

# Structured Assessment 2024 – Cwm Taf Morgannwg 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 Cwm Taf Morgannwg 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. Our review of the Health Board's corporate approach to setting new well-being objectives in accordance with the sustainable development principle is being undertaken to help discharge the Auditor General's duties under section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 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;
  - Board transparency, cohesion, and effectiveness;
  - Corporate systems of assurance;
  - Corporate approach to planning; 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 guides

We undertook our work between September and November 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 Organization 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 governance arrangements are operating generally effectively, but opportunities remain to strengthen them further. The Health Board achieved a financial breakeven position in 2023-24. However, its focus on achieving this position in 2024-25 poses some potential risks to the delivery of strategic objectives and solutions designed to achieve longer-term financial sustainability.**
- We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently. We found that **the Health Board has a stable and cohesive Board which generally conducts its business appropriately, effectively, and transparently. The introduction of a new committee structure in early 2025 will provide an opportunity to strengthen these arrangements further.**
  - 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's systems of assurance are operating generally effectively, but opportunities remain to strengthen arrangements further and take urgent action to address overdue recommendations and improvement actions.**
  - We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery. We found that **while the Health Board has an effective approach to developing corporate strategies and plans, it is experiencing challenges in progressing key elements of its long-term strategy. It also needs to strengthen its approach for monitoring and reporting strategy delivery and impact.**
  - We considered whether the Health Board has a sound corporate approach to managing its financial resources. We found that **financial planning, management, monitoring, and reporting arrangements are generally effective, but the organisation's focus on addressing its immediate financial challenges is presenting risks to the delivery of longer-term solutions to achieving financial sustainability.**

## 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	
R1	The Health Board should strengthen arrangements for monitoring, reviewing and updating Health Board policies and routinely report progress to the relevant Committee of the Board. <b>(Paragraph 25)</b>
R2	The Health Board should introduce arrangements for identifying and monitoring actions arising from its listening and learning stories. <b>(Paragraph 36)</b>
R3	The Health Board should strengthen the Board Assurance Framework (BAF) by clearly reporting the impact of actions that the Health Board is taking to mitigate its strategic risks. <b>(Paragraph 48)</b>
R4	The Health Board should strengthen its Integrated Performance Dashboard by clearly articulating whether actions to improve underperformance are achieving their intended impact. <b>(Paragraph 55)</b>
R5	<p>The Health Board should strengthen its reporting on the Duty of Quality and Candour by:</p> <p>R5.1 ensuring that future annual reports are clearer around the challenges it is experiencing in embedding the requirements; and</p> <p>R5.2 including appropriate milestones and targets to help the reader understand when it is aiming to achieve priorities. <b>(Paragraph 63)</b></p>
R6	<p>The Health Board should:</p> <p>R6.1 ensure that it rapidly completes its work to strengthen the audit recommendations tracker; and</p> <p>R6.2 strengthen ownership and accountability for delivery of audit recommendations. <b>(Paragraph 67)</b></p>

## Recommendations

- R7 The Health Board should set out how each individual well-being objective aligns to the national well-being objectives and well-being objectives of its partners. **(Paragraph 78)**
- R8 The Health Board should develop and report on population outcome measures to demonstrate the impact of its strategy delivery. **(Paragraph 84)**
- R9 The Health Board should strengthen Board and committee corporate strategy and plan reporting by clearly articulating where delivery is off-track, mitigating actions, and revised delivery timescales. **(Paragraph 85)**
- R10 The Health Board should:
- R10.1 monitor and manage any immediate quality and performance risks that may arise as a result of limited or no investment in services as it seeks to achieve financial balance in the short-term; and
  - R10.2 develop a long-term financial plan, beyond its 2024-27 Integrated Medium Term Plan, aligned to its organisational strategy in order to achieve financial sustainability. **(Paragraph 95)**

# Detailed report

## Board transparency, effectiveness, and cohesion

- 8 We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently.
- 9 We found that **the Health Board has a stable and cohesive Board which generally conducts its business appropriately, effectively, and transparently. The introduction of a new committee structure in early 2025 will provide an opportunity to strengthen these arrangements further.**

## Public transparency of Board business

- 10 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
  - Board and committee business and decision-making being conducted transparently.
- 11 We found that **whilst the Health Board remains committed to public transparency of Board and committee business, it still has further work to do to fully address our previous audit recommendations in this area.**
- 12 The Health Board has generally effective arrangements in place to support public transparency of Board and committee business. It operates both virtual and in-person Board and committee meetings. Whilst it no longer livestreams public Board meetings, recordings of meetings are made available on its website and YouTube channel as soon as possible following the end of the meeting. However, this practice has not been extended to committee meetings.
- 13 Public Board meetings are signposted effectively on the Health Board's website and social media platforms with clear guidance on how members of the public can request to attend in person if they wish to do so. It also endeavours to provide simultaneous Welsh translation and British Sign Language upon request. (See **Appendix 2 - 2023 Recommendation 1**).
- 14 The Health Board aims to publish the agenda and papers for Board and committee meetings on its website a week in advance of meetings. However, a Standing Order Breaches update to the Audit and Risk (A&R) Committee in August 2024 highlighted some instances where timescales were not met (see **Appendix 2 – 2022 Recommendation 1b**). The Health Board does not publish papers of private Board and Committee meetings, the Remuneration and Terms of Service



Committee or the Board Advisory Groups<sup>1</sup> on its website due to the sensitive nature of the information discussed.

- 15 The Health Board has included some videos of staff and patient stories presented during its Board and committee meetings on its website. However, this arrangement is not consistently applied. For example, videos of the patient story presented at the September 2024 Board and Quality and Safety (Q&S) Committee were not uploaded. However, the papers did include accompanying presentation slides for the item presented at Board. (See **Appendix 2 – 2023 Recommendation 2**)
- 16 The Board continues to make appropriate use of private sessions, ensuring that they meet requirements of the Freedom of Information Act and reserving them for confidential and sensitive matters only. Agendas for public Board and committee meetings include an item on matters to be discussed in private. (See **Appendix 2 – 2022 Recommendation 1a**)
- 17 Draft Board and committee meeting minutes continue to be produced quickly; however, they are not made publicly available until the papers of the subsequent meeting are published. As committee meetings are not livestreamed or recorded for public use, the Health Board still needs to put arrangements in place to ensure the public have timelier access to records of committee meetings (see **Appendix 2 – 2023 Recommendation 3**). The Health Board still needs to ensure timely upload of confirmed committee minutes to its website. (See **Appendix 2 – 2023 Recommendation 4**)
- 18 Our observations of Board and committee meetings found that they support good openness and transparency amongst participants, particularly in relation to the challenges facing the organisation.

## Arrangements to support the conduct of Board business

- 19 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.

<sup>1</sup> The Health Board's Board Advisory Groups are the Clinical Advisory Group (CAG), Local Partnership Forum (LPF), and Stakeholder Reference Group.

- 20 We found that **the Health Board has generally good arrangements to support the effective conduct of Board business, but as we identified last year, it still needs to strengthen its policy management arrangements.**
- 21 The Health Board's Standing Orders, Scheme of Reservation and Delegation of Powers, and Standing Finance Instructions (SFIs) are up to date and reviewed annually with amendments or updates routinely reported to both the A&R Committee and Board.
- 22 The A&R Committee maintains appropriate oversight of compliance with the Scheme of Reservation and Delegation in relation to procurement matters, declaration of interests, standing orders, and SFIs. Both the August and October 2024 Procurement and Scheme of Delegation updates to the committee highlight high numbers of invoices on hold (due to no purchase order) compared to the all-Wales Health Board average. This has prompted communication to Health Board staff and an update to the Purchase Order Policy.
- 23 Declarations of Interest are taken at the start of every Board and committee meeting. There are also appropriate arrangements for declaring, handling, and recording and reporting declarations of interest from Board members and staff in Band 8d posts and above.
- 24 The Health Board continues to include key policies and procedures on its website. However, the Incident Management Framework, Handling Concerns Policy, Raising Concerns Policy, and Environmental Policy remain out of date (see **Appendix 2 – 2023 Recommendation 5**).
- 25 Arrangements for monitoring, tracking, and reviewing wider Health Board policies still require strengthening. The Health Board is currently exploring how it can achieve this using the Audit Management and Tracking (AMaT)<sup>2</sup> or SharePoint systems. Subsequently there is limited assurance provided to the relevant Committee on policy management. **(Recommendation 1, 2024)**

## Effectiveness of Board and committee meetings

- 26 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;

<sup>2</sup> AMaT is an audit management and tracking tool, which utilises dashboards to give intelligence, and enables staff to update progress in real time reducing the burden on governance teams as it automates many of the processes, such as asking for progress updates.

- 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;
  - clear and timely Board and committee papers that contain the necessary/appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 27 We found that **the Board and its committees continue to operate generally effectively, with planned changes to the committee structure focussed on strengthening oversight of strategic matters and building on current good arrangements.**
- 28 The Board and its committee continue to operate generally effectively. We found:
- up-to-date terms of reference, annual cycles of business and forward work plans in place for the Board and committees that broadly cover the breadth of the Health Board's business;
  - that committee chairs are actively involved in meeting agenda setting, with evidence of the Board Assurance Framework (BAF) being used to shape Board and committee business (see **paragraph 49**);
  - appropriate use being made of the consent agenda for routine business;
  - well-chaired meetings enabling contributions from all members on key issues;
  - good meeting etiquette being observed, with appropriate scrutiny and challenge. However, there were a small number of instances where discussions appeared to stray slightly too much into operational detail;
  - a well-established and effective approach for referring matters between committees and challenging the robustness of assurances provided (see **Appendix 2 – 2022 Recommendations 10c**); and
  - an effective approach to escalating issues to the Board with an identification of actions in response to risks.
- 29 The Planning, Performance and Finance (PP&F) Committee became responsible for oversight of the Health Board's estate last year. Our work this year indicates that the committee received an update on Estates performance at its meeting in February 2024. However, the recent critical incident at the Princess of Wales Hospital<sup>3</sup>, while unforeseen, re-enforces the strategic importance of effective Board oversight of the Health Board's estate, as well as the importance of developing an

<sup>3</sup> During October 2024, the Health Board declared a critical incident at its Princess of Wales Hospital site revealing serious deterioration to the building's roof that will require a substantial programme of replacement.

Estates strategy to accompany the Acute Clinical Services Plan. (See **Appendix 2 – 2022 Recommendation 10a**)

- 30 In general, the quality of information presented to Board and committees is improving. The Corporate Governance Team quality assures all papers before publishing. The recently introduced report writing training should also further improve report consistency and quality. However, while papers are generally clear and well-written, occasionally they can be overly long and detailed. The new committee arrangements (see **paragraph 32**), which will have a greater focus on strategic matters, may also help report authors focus on key matters, reducing the overall volume of meeting papers.
- 31 Cover reports follow a standard format and impact assessments are routinely completed covering a wide range of criteria<sup>4</sup>. Cover reports for presentations continue to be in a different format and do not capture the key risks and issues associated with the presentations (see **Appendix 2 – 2022 Recommendation 1d**).
- 32 In September 2024, the Board approved the following changes to the Health Board's governance and management arrangements:
- the number of formal committees will be reduced from nine to seven<sup>5</sup>;
  - the frequency of the Audit, Risk and Assurance committee meeting will change from bi-monthly to quarterly;
  - the introduction of a new Strategic Development Committee to provide oversight of strategic planning and programme delivery;
  - the introduction of a new Operational Delivery Committee to provide oversight of operational planning, performance, finance, digital and information governance;
  - the introduction of a new Executive Management Board to oversee day to day operational and corporate Health Board functions and maintain focus and oversight of long-term strategy, plans and programmes.
- 33 The Health Board anticipates that the new arrangements will ensure more efficient and effective management of Board and committee business and provide greater strategic oversight of the organisation. Board members support the new arrangements, however, there are potential risks around committee workload and flows of assurance given the proposed frequency of some committee meetings. Therefore, agenda setting under the new arrangements will be critical to ensuring that Board and committees are strategically focussed and seek the correct level of assurance. The Health Board intends to formally review the new committee

<sup>4</sup> Impact Assessment criteria include Health Board strategic objectives, Well-being of Future Generations (Wales) Act 2015, domains and enablers of quality, environmental sustainability, equality and Welsh Language.

<sup>5</sup> The People and Culture (P&C), Planning, Performance and Finance (PP&F), Population Health and Partnerships (PH&P) and Digital and Data (D&D) Committees will be removed from the structure with their responsibilities transferred to other committees.

structure once the arrangements embed. However, to support continuous improvement, Board and committee members should regularly reflect on the effectiveness of the new arrangements.

## Board commitment to hearing from patients/service users and staff

- 34 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.
- 35 We found that **the Health Board remains committed to hearing from patients, service users and staff, but opportunities exist to better identify and monitor the actions arising from listening and learning stories.**
- 36 The Health Board continues to engage effectively with staff and patients. The Board, Q&S, and P&C Committees receive a shared listening and learning story<sup>6</sup> and spotlight presentation<sup>7</sup>. Our observations found a balance of both positive and negative stories. The Board also uses stories to follow-up on investment decisions. For example, in June 2023, the Board approved a business case to implement robotic assisted surgery. At its meeting in September 2024, the listening and learning item subsequently focussed on the positive outcomes of this decision, including both staff and patient perspectives. However, there is scope to introduce more systematic arrangements for identifying and monitoring actions arising from listening and learning stories (**Recommendation 2, 2024**). Following the committee re-structure (see **paragraph 32**), the Health Board will need to ensure that staff stories continue to inform Board members on staff experience.
- 37 The Health Board continues to have good arrangements to support Board walkarounds, allowing both Executive Directors and Independent Members to engage directly with patients and staff and triangulate performance information and assurances from management. Routine Q&S Committee updates provide an overview of good practice, areas of concern and issues and actions agreed for all the visits completed. Progress on these actions is monitored by Care Group Quality, Safety, and Patient Experience Groups. The Board Development Session scheduled for December 2024 is due to consider a review on the effectiveness and impact of the IM Walk-arounds.

<sup>6</sup> Patient and staff stories describing their experiences.

<sup>7</sup> Deep dive presentation on a specific service.

## Board cohesiveness and commitment to continuous improvement

- 38 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.
- 39 We found that **the Board continues to be cohesive and committed to continuous improvement.**
- 40 The Health Board has a cohesive and stable Board. All members of the Executive Team are in permanent positions and the Health Board has managed changes amongst its Independent Member cadre well. During the year, it successfully filled four vacant Independent Member positions<sup>8</sup> with one vacancy remaining (Corporate Business). There will be a further change in 2025 when the Independent Member (Digital) reaches the end of his final term.
- 41 Board members have a broad mix of knowledge and experience. However, a recent skills review identified gaps around commercial contracting, procurement, estates, and property. Furthermore, the Board has lost one Welsh speaking Independent Member. The Board is using this information alongside its diversity profile<sup>9</sup> to shape the role and inform recruitment for the Independent Member vacancy mentioned above.
- 42 The Board and its committees continue to review their effectiveness annually. During the year, the Health Board also completed a broader review of Board business and structures (see **paragraph 32**), the use of Board development and briefing sessions (see **paragraph 43**), and the approach to agenda planning sessions. A Board development session held in September 2024 reflected on the learning from this work and identification of areas of focus. The Corporate Governance Team is progressing actions as part of its work plan.
- 43 The Board development and briefing programme covers a variety of topic areas, such as future models of primary care, community engagement, research and development, and digital transformation. In addition, they are used to consider and inform the development of corporate strategies and plans. The Board and

<sup>8</sup> The Health Board appointed a Vice Chair, and Independent Members for Community, Trade Union, and Legal.

<sup>9</sup> A Board diversity profile is a collection of goals and actions to ensure the Board is made up of a diverse group of people.

Corporate Governance Team are reviewing the programme for 2025 to ensure it provides a clearer focus on key strategic items.

## Corporate systems of assurance

- 44 We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 45 We found that **the Health Board's systems of assurance are operating generally effectively, but opportunities remain to strengthen arrangements further and to take urgent action to address overdue recommendations and improvement actions.**

## Corporate approach to overseeing strategic and corporate risks

- 46 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising strategic and corporate risks and 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.
- 47 We found that **whilst the Health Board has generally effective corporate arrangements for managing risks, there is scope to strengthen reporting on the impact of actions taken to mitigate strategic risks.**
- 48 The Health Board maintains a detailed and comprehensive BAF, which the Board reviews at each meeting. The BAF is owned by the Board, who use it to oversee, scrutinise and manage strategic risks. The BAF reflects the Health Board's long-term strategic goals and captures the strategic risks it is currently facing and the associated impact on the organisation. It also provides appropriate information on risk scores, key controls, assurances, gaps in controls and assurance, and mitigating actions. However, the Health Board could strengthen its approach by clearly reporting the impact of actions that it is taking to mitigate its strategic risks. **(Recommendation 3, 2024)**
- 49 The Health Board continues to use the BAF to shape and inform its committee business. BAF and committee assigned risks are discussed at all agenda planning



meetings and considered when shaping committee cycles of business.

Organisational risk register reports to committee identify both the strategic and organisational risks assigned to committees. The Board reviews its risk appetite position annually and has adopted either a cautious, open, or averse risk tolerance<sup>10</sup> across its risk domains.

50 The Health Board continues to have effective risk management arrangements. We found evidence of:

- clear policies, procedures, and training;
- clear articulation of the organisation's highest scoring operational risks, existing controls, and actions to mitigate them within the organisational risk register;
- effective committee oversight of organisational risks during public and private meetings, with good scrutiny, questioning and discussion; and
- clear organisational risk register reports to committees.

51 While the Internal Audit Service's review of risk management arrangements provided reasonable assurance, it also identified weaknesses around Datix<sup>11</sup> record keeping, risk escalation, risk management training uptake and risk monitoring arrangements. The Health Board reports that it has addressed all but one of the recommendations to date.

## Corporate approach to overseeing organisational performance

52 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.

53 We found that **whilst the Health Board's performance management arrangements are generally effective, it needs to fully update its performance framework, ensure sufficient focus on impact of improvement actions, and ensure that the consequences of the critical incident at the Princess of Wales Hospital are effectively managed.**

54 Last year, we reported that the Health Board needed to update its draft performance management framework. This work is still underway and will need to

<sup>10</sup> The Health Board's risk appetite matrix identifies several approaches to risk tolerance, ie averse, minimalist, cautious, open and eager.

<sup>11</sup> Datix is a web-based system used by NHS healthcare providers to report incidents and manage risk.



be completed to ensure that roles, responsibilities, and performance review and reporting arrangements are clearly understood at both service and management levels (see **Appendix 2 – 2023 Recommendation 6**).

- 55 Despite this, the Health Board continues to have appropriate Board-level arrangements to oversee and scrutinise organisational performance. Performance is reported to the Board, and PP&F Committee via the Integrated Performance Dashboard, which provides a detailed overview of the Health Board's performance against national delivery measures, and a small number of local measures. The report also includes a useful 'one-page' summary of the Health Board's highest profile national measures and 'direction of travel'. Detailed performance is presented within the report by Care Group (including priority areas such as Unscheduled Care and Planned Care), Corporate Directorate, or specific areas of focus and is supported by data, narrative explanation, and use of benchmarking performance data where appropriate (see **Appendix 2 – 2022 Recommendation 3**). However, while it identifies actions to improve underperformance, it does not clearly articulate whether those actions are achieving the intended impact (**Recommendation 4, 2024**).
- 56 Executive Directors share collective ownership for organisational performance. There is a collaborative approach at Board meetings, with each Executive Director presenting performance for their areas of responsibility. This includes good explanations of underperformance and actions taken to resolve issues. Scrutiny of the information is generally effective with Independent Members pursuing knowledgeable and insightful lines of questioning. Despite these arrangements, the recent unforeseen critical incident at the Princess of Wales Hospital is likely to have a notable and ongoing effect on operational performance. While the incident was beyond the Health Board's control, it has responded with a range of actions to mitigate its impact. It is crucial that the Health Board continues to ensure that these mitigating actions achieve their intended impact to secure recovery in this area.

## Corporate approach to overseeing the quality and safety of services

- 57 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.
- 58 We found that **the Health Board has generally effective arrangements for overseeing the quality and safety of services. However, it needs to fully**

**embed its quality governance arrangements across the organisation and strengthen reporting on the Duty of Quality and Candour.**

- 59 The Health Board continues to make good progress in addressing the outstanding areas highlighted in our 2023 Joint Review Follow-up of Quality Governance Arrangements. In August 2024, we followed up this work and found that the Health Board has addressed our original areas of concern. However, it needs to ensure continued improvement in relation to the Annual Quality Work Plan, Clinical Audit, and organisational culture and behaviours.
- 60 The Health Board's 2022-25 Quality Strategy and Quality and Patient Safety Framework, which the Board approved in early 2023, sets out its vision and strategic approach to quality and the underpinning quality assurance and management systems. The Health Board intends to update the framework by early 2025.
- 61 The Q&S Committee maintains good oversight of quality and safety and routinely considers Care Group's updates, the Patient Safety and Quality Dashboard, and People Experience Team update reports. The Board's Integrated Performance Dashboard also provides an overview of quality measures. These include metrics on healthcare acquired infections, never-events, nationally reportable incidents, Putting Things Right, and mortality rates. The Board also receives annual reports on Putting Things Right and the Duty of Quality during the year.
- 62 In September 2024, Internal Audit's review on the Health Board's Quality and Patient Safety Framework gave a reasonable assurance rating but also identified several areas where further improvements are required to strengthen 'floor to board' quality and safety assurance. These areas include Quality, Patient Safety and Experience meeting arrangements, Care Group assurance framework structures, and Care Groups' and Clinical Service Groups' annual quality work plans.
- 63 The Health Board continues to embed the Health and Social Care (Quality and Engagement) Act 2020. The Board considered the first Duty of Quality Report at its meeting in July 2024. This set out progress and plans for implementing and embedding the duty. The report highlights positive achievements, however, the Health Board needs to be clearer around the challenges it faces when introducing the required changes. Furthermore, while the report highlights several priorities for the coming year, it does not include milestones or targets to help the reader understand when it aims to achieve them. **(Recommendation 5, 2024)**

## **Corporate approach to tracking recommendations**

- 64 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.

- 65 We found that **the Health Board's progress in strengthening its recommendation tracking systems remains slow and urgent action is required to address overdue recommendations.**
- 66 The Health Board continues to develop its arrangements for tracking Internal and External Audit recommendations and Health Inspectorate Wales improvement actions, (see **Appendix 2 – 2018 Recommendation 6**). It is currently transitioning to the 'AMaT' system although this is taking longer than anticipated. This system will allow the Health Board to improve its approach for analysing progress by providing a dashboard to inform recommendation monitoring reports to the A&R and Q&S Committees. Whilst the quality of committee recommendation/action monitoring reports is improving, there currently is a considerable amount of manual intervention required to produce the reports.
- 67 More work is required to address overdue recommendations. The October 2024 update to the A&R Committee noted that a total of 111 Internal Audit, 21 Audit Wales and 71 HIW recommendations/improvement actions were overdue. The Corporate Governance Team and Executive Team are commencing a focussed programme of work to address this and will report progress to future A&R Committee meetings. Nevertheless, the Health Board should strengthen ownership and accountability amongst Executive Directors to secure sustained improvements in this area. **(Recommendation 6, 2024)**

## Corporate approach to planning

- 68 We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 69 We found that **while the Health Board has an effective approach to developing corporate strategies and plans, it is experiencing challenges in progressing key elements of its long-term strategy. It also needs to strengthen its approach to monitoring and reporting strategy delivery and impact.**

## Corporate approach to producing strategies and plans

- 70 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.

- 71 We found that **the Health Board has a generally effective corporate approach to producing strategies and plans and has produced a Welsh Government approved IMTP. However, its focus on addressing ongoing financial challenges in the short term is impacting its ability to progress some strategic objectives.**
- 72 The Health Board continues to work towards delivering its long-term strategy – CTM 2030. During 2023-24, the Health Board progressed work on many key areas of the strategy including the development of the Llantrisant Health Park<sup>12</sup> and Maesteg Community Hospital<sup>13</sup>. However, the Board's steer and focus on achieving its target control total for 2023-24 (see **paragraph 90**), and addressing ongoing financial challenges during 2024-25 appear to be having some impact on the pace of delivering other key strategic objectives, such as providing the resources required to develop the Acute Clinical Services Plan. The new Strategy Development Committee will be critical in providing robust scrutiny and oversight of the Health Board's progress in developing and delivering its strategic plans.
- 73 The Health Board continues to have effective arrangements for preparing its 2024-27 Integrated Medium Term Plan (IMTP). It uses a combined top-down and bottom-up approach where Care Groups and Corporate Directorates develop individual service plans aligned to the organisation's strategic objectives and policy /legislative requirements. The Health Board set up an Executive Steering Group to provide support and challenge to each Care Group during the development of their respective plans as part of preparation of its IMTP. The PP&F Committee and Board were fully involved in plan development, culminating in the Health Board producing a Welsh Government approved IMTP.
- 74 The process for developing wider corporate strategies and plans, such as the Strategic Equality Plan and Infection Prevention and Control Strategy 2024-27, is effective. Corporate strategies and plans are shared with Independent Members to provide feedback or are collectively discussed as part of Board Development sessions, or at various committees prior to receiving formal approval at public Board meetings. They are also discussed and shared with internal and external stakeholders to maximise input.

<sup>12</sup> The Llantrisant Health Park Programme aims to deliver a cutting-edge diagnostics and treatment centre.

<sup>13</sup> Maesteg Community Hospital is being re-developed into a health, care and wellbeing hub.

## Corporate approach to setting well-being objectives

- 75 We considered whether the Health Board has a sound corporate approach to setting its well-being objectives in accordance with the sustainable development principle<sup>14</sup>. We were specifically looking for evidence of:
- appropriate arrangements in place for setting well-being objectives which are underpinned by the sustainable development principle;
  - appropriate consideration given to how the organisation will ensure delivery of its well-being objectives; and
  - appropriate arrangements in place to monitor progress and improve how the organisation applies the sustainable development principle.
- 76 We found that **the Health Board has an appropriate corporate approach to setting well-being objectives. However, they need to be better aligned to national well-being goals and the well-being objectives of partners.**
- 77 CTM 2030 sets out the Health Board's long-term strategic objectives which are also its well-being objectives under the Well-being of Future Generations (Wales) Act 2015. The strategic/well-being objectives were shaped in line with the sustainable development principle and clearly articulate the Health Board's vision to become a population health organisation and 'anchor institution'<sup>15</sup>. They were developed and agreed by the Board following detailed research into population health and inequality and informed by extensive clinical and community exercises. Due consideration was also given to wider national policy such as 'a Healthier Wales', Values-Based Healthcare, and carbon net zero reduction.
- 78 The strategic/well-being objectives are cross cutting, future focussed and underpinned by the five ways of working. For example, the strategic/well-being objectives focussing on 'sustaining our future' and 'creating health', are underpinned by clear priorities for the Health Board. However, while CTM 2030 demonstrates alignment to the 'five ways of working', the Health Board's strategic/well-being goals have not been aligned to the seven national well-being goals or the well-being objectives of its partners. **(Recommendation 7, 2024)**
- 79 In paragraphs **72 and 82**, we comment on the Health Board's progress and arrangements for monitoring and overseeing delivery of CTM 2030 in the context of its more immediate challenges and priorities.

<sup>14</sup> Under [The Well-being of Future Generations \(Wales\) Act 2015](#), the Health Board is required to set and publish well-being objectives that are designed to maximise its contribution to achieving each of the well-being goals.

<sup>15</sup> Anchor institutions are large organisations that are connected to their local communities and have a significant impact on their health and well-being. They are typically non-profit, public-sector organisations that are unlikely to relocate.

## Corporate approach to overseeing the delivery of strategies and plans

- 80 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 SMART<sup>16</sup> milestones, targets, and outcomes that aid monitoring and reporting; and
  - the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.
- 81 We found that **whilst there are arrangements in place to enable the Board to oversee implementation and delivery of corporate plans, these could be strengthened further by developing clear outcomes measures for its key strategies and improving reporting on impact.**
- 82 While the Board receives routine updates on aspects of strategy delivery, the development of clear actions and outcomes measures for its high-level strategic objectives remains in progress. This work needs to be completed urgently to enable the Board to understand progress and clearly demonstrate delivery of CTM 2030 (see **Appendix 2 – 2022 Recommendation 4**).
- 83 The 2024-27 IMTP is appropriately aligned to CTM 2030 and sets out how the Health Board's strategy groups are used to deliver the key priority areas. While the 2024-27 IMTP delivery requirements are generally clear for year 1, milestones and targets for years 2 and 3 are less clear. The Health Board has also not formally set out Executive Director lead responsibilities for deliverables, which may limit appropriate accountability (see **Appendix 2 – 2022 Recommendations 5a and 5b**).
- 84 Quarterly IMTP progress reports are presented to the Board and PP&F Committee. The updates focus on the delivery of Care Group 'plans on a page' and the five Welsh Government ministerial priorities. Cover reports are narrative in nature and highlight progress and challenges, but are supported by detailed appendices setting out actions, and milestones for delivery. While there is reference to the Integrated Performance Dashboard in the report, there continues to be an opportunity to clearly link progress in delivering priorities to the Health Board's performance (see **Appendix 2 – 2022 Recommendation 5c**). The Health Board also needs to develop an appropriate suite of population outcome measures to demonstrate the impact of its strategy delivery. (**Recommendation 8, 2024**)
- 85 During the year, the Board and committees received routine updates on wider corporate strategy and plan delivery such as the Strategic Workforce Planning and Mental Health and Learning Disabilities Strategic Work Programme. While these

<sup>16</sup> Specific, measurable, achievable, relevant, and time-bound.

provide sufficient information to demonstrate progress, they do not clearly articulate where delivery is off-track, mitigating actions, and revised delivery timescales. **(Recommendation 9, 2024)**

## Corporate approach to managing financial resources

- 86 We considered whether the Health Board has a sound corporate approach to managing its financial resources.
- 87 We found that **financial planning, management, monitoring, and reporting arrangements are generally effective, but the organisation's focus on addressing its immediate financial challenges is presenting risks to the delivery of longer-term solutions to achieving financial sustainability.**

## Financial objectives

- 88 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.
- 89 We found that **while the Health Board achieved its target control total in 2023-24 financial objectives, it faces risks to achieving its forecast breakeven position for 2024-25.**
- 90 The Health Board met its financial objectives for both revenue and capital expenditure in 2023-24, with additional in-year financial support from the Welsh Government (some of which was conditionally recurrent and some of which was non-recurrent), which was provided to all health boards in Wales. However, because of a £24.5 million deficit in 2022-23, it did not meet its statutory financial duty to break even against its revenue resource limit over a three-year rolling period. Nevertheless, the Health Board's 2023-24 financial position represents a significant achievement and provides increasing confidence in its strategic financial management. This is likely to be a key factor that informed the Welsh Government approval of the Health Board's 2024-27 IMTP. We note that the Health Board was the only health board in Wales to submit a balanced IMTP for 2024-27 that was subsequently approved by the Welsh Government.
- 91 The Health Board forecasts a breakeven year-end position for 2024-25. However, the Month 6 2024-25 Finance update to the PP&F Committee in November 2024 highlighted a £3.3 million year-to-date deficit and significant risk that the forecast could deteriorate in the forthcoming months.



## Corporate approach to financial planning

- 92 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
  - the Board appropriately scrutinising savings and cost improvement plans prior to their approval.
- 93 We found that **the Health Board has a generally effective approach to financial planning in the short to medium term. However, the focus on achieving its financial objectives in the short term poses risks to longer-term investment in sustainable services and models of care.**
- 94 The Health Board has a clear framework for developing its Financial Plan for 2024-27. Care Groups and Corporate Directorates, with the support of Finance Business Partners, submitted assessments of their underlying financial position and key investments, cost pressures, and savings opportunities. Initial submissions were scrutinised by Executive Directors, with further review undertaken by the Finance Team and Chief Operating Officer's Team. The Board approved the Financial Plan in March 2024 as part of the 2024-27 IMTP approval process.
- 95 The Health Board's ambition to continue to deliver a balanced financial position has led the Board to make difficult investment decisions. For example, it has been unable to invest in Stroke Services, which are encountering significant performance challenges. As mentioned in **paragraph 72**, addressing the financial position is also causing delays with the development of the Acute Clinical Services Plan, which is key to creating more sustainable models of care. While the Health Board has signalled potential opportunities for lower savings targets and higher levels of discretionary investment in years 2 and 3 of its 2024-27 IMTP, it will need to closely monitor and manage any immediate quality, performance, and longer-term financial sustainability risks that may arise. **(Recommendation 10, 2024)**
- 96 In 2023-24, the Health Board achieved its £27.4 million savings target. Despite this, our 2024 Review of Cost Savings Arrangements found that the Health Board now needs to initiate a more future orientated approach by focussing on service transformation to maintain its long-term financial sustainability. As at Month 6 2024-25, the Health Board reported achievement of £5.1 million savings which is £8.3 million below the year-to-date target of £13.2 million. Performance against savings targets continues to be scrutinised at the PP&F Committee and Board.



## Corporate approach to financial management

- 97 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.
- 98 We found that **the Health Board continues to have generally effective arrangements for overseeing and scrutinising financial management.**
- 99 The Health Board has a generally effective approach to overseeing and scrutinising financial management. The A&R Committee continues to receive good quality procurement and scheme of delegation reports which provide an overview of procurement matters (see **paragraph 22**). The reports also provide an update on changes to the Scheme of Delegation and Financial Control Procedures. The latest update to the A&R Committee in October 2024 indicated that there were still several Financial Control Procedures that are over their review date, and will be updated by the end of December 2024 (see **Appendix 2 – 2022 Recommendation 7c**). An Internal Audit review on Medical Variable Pay Agency Costs reported in September 2024 gave a reasonable assurance rating.
- 100 The Health Board continues to have good counter fraud arrangements. There is an agreed annual workplan and routine reports to the A&R Committee showing delivery against the plan.
- 101 The Health Board continues to have a good understanding of its cost drivers. The Financial Plan highlights risks including service and demand pressures, pharmacy costs, increasing commissioned activity, local investments, continuing healthcare, growth in staffing costs, and the Welsh Risk Pool. In addition, it acknowledges the wider contextual challenges facing the organisation including supply chain delays, and inflationary pressures. The Health Board continues to issue accountability letters to Executive Directors which set out requirements to manage the Health Board's financial position.
- 102 The Health Board submitted its draft 2023-24 Annual Report and Accounts within the required timescales. We issued an unqualified true and fair audit opinion, and a qualified regulatory opinion because the Health Board did not meet its revenue resource allocation over the three-year period.

## Board oversight of financial performance

- 103 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.
- 104 We found that **financial reports provide sufficient information to enable effective scrutiny and challenge and are clear on the impact of action taken to improve the financial position.**
- 105 The Health Board continues to have effective arrangements for reporting financial performance to the Board and PP&F Committee. Finance reports are tailored for both and provide sufficient information to enable scrutiny and challenge. Reports continue to highlight key financial risks and potential opportunities that may impact on the financial position and the impact of mitigating actions is reflected in the forecast position. (See **Appendix 2 – 2022 Recommendation 8a**).
- 106 Our observations found effective scrutiny and challenge from Independent Members on the Health Board's financial performance. We also note scrutiny and challenge on financial matters as part of wider Health Board business. For example, the spotlight presentation at the Q&S Committee meeting in September 2024 included questions around funding of the Rapid Assessment and Prevention Occupational Therapy service<sup>17</sup>.

<sup>17</sup> The Rapid Assessment and Prevention Occupational Therapy Service is provided by a team that includes occupational therapists and other professional to assess and treat patients in the community, rather than in a hospital.

# 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	<p>We observed Board meetings as well as meetings of the following committees:</p> <ul style="list-style-type: none"><li>• Public Board</li><li>• Audit and Risk Committee; and</li><li>• Quality and Safety Committee.</li></ul>

Element of audit approach	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"> <li>• Board and Committee Terms of Reference, work programmes, agendas, papers, and minutes;</li> <li>• key governance documents, including Schemes of Delegation, Standing Orders, Standing Financial Instructions, Registers of Interest, and Registers of Gifts and Hospitality;</li> <li>• key organisational strategies and plans, including the IMTP;</li> <li>• key risk management documents, including the Board Assurance Framework and Corporate Risk Register;</li> <li>• key reports relating to organisational performance and finances;</li> <li>• Annual Report, including the Annual Governance Statement;</li> <li>• relevant policies and procedures; and</li> <li>• reports prepared by the Internal Audit Service, Health Inspectorate Wales, Local Counter Fraud Service, and other relevant external bodies.</li> </ul>

Element of audit approach	Description
Interviews	<p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"> <li>• Chief Executive Officer;</li> <li>• Chair of the Health Board;</li> <li>• Vice Chair of the Board;</li> <li>• Chair of the Audit and Risk and Planning, Performance and Finance Committees;</li> <li>• Chair of the Quality and Safety Committee</li> <li>• Director of Corporate Governance (Board Secretary)</li> <li>• Assistant Director of Governance and Risk</li> <li>• Executive Director of Finance</li> <li>• Executive Director of Nursing, Midwifery and Patient Care</li> <li>• Executive Director of Strategy and Transformation</li> <li>• Executive Director of Public Health</li> </ul>

# 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
<b>2018 Recommendation 6</b> The audit recommendation tracker should be expanded to include the recommendations of other external agencies eg Healthcare Inspectorate Wales and the Delivery Unit.	<b>Complete</b> – see paragraph 66
<b>2022 Recommendation 1</b> We found opportunities for the Health Board to improve its administrative governance arrangements to enhance public transparency and support Board and committee effectiveness. The Health Board, therefore, should:	

Recommendation	Description of progress
<ul style="list-style-type: none"> <li>a) publish the agendas of private Board and committee meetings;</li> <li>b) publish the papers for all public Board, committee, and advisory meetings on its website in a timely manner;</li> <li>c) update presentation cover sheets to enable authors to summarise the information sufficiently and capture the relevant risks and issues.</li> </ul>	<p><b>Complete</b> – see paragraph 9</p> <p><b>In progress</b> – see paragraph 8</p> <p><b>No progress</b> – see paragraph 12</p>
<p><b>2022 Recommendation 3</b></p> <p>The Health Board has a number of longstanding performance challenges across many areas in both planned care and urgent and emergency care, resulting in it being escalated to enhanced monitoring from routine arrangements under the Welsh Government's Escalation and Intervention Arrangements. The Health Board, therefore, should ensure its performance management and reporting arrangements are appropriately focused on the key challenges it faces in both planned care and urgent and emergency care, especially where performance in those areas is comparatively worse than other Health Boards in Wales.</p>	<p><b>Complete</b> – see paragraph 55</p>
<p><b>2022 Recommendation 4</b></p> <p>Whilst the Health Board has made positive progress in developing a long-term vision, strategic goals, and strategic priorities for the organisation, the new strategy (CTM 2030) lacks clear and measurable outcomes. The Health Board, therefore, should seek to articulate outcomes for each strategic priority, what success would look like, and</p>	<p><b>In progress</b> – see paragraph 82</p>

Recommendation	Description of progress
<p>how it will measure and report progress. In doing so, it should consider the relationship between the goals of the Population Health Strategy and the wider strategic goals and public health 'life course' approach set out in CTM 2030.</p>	
<p><b>2022 Recommendation 5</b></p> <p>We found opportunities for the Health Board to enhance its arrangements for monitoring the delivery of corporate plans and strategies, and reporting progress to the Board. The Health Board, therefore, should enhance its arrangements by ensuring:</p> <ul style="list-style-type: none"> <li>a) plans and strategies contain clear summaries of key actions / deliverables, timescales, and measures to support effective monitoring and reporting;</li> <li>b) plans and strategies provide greater detail on which Executive Directors are responsible for the delivery of key actions / deliverables to enable appropriate accountability; and</li> <li>c) reports are aligned to performance reports to enable the Board to assess the extent to which the implementation of key actions / deliverables is having a positive impact on Health Board performance.</li> </ul>	<p><b>No progress – see paragraph 83</b></p> <p><b>No progress – see paragraph 83</b></p> <p><b>In progress – see paragraph 84</b></p>
<p><b>2022 Recommendation 7</b></p>	



Recommendation	Description of progress
<p>Whilst the Health Board's financial control procedures are generally effective, we identified opportunities to strengthen some controls and update the information available on the Health Board's website. The Health Board should:</p> <ul style="list-style-type: none"> <li>a) ensure out-of-date financial control procedures are removed from its website and replaced with the current versions.</li> </ul>	<p><b>In progress</b> – see paragraph 99</p>
<p><b>2022 Recommendation 8</b></p> <p>Whilst the Health Board has effective arrangements for reporting financial performance to the Board, we identified opportunities to enhance these reports further. The Health Board should:</p> <ul style="list-style-type: none"> <li>a) provide greater assurances that mitigating actions are in place to address key financial risks highlighted in the reports.</li> </ul>	<p><b>Complete</b> – see paragraph 105</p>
<p><b>2022 Recommendation 9</b></p> <p>There is limited capacity within the Health Board to fully deliver its digital transformation agenda. The Health Board, therefore, should seek to set out in its refreshed Digital Strategy how it intends to overcome staffing and funding challenges to fully exploit the benefits offered by digital technologies and solutions.</p>	<p>We will undertake an assessment of the Health Board progress against this recommendation as part of our digital deep dive in 2025.</p>

Recommendation	Description of progress
<p><b>2022 Recommendation 10</b></p> <p>There is currently insufficient Board-level oversight of the condition of the estate and other significant related risks. The Health Board, therefore, should:</p> <ul style="list-style-type: none"> <li>a) ensure there is regular reporting on estates-related performance indicators and risks to the Planning, Performance, and Finance Committee; and</li> <li>b) establish a clear process for ensuring appropriate cross-referral of estate issues which may have a significant health and safety impact with the Quality and Safety Committee.</li> </ul>	<p><b>Complete</b> – see paragraph 29</p> <p><b>Complete</b> – see paragraph 28</p>
<p><b>2023 Recommendation 1</b></p> <p>Whilst the Health Board meets in public, it is not clear how members of the public can request to attend these meetings in person. The Health Board, therefore, should provide clear guidance on how members of the public can request to observe public Board meetings in person.</p>	<p><b>Complete</b> – see paragraph 13</p>
<p><b>2023 Recommendation 2</b></p> <p>The Health Board makes good use of videos in committee meetings to present patient and staff stories. However, they are not subsequently made available on the Health Board’s website. The Health Board, therefore, should ensure that any videos shown during committee</p>	<p><b>In progress</b> – see paragraph 15</p>

Recommendation	Description of progress
meetings are made available on its website for completeness with agreement of the contributors.	
<p><b>2023 Recommendation 3</b></p> <p>Draft committee meeting minutes are produced quickly and reviewed by the relevant chair; however, they are not made publicly available until the papers of the subsequent meeting are published. Furthermore, committee meetings are not livestreamed or recorded for public use. The Health Board, therefore, should consider putting appropriate arrangements in place to ensure the public have timelier access to records of committee meetings as part of its wider efforts to enhance transparency of Board business.</p>	<p><b>No progress – see paragraph 17</b></p>
<p><b>2023 Recommendation 4</b></p> <p>Whilst the Board and committees review and confirm the minutes of previous meetings, they are not always uploaded to the Health Board's website in a timely manner. The Health Board, therefore, should ensure that all confirmed minutes are uploaded to the relevant section of its website in a timely manner to ensure the public have full access to the approved records of meetings.</p>	<p><b>In progress – see paragraph 17</b></p>

Recommendation	Description of progress
<p><b>2023 Recommendation 5</b></p> <p>Whilst the Health Board has a dedicated area on its website for policies and procedures, some of them are out of date. The Health Board, therefore, should ensure that all policies and procedures on its website are up-to-date and, if not, put a clear plan in place to revise and approve them.</p>	<p><b>No progress – see paragraph 24</b></p>
<p><b>2023 Recommendation 6</b></p> <p>The Health Board has appropriate arrangements in place to manage operational performance; however, it lacks a documented performance management framework. In order to enhance its arrangements further, the Health Board should prepare a written framework that clearly sets out roles, responsibilities, and frequency for reviewing performance at service, management, committee, and Board levels.</p>	<p><b>No progress – see paragraph 54</b></p>

# Appendix 3

## Management response to audit recommendations

Exhibit 4: Cwm Taf Morgannwg 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	The Health Board should strengthen arrangements for monitoring, reviewing and updating Health Board policies and routinely report progress to the relevant Committee of the Board.	<p>A detailed Project Initiation Document for a review of Non-Clinical Policy Management process has been developed.</p> <p>The project objectives are:</p> <ol style="list-style-type: none"><li>1. To establish a baseline compliance position for Non-</li></ol>	<p>31 December 2025</p> <p>It is anticipated that this programme of work will commence in January 2025 and conclude at the end of the calendar year.</p>	Director of Corporate Governance / Board Secretary.

Ref	Recommendation	<b>Management response</b> <b>Please set out here relevant commentary on the planned actions in response to the recommendations</b>	<b>Completion date</b> <b>Please set out by when the planned actions will be complete</b>	<b>Responsible officer (title)</b>
		<p>Clinical Written Control Documents</p> <ol style="list-style-type: none"> <li>2. To ensure that Non-Clinical Written Control Documents are appropriately defined i.e. policy, procedure, guideline etc.</li> <li>3. To explore an automated approach for the management of Written Control Documents to support monitoring, review prompts, version control and document storage.</li> <li>4. To review the policy pages on the internal and external websites to ensure ease of access for users when searching for documents.</li> <li>5. To review the 'Policy on Policies' and develop a simplified document supported with clear process maps.</li> </ol>		

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)
		Progress on the Project will be monitored via the Executive Leadership Group. Once completed this will generate improved monitoring through the appropriate Board Committees.		
R2	The Health Board should introduce arrangements for identifying and monitoring actions arising from its listening and learning stories.	Any actions from Listening & Learning stories shared at Board & Committee meetings should be identified, monitored and completed prior to the Listening & Learning story being shared presented, however, monitoring of any actions following the presentation of Listening & Learning stories at Board & Committee will be presented through the Care Groups QSRE groups and/or the Patient Experience forum. The governance process for any actions arising from the presentation of these stories is	31 March 2025	Executive Director of Nursing, Midwifery & Patient Care/Deputy CEO

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)
		<p>currently being worked through. As this will be a new revised arrangement, with this work being in its infancy, a full review of the required governance arrangements will be undertaken for assurance.</p> <p>The Health Board will ensure that staff stories to inform Board members on Staff Experiences are included within the library of Listening &amp; Learning stories being built up for wider sharing, this work will be monitored through the Patient experience Forum.</p>		
R3	The Health Board should strengthen the Board Assurance Framework (BAF) by clearly reporting the impact of actions that the Health Board is taking to mitigate its strategic risks.	In order to clearly articulate the impact of actions an additional section will be added to the mitigating action of the Board Assurance Framework to clearly capture the impact.	<p>31 March 2025.</p> <p>As the January iteration is already in the process of being updated this will take effect for the March iteration.</p>	Director of Corporate Governance / Board Secretary.



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)
R4	The Health Board should strengthen its Integrated Performance Dashboard by clearly articulating whether actions to improve underperformance are achieving their intended impact.	The performance report narrative will be stripped back to focus on remedial action and their impact, then updates on impact.	31 March 2025	Executive Director of Strategy and Transformation
R5	<p>The Health Board should strengthen its reporting on the Duty of Quality and Candour by:</p> <p>R5.1 ensuring that future annual reports are clearer around the challenges it is experiencing in embedding the requirements; and</p> <p>R5.2 including appropriate milestones and targets to help the reader understand when it is aiming to achieve priorities.</p>	<p>5.1 Future Annual Reports will include details in respect of the health board reporting mechanisms and in particular include clear narrative around the challenges experienced in embedding the requirements.</p> <p>5.2 Appropriate milestones will be included following the clarification of the required targets to help the reader understand the aim of the priorities.</p>	31 May 2025 (to align with the required publication of the Quality & Safety Annual Report)	Executive Director of Nursing, Midwifery & Patient Care/Deputy CEO

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)
R6	<p>The Health Board should:</p> <p>R6.1 ensure that it rapidly completes its work to strengthen the audit recommendations tracker; and</p> <p>R6.2 strengthen ownership and accountability for delivery of audit recommendations.</p>	<p>R6.1 The process for updating audit recommendations will fully transition to the automated system, AMaT, by the end of March 2025.</p> <p>There remain system enhancements and automated report improvements that the Quality Assurance &amp; Compliance Team are linked in with the software provider on to take forward, however it is anticipated this activity may not be completed until the end of July 2025.</p> <p>Audit Handbook also being developed to support colleagues with their understanding of the audit process and various stages that require compliance.</p>	<p>31 March 2025</p> <p>Circa 31 July 2025, this date has interdependencies with the software provider so is subject to change.</p> <p>28 February 2025</p>	Director of Corporate Governance / Board Secretary.

Ref	Recommendation	<b>Management response</b> <b>Please set out here relevant commentary on the planned actions in response to the recommendations</b>	<b>Completion date</b> <b>Please set out by when the planned actions will be complete</b>	<b>Responsible officer (title)</b>
		<p>R6.2 The following processes have been implemented to strengthen ownership and accountability of audit recommendations to support the proactive management and closure of actions:</p> <ul style="list-style-type: none"> <li>• Regular meetings established with Business Managers to discuss progress against recommendation actions.</li> <li>• Performance is reported to the Executive Leadership Group in terms of compliance with timescales for returning management responses and action completion dates.</li> <li>• Director of Corporate Governance / Board Secretary is reviewing the audit tracker and meeting with Executive Leads to ensure all actions remain current and accurate and will liaise with audit</li> </ul>	<p>Complete.</p> <p>This is now implemented as business-as-usual activity so it is suggested that this recommendation is complete as it will be ongoing action. Improvement will be monitored via the Audit, Risk &amp; Assurance Committee and through future Structured Assessment reviews.</p>	

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)
		<p>colleagues should there be any challenge to continued applicability.</p> <ul style="list-style-type: none"> <li>• The Corporate Governance Dashboard received at the weekly Executive Leadership Groups has specific items on Audit reviews to flag where any management responses have been issued and identifies any areas of concern.</li> <li>• Performance dashboard now included in the Audit Tracker report to the Audit &amp; Risk Committee that identifies the areas of concern and limited progress. This report is also received at the Executive Leadership Group.</li> </ul>		

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)
R7	The Health Board should set out how each individual well-being objective aligns to the national well-being objectives and well-being objectives of its partners.	<p>The well-being objectives are currently embedded throughout the CTM 2030 strategy as cross cutting themes in each programme. However, we acknowledge that it would be beneficial to clearly set these out separately.</p> <p>In order to demonstrate how the well-being objectives map across to the national objectives and those of our partners, a task and finish group will be established in March to develop this work. A report will be produced that sets out our well-being objectives and our progress against them, from which we can monitor progress annually. This will be reflected in a written output which will allow stakeholders to access current information.</p>	December 2025	Executive Director of Public Health

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R8	The Health Board should develop and report on population outcome measures to demonstrate the impact of its strategy delivery.	<p>As part of the work overseen by the Creating Health Programme Board, the development of a data dashboard to monitor and report on population outcome measures is underway. To make this reporting meaningful however, both strategic and operational data sets will need to be developed using data from a number of different internal and external resources.</p> <p>In addition to this, CTMUHB are working with the PSB to develop a data dashboard with Data Cymru and close collaboration with Swansea and NPT PSBs. Once developed, this will provide an up-to-date dataset across the well-being themes with around 150 indicators.</p>	<p>Initial meeting with PHW and CTMUHB to discuss the options around accessing the required data is planned for 10/01/25. After this a draft timeline for options and system development can be produced.</p> <p>Timelines for PSB dataset to be confirmed</p>	Executive Director of Public Health

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R9	The Health Board should strengthen Board and committee corporate strategy and plan reporting by clearly articulating where delivery is off-track, mitigating actions, and revised delivery timescales.	<p>There are three components to CTM 2030: Building Healthier Communities – this reports into the new Strategic Development Committee (SDC) and activities will be clearly set out with timelines and outputs (many of the outcomes of this work is expressed in decades)</p> <p>Integrated community and primary care – a specific plan that will report to Operational Delivery Committee (ODC) with clear timelines and performance metrics.</p> <p>Acute Clinical Services Plan – the detail of this will be developed over the next 18 months through a process of systematic public engagement.</p>	<p>30 April 2025</p> <p>30 April 2025</p> <p>30 September 2026 This will take time to develop, and we also need to be mindful of the May 2026 Senedd election and the period leading up to that election.</p>	Executive Director of Strategy and Transformation

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R10	<p>The Health Board should:</p> <p>R10.1 monitor and manage any immediate quality and performance risks that may arise as a result of limited or no investment in services as it seeks to achieve financial balance in the short-term; and</p>	<p>The Quality Governance Team will review the Quality Impact Assessment (QIA), learning from its recent use in the response to the POWH Critical Incident, to ensure that any improvements are addressed and that QIAs are routinely completed where there is a risk to quality and performance where investment in services is impacted. Consideration will also be given to how such instances routinely escalate through the appropriate stages of the Quality Governance Framework.</p>	30 June 2025	Executive Director of Nursing / Deputy Chief Executive Officer
	<p>R10.2 develop a long-term financial plan, beyond its 2024-27 Integrated Medium Term Plan, aligned to its organisational strategy in order to achieve financial sustainability.</p>	<p>The Health Board recognises the need to develop a long-term plan, aligned to our organisational strategy, and underpinned by a long-term financial model.</p>	<p>30 September 2026</p> <p>Developing the long-term financial plan cannot be done in isolation and needs to be properly aligned to other aspects</p>	Executive Director of Finance







Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail:

Website: [www.audit.wales](http://www.audit.wales)

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