreamed meeting (see **Appendix 2 R3a 2022**). Committee meetings continue to be livestreamed and recorded; links for which are clearly signposted on the Health Board's website. Occasionally there are technical issues with recordings, and in these instances, a note is added on the website. The Health Board is taking steps to move to a more stable platform to support the recordings of meetings.
- 26 Board and committee papers remain accessible to the public and generally continue to be published on the Health Board's website seven days in advance of meetings. Occasionally, papers have not been published on the website in a timely manner or have been missing⁶. Whilst we appreciate the Health Board is quick to publish recordings, to maintain public transparency, the Health Board should ensure all public Board and committee meeting papers remain accessible to the public (**Recommendation 2.1**) In addition, whilst up to date Local Partnership Forum papers are available, the Stakeholder Reference Group papers have not been made publicly available since May 2023 (see **Appendix 2 2022 R3b**).
- 27 The Health Board continues to reserve private Board and committee meetings for sensitive matters. If a private meeting is scheduled, private agenda items continue to be published publicly. In most cases, a reason for why the item was discussed in private is provided, for example due to commercial sensitivity or ongoing legal cases. In our 2022 Structured Assessment report, we recommended that the Health Board should make abridged minutes of private Board and committee meetings available publicly. Whilst the Health Board has not adopted this approach, it has processes in place to ensure appropriate decisions are made in public where initial discussions are held in private sessions. (see **Appendix 2 2022 R3c**).

⁶ Papers for the July 2024 Special Board and Audit and Assurance Committee meetings have not been published, but papers can be requested from the Corporate Governance Team. As at 03/10/2024 the following committee papers are not available on the Health Board's website: no supporting documents for the Audit and Assurance Committee held on 20/05/2024, and no papers for the Digital and Health Intelligence Committee held on 28/05/2024, the Finance and Performance Committee held on 17/04/2024 and 19/06/2024, and the People and Culture Committee held on 10/09/2024.

Arrangements to support the conduct of Board business

- 28 We considered whether there are proper and transparent arrangements in place to support the effective conduct of Board and committee business. We were specifically looking for evidence of:
- a formal, up-to-date, and publicly available Reservation and Delegation of Powers and Scheme of Delegation in place, which clearly sets out accountabilities;
 - formal, up-to-date, and publicly available Standing Orders (SOs) and Standing Financial Instructions (SFIs) in place, along with evidence of compliance; and
 - formal, up-to-date, and publicly available policies and procedures in place to promote and ensure probity and propriety.
- 29 We found that **arrangements continue to support the effective conduct of Board business, and the Health Board has taken positive steps to improve its policy management process to tackle the backlog of outdated policies.**
- 30 The Health Board continues to review its Standing Orders, and Scheme of Reservation and Delegation at least annually to ensure it reflects current arrangements, and we continue to see evidence of compliance. The Board approved amendments to its Standing Orders in January, May and November 2024 to reflect, respectively, changes to its financial delegations, the establishment of the Joint Commissioning Committee⁷ and updated committee arrangements (see **paragraph 35**). The Standing Financial Instructions (SFIs) were reviewed in July 2023. Whilst there have not been any amendments to the SFIs it would be good practice to review annually and formally document whether changes are required or not. (**Recommendation 2.2**) The most recent versions of the Standing Orders (see **Appendix 2 R3 2023**) and SFIs are available on the Health Board's website. During quarter 3 2024-25, Internal Audit plans to undertake an advisory review of the Health Board's Scheme of Reservation and Delegation.
- 31 We continue to observe declarations of interest requested routinely in all Board and committee meetings. Since our previous structured assessment, the Health Board has updated its oversight process for declarations of interests, gifts, and hospitality⁸. The Audit and Assurance Committee will now receive the Declaration of Interest, Gifts and Hospitality Tracking Report annually, instead of at most meetings, with in-year exception reports if needed. An up-to-date register of

⁷ In April 2024, the NHS Wales Joint Commissioning Committee replaced the Emergency Ambulance Services Committee (EASC), the Welsh Health Specialised Services Committee (WHSSC) and the National Collaborative Commissioning Unit (NCCU).

⁸ The Health Board uses the Electronic Staff Record to record declarations of interests, gifts, and hospitality.

interest for all staff continues to be published on the Health Board's website. Unlike staff, Board members are required to declare their interests annually. Last year, we highlighted that the separate register for Board member interests on the Health Board's website was out of date. This has now been resolved as Board member interests are included in a single register alongside staff interests. We are assured that the Health Board is following procedures for Board members to declare interests annually as this is reviewed to support our annual audit of accounts.

- 32 In May 2023, Internal Audit issued a limited assurance report on the management of policy documents, which highlighted the Health Board's substantial backlog of outdated policies. Since then, the Health Board has made substantial progress in addressing the findings and Internal Audit's follow-up review in May 2024 gave a reasonable assurance rating. The Health Board now uses the Audit Management and Tracking (AMaT) system to host and manage its policies. This is a positive development, as it streamlines and automates policy management. By July 2024, all 401 policies had been transferred to AMaT, of which 65% were overdue for review. The Health Board continues to identify policy owners to ensure out of date policies are reviewed as clear policy ownership should reduce the risk of policies becoming out of date and leading to a breach of regulatory and statutory requirements. The Health Board is also conducting an exercise to ensure all policies on its website are the most recent version.

Effectiveness of Board and committee meetings

- 33 We considered whether Board and committee meetings are conducted appropriately and effectively. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;
 - Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well being shaped on an ongoing basis by the Board Assurance Framework;
 - well-chaired Board and committee meetings that follow agreed processes, with members observing meeting etiquette and providing a good balance of scrutiny, support, and challenge;
 - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board; and
 - clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 34 We found that **the Health Board is taking positive steps to ensure clear alignment between its committee structure and strategic objectives, change portfolios, and risks. Board and committee meetings continue to operate**

effectively, supported by good quality, timely papers that focus on key matters.

- 35 The Health Board has reviewed its committee arrangements (see **Appendix 2 R4 2023**) as part of work to strengthen the line of sight and alignment between the committees and the strategic objectives, strategic change portfolios, and strategic risks (see **paragraph 54**). The committee structure remains largely unchanged, except for establishing a Digital and Infrastructure Committee⁹, and the names of the Quality, Safety and Experience and Mental Health Legislation and Mental Capacity committee have been shortened to the Quality and Mental Health Legislation committees respectively. Amendments to the committee arrangements, associated updates to the Standing Orders and new Terms of Reference were approved by the Board in November 2024 (see **Appendix 2 R1c 2022**). The Health Board reported that the amendments will clarify oversight responsibilities for each strategic objective, and for some areas, such as matters relating to the estate and public health which do not obviously fall within the remit of any of the current committees. Board members we spoke to reported that they have been fully consulted, both through Board Development Sessions and individually.
- 36 The Health Board has an up-to-date Board and Committee Forward Workplan, but its website is showing Board and committee workplans for the previous year. **(Recommendation 2.3)** Positively, the Forward Workplan is now a live and dynamic document, which is updated straight after Board and committee meetings. It is accessible by all staff and also includes the workplan for Board Development Sessions. The amendments to committee arrangements provide a good opportunity to review the Forward Workplan to ensure committees fulfil their new remits in a way that does not overburden them.
- 37 We have continued to observe well-chaired committee meetings, which follow agreed processes, run to time, and are well supported by the Corporate Governance Team. We noted new processes in place to help the efficient running of meetings, for example the Teams Chat is used to support time keeping for each item, and committee chairs are now provided with annotated agendas to guide them through the meeting. Independent and Executive Board Members provide good challenge, delivered in a constructive, supportive way. There continues to be a healthy relationship between Executive and Independent Board Members, which is encouraging given recent changes within the Executive Team (see **paragraph 47**).
- 38 The Health Board's arrangements continue to support good flows of information, and where appropriate, cross referral of matters between committees and escalation to the Board. Independent Members continue to meet prior to each Board meeting (Governance Co-ordinating Group) and hold a further monthly meeting. These meetings ensure all Independent Members are kept up to date on key matters, can ask questions and raise any issues.

⁹ This replaces the Digital and Health Intelligence Committee.

39 The Health Board continues to produce good quality meeting papers, which focus on key matters. Whilst the cover report template has been updated to reflect the refreshed strategic objectives, it is not being used consistently. **(Recommendation 2.4)** The Health Board continues to use a publicly available 'supporting documents' folder to support the streamlining of Board papers. This process has been extended to committee meetings to reduce the volume of papers. The Health Board has also started to use a hybrid approach to producing minutes, where discussion points and decisions are briefly noted, with an accompanying link to the recorded discussion.

Board commitment to hearing from patients/service users and staff

40 We considered whether the Board promotes and demonstrates a commitment to hearing from patients/service users and staff. We were specifically looking for evidence of:

- the Board using a range of suitable approaches to hear from a diversity of patients/service users, the public and staff.

41 We found that **while the Health Board remains committed to hearing from service users and staff and is improving its processes to do so, there is scope to enhance how learning is shared following patient safety walkabouts.**

42 The Board continues to open each meeting with a patient story, which focuses on a range of services and service users. The Health Board ensures a balance of positive and negative stories. Relevant committees also continue to hear stories as appropriate to their remit. The Quality, Safety, and Experience Committee now also hears a patient story at most meetings (see **Appendix 2 R5 2023**) which is told as part of the Clinical Board Assurance Report. This ensures good coverage as each clinical board is scrutinised on a rotational basis. However, there is potential to extend patient and / or staff stories to more committees to give Board members further opportunity to hear from a range of stakeholders and understand the impact of its decisions on service delivery.

43 Board members continue to conduct Patient Safety Walkabouts, which were temporarily paused for Independent Members to prevent overburdening them while there were vacancies amongst the Independent Member cadre (see **paragraph 48**). Board members continue to value the opportunity to visit services. Walkabout notes are recorded on the Tendable App¹⁰, reviewed through Clinical Board Executive Reviews, and made available for Board members to access through the Admin Control¹¹ system. The Health Board is planning on reviewing its Patient

¹⁰ Tendable is an application used to record, report, and manage health care quality inspections in real time.

¹¹ Admin Control is a system used to manage meeting papers.

Safety Walkabouts to clarify the purpose both for those conducting the walkabout and for operational staff. As part of this review, the Health Board should consider how learning and resulting actions from walkabouts are reported more formally to the Board. **(Recommendation 3)**

- 44 The Health Board is also investing in its speaking up safely process by investing in a third-party system called 'Working in Confidence'. It is hoped the new system will give staff the confidence to raise concerns, as it is not managed by the Health Board and is anonymous. This is a positive development, especially given some of the negative trends seen in the recent NHS staff survey results for the Health Board¹², which indicate an increase in reporting of incidences of bullying and harassment.

Board cohesiveness and commitment to continuous improvement

- 45 We considered whether the Board is stable and cohesive and demonstrates a commitment to continuous improvement. We were specifically looking for evidence of:
- a stable and cohesive Board with a cadre of senior leaders who have the appropriate capacity, skills, and experience;
 - the Board and its committees regularly reviewing their effectiveness and using the findings to inform and support continuous improvement; and
 - a relevant programme of Board development, support, and training in place.
- 46 We found that **the changes to Board membership and the impact of Independent Member vacancies are well managed. While the Board maintains a good focus on continuous learning and development, opportunities exist to better understand the impact of activities aimed at improving Board effectiveness.**
- 47 The Executive Team has seen several changes over the past year. In the latter part of 2023, the Health Board had already welcomed a new Executive Director of Public Health and Director of Corporate Governance. The Executive Medical Director and Executive Director for Therapies retired in March and April 2024, respectively. The Executive Director of Strategic Planning was seconded to the NHS Wales Joint Commissioning Committee in March 2024, and has since secured a new role elsewhere. The Health Board has managed these changes well, and most posts have been filled on a substantive basis, except for the Executive Director of Strategic Planning which is being covered on an interim basis. Given the recent changes, the Health Board is taking the opportunity to consider some amendments to executive portfolios.

¹² The Health Board had a 21.4% participation rate for the 2023 NHS Staff Survey.

- 48 Over the year, the Health Board has needed to manage Independent Member vacancies, but this position is settling. Three new independent members joined the organisation in April 2024, October 2024 and January 2025 respectively. Positively, in the interim, Independent Members have continued to work well together to ensure meetings remained quorate. As reported in previous years, Independent Members continue to feel supported by the Chair. The Health Board has developed an induction pack for new independent members, which gives a good overview of key information, for example about the long-term strategy, the Board, Welsh Government and NHS Wales.
- 49 The Board maintains its focus on continuous learning and development and continues to hold bi-monthly Board Development Sessions. The Health Board has moved away from annual Board and committee effectiveness surveys, instead reviewing Board effectiveness as part of routine business at the end of each meeting. From our observations of public Board and committee meetings, members rarely comment on their effectiveness, although we understand there are opportunities to provide feedback informally after meetings. Twice a year, Board Development Sessions have an agenda item related to Board effectiveness. In June 2024, focus was given to personal and team resilience, with a follow-up session planned for December 2024. The Chair's report to the Board includes a brief overview of Board Development Sessions. But it should develop a way of capturing and reporting on how its improvement activities are making a difference to Board and committee working. **(Recommendation 4)**

Corporate systems of assurance

- 50 We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 51 We found that **the Health Board continues to strengthen its corporate systems of assurance. There are opportunities to clarify oversight arrangements for strategic and corporate risks and update the Performance Management Framework.**

Corporate approach to overseeing strategic and corporate risks

- 52 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising strategic risks to the delivery of strategic priorities / objectives. We were specifically looking for evidence of:
- an up-to-date and publicly available Board Assurance Framework (BAF) in place, which brings together all of the relevant information on the risks to achieving the organisation's strategic priorities / objectives;
 - the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks;

- an appropriate and up-to-date risk management framework in place, which is underpinned by clear policies, procedures, and roles and responsibilities; and
- the Board providing effective oversight and scrutiny of the effectiveness of the risk management system and corporate risks.

53 We found that **the Health Board continues to take positive steps to improve its strategic and corporate risk management arrangements. However, opportunities exist to clarify risk escalation and corporate risk scrutiny arrangements.**

54 Last year, the Health Board updated its Board Assurance Framework (BAF), aligning its existing strategic risks with its new strategic objectives and workstreams. In May 2024, Internal Audit issued a reasonable assurance report on Risk Management and the BAF. Positively, it found that strategic risks are aligned to the strategic objectives, were well-articulated, and clearly linked to key operational areas. The review is also complimentary about the BAF being a live document with clear links to the corporate and operational risk registers. In September 2024, the Board approved a new BAF as part of its work to better align governance arrangements to support the long-term strategy (see **Paragraph 12** and **Appendix 2 R1a 2022**). The BAF now comprises six strategic risk groups: quality, health equity, people, digital, infrastructure and sustainability, which are split into delivery or enabling risks¹³. Each of the risks has a risk appetite, defined as either 'open' or 'cautious'¹⁴. The new BAF is logical, maintains good alignment with the strategic objectives and it is easy to understand which committee is responsible for each risk area.

55 At each meeting, the Board continues to receive the BAF for assurance and the Corporate Risk Register (CRR) for information. The BAF is in the public domain as part of the bi-monthly Board papers, and the Health Board's website also includes a standalone link to the BAF, but this is not kept up to date. **(Recommendation 2.5)** Each strategic and corporate risk area has a lead committee, but oversight arrangements differ between committees and are not explicitly clear. **(Recommendation 5)**

56 Internal Audit's risk management and BAF review made three recommendations, relating to some operational risks being out of date, delays in escalating relevant operational risks to the CRR and the use of excel spreadsheets to manage risks. On the latter point, the review highlights that the Health Board has approximately 70 individual operational risk registers to manage, which is time consuming and

¹³ Quality and health equity have been classed as 'delivery risks', and people, digital, infrastructure and sustainability have been classed as 'enabling risks'.

¹⁴ An 'Open' risk appetite is defined as 'willing to consider all potential delivery options and choose while also providing an acceptable level of reward (VFM)' and a 'A Cautious' risk appetite is defined as 'reference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward'.

creates the risk of making errors. In August 2024, the Health Board started work to create a risk management module on AMaT, which will be piloted on the CRR before being rolled out further. Creating a digital solution should lead to improved risk management processes. The Risk Management Strategy was last reviewed in March 2023; it will need to be refreshed once the AMaT risk module has been implemented. **(Recommendation 6)**

Corporate approach to overseeing organisational performance

- 57 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising organisational performance. We were specifically looking for evidence of:
- an appropriate, comprehensive, and up-to-date performance management framework in place, underpinned by clear roles and responsibilities; and
 - the Board and committees providing effective oversight and scrutiny of organisational performance.
- 58 We found that **while the Board and its committees maintain good oversight of organisational performance, with steps taken to further improve the Integrated Performance Report, the Performance Management Framework requires updating.**
- 59 The Health Board does not have an up-to-date Performance Management Framework (PMF). Its PMF was last approved in 2020, which means it is not supporting the monitoring and delivery of the refreshed strategy. Nor does it support the updated committee scrutiny arrangements or any subsequent changes to operational performance management, for example clinical board escalation arrangements (see **paragraph 77**). Our recommendation from 2022, which the Health Board should expedite, remains open (see **Appendix 2 R1b 2022**).
- 60 In August 2024, Internal Audit issued a reasonable assurance report on performance reporting, specifically focused on the Integrated Performance Report (IPR). The Board receives the IPR each month through the Finance and Performance Committee, Board meetings and Board Development Sessions. At Board, Executive Directors continue to show collective leadership by providing updates for areas of work within their remits. Internal Audit made four medium priority recommendations related to data accuracy, timeliness of data, finalising guidance, and establishing a structured approach to reporting underperformance.
- 61 In April 2024, the Board Development Session and Finance and Performance Committee both received a paper detailing changes to the IPR for 2024-25. Some of the changes were based on the recommendation we made last year. Recognising that improving the IPR is an iterative process, we note that progress to address this recommendation is ongoing (see **Appendix 2 R6 2023**), specifically:

- Internal Audit's review found an inconsistent approach to reporting on underperformance.
- the report is clearer about whether metrics in one section of the IPR are on target or not, but not consistently across the report (for example in the people and culture, and finance sections).
- on the whole data charts are provided for each metric, and where there is a gap, a reason is provided.
- there is little benchmarking data provided within the IPR. A link to the National Performance Framework¹⁵ monitoring data is provided, but the link is not publicly accessible.

Corporate approach to overseeing the quality and safety of services

62 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising the quality and safety of services. We were specifically looking for evidence of:

- the Board providing effective oversight and scrutiny of the effectiveness of the quality governance framework
- clear organisational structures and lines of accountability in place for clinical/quality governance; and
- the Board and relevant committee providing effective oversight and scrutiny of the quality and safety of services.

63 We found that **there is appropriate oversight of the quality and safety of services, and the Health Board is committed to improvement, however establishing the Organisational Learning Committee has been delayed.**

64 'Providing Outstanding Quality' is one of the Health Board's four strategic priorities. There is a strategic programme, 'Shaping our Future Quality Excellence', in place to support its delivery. At each Board meeting, the Chief Executive's Report focuses on one of the four strategic priorities. In September 2024, the focus was on quality, specifically on the Health Board's plans to build an effective quality management system.

65 The Health Board continues to embed the duties set out in the Health and Social Care (Quality and Engagement) Act (2020). In compliance with the Duty of Quality, the 2023-24 Annual Quality Report, which outlines the Health Board's achievements and ambitions set against the Health and Care Standard's, was presented at the Annual General Meeting held in July 2024. The Quality, Safety, and Experience (QSE) Committee maintains oversight of quality and safety of

¹⁵ The link provides access to National Performance Framework monitoring data available from Digital Health and Care Wales (DHCW), which shows relevant performance data for health boards and trusts in Wales.

services and, where appropriate, assurance reports are themed around the six domains of quality¹⁶. The committee continues to receive Clinical Board Assurance Reports at each meeting, and a deep dive at every other meeting¹⁷. At alternate meetings, the committee continues to receive the Quality Indicators Report, which provides updates against key quality metrics¹⁸. The Quality Indicators Report continues to be data rich and supported by a cover report drawing attention to key issues and notable information. The Board and appropriate committees continue to receive assurances related to the Duty of Candour, for example the IPR includes a section on the Duty. The QSE Committee also routinely receives updates through the quality indicators report, Clinical Board Assurance reports and minutes of clinical board QSE committees.

- 66 The QSE Committee also maintains oversight of the Health Board's 2021-26 Quality, Safety, and Patient Experience Framework. In February 2024, the committee received an effectiveness review which provided an update on the framework's implementation. The Health Board reported that of the three sub-groups approved as part of the framework, two are well established, these being the Clinical Effectiveness Committee and Clinical Safety Group. But there have been delays in establishing the Organisational Learning Committee. The Health Board reported that arrangements for organisational learning will be developed through the Shaping Our Future Quality Excellence programme and become part of the Health Board's quality management system.

Corporate approach to tracking recommendations

- 67 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising systems for tracking progress to address audit and review recommendations and findings. We were specifically looking for evidence of:
- appropriate and effective systems in place for tracking responses to audit and other review recommendations and findings in a timely manner.
- 68 We found that **the Health Board is taking positive steps to further strengthen audit and review recommendation tracking arrangements.**
- 69 Last year, we reported that whilst the Health Board has strong arrangements for tracking audit and review recommendations, there were opportunities for

¹⁶ Safe, Timely, Effective, Efficient, Equitable and Person-Centred care.

¹⁷ Deep dives this year have covered topics such as never events, nationally reportable incidents and medication safety.

¹⁸ The Quality Indicator Reports includes data on nationally reportable incidents and never events, infection prevention and control, medication incidents, patient safety solution, progress against Health Inspectorate Wales recommendations, clinical effectiveness, mortality, Covid-19 investigations, data from the Tendable quality improvement auditing app and patient experience data. including App.

enhancement. Specifically, to formally refer recommendations and/or audit and review reports to relevant committees. We have seen evidence that limited assurance reports are referred for deeper scrutiny to appropriate committees (see **Appendix 2 R7a 2023**). We also recommended developing a report for the Audit and Assurance Committee pulling together common themes, issues and learning from audit and review recommendations. This work is in progress (see **Appendix 2 R7b 2023**).

- 70 The Health Board is now using AMaT to manage its recommendations tracking process, with most trackers now uploaded to the system. As with other digital systems introduced by the Health Board, this should streamline and automate audit tracking, and the system could potentially provide a platform to pick out trends/themes in audit/review recommendations. As part of the process, the Health Board is also working to either update or close down, as appropriate, Internal Audit recommendations made prior to 2022. This validation process should ensure that recommendations remain relevant and provide an opportunity to refocus where progress has been slow.
- 71 Frequency of reporting to Audit and Assurance Committee has also been updated. The committee now receives the full recommendation trackers; internal, external and regulatory compliance, at every other meeting, with a highlight report at the meetings in between. In November 2024, the committee will receive all three tracking reports using the new AMaT system. In July 2024, there were 21 open Audit Wales recommendations, 8 partially complete, and 13 with no action taken.

Corporate approach to managing financial resources

- 72 We considered whether the Health Board has a sound corporate approach to managing its financial resources.
- 73 We found that **whilst the Health Board maintains clear processes for financial planning, management and monitoring, the financial position remains challenging. The Health Board must address overspends and strengthen its approach to the identification and delivery of recurrent savings in order to achieve its financial sustainability ambitions.**

Financial objectives

- 74 We considered whether the Health Board has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of:
- the organisation meeting its financial objectives and duties for 2023-24, and the rolling three-year period of 2021-22 to 2023-24; and
 - the organisation being on course to meet its objectives and duties in 2024-25.

- 75 We found that **the Health Board did not achieve its financial duties in 2023-24 and is unlikely to meet its duties for 2024-25. Furthermore, it urgently needs to address overspends and identify sufficient suitable savings schemes to meet its ambition to achieve financial sustainability by the end of 2025-26.**
- 76 The Health Board did not meet its financial duties in 2023-24. Like the previous year, it did not operate within its resource limit for the year or within its cumulative resource limit for the three-year rolling period 2021-22 to 2023-24. However, as agreed with Welsh Government, the Health Board met its revised planned deficit¹⁹ of £16.4 million. The Health Board continues to meet its financial duties against its capital resource limit.
- 77 In recent years, the Health Board has been unable to submit a balanced financial plan to support its IMTP. The Financial Plan for 2024-25 sets out a forecast deficit of £15.9 million. The Health Board, therefore, is working to an Annual Plan instead and is unlikely to meet its financial duties for 2024-25. It has ambitions to stabilise the financial position and achieve financial sustainability by the end of 2025-26. To achieve this, the Health Board has set itself an ambitious savings target of £47.2 million in 2024-25. At Month 7 2024-25, the Health Board reported a £22.2 million overspend, £12.9 million above the planned deficit for the month. Given the Health Board's ambitious financial plan, it needs to urgently address operational overspend (£5.2 million) and unidentified savings (£7.6 million) to achieve its 2024-25 planned deficit (see **paragraph 81**). To help achieve the savings plan, our 2024 Review of Cost Savings Arrangements highlights the need to strengthen accountability arrangements, set realistic and achievable targets for individual savings schemes, and enhance staff skills and capacity on delivering savings plans. The Health Board has introduced an internal escalation process²⁰ to manage and support underperforming clinical boards.

Corporate approach to financial planning

- 78 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising financial planning. We were specifically looking for evidence of:
- clear and robust corporate financial planning arrangements in place;
 - the Board appropriately scrutinising financial plans prior to their approval;
 - sustainable, realistic, and accurately costed savings and cost improvement plans in place which are designed to support financial sustainability and service transformation; and

¹⁹ In October 2023, the Health Board's revised its planned deficit from £88.4 million to £16.4 million. This was based on receiving £63.1 million funding from Welsh Government and the Health Board achieving an additional £8.8 million in savings, in addition to its £32 million savings programme.

²⁰ There is one escalation level, 'enhanced monitoring'.

- the Board appropriately scrutinising savings and cost improvement plans prior to their approval.
- 79 We found that **whilst the Health Board has a good approach to financial planning, it needs to strengthen its approach for identifying and delivering recurrent savings.**
- 80 The Health Board continues to have a robust and integrated approach to developing its financial plan, with appropriate Board and operational level engagement. Like last year, from December 2023, the Finance and Performance Committee discussed the Financial Plan's development at its private meeting, with the final version reviewed at its public meeting in March 2024. The Board has also been engaged in the plan's development through Board Development Sessions. The Board approved the final plan in March 2024, alongside the approval of the 2024-25 Annual Plan.
- 81 In 2023-24, the Health Board delivered £40.6 million savings, against an overall target of £40.8 million. This total reflects the Health Board's original £32 million savings target for 2023-24, plus an additional £8.8 million savings required to meet the Health Board's £16.4 million revised planned deficit. The Health Board did not update its savings target to include the additional requirement. Our 2024 Review of Cost Savings Arrangements found that whilst the Health Board met its agreed deficit target for 2023-24, it needs to strengthen its approach to identifying and delivering recurrent savings and ensure its service transformation plans align with wider plans to return the organisation to financial sustainability. As at Month 7 2024-25, the Health Board had a £7.6 million savings plan shortfall compared to the forecast position. Performance against savings targets continue to be scrutinised at the monthly Finance and Performance Committee.
- 82 The Health Board has drafted a long-term financial model, which the Board discussed at its Board Development Session in June 2024. Once approved, the model will be used to inform next year's financial and investment plans (see **Appendix 2 R1d 2022**).

Corporate approach to financial management

- 83 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising financial management. We were specifically looking for evidence of:
- effective controls in place that ensure compliance with Standing Financial Instructions and Schemes of Reservation and Delegation;
 - the Board maintaining appropriate oversight of arrangements and performance relating to single tender actions, special payments, losses, and counter-fraud;
 - effective financial management arrangements in place which enable the Board to understand cost drivers and how they impact on the delivery of strategic objectives; and

- the organisation's financial statements for 2023-24 were submitted on time, contained no material misstatements, and received a clean audit opinion.

- 84 We found that **the Health Board continues to strengthen its approach to overseeing and scrutinising financial management and controls.**
- 85 As reported in previous years, the Audit and Assurance Committee routinely receives assurance reports on financial controls, related to counter fraud, procurement compliance, including single tender actions, losses and special payments, and over payments of Health Board salaries.
- 86 The Health Board continues to improve its procurement processes²¹. For example, on identifying the high volume of decisions taken via Chair's Actions²² last year, it has strengthened its procurement decision making processes and decisions taken via Chair's Actions have recently started to reduce²³. The Health Board is also strengthening financial controls by extending the use of the Docusign e-approval system. Initially introduced for procurement, Docusign is now also used to approve Chair's Actions and legal and estate related decisions. This system, which the Health Board intends to roll out further, provides an evidence trail of decisions. In April 2024, Internal Audit completed a review of core financial systems, specifically focusing on asset register management. This received substantial assurance.
- 87 Our 2024 Review of Cost Savings Arrangements found that the Health Board has a good understanding of its cost drivers, which are clearly set out in the 2024-25 Annual Plan. Based on feedback from clinical boards, management of cost pressures has improved. This year, the process provides more clarity about which cost pressures clinical boards are expected to manage within their budgets, and which will be supported corporately. There is potential to further improve this approach, as recommended in our 2024 Review of Cost Savings Arrangements, by issuing clinical boards with accountability letters.
- 88 The Health Board submitted its draft 2023-24 Financial Statements within the required timescales, and they were received by the Audit and Assurance Committee and the Board in July 2024. We issued an unqualified true and fair audit opinion, except for a qualified regularity opinion because the Health Board did not meet its revenue resource allocation over the three-year period.

Board oversight of financial performance

²¹ In 2021, the Health Board identified procurement breaches on some capital expenditure projects. Since then, it has been working through a procurement improvement plan.

²² Last year, the Health Board reviewed Board approvals for 2021-22 and up to December 2022. In April 2023, the Audit and Assurance Committee received a report highlighting that in 2021-22 of 72 approvals 70 were via Chair's Actions, and that by December 2022 (2022-23) of the 36 approvals sought so far, 34 were via Chair's Actions.

²³ The following Chair's Actions have been reported at Board meetings so far during 2024-25: May 2024 – none, July 2024 – two and September 2024 – two.

- 89 We considered whether the Board appropriately oversees and scrutinises financial performance. We were specifically looking for evidence of:
- the Board receiving accurate, transparent, and timely reports on financial performance, as well as the key financial challenges, risks, and mitigating actions; and
 - the Board appropriately scrutinising the ongoing assessments of the organisation's financial position.
- 90 We found that **whilst the Health Board continues to maintain robust arrangements for overseeing and scrutinising financial performance, there is scope to strengthen deep dives received by the Finance and Performance Committee and reporting on financial savings.**
- 91 The Finance and Performance Committee continues to receive the finance report at each of its monthly meetings. The report is written clearly and continues to provide a clear and open narrative on the Health Board's financial performance, risks, and challenges. The finance report also provides a progress update against achieving financial sustainability by the end of 2025-26, which shows the Health Board's commitment to this ambition. The Board continues to receive assurance from several reports such as the Finance and Performance Committee Chair's Report, the committee's minutes, and the finance section of the Integrated Performance Report, which the Executive Director of Finance presents. Our 2024 Review of Cost Savings Arrangements makes recommendations to strengthen reporting on financial savings.
- 92 The Finance and Performance Committee continues to receive deep-dives, although it is unclear how often these are expected. The committee received its last deep-dive in March 2024. This year's deep dives have focused on operational performance such as diagnostics and mental health. Given the committee's remit, there is scope to strengthen operational performance deep dives by triangulating with financial performance information, for example performance against budgets and actions to achieve savings targets. **(Recommendation 7)**

Appendix 1

Audit methods

Exhibit 2 below sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from the methods below

Element of audit approach	Description
Observations	We observed Board meetings as well as meetings of the following committees: <ul style="list-style-type: none"><li data-bbox="636 788 1066 810">• Audit and Assurance Committee<li data-bbox="636 826 1122 849">• Digital Health Intelligence Committee<li data-bbox="636 865 1126 887">• Finance and Performance Committee<li data-bbox="636 903 1413 925">• Mental Health Legislation and Mental Capacity Act Committee<li data-bbox="636 941 1245 963">• Quality, Safety and Experience Committee; and<li data-bbox="636 979 1048 1002">• People and Culture Committee

Element of audit approach	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"> • Board and Committee Terms of Reference, work programmes, agendas, papers, and minutes; • key governance documents, including Schemes of Delegation, Standing Orders, Standing Financial Instructions, Registers of Interest, and Registers of Gifts and Hospitality; • key organisational strategies and plans, including the IMTP; • key risk management documents, including the Board Assurance Framework and Corporate Risk Register; • key reports relating to organisational performance and finances; • Annual Report, including the Annual Governance Statement; • relevant policies and procedures; and • reports prepared by the Internal Audit Service, Health Inspectorate Wales, Local Counter-Fraud Service, and other relevant external bodies.
Interviews	<p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"> • Chair of Board • Chief Executive Officer • Executive Director of Finance • Executive Director of Strategy and Planning (Interim) • Director of Corporate Governance • Vice Chair • Chair of Audit and Assurance Committee • Chair of Finance and Performance Committee • Independent Member (Local Government)

Appendix 2

Progress made on previous-year recommendations

Exhibit 3 below sets out the progress made by the Health Board in implementing recommendations from previous structure assessment reports.

Recommendation	Description of progress
<p>2023 Structured Assessment</p> <p>R1 Whilst the Health Board’s new well-being objectives are underpinned by clear priorities, they do not encompass all aspects of sustainable development. Furthermore, the Health Board has not aligned its objectives to the national well-being goals or to the well-being objectives of partner organisations. The Health Board, therefore, should:</p> <p>a) consider incorporating additional priorities that encompass all aspects of sustainable</p>	<p>See paragraph 14:</p> <ul style="list-style-type: none">• R1a – In progress• R1b – Complete

Recommendation	Description of progress
<p>development, particularly those that relate to the environment; and</p> <p>b) set out how each individual well-being objective aligns to the national well-being objectives and the well-being objectives of its partners.</p>	
<p>2023 Structured Assessment</p> <p>R2 The Health Board should improve public access to Board meetings by:</p> <ul style="list-style-type: none"> • livestreaming and recording public Board meetings; and • making the recordings available on the Health Board's website shortly after each meeting. 	<p>Complete – see paragraph 25</p>
<p>2023 Structured Assessment</p> <p>R3 The Health Board should review its website, ensuring the latest versions of governance documents and papers are available.</p>	<p>Superseded – see Recommendation 2 2024 (administrative governance)</p>

Recommendation	Description of progress
<p>2023 Structured Assessment</p> <p>R4 The Health Board should review the effectiveness of its new committee structure. The review should pay particular attention to whether:</p> <ul style="list-style-type: none"> • the committee structure supports sufficient oversight of the refreshed strategic objectives; • committee terms of reference and workplans adequately cover all aspects of Board business; • there is merit in instigating a regular meeting for committee chairs; • there is an appropriate training and development for new committee chairs and new committee members; and • officers and Members have the capacity and resources to support more frequent committee meetings. 	<p>In progress – see paragraph 35.</p>
<p>2023 Structured Assessment</p> <p>R5 The Quality, Safety and Experience Committee should start every other meeting with a patient story to usefully set the tone for the remaining meeting</p>	<p>Complete – see paragraph 42.</p>

Recommendation	Description of progress
<p>and to ensure that members hear about patient experiences and related learning.</p>	
<p>2023 Structured Assessment</p> <p>R6 The Health Board has improved its Integrated Performance Report (IPR). Whilst we recognise it is a new and evolving report, we have found potential to enhance it by:</p> <ul style="list-style-type: none"> a) strengthening its links with the Annual Plan Delivery Report to ensure the relationship between some of the delivery milestones and key performance indicators is clearer; having a more consistent focus on actions being taken to tackle underperformance in both the IPR and its cover report; b) being clearer about whether the metrics in section two of the IPR are on target or not; c) being consistent in providing reasons why data charts are unavailable in section two of the IPR, instead of leaving the section blank; and 	<p>In progress</p> <ul style="list-style-type: none"> • R6a – In Progress – see paragraph 20. • R6b – Complete – see paragraph 61. • R6c – In Progress – see paragraph 61. • R6c – In Progress – see paragraph 61.

Recommendation	Description of progress
<p>d) providing benchmarking data (where available) to show how the Health Board compares to other health bodies.</p>	
<p>2023 Structured Assessment</p> <p>R7 The Health Board should:</p> <p>a) formally refer recommendations and/or audit and review reports to relevant committees for deeper scrutiny, with the committees reporting back to the Audit and Assurance Committee for assurance, and</p> <p>b) develop a report for the Audit and Assurance Committee pulling together common themes, issues and learning from the internal, external and regulatory compliance reports.</p>	<p>See paragraph 69.</p> <ul style="list-style-type: none"> • R7a – Complete • R7b – In Progress
<p>2022 Structured Assessment</p> <p>R1 The Health Board plans to refresh its ten-year strategy by 2023. It should seek to use this opportunity to review and reshape its wider processes, structures, resources, and</p>	<p>In progress</p> <ul style="list-style-type: none"> • R1a – Complete - see paragraph 54. • R1b – No Progress - see paragraph 59. • R1c – In Progress - see paragraph 35.

Recommendation	Description of progress
<p>arrangements, to ensure they are fully aligned to the organisation’s refreshed strategic objectives and associated risks, with a particular focus on its:</p> <ul style="list-style-type: none"> a) Board Assurance Framework b) Performance Management Framework c) Committee structures, terms of reference, and workplans d) Long-term financial plan 	<ul style="list-style-type: none"> • R1d – In Progress - see paragraph 82.
<p>2022 Structured Assessment</p> <p>R2 The Integrated Performance Report provides a good overview of the Health Board’s performance. However, details of the actions being taken to sustain or improve performance that falls below target appear in some sections of the report but not others. The Health Board, therefore, should ensure this information is provided consistently throughout the report to strengthen the assurances provided to the Board that appropriate action is being taken to sustain or improve performance.</p>	<p>Superseded by Recommendation 6 2023.</p>

Recommendation	Description of progress
<p>2022 Structured Assessment</p> <p>R3 The Health Board, therefore, should:</p> <ul style="list-style-type: none"> a) post more frequent reminders about Board and committee meetings on social media and provide links to papers; b) ensure the papers for all Advisory Group meetings are published on the Health Board’s website in a timely manner; and c) make abridged minutes of private Board and committee meetings available publicly as soon as possible after each meeting; 	<p>In progress</p> <ul style="list-style-type: none"> • R3a – Complete – see paragraph 25. • R3b – Superseded – see Recommendation 2 2024 (administrative governance) • R3c – Complete – see paragraph 27.

Appendix 3

Management response to audit recommendations

Exhibit 4: Cardiff and Vale University Health Board response to our audit recommendations

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	Annual Plan monitoring To ensure ongoing scrutiny of the Annual Plan, as part of the Integrated Performance Report, the Health Board should reintroduce the quarterly high-level overview of achievements against Annual Plan milestones and highlight how delivery of the milestones is impacting performance in priority areas.	This will be reviewed in line with the lessons taken from the rapid planning event held in Dec 24.	July 2025	Interim pending review of Exec roles is Director of Finance and COO

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	<ul style="list-style-type: none"> R2.5. the public is signposted to the current Board Assurance Framework. 	<ul style="list-style-type: none"> 2.5 The latest set of Board papers will be the correct point of reference. 	July 2025	Senior Governance Officer
R3	<p>Patient Safety Walkabouts As part of its review of arrangements for Patient Safety Walkabouts, the Health Board should consider how to ensure learning and resulting actions from walkabouts is reported to the Board.</p>	These will be reviewed in a Board Development Session.	July 2025	Executive Director of Nursing
R4	<p>Board effectiveness and improvement As part of its continuous approach to reviewing Board and committee effectiveness, the Health Board should capture and report improvement</p>	A periodic report will be taken to Board and put in the public papers.	July 2025	Director of Corporate Governance

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	activities and consider whether they are achieving the intended benefit.			
R5	Risk management The Health Board should ensure that arrangements for scrutinising strategic and corporate risks are clarified and consistent across all committees.	Strategic risks, via the BAF, will be addressed at Committees as part of the reinvigoration of the structure. Corporate risks will feature if required, but following the transfer to AMAT will be dealt with at Clinical Board and SLB level.	December 2025	Head of Corporate Governance
R6	Risk management The Health Board should refresh the Risk Management Strategy to ensure it includes new arrangements for recording and escalating operational risks.	This will follow the completed transfer of all registers to a single one on AMAT	December 2025	Head of Corporate Governance

Ref	Recommendation	Management response	Completion date	Responsible officer (title)
R7	<p>Finance and Performance Committee deep-dives</p> <p>The operational performance deep dives received by the Finance and Performance Committee should be triangulated with financial performance information.</p>	<p>Triangulation of deep dives with financial performance will take place in the meetings between the Chair and DoF which in turn will update the forward plan.</p>	July 2025	Director of Finance



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.