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Summary report

Context

- 1 Structured Assessment examines the Trust's arrangements that support good governance and the efficient, effective and economic use of resources. In previous years, the work assessed the robustness of financial management arrangements, the adequacy of governance arrangements, the management of key enablers that support effective use of resources, and the progress made in addressing previously identified improvement issues. Our 2015 work found that 'arrangements, which support good governance and the efficient, effective and economical use of resources continue to evolve, but further improvement is needed in some important areas.'
- 2 Structured Assessment work in 2016 has again reviewed the Trust's financial management arrangements and the progress made in addressing the previous year's recommendations. This year, we have also carried out comparative work in three areas. The selected areas and the scope has been informed by our own analysis of all Wales issues and discussion with Board Secretaries. The areas of comparative work include:
 - the format of financial reporting to Boards;
 - arrangements for developing integrated medium-term plans (IMTPs); and monitoring and reporting on the delivery of these plans; and
 - approaches for mapping risks and assurances and developing a Board Assurance Framework¹ (BAF).
- 3 This report details our local audit findings for the Trust. On finalisation of local audit reporting, we will complete all-Wales analyses on the three areas of comparative work, to share with NHS organisations and relevant all-Wales fora, such as directors of finance, directors of planning and board secretary groups. This approach is intended to support learning, by sharing approaches and good practice across NHS organisations.
- 4 Our findings are based on interviews, committee observations, review of documents and performance data, information returns from Board Secretaries and Directors of Planning and the results of a survey of Board members. Some 119 Board members responded to our survey, a response rate of 59%. This included nine responses (53% response rate) from the Trust. We would like to thank those Board members who responded to our survey for their time and input.
- 5 During 2016, the Trust has continued on a positive direction of travel, with the foundations to support good governance now in place. The Trust recognises that further work is still needed to refine and fully embed some of its governance

¹ A Board Assurance Framework sets out the risks to achieving corporate objectives, the internal controls for mitigating those risks and the assurances the Board needs to know that controls are effective and risks are being managed.

arrangements, as discussed later in this report, and in most areas has plans in place to fulfil these actions.

- 6 Importantly, the Trust saw its status under the NHS Wales Escalation and Intervention Arrangements² de-escalated by the Welsh Government in September 2016, from enhanced monitoring to routine arrangements. The positive change in escalation status reflects the Trust's improved performance since the implementation of the new clinical response model and the Trust's development of its first approvable integrated medium term plan (IMTP) in 2016.
- 7 The recent development of organisational vision, values and behaviours marks a clear commitment by the Board to engage the organisation in developing the organisational culture. Over a thousand members of staff were consulted in developing the behaviours and values, which were considered as part of the process for setting the corporate objectives set out in the 2016-19 IMTP.
- 8 A demand and capacity review commissioned by the Trust has also been completed in 2016. This work, which examined use of the organisations' resources (workforce, estates and assets), population trends and service demands, is being used by the Trust to inform and strengthen its future planning and delivery of services.

Key findings

- 9 Our overall conclusion from 2016 Structured Assessment work is that the Trust has made progress in developing and improving its arrangements to support financial management, governance and assurance and is aware of the need to maintain pace and momentum to address remaining challenges. The reasons for reaching this conclusion are summarised below.

Financial planning and management

- 10 In reviewing the Trust's financial planning and management arrangements we found that the Trust has adequate financial management processes in place and recognises further opportunities to strengthen and mature its approach.

Financial planning: the Trust has adequate financial planning arrangements in place but is dependent on the timely flow of the funding agreed with the Commissioner

- 11 Financial planning and budget setting are an integral part of the Trust's planning approach for the IMTP which was approved by Welsh Government in June 2016. The Trust has satisfactory arrangements for revenue and capital planning with budgetary responsibility clearly delegated to budget holders consistent with the scheme of delegation. To achieve financial balance in 2016-17, the financial budget is underpinned by cost improvement plans totalling £6.2 million. By October

² [NHS Wales Escalation and Intervention Arrangements March 2014](#)

2016, £3.88 million savings had been achieved. However, our review identified that the plans supporting the savings target are set at a high level and need to be supported by more detailed delivery plans.

- 12 The Trust agreed the required funding for the 2016-17 delivery of services with the Commissioner prior to the submission of the IMTP to the Welsh Government. However, for 2016-17, Welsh Health Boards have not yet committed to the level of funding included within the IMTP and the Trust is not receiving the expected cash flows. Negotiations are on-going between the Trust, Commissioner and the Health Boards to resolve this.
- 13 Going forward, the demand and capacity review and full implementation of the clinical response model will help support more detailed and improved financial planning.

Financial control and stewardship: the Trust has financial controls in place but is seeking to improve these further specifically in relation to the maintenance of its fixed asset register

- 14 The Trust has financial controls in place underpinned with standing financial instructions, standing orders and the scheme of delegation. Internal audit concluded that the Trust can take reasonable assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Specific internal audit work covering budgetary control and corporate governance confirmed substantial assurance in these areas.
- 15 Our Audit of the Financial Statements Report, presented to the Audit Committee in May 2016, identified a number of areas requiring improvement. Primarily, these related to controls supporting the stewardship of assets.

Financial monitoring and reporting: the Trust has improved its financial reporting and has opportunities for further development

- 16 Our review identified that the Trust's financial reporting procedures both to the Board and the Welsh Government are consistent and timely. The Trust produces monthly monitoring returns to the Welsh Government and internal financial reports are considered bi-monthly by the Finance and Resources Committee and quarterly by the Board.
- 17 The over spends and related funding issues incurred during 2015-16 were disclosed to the Board from an early stage, along with details of the on-going communications with the Welsh Government and the various outcomes under consideration.
- 18 During 2016-17, financial reporting to the Finance and Resources Committee and Board have highlighted the key areas of concern for management, including the current non- agreement by the Welsh Health Boards of the base line funding and the risks associated with the delivery of the £6.2 million savings target. However,

there are opportunities to improve the presentation of the Board financial report by including more narrative on key areas and a summary of risks showing the potential impact on outturn for the year.

Financial performance: the Trust has achieved financial balance in recent years but faces further challenges in 2016-17 to secure its financial duty to balance income and expenditure.

- 19 In 2015-16, the Trust reported a small surplus of £49,000. However, the Trust was reliant on the external funding flows and received additional non-recurrent funding from the Welsh Government of £3.5 million. Based on the month 12 monitoring return to Welsh Government, the Trust did not fully achieve its £5.565 million savings target in 2015-16, achieving £4.606 million of which £2.720 million were non-recurring savings.
- 20 The Trust has assessed the risks associated with the achievement of the £6.2 million savings target for 2016-17. The savings delivery report to the Finance and Resources Committee in September 2016 identified £882,000 (14%) as high risk areas which were to be subject to heightened scrutiny. By October 2016, savings of £3.880 million had been achieved against a year to date target of £3.969 million.
- 21 The Trust is facing continued challenges arising from increased demand for its services. Management reported a small overspend at October 2016 of £122,000 due to provision of additional capacity to meet demands early in the financial year.
- 22 The Trust is still forecasting a balanced financial position as at the 31 March 2017 but it is essential that the baseline funding position is agreed by the Welsh Health Boards and focus is maintained to ensure delivery of remaining savings schemes.

Governance and assurance

- 23 In reviewing the Trust's corporate governance and Board assurance arrangements we found that the Trust has made good progress in improving its strategic planning and governance arrangements during 2016 and is aware that continued pace and momentum are needed to embed changes and address remaining issues.

Strategic planning and reporting: the Trust has advanced its strategic planning approach leading to an approved integrated medium term plan (IMTP) in 2016 and recognised further opportunities to strengthen planning arrangements

- 24 The Trust developed its first approvable IMTP in 2016, which was not subject to any approval conditions from the Welsh Government. The IMTP is underpinned by local delivery plans for each operational unit, effectively covering each of the seven health board areas.
- 25 The Trust has strengthened the planning approach for the 2017 iteration of the IMTP so that the development process is better formalised, more consistent across

local delivery plans and increasingly supportive of delivery of the Trust's strategic aims.

- 26 Progress on the delivery of the current IMTP is reported quarterly to the Board with progress against the four specific strategic change programmes that underpin the IMTP monitored monthly by the executive IMTP delivery and assurance (iDAG) group. Delivery of the IMTP is supported by a project planning approach, and while there is limited planning and programme management capacity, the Trust appears to be maintaining sufficient pace in delivering the IMTP and its related projects.

Board effectiveness and assurance: the Trust is demonstrating a positive direction of travel in developing its governance and assurance arrangements but there is more to do

- 27 In reaching this conclusion we found:
- **Board Assurance Framework:** the Trust has given thought to its assurance arrangements and put essential building blocks in place, but has yet to document its Board Assurance Framework and fully implement the new Risk Management Framework; and
 - **Board and Committee effectiveness:** the Trust has taken steps to strengthen governance arrangements, but some weaknesses that have the potential to limit the overall effectiveness of the arrangements remain.
- 28 The Trust has put in place the building blocks necessary to underpin the design of its Board Assurance Framework. Clear and patient-focused corporate priorities have been developed, and board members have been actively engaged in considering the form and function of the framework. These have been critical design steps but the Trust now needs to document and its agreed Board Assurance Framework.
- 29 A new Risk Management Framework has recently been agreed, with detailed plans in place to fully implement and embed the framework through training and new ICT processes. The strengthened approach to risk management reflects the Trust's aim of becoming a 'risk enabled' organisation by 2018-19.
- 30 Board meetings are effective and the geographic rotation of meetings has been introduced to promote wider stakeholder engagement. Members provide scrutiny and challenge at Board and committee meetings although there are opportunities to strengthen various elements. These include clarifying the role and alignment of quality and safety related management sub-groups, using Board and committee self-assessment more consistently and strengthening the counter-fraud service. There are also opportunities to further strengthen some aspects of Board and Committee arrangements, such as ensuring the timeliness of papers and determining criteria for open and closed agenda items.

Addressing previous recommendations: the Trust has made good progress in addressing previous structured assessment recommendations and recognises further work is needed to fully develop and embed changes

31 Our review indicates that the Trust is making a considerable effort to address our previous Structured Assessment recommendations. Good progress has been made, but where recommendations are not yet fully complete, the Trust has plans in place to make the further progress needed to fully meet and realise the intended benefits of the recommendations. There are also arrangements in place to track and scrutinise the progress made against all audit recommendations although there is opportunity to further strengthen these arrangements.

Recommendations

32 Recommendations arising from 2016 Structured Assessment work are detailed in [Exhibit 1](#). The Trust will also need to maintain focus on implementing any previous recommendations that are not yet complete.

33 The Trust's management response detailing how it intends responding to these recommendations is included in [Appendix 1](#).

Exhibit 1: 2016 recommendations

2016 Recommendations	
R1	To ensure effective delivery of savings plans: Develop more detailed delivery plans to support cost improvement programmes.
R2	To strengthen asset management controls, address the required improvements identified in the WAO accounts report and Final Accounts Audit Memorandum.
R3	To strengthen arrangements for monitoring IMTP delivery: a. Give broader consideration of IMTP progress through the IMTP delivery and assurance group (iDAG), in addition to monitoring of strategic change programmes. b. Confirm whether scrutiny of IMTP delivery is to remain a function of the Board or to be supported through committee arrangements.

2016 Recommendations

- R4 To further enhance Board and Committee governance arrangements and internal controls:
- Ensure that receipt of committee papers is consistently timely.
 - Define criteria for what constitutes open/closed meeting agenda items.
 - Develop more consistent use of self-assessment as a tool for reviewing the effectiveness of committees, as well as the Board.
 - Complete the mapping of management sub-groups and the flow of assurances to the Quality, Patient Experience and Safety Committee.
 - Develop the counter-fraud service so that it can robustly investigate and more proactively reduce the risk of fraud.

- R5 To strengthen monitoring and scrutiny of progress against audit recommendations:
- Ensure the tracker tool includes all audit recommendations.
 - Consider use of summary information and broader executive attendance at Audit Committee to enhance scrutiny of progress.

- R6 To ensure all prescribed information is publically accessible, assess the content and accessibility of the Trust website to confirm that the requirements of the Welsh Health Circular (2016) 033 are being fully met.

- R7 To ensure clear and up to date Trust policies and procedures are in place:
- Develop a 'policy on policies' specifying the agreed process for reviewing, updating and approving policies.
 - Complete the review, updating and approval of key policies which are currently out of date, including information security policies and ICT standard operating procedures.

- R8 To reduce the cost of sickness and build workforce skills and capacity, take further action to reduce sickness levels and increase completion rates for mandatory training and personal appraisal and development reviews (PADRs).

- R9 To fully address previous structured assessment recommendations for strengthening board assurance by the intended date of 31 March 2017, maintain pace to:
- Fully implement the risk management framework and consistent application of risk scoring.
 - Complete board assurance mapping and the documenting and approval of the Board Assurance Framework.

- R10 To ensure the Trust is making the best use of its estate, complete development of an up-to-date estates strategy by the intended date of 31 March 2017.

- 34 In addition to these recommendations, there are other improvement opportunities highlighted in this report. These include the potential to further improve the format of financial and performance reporting to Board, as discussed in [paragraph 51](#) and [Exhibit 5](#) respectively.

Detailed report

The Trust has made progress in developing and improving its arrangements to support financial management, governance and assurance and is aware of the need to maintain pace and momentum to address remaining challenges

35 The findings underpinning this conclusion are detailed below.

Financial management – the Trust has adequate financial management processes in place and recognises further opportunities to strengthen and mature its approach

36 Our structured assessment work in 2016 has considered the action that the Trust is taking to achieve financial balance and create longer-term financial sustainability. We have assessed the financial position of the organisation, the approach to financial planning, financial controls and stewardship, and the arrangements for financial monitoring and reporting. Our findings are set out below.

Financial planning – the Trust has adequate financial planning arrangements in place but is dependent on the timely flow of the funding agreed with the Commissioner

37 The Trust has satisfactory arrangements for revenue and capital planning with budgetary responsibility clearly delegated to budget holders consistent with the scheme of delegation. Budget holders were required to formally agree their 2016-17 budgets, including their planned savings and efficiencies for the year. The Trust has an Internal Capital Planning Group which has overall responsibility for managing and monitoring the discretionary capital programme. Discretionary capital business cases are submitted by department and service heads and verified by the finance team. Each bid is assessed and scored against defined criteria before being prioritised.

38 The Trust has produced an IMTP for the period 2016-19 which was approved by Welsh Government in June 2016. The Trust agreed the required funding for the 2016-17 delivery of services with the Commissioner prior to submission of the IMTP to the Welsh Government. However, for 2016-17, Welsh Health Boards have not yet committed to the level of funding included within the IMTP and the Trust is not receiving the cash flow expected. Negotiations are on-going between the Trust, Commissioner and the Health Boards to resolve this, with participation from Welsh Government. It will also be important for the Trust to continue working with the Commissioner and the Welsh Health Boards to establish long term future funding plans.

- 39 The Trust has identified cost improvements, efficiencies and savings targets that need to be delivered to achieve financial balance. As noted within the IMTP, the Trust did not deliver the level of required recurring savings in 2015-16 which therefore required additional savings to be included within the 2016-17 savings target. The total savings to be achieved in 2016-17 is £6.2 million.
- 40 The Trust is reporting on the cost improvement plans needed to support the required levels of savings in 2016-17. Our review has identified that some of the cost improvement plans are high level and need to be supported by more detailed delivery plans. Examples include:
- a. Reduction of sickness rates: £0.6m of savings identified although the Trust experiences the highest sickness rates within NHS Wales;
 - b. Variable pay initiative: £1m of savings identified through the improvement of job cycle efficiencies, review of meal breaks, re-alignment of operational CPD;
 - c. Reduced use of private providers: £1.3m of savings identified by reducing the use of St John ambulance and other private providers;
 - d. Fleet maintenance and fuel: £1m of savings identified from a review of contracts for maintenance and repairs, consideration of innovative ways for routine maintenance and continuation of low fuel prices; and
 - e. Review and minimising expenses: consideration of salary sacrifice schemes, introduction of telemetry to challenge claims against the Trust, review use of taxi policies and use of voluntary car users, review of uniform replacements and local practices.
- 41 The Trust is closely monitoring the progress of the savings plans. Reports to the Finance and Resources Committee and to the Board identify the delivery of savings, recognising that the largest single saving relates to an asset sale (£1million) which is non-recurring. The Trust should seek to identify areas where more sustainable, recurrent savings and efficiencies could be achieved.
- 42 A demand and capacity review has been undertaken by external consultants, the findings of which are currently being considered by the Trust. The review will assist the Trust in developing strategic resource plans for its workforce and fleet to support the new clinical response model. Financial planning is expected to develop further through application of this work and the implementation of zero based budgeting.

Financial control and stewardship – the Trust has financial controls in place but is seeking to improve these further, specifically in relation to the maintenance of its fixed asset register

- 43 The Trust has a clear framework of roles and responsibilities underpinned by standing financial instructions, standing orders and a scheme of delegation. The budget manual details the responsibilities covering key aspects of financial control such as budgetary control, staffing, non-pay expenditure, contracts, assets and

fraud. Both the Finance and Resource Committee and Audit Committee contribute to the maintenance of the financial control framework. The Audit Committee formally reviews the standing orders, including standing financial instructions and the corporate risk register.

- 44 In May 2016, internal audit concluded that the Trust can take reasonable assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively following the work undertaken during the 2015-16 financial year. Specific internal audit work covering budgetary control and corporate governance confirmed substantial assurance in these areas. Internal Audit's findings are subject to ongoing management action.
- 45 Our audit of the financial statements report presented to the audit committee in May 2016 identified a number of areas requiring improvement. Primarily, these related to controls supporting the stewardship of assets. We have reported detailed recommendations to management in our Final Accounts Audit Memorandum covering areas such as the maintenance of the fixed asset register, capitalisation of staff costs and asset disposals. The Trust is developing action plans to address the required improvements identified.

Financial monitoring and reporting – the Trust has improved its financial reporting and has opportunities for further development

- 46 Effective financial management is important if health bodies are to deliver better health outcomes, services and value for money. In order to focus efforts appropriately and make good decisions, the boards of NHS bodies need robust financial information and insightful interpretation about the organisation's financial performance, which is clearly linked to overall objectives and performance against those objectives, within a strategic context.
- 47 The Trust produces monthly monitoring returns to the Welsh Government and internal financial reports that are considered bi-monthly by the Finance and Resources Committee and quarterly by the Board. The Finance Department completes its month end reporting process within five working days of the month end, with Welsh Government monitoring return reports being submitted by day nine each month.
- 48 The reporting of the financial position to the Board during 2015-16 clearly disclosed the overspend position resulting from increased activity at an early stage. Trust board papers reported the on-going discussions with Welsh Government and the various outcomes under consideration. The Welsh Government provided an additional non-recurrent £3.5 million to support the additional expenditure incurred by the Trust.
- 49 Reporting to the board during 2016-17 has continued to include the key areas of concern for management, including the lack of agreement of the base line Emergency Medical Services (EMS) funding and the progress against the £6.2 million savings target.

50 Alongside our Structured Assessment work, we have undertaken a comparative analysis of the content of financial reports within NHS bodies in Wales. We found that the Trust's financial reporting provides valuable insight, and compares favourably to other NHS bodies in Wales in respect of:

- timeliness of data reported; and
- use of dashboards for target performance and graphs showing financial position and savings targets.

51 We also identified an opportunity to further strengthen the financial reporting by increasing the narrative on key areas within the financial reports and including a summary of risks showing the potential impact on outturn for the year. In addition, the link between areas of overspend and the underlying causal factors, service delivery reform and activity could be improved. A separate, more detailed report presenting the comparative analysis of financial reports will be shared with NHS bodies in early 2017.

Financial performance – the Trust has achieved financial balance in recent years but faces further challenges in 2016-17 to secure its financial duty to balance income and expenditure

52 The Trust is heavily dependent on the agreement and flow of its funding from external bodies. In previous years, additional funding (£7.5 million in 2014-15 and £8 million in 2015-16) was received from the Emergency Ambulance Services Committee (EASC) to support additional levels of activity. This increased level of activity has been acknowledged by the Commissioner and the funding included as recurrent within the current IMTP covering 2016-19.

53 In 2015-16, the Trust also received additional funding of £3.5m from the Welsh Government to support the increased demand for its services and additional costs being incurred with the introduction of the new clinical response model. Without this additional funding, the Trust would not have achieved a balanced financial position for the year.

54 The Trust is facing challenges from increased demand for its services in 2016-17 and management have reported a small overspend at October 2016 of £122,000.

55 As stated previously in this report, although the baseline EMS funding for 2016-17 was agreed with the Commissioner prior to submission of the IMTP to the Welsh Government, the Welsh Health Boards have not yet formally agreed to the level of funding. The Trust will be unable to achieve its planned financial performance without the agreement and flow of this funding.

56 Based on the month 12 monitoring return to Welsh Government, the Trust did not achieve its savings target of £5.565 million in 2015-16, achieving £4.606 million (of which £2.720 million were non-recurring savings). The savings target for 2016-17 is £6.2 million of which £3.880 million was achieved by October 2016 against a year to date target of £3.969 million. The Trust is reporting that whilst some of the savings schemes are delivering to plan, some are behind the expected level. The

savings delivery report to the Finance and Resources Committee in September 2016, included an assessment of the risk associated with the achievement of the savings which identified £882,000 (14%) as high risk areas to be subject to heightened scrutiny.

- 57 The Trust is still forecasting a balanced financial position as at the 31 March 2017 but it is essential that the baseline funding position is agreed by the Welsh health boards and focus is maintained to ensure the delivery of its remaining savings schemes.

Governance and assurance – the Trust has made good progress in improving its strategic planning and governance arrangements during 2016 and is aware that continued pace and momentum are needed to embed changes and address remaining issues

- 58 Our Structured Assessment work in 2016 has examined the Trust's arrangements for developing an Integrated Medium Term Plan (IMTP), reporting on delivery of the plan, and the approach for developing and reviewing a Board Assurance Framework (BAF). We have also considered the overall effectiveness of the Board and its governance structures and the progress made in addressing previous structured assessment recommendations and improvement issues. Our findings are set out below.

Strategic planning and reporting – the Trust has advanced its strategic planning approach leading to an approved integrated medium term plan (IMTP) in 2016 and recognised further opportunities to strengthen planning arrangements

- 59 Our findings underpinning this conclusion are based on our review of the Trust's approach to strategic planning³, and its arrangements for monitoring and reporting on delivery of the IMTP. We have also considered the arrangements which support delivery of strategic change programmes underpinning the IMTP and the progress made in addressing previous recommendations relating to strategic planning.

The Trust continues to strengthen strategic planning arrangements having received approval of its first IMTP in 2016

- 60 As already noted, the Trust secured approval for its IMTP for the first time in 2016. The 2016-19 plan was developed in accordance with NHS Wales Planning Guidance and was not subject to any approval conditions by Welsh Government.

³ Audit work has not duplicated Welsh Government's Integrated Medium Term Plan scrutiny work, but has considered actions taken by NHS bodies in response to any Welsh Government feedback on the plan or plan approval conditions.

- 61 IMTP development is led by the Director of Planning and Performance, with the Associate Director of Programmes providing oversight and coordination of the development work. An Integrated Planning Team, chaired by the Associate Director of Programmes, supports and maintains day to day oversight of IMTP development, and ensures cross functional consideration and involvement across key business areas. The involvement of associate directors for corporate functions such as workforce, finance, and quality is seen as positive for both creating more 'virtual' planning capacity and building wider organisational ownership of the IMTP.
- 62 The Trust has produced updated planning guidance which formalises the planning arrangements and timetable for the current and future planning cycles. Key IMTP development steps built into the process include:
- Board Development Day in July to undertake a lessons learnt review of the last planning cycle, take a forward look for the new cycle, and set any specific parameters or context for the IMTP re-refresh.
 - Drafting of the IMTP commences in September following the completion of Local Delivery Plans (LDPs), which form a key component of the IMTP. The LDPs are also a key mechanism for ensuring operational unit engagement with and contribution to the organisation's IMTP.
 - Dedicated Trust Board time in October to review the emerging IMTP, with Board feedback used to refine planning and to develop a formal first draft IMTP for Board approval in January.
 - Feedback on the first draft from the Board, Welsh Government, Chief Ambulance Commissioner and health boards is taken into account, before the final plan is produced, considered and formally approved by the Trust Board.
 - Updates on the IMTP development are provided to the executive management team on a monthly basis. Routine updates also go to Board as part of the general Director of Planning and Performance Board update reporting. Regular formal and informal touch points also exist with the Chief Ambulance Services Commissioner as part of the planning cycle.
- 63 The Trust's work on organisational purpose, vision and behaviours provided an important framework for developing the first IMTP during 2015-16, with a front-line led approach adopted. Local Delivery Plans (LDPs) are developed by each corporate department and operational unit, and inform and underpin the Trust IMTP. The Collaborative Commissioning Framework Agreement (CQDF), setting out the expectations and requirements of the commissioners, is a key driver for the Trust's endeavours to align Trust plans with those of partner organisations.
- 64 Engagement with partners, such as health boards, was a key planning principle for LDP development in 2015-16. Joint actions, for example development of joint pathways, were mapped between the Trust IMTP and the plans of partner organisations. Alignment across the respective plans was tested via the Assistant Directors of Planning group. Interdependency workshops were also used internally to test and refine the LDPs across the corporate and operational LDPs.

- 65 Responses to our Board member survey indicate that Board members in the Trust feel that the organisation engages effectively with internal partners (staff and clinical leaders), but that there is scope to improve engagement with external stakeholders (patients and partners). This is something the Trust recognises and is addressing. An engagement framework was approved by the Board in December 2016 with a delivery plan due to be reviewed by Board in March 17. The new engagement framework will inform the Trust's stakeholder activities going forward.
- 66 The Trust has also recognised the opportunity to improve its process for developing LDPs for the 2017 iteration of the IMTP. The LDPs will now cover a three-year period as opposed to one year to support better integration with the 3-year IMTP. The introduction of a business partner model will provide more planning support for operational and corporate teams and the 2017 iteration of the Trust's IMTP will also be informed by the recent demand and capacity review.

Arrangements to monitor and report on IMTP delivery are in place but will need revision to meet NHS Planning Framework 2017-20 requirements

- 67 The Trust has mapped the 154 actions relating to 2016-17 IMTP delivery, in terms of the associated milestones and responsibilities. Documented as an annex of the IMTP, this action log forms the basis of a project plan and a detailed action tracker is used to monitor progress of IMTP delivery. Responsibility for all IMTP actions and commitments has been assigned to either a strategic change programme or to a specific executive director. Responses to our board member survey indicate that Board members consider roles, responsibilities and accountabilities for IMTP delivery to be clearly defined and understood.
- 68 Those actions being delivered through the strategic change programmes are tracked through the monthly executive IMTP Delivery Assurance Group (iDAG). All other actions are monitored through quarterly performance reviews with each director. In addition to the IMTP action log, the Local Delivery Plans (LDPs) are key tools for tracking operational delivery. Mechanisms are also in place to escalate issues should the need arise, either through the strategic change programme boards or the quarterly performance reviews. Where necessary, the iDAG will act to unblock issues, or by exception, escalate any matters of concern to the full Executive Management Team, which meets fortnightly.
- 69 In addition to regular performance reporting, the iDAG provides a monthly progress report against strategic change programme delivery to the Executive Management Team. The Board receives formal quarterly reports on overall IMTP delivery. This report is based on the IMTP action tracker and incorporates the strategic programme updates from the iDAG. Responses to our survey indicate that board members are satisfied with the information provided. Our review of the Board report format found that it provides reasonable trend information and supports monitoring of actual versus planned performance. There is, however, scope to consider greater use of visual information and forecasting to further strengthen reporting and overall scrutiny.

- 70 Reports on progress against the IMTP are not received by a committee of the Board. This has been a conscious decision by the Board, which directly oversees and scrutinises IMTP development and delivery. Responses to our survey indicate that board members are satisfied with the time set aside for scrutiny at Board meetings and our interviews with staff reflect organisational confidence in the monitoring, reporting and scrutiny arrangements. The Trust will however need to reflect on its present arrangements in light of the future reporting requirements set out in the NHS Planning Framework 2017-20⁴ which requires as a minimum:
- an executive group to oversee plan delivery;
 - a board sub-committee or group to scrutinise and challenge progress and performance on a regular basis; and
 - bi-annual reporting to board.
- 71 To meet these requirements in 2017, the Trust will need to consider how the requirement for board sub-committee oversight can be met within its current schedule of quarterly committee and board meetings. In addition, the current scope of the iDAG, which primarily focusses on the strategic change programmes at present, should incorporate regular oversight of the wider actions underpinning the IMTP.

Programme management arrangements are in place and while capacity remains limited, the Trust is developing staff programme management skills

- 72 Delivery of the Trust's IMTP and associated strategic change programmes is supported by a considered project planning approach. 'Managing Successful Programmes' (MSP) tools and techniques have been adopted and tailored to manage the four key change programmes which underpin the IMTP. These programmes are Non-Emergency Patient Transport; 111 Pathfinder; Clinical Contact Centres and Clinical Modernisation.
- 73 A programme board has been established to lead on each strategic change, with an assigned executive director for each. The IMTP Delivery Assurance Group (iDAG) brings together the senior responsible officers for the four strategic change programmes to ensure alignment, monitor progress and unblock any issues between programmes.
- 74 In 2015, Structured Assessment work highlighted the need for the Trust to ensure sufficient resources to support the change management programme, enabling pace to be maintained and any slippage minimised. The Trust indicated the intention to develop a specific 'centre for programme management', but capacity has been a limiting factor in achieving this aim to date. **Exhibit 2** describes the progress made.

⁴ [NHS Planning Framework 2017-20](#)

Exhibit 2: Progress on 2015 strategic planning recommendations

2015 Recommendation	Description of progress
<p>R4 Sufficient resources should be applied to the support of the change management programme (Portfolio Programme) to enable pace to be maintained and slippage to be minimised.</p>	<p>Completed in-part.</p> <p>The Trust has not established a formal programme office to manage strategic change programmes. This remains an ambition, although planning team capacity and funding are limiting factors. The Trust is identifying and developing existing programme management skills within the organisation in the interim although ensuring a sufficient 'pool' of programme/project management knowledge, skill, and capability will be critical to the success of this approach.</p> <p>The Trust appears to be maintaining sufficient pace in delivering the four strategic change programmes at present, but will need to keep both capacity and the pace of programme delivery under review.</p>

Board effectiveness and assurance – the Trust is demonstrating a positive direction of travel in developing its governance and assurance arrangements but there is more to do

75 The findings underpinning this conclusion are based on our review of the Trust’s approach to mapping assurances and developing its Board Assurance Framework, and the effectiveness of the Board and its governance structures. We have also reviewed the progress made in addressing related improvement issues previously identified. Our key findings are set out below.

Board assurance framework – the Trust has given thought to its assurance arrangements and put essential building blocks in place, but has yet to document its Board Assurance Framework and fully implement the new Risk Management Framework

76 All Health Boards and Trusts have governance structures and processes in place to seek and provide assurance on the services provided, that risks are being managed and that the organisation is acting in accordance with legal and other requirements. NHS bodies are complex organisations and operate within a dynamic environment. It is therefore important that boards keep their governance and assurance arrangements under review and satisfy themselves that the

assurances they rely on are proportionate, appropriately targeted and cover the breadth of the organisation's overall risk portfolio.

- 77 Assurance mapping⁵ is an increasingly used tool for systematically identifying and mapping the assurances needed over key risks to achieving organisational objectives. The mapping process can help organisations to highlight any gaps in their assurances, or unnecessary duplication of assurance processes. Such mapping aids the design of an effective assurance framework, which aligns risks and assurances to the appropriate control systems and scrutiny arrangements.
- 78 The starting point is the clear statement of organisational objectives. We found that the Trust's objectives are population and patient centred with sufficient detail to help determine the risks to achieving each objective. Board members either 'agreed' or 'strongly agreed' that the Trust has identified what success against objectives will look like and that objectives are expressed in a meaningful way through the IMTP. There is, however, scope to make measures for objectives more outcome focussed, so that assurances go beyond 'what is being done' to focus more on what difference actions have made. There is also scope to increase the visibility of objectives in the IMTP as currently they do not feature until page 58.
- 79 Robust corporate risk management arrangements are also necessary to underpin effective assurance arrangements. Following an internal review of risk management in October 2015, the Trust has undertaken significant work to develop a new risk management strategy and has also reviewed and revised its directorate and corporate risk registers. The new risk management strategy, which has been approved, has not yet been fully operationalised. It is expected to be fully embedded by March 2017, as per the Trust's implementation plan.
- 80 The Trust is currently developing its arrangements for ensuring consistent operational application of the risk framework, with training for managers with responsibility for risk and development of ICT solutions including the use of Datix⁶. The Trust also recognises the need to develop greater consistency of risk scoring in line with its risk appetite and assessment criteria. These actions should support the Trust in reaching its objective of becoming a 'risk enabled organisation' by 2018-19.
- 81 Arrangements for seeking and gaining assurances are in place, with scrutiny of risks and assurances for each objective mapped to specific committees. Committee work programmes are reviewed quarterly by the Chair's group to address any emerging gaps or duplication in assurances and the corporate risk register receives quarterly scrutiny by the assigned Board committee. Board members responding to our survey expressed confidence in the Trust's ability to review and adapt governance arrangements; they also felt there to be clarity on the role of committees in escalating any issues of concern to the Board. Most board

⁵ HM Treasury Assurance Frameworks December 2012

⁶ Datix is a patient safety software application for healthcare risk management

members also agreed that the Trust is effective in identifying the required assurances although some members felt that this could be strengthened.

- 82 The Trust recognises risk and assurance mapping (as described in [paragraph 77](#)) to be a useful tool for helping the organisation shape its assurance framework. During 2016, the Trust has put in place important building blocks to underpin the development of a formal Board Assurance Framework. In addition to the work defining organisational objectives, developing a risk management strategy and reviewing risk registers, the Board has been actively considering the content and design of its Board Assurance Framework during 2016. All Board members responding to our survey report having been engaged in the process.
- 83 The Trust is currently working to complete its assurance mapping but has yet to document and agree the Board Assurance Framework. This work should be concluded swiftly, as development of a robust Board Assurance Framework was a key recommendation made in 2015. [Exhibit 3](#) summarises the progress made.

Exhibit 3: progress on 2015 Board Assurance Framework recommendation

2015 Recommendation	Description of progress
<p>R1 The Trust should develop and fully implement a robust Risk Management and Board Assurance Framework.</p>	<p>On track but not yet complete.</p> <p>The Trust is currently on track to fulfil its intention to develop and implement a Board Assurance Framework and Risk Management Framework by March 2017.</p> <p>A risk management strategy has been developed and approved although the operational framework is not yet fully embedded.</p> <p>Work to design the Board Assurance Framework has been progressed although it has yet to be fully documented and approved by Board.</p>

Board and committee effectiveness – the Trust has taken steps to strengthen governance arrangements, but some weaknesses that have the potential to limit the overall effectiveness of the arrangements remain

- 84 The Board is promoting an open, quality-focused culture. The recently agreed organisational behaviour framework and development of the Trust’s first quality strategy in 2016 supports the organisation’s aims for delivering positive patient outcomes and experience. Discussions during Board meetings are patient and quality-centred. The Board, and its Quality, Patient Experience and Safety Committee, use patient stories to help ground the meeting with a patient centred approach. The Board has also introduced a geographic rotation for its Board

meetings, increasing the visibility of the Board across regions and providing more opportunity for staff and other stakeholders to attend, observe and contribute to meetings. Patient stories presented to Board are received during the stakeholder session of the meeting, thereby involving staff and partners in considering the patient experience.

- 85 Board meetings are operating effectively and meet all formal procedural requirements. Annual reporting requirements were also met within the required timeframe, although coverage of information governance in the Annual Governance Statement was limited. The Board completed a self-assessment during 2016, but plans to review the approach to self-assessments by both Board and its Committees in 2017. At present, only the Audit Committee has previously applied self-assessment to review its effectiveness and a more consistent and regular approach is needed.
- 86 The Board is committed to transparency in the conduct of Board and committee business and in public reporting. The Board agendas and minutes are published on the Trust website along with those for each of its committees. The Trust is largely compliant with new Welsh Government requirements for publication of prescribed information⁷ although some items (the annual plan of Board business; citizen engagement plans; and complaint/concerns raising policy) were not easily accessible on the Trust's website. There is also a need to further clarify the criteria for whether agenda items are to be considered in open or closed Board and Committee meetings so that there is a clearer rationale for the decision. Protecting the confidentiality of sensitive third party or patient/staff information would be a clear consideration in determining the criteria.
- 87 The Trust has had a stable cadre of independent board members since the formation of the current Board membership in 2014. There is a formal Board development programme which board members responding to our survey generally agree as being supportive in developing skills and confidence for their assurance and scrutiny roles. In addition, Personal Appraisal Development Review (PADRs) are used to ensure that any development needs are identified and addressed. The Trust also intends to review its current independent member induction programme in line with future recruitment, with two members reaching the end of their tenure in 2017.
- 88 The Trust has applied a 7x7 matrix approach to its organisational governance, aligning each independent board member to an executive director, operational unit and corresponding health board. Personal objectives are mapped through the framework ensuring a golden thread through each function and role. The Trust was nominated for a CIPFA award for this structure and the model is viewed positively for supporting independent member development and the forging of relationships with health boards. However, there is a need to ensure that the specific skills of

⁷ [WHC/2016/033 - Publication of Information on Local Health Board and NHS Trust Websites](#)

individual independent members are accessible across the operational units and not just within those assigned. The Trust should also remain vigilant to any potential independence risks that may develop over time and give consideration to how such risks may be mitigated by, for example, rotation of members over the medium-to-long term.

- 89 Arrangements for developing annual committee work plans, reviewing any gaps or duplication in assurances and facilitating cross-referral of issues between Committees are in place. This work is facilitated through the Chair's group, whereby the Board and committee chairs formally meet on a quarterly basis to monitor and review arrangements. The Board receives the minutes of all committee meetings and there are also mechanisms to escalate any matters of concern that may arise. There is, however, opportunity to consider the use of highlight and exception reporting from committees to strengthen the overall assurance reporting to Board.
- 90 Committee members have told us of improvements in the timeliness of committee papers although we observed some instances of late papers being received. Continued focus is therefore needed to ensure that committee agendas and work programmes are not disrupted as a result of late papers and that committee members have sufficient time to review all information in advance of meetings.
- 91 We have observed open discussion with generally good questioning and challenge during Audit and Quality, Patient Experience and Safety Committee meetings, with formal logs used to track agreed committee actions. The work of the Audit Committee is supported by the regular attendance of the Director of Finance and ICT and the Director of Operations, who take responsibility for ensuring matters raised by the Committee requiring management action are addressed. However, the Committee could consider broader executive attendance as part of its 'holding to account' arrangements, to further strengthen its scrutiny and challenge. Scrutiny of progress being made against audit recommendations and use of audit tracker information is discussed later in this report.
- 92 Internal Audit is a key component of the Trust's internal controls and the work programme, reported through the Audit Committee, continues to be well structured and comprehensive. However, the Trust recognises that local counter-fraud services need strengthening and is taking action to improve arrangements and the effectiveness of the service.
- 93 To support the focus on quality assurance and organisational learning, a new management led steering group (QAIL) is being established. The steering group will provide assurance to the Quality, Patient Experience and Safety Committee (QUEST), and coordinate the assurances flowing from the various management sub-groups that underpin quality and safety arrangements. The Trust recognises that the various sub-groups and assurance flows need to be formally mapped and is developing plans to take this work forward.
- 94 The Trust is also aware that the process for reviewing, updating and approving policies needs strengthening and plans to develop a 'Policy on Policies' to clarify

the arrangements. A number of policies are effectively out-of-date and require review and updating, including the Trust's information security policies. Work to identify, review and update such policies needs to be completed urgently to minimise organisational risk. Similarly, the ICT strategy and standard operating procedures are also out-of-date and need updating.

95 In 2015 we made the following recommendations relating to Board and Committee effectiveness. **Exhibit 4** describes the progress made.

Exhibit 4: progress on 2015 Board and Committee effectiveness recommendations

2015 Recommendations	Description of progress
<p>R2 Emphasis should be given to the completion of corporate processes (such as risk review and audit recommendation updates) by executives and senior managers to strengthen governance.</p>	<p>Actions relating to risk review and audit recommendation updates complete.</p> <p>Risk registers have been reviewed, the new Risk Management Framework is being implemented and work has been undertaken to cleanse and improve the format of the audit recommendation tracking.</p> <p>Some issues remain which, if addressed, would strengthen governance, including:</p> <ul style="list-style-type: none"> • development of a policy for the review, update and approval of policies; • completion of the review and updating of policies currently out-of-date; and • further development and use of the audit tracker (as discussed in the next section of this report).

2015 Recommendations	Description of progress
<p>R3 The Trust should develop and fully implement its planning and performance management framework. It should also enhance its performance reporting as highlighted in our 2014 Annual Audit Report.</p>	<p>Complete, with some scope to consider further enhancement of reporting format. The Trust has a new planning and performance framework which was approved by Board in June 2016. A new integrated quality and performance report (IQPR) has been developed. The content, based on a far more comprehensive suite of data, has been significantly improved.</p> <p>Some scope remains to further enhance the format of the report presented to Board to include:</p> <ul style="list-style-type: none"> • better balance between quantitative information and supporting explanatory narrative to assist interpretation and provide more insight on factors affecting performance; • stronger exception reporting; • more use of benchmarking and forecasting; • greater use of graphs and other visuals to aid data interpretation; and • identification of responsibilities for areas of performance and for identified mitigating actions.

Progress in addressing previous recommendations – the Trust has made good progress in addressing previous structured assessment recommendations and recognises that further work is needed to fully develop and embed changes

96 Our Structured Assessment work in 2016 has reviewed the progress made by the Trust in addressing the recommendations made last year. Recommendations relating to strategic planning, board and committee effectiveness and the Board Assurance Framework have been described in the earlier sections of this report. The progress made in addressing the remaining recommendation is described in **Exhibit 5**. In reaching our conclusion however, we have taken progress on all five recommendations into account.

Exhibit 5: progress on the remaining 2015 recommendation

2015 Recommendation	Description of progress
<p>R5 With the clinical model now agreed and greater clarity on workforce needs, the Trust should work quickly to develop a credible and achievable plan for its estate.</p>	<p>On track but not yet complete The Trust is currently in the process of reviewing its estates strategy. It has articulated its intention to work with partners to maximise capacity and value for money in establishing estates solutions, building on the commissioning of the new shared Ambulance and Fire Services Resource Centre (AFSRC) in Wrexham.</p>

97 In our 2015 Structured Assessment, we highlighted improvement in the quality and accuracy of workforce data and the development of a more robust approach to workforce planning. We also noted continuing recruitment and workforce management challenges. The Trust had however, set improvement targets for achieving a 2% reduction in sickness, 85% completion of personal appraisal and development reviews (PADR), and 85% compliance with planned training by March 2016. While we did not make any formal recommendations relating to workforce management in 2015, we have considered the progress being made as part of our work this year. We found that:

- Progress has been made in reducing operational vacancies, which at 5%, is a significant improvement on previous years;
- Trust sickness rates have not reduced and are the highest in Wales, standing at 7% in November 2016;
- PADR completion rates were 42% in November 2016 and improving completion remains a priority; and
- Mandatory training completion rates remain low, the average being 37% for the Trust. Specific training modules show very poor attendance rates, with information governance at only 9%.

98 The Trust is currently reviewing its training, incorporating learning from the demand and capacity review and identification of the skills needed to face future service demands. However, the Trust also needs to maintain focus on addressing high sickness levels and in improving PADR and mandatory training completion rates.

99 Staff communication also remains a challenging issue for the Trust, particularly given the geographical spread of the Trust's workforce. The Trust has taken a number of actions during 2016 to strengthen communication and engagement with staff including:

- appointment of a staff communication lead to review and improve current communication methods;

- introduction of Board member station visits and ambulance 'ride-alongs';
 - inviting staff to stakeholder events, with over a thousand members of staff engaged through the values and behaviours work;
 - inviting staff to Board meetings as they rotate geographically; and
 - greater use of technology and social media.
- 100 The NHS Wales Staff Survey 2016 results for the Trust show positive improvements since 2013, although the Trust recognises that there is more work to do. In addition to using and learning from the 2016 NHS Wales survey results, the Trust will need to continue to build on its staff communication and engagement work. It should consider ways to regularly gather staff views and evidence about the impact of its staff communication work. In January 2017 we will be commencing our follow-up review of the progress made in addressing the Auditor General's recommendations arising from the 2015 review of 'Staff Concerns'.
- 101 In addition to reviewing the actions taken to address our 2015 Structured Assessment recommendations and improvement opportunities, we have also considered the effectiveness of the Trust's arrangements to manage and respond to our audit recommendations.
- 102 An audit recommendations tracker to log the management actions against internal and external audit recommendations has been in place since August 2014 and is received by the Audit Committee at each of its quarterly meetings. During 2016, the Audit Committee has challenged the pace of progress in addressing a number of audit recommendations, with some items dating back to 2013-14. As a result, management has reviewed the completeness of actions and status of all recommendations included in the tracker predating April 2016. This work has taken account of an Internal Audit Composite Report which reviewed all outstanding internal audit recommendations at March 2016.
- 103 The outcome of the tracker review was reported to Audit Committee in December 2016, providing a clearer picture on what has been done and what remains to be done in relation to pre April 2016 internal audit recommendations. However, to maintain the tracker as an effective management tool, it will be important for the Trust to ensure that:
- tracker information is up-dated regularly by the executive leads responsible for individual recommendations, including when management actions to fully address recommendations are considered complete; and
 - the tracker contains all audit recommendations, as during 2016, those arising from our 2015 work were not consistently included.
- 104 The management response to 2015 Structured Assessment recommendations was received by the Audit Committee in May 2016 and included in the tracker presented to Audit Committee in September 2016. Our review of progress is generally consistent with the status of actions reported by management at that time. However, the recommendations arising from the Auditor General's 2015 report on 'Staff Concerns' had not been included in the tracker and the December

update focused on those internal audit recommendations subject to the recent management review. This has limited the overall scrutiny of progress against external audit recommendations during 2016. The Trust is aware of this situation and plans to address this in 2017.

- 105 The tracker identifies the senior responsible officer, intended actions, timescales, and details of actions completed or issues arising since the previous reporting for each recommendation in the log by year. However, there is no overall summary of the number of recommendations that are complete, on-track or overdue. This could assist in the scrutiny and challenge of progress, helping to quickly identify if recommendations for a particular audit, business area or directorate are not progressing with sufficient pace. The Committee should consider the benefit of summary reporting and seeking broader executive attendance by the relevant leads to discuss the management response and where necessary, the pace of progress as part of its 'holding to account' arrangements.

Appendix 1

Management response to 2016 structured assessment recommendations

Exhibit 6: Management response

Ref	Intended outcome/ benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R1	To ensure effective delivery of savings plans	Develop more detailed delivery plans to support cost improvement programmes.	Yes	Yes	There are detailed delivery plans in place for all schemes, with the key focus on the higher value ones. Whilst the way in which the Trust's costs improvement and savings delivery is planned, delivered, reported and presented has significantly improved over the last few years, this will be further reviewed for 2017/18.	April 2017	Director of Finance and ICT

Ref	Intended outcome/ benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R2	To strengthen asset management controls	Address the required improvements identified in the WAO accounts report and Final Accounts Audit Memorandum.	Yes	Yes	This will be taken forward as agreed in the WAO accounts report, with regular updates provided to the local WAO team, including as part of the interim audit for 2016/17.	April 2017	Director of Finance and ICT
R3	To strengthen arrangements for monitoring IMTP delivery	a) Give broader consideration of IMTP progress through the IMTP delivery and assurance group (iDAG), in addition to monitoring of strategic change programmes.	Yes	Yes	As part of the IMTP refresh for 2017/18 – 2019/20, a review of delivery monitoring mechanisms will take place to further strengthen arrangements. An Internal Audit review of this area is also underway.	March 2017	Director of Planning and Performance
		b) Confirm whether scrutiny of IMTP delivery is to remain a function of the Board or is to be supported through committee arrangements.	Yes	Yes	Consideration of whether IMTP delivery will be considered at Committee level and to ensure the Trust complies with the NHS Planning Framework will be discussed by the Chairs Working Group.	March 2017	Board Secretary

Ref	Intended outcome/benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R4	To further enhance Board and Committee governance arrangements and internal controls	a) Ensure that receipt of committee papers is consistently timely.		Yes	There is a clear process for the timely submission of Board and Committee papers. These will be reviewed with the view to identifying better ways to support staff.	March 2017	Board Secretary
		b) Define criteria for what constitutes open/closed meeting agenda items.	Yes	Yes	Guidance will be reviewed in line with the above.	March 2017	Board secretary
		c) Develop more consistent use of self-assessment as a tool for reviewing the effectiveness of committees, as well as the Board.	Yes	Yes	This will be reviewed and a consistent self-assessment tool will be introduced for 2017/18.	April 2017	Board Secretary
		d) Complete the mapping of management sub-groups and the flow of assurances to the Quality, Patient Experience and Safety Committee.	Yes	Yes	A governance mapping exercise for the whole Trust is scheduled to be completed in Early April 2017. A Quest Planning day was held in September and the Terms of Reference for the Quality Steering Group agreed. This maps the sub-groups reporting into the QSG and thus the Quest Committee.	April 2017	Board Secretary

Ref	Intended outcome/benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R4	To further enhance Board and Committee governance arrangements and internal controls	e) Develop the counter-fraud service so that it can robustly investigate and more proactively reduce the risk of fraud.	Yes	Yes	Arrangements to improve local counter-fraud services are already well progressed, with much improved reporting noted at the Audit Committee in December 2016. This will also include the appointment of a permanent full time LCF Manager in the Trust before the end of 2016/17. To further complement this, a more detailed response is also being prepared for NHS Protect to also respond to areas of clarity sought on how the Trust has responded to some key recommendations made in their report issued in July 2016, a copy of which can also be shared, if required, once completed.	Ongoing	Director of Finance and ICT
R5	To strengthen monitoring and scrutiny of progress against audit recommendations	a) Ensure the tracker tool includes all audit recommendations.	Yes	Yes	The Audit tracker has already been updated.	Complete	Board Secretary
		b) Consider use of summary information and broader executive attendance at Audit Committee to enhance scrutiny of progress.	Yes	Yes	This will be reviewed when next updating the Audit Tracker information.	March 2017	Board Secretary

Ref	Intended outcome/benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R6	To ensure all prescribed information is publically accessible	Assess the content and accessibility of the Trust website to confirm that the requirements of the Welsh Health Circular (2016) 033 are being fully met.	Yes	Yes	The work to ensure the Trust is complying with WHC (2016) 033 is already underway. There was a significant high compliance before the WHC was issued and therefore the work focusses on any items not previously covered.	February 2017	Board Secretary
R7	To ensure clear and up to date Trust policies and procedures are in place	a) Develop a 'policy on policies' specifying the agreed process for reviewing, updating and approving policies	Yes	Yes	This work is well underway and reports have been provided to the Exec Team. The 'Policy on Policies' and other related items will be presented to the March Board meeting	March 2017	Board Secretary
		b) Complete the review, updating and approval of key policies which are currently out of date, including information security policies and ICT standard operating procedures.	Yes	Yes	This work is underway and is part of the programme of work detailed above.	April 2017	Board Secretary

Ref	Intended outcome/benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R8	To reduce the cost of sickness and build workforce skills and capacity	Take further action to reduce sickness levels and increase completion rates for mandatory training and personal appraisal and development reviews.	Yes	Yes	Plans are in place to deliver reduction in sickness levels within the Trust, and improve CPD and PADR rates. Targets have been set, clear messaging given from Executive level and individual managers have responsibility for reducing sickness levels in their own areas with support of their HR Business Partner. These plans will be reviewed and refreshed in March / April 2017. Monthly workforce KPI data on sickness, PADR and Statutory & Mandatory training is issued, with quarterly performance review and scrutiny at Executive level, and quarterly deep dive workforce performance reports to Finance and Resources Committee.	April 2017 for review / refresh of plans	Director of Workforce and OD

Ref	Intended outcome/benefit	Recommendation	High priority (Yes)	Accepted (Yes/ No)	Management response	Completion date	Responsible officer
R9	To fully address previous structured assessment recommendations for strengthening board assurance arrangements by the intended date of 31 March 2017	Maintain pace to: a) Fully implement the risk management framework and consistent application of risk scoring	Yes	Yes	The Datix Systems administrator recruitment will begin in January and will migrate to E risk and electronic reporting. The Structure of the Directorate has been redesigned and the support to Operational and Corporate teams will be progressed to support consistency in risk assessing and scoring	April 2017	Director of Quality, Safety and Patient experience
		b) Complete board assurance mapping, documenting and approval of the Board Assurance Framework	Yes	Yes	This work is underway. Final Board assurance Framework document will be presented to the Board in March 2017.	March 2017	Board Secretary
R10	To ensure the Trust is making the best use of its estate	Complete development of an up-to-date estates strategy by the intended date of 31 March 2017		Yes	This work is on target to be delivered by this date, with plans for the Board to receive an updated draft SOP at part of its development day in February 2017.	March 2017	Director of Finance and ICT

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