

# Structured Assessment 2024 – Powys Teaching 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 Powys Teaching 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 several 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); and
  - other relevant good practice guides
- 5 We undertook our work between September and December 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.

- 6 Welsh Government has escalated the Health Board under the [NHS Wales escalation and oversight framework](#). In November 2024, the Health Board was placed in Targeted Intervention (Level 4) for finance, strategy and planning due to the reduced confidence in the Health Board's financial position and its forecast deficit for 2024-25. Prior to this, the Health Board had been in Enhanced Monitoring (Level 3) since July 2023. The Health Board remains in Routine Monitoring (Level 1) for all other domains.
- 7 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

- 8 Overall, we found that **the Board and its committees are working well and there is an openness about the challenges the organisation faces and a commitment to secure the necessary improvements. The Health Board has been unable to deliver short- or medium-term plans that are supportable by Welsh Government, and on-going work is required to strengthen some key aspects of the Health Board's corporate governance arrangements.**
  - we considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently. We found that **the Board conducts its business transparently and is committed to continuous improvement. The Board and its committees continue to operate well, and scrutiny has continued to strengthen but more assurance is required to ensure that committee workplans are aligned to key strategic priorities and the risks to their delivery.**
  - we considered whether the Health Board has a sound approach to managing risks, performance, and the quality and safety of services. We found that **the Health Board is continuing to develop its systems of assurance with robust arrangements in place for performance management, more work is needed to develop the Board Assurance Framework, strengthen risk management arrangements, provide greater clarity on its quality and safety priorities, and improve arrangements for closing audit recommendations.**
  - we considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery. We found that **the Health Board continues to progress work to deliver its long-term strategy and 'Better Together' transformation model although continues to be unable to produce a Welsh Government approved Integrated Medium-Term Plan. There is also a need to ensure**

that the long-term strategy remains relevant and appropriate, and that progress is being made at sufficient pace to deliver intended impacts.

- we considered whether the Health Board has a sound corporate approach to managing its financial resources. We found that **while the Health Board's financial planning and management arrangements are generally effective, monitoring and reporting arrangements require strengthening to urgently establish control over the risks to its financial position. Ongoing financial challenges also means there is a need to monitor any associated performance and quality risks to service delivery.**

## Recommendations

- 9 **Exhibit 1** details the recommendations arising from our work. The Health Board's response to our recommendations is summarised in **Appendix 3**. In addition, there remains work to do to ensure that recommendations from previous years are addressed in full (see **Appendix 2**)

### Exhibit 1: 2024 recommendations

Recommendations	
R1	The Health Board should require staff with significant budget oversight and/or significant influence on commissioning arrangements to provide information on any relevant interests and include this information on the Register of Interests ( <b>paragraph 21</b> ).
R2	The Health Board should set out its ambitions for the quality and safety of its services and how it will go about achieving them ( <b>paragraph 66</b> )
R3	The Health Board should strengthen recommendation tracking by ensuring information is provided to assure the Audit, Risk and Assurance Committee that actions taken have effectively addressed the recommendations ( <b>paragraph 74</b> ).

## Recommendations

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- R4 The Health Board should:
- 4.1. Ensure annual reviews of its well-being objectives are clearly communicated (**paragraph 86**); and
  - 4.2. Ensure a review of its long-term strategy to confirm its continued appropriateness post pandemic, and, in light of the financial challenges is communicated and contributes to future strategy review plans (**paragraph 90**).
- 
- R5 As part of its core planning arrangements, the Health Board should clearly set out and monitor:
- 5.1. the actions it intends to take to deliver its well-being objectives over the lifespan of its long-term strategy (**paragraph 87**); and
  - 5.2. strategic performance measures to accompany its well-being objectives that capture the long-term impact it is seeking to achieve (**paragraph 87**).
- 
- R6 The Health Board should strengthen reports setting out progress against wider corporate strategies and plans by clearly articulating where delivery is off-track, mitigating actions, and revised delivery timescales (**paragraph 92**).
- 
- R7 The Health Board should identify, monitor, and manage any immediate quality and performance risks that may arise because of the ongoing financial challenges (**paragraph 105**).
- 
- R8 The Health Board should provide greater assurances within finance reports on the impact of mitigating actions to address key financial risks (**paragraph 116**).

# Detailed report

## Board transparency, effectiveness, and cohesion

- 10 We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently.
- 11 We found that **the Board is committed to conducting its business transparently and continuous improvement. The Board and its committees continue to operate well, and scrutiny has continued to strengthen but more assurance is required to ensure that committee structures and their workplans are aligned to key strategic priorities and their risks to delivery.**

## Public transparency of Board business

- 12 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;
  - papers being made publicly available in advance of meetings; and
  - business and decision-making being conducted transparently.
- 13 We found that **the Board and its committees demonstrate good levels of public transparency in the conduct of their business. Current arrangements could be strengthened further by clearer promotion of forthcoming committee meetings.**
- 14 The Board and its committees continue to operate meetings in public with most meetings held virtually. All Board meetings are livestreamed and access to meeting agendas and previous recordings are available via the Health Board's website which supports accessibility (see **Appendix 2 R1.1 2023**). Opportunities remain to promote committee meetings more explicitly on the Health Board's website and social media platforms in line with promotion of Board meetings. This would support increased transparency of business and encourage members of the public who wish to observe meetings to do so.
- 15 Board and committee agenda papers are made available to the public in advance of meetings, there are still instances where agenda items are added late (see **paragraph 34**). Unconfirmed minutes are now made available soon after meetings which promotes transparency of Board business (see **Appendix 2 R1.2 2023**).
- 16 Most Board business is conducted in open (in-public) sessions. Appropriate use is made of private sessions, with these reserved for confidential and sensitive matters only. The Board continues to provide a high-level overview of items discussed in private at the following public Board meeting to maintain transparency.
- 17 Our observations of Board and committee meetings found that they support good openness and transparency, particularly in relation to the challenges facing the organisation.



## Arrangements to support the conduct of Board business

- 18 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 formal, up-to-date, and publicly available:
- Reservation and Delegation of Powers and Scheme of Delegation in place, which clearly sets out accountabilities;
  - Standing Orders (SOs) and Standing Financial Instructions (SFIs) in place, along with evidence of compliance; and
  - policies and procedures in place to promote and ensure probity and propriety.
- 19 We found that **the Health Board has generally good arrangements for monitoring and updating its core control frameworks. Further work remains to strengthen its arrangements for probity and propriety.**
- 20 The Scheme of Reservation, Delegation of Powers and Standing Orders were approved by Board in May 2024. Standing Financial Instructions are also up to date and available to the public on the Health Board's website.
- 21 The latest copy of the Declaration and Register of Interests was reported to the Audit, Risk and Assurance Committee (ARAC) for assurance in October 2024, and Board in November 2024. There is also an escalation process in place for Board Members who have not submitted declaration forms by the required date. Whilst no escalations were identified, this is a useful mechanism to ensure transparency and probity and propriety of decision making within the organisation. Despite the Register of Interests being embedded in the agenda bundle for the ARAC meeting, it continues to not be easily available on the Health Board's website (see **Appendix 2 R5a 2022**). As identified last year, the Health Board should expand the Register of Interests to include staff members with budget oversight and/or significant influence on commissioning arrangements (**Recommendation 1**).
- 22 Whilst there is a key policies page on the Health Board's website, the policies themselves continue to be unavailable to the public, although they are available on request (see **Appendix 2 R5a 2022**). The Health Board have acknowledged that they will not be looking to address this recommendation at this time.

## Effectiveness of Board and committee meetings

- 23 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 as being shaped on an ongoing basis by the Board Assurance Framework (BAF);

- 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; and
  - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board.
- 24 We found that **the Board and its committees continue to operate well, and scrutiny has continued to strengthen. More work to further strength the Board Assurance Framework is needed to provide assurance that committees are aligned to key strategic priorities and their risks to delivery.**
- 25 The Health Board approved a BAF in May 2024 after being without one for several years (see **paragraphs 52 to 54**). The approved BAF contains the Health Board's assurance framework, and the corporate risk register is a component part of the framework. More work is needed to ensure risks are aligned to achieving strategic priorities and their associated controls and assurances. It is therefore difficult to conclude that the current committees are appropriately shaped by the BAF and aligned to the strategic priorities and their risks to delivery. The Health Board needs to at pace develop a more comprehensive BAF to gain and provide assurance that the current committee structure is appropriately aligned (see **Appendix 2 R3 2022**).
- 26 Despite the absence of a comprehensive BAF, committees appear to have appropriate work plans that collectively reflect the breadth of Board and committee business. However, until the risks to achieving strategic priorities are set out in full, the committees are not able to be certain that workplans provide comprehensive oversight of strategic risks. The committees' Terms of Reference were revised and received Board approval in May 2024. The changes included moving a few areas of business to a more appropriate committee and strengthening the purpose of some committees. For example:
- Information Governance has been moved from the Delivery and Performance (D&P) Committee to ARAC; and
  - the Planning, Partnerships and Population Health Committee (PPPHC) has increased its focus on population health.
- 27 The introduction of 'consent agendas' in committee meetings, which allows reports to be grouped and approved as a single agenda item, has created more time for focus and discussion on substantive items. Some committee chairs need to ensure that in each meeting they provide opportunity for consent agenda items to be moved into the main agenda for discussion if attendees feel this is necessary.
- 28 These changes should help make the workload of the D&P Committee more manageable, as the time available to manage the broad agendas for this committee has been challenging. The changes also mean that items included in committee work plans align better to their remits.
- 29 Despite the work to consider committee workplans, our Primary Care Follow Up Review in July 2024 identified opportunities to increase the visibility and

consideration of primary care at Board and committee level. During 2024, the Health Board escalated the status of mental health services in line with its internal escalation framework. Both the Board and the Patient Experience, Quality and Safety (PEQS) Committee routinely monitor progress against improvement plans.

- 30 The Chair and Director of Corporate Governance continue to encourage and support committee chairs to have greater ownership of their respective committee workplans and ensure appropriate scrutiny and challenge. The recent appointment of an independent member for finance has enhanced the quality of scrutiny on financial matters. Opportunities have been built into agendas to reflect how meetings went and provide feedback. Meetings are chaired well, and meeting etiquette is observed including polite but appropriate challenge and support.
- 31 Committee Chair Reports<sup>1</sup> continue to be provided to the Board to ensure appropriate flows of assurance. Some Chair Reports include a section to escalate areas of concern, and a standard template has been introduced to ensure consistency. Since our previous structured assessment, the Committee Chairs Forum has started to embed and is helping to coordinate committee business, reduce duplication of work across committees, and improve the quality of the committee chairs reports. The Committees provides routine updates to the Board through the Chairs' Report to Board providing a useful overview of forum discussions and associated actions (see **Appendix 2 R6a 2022**). There is opportunity to be clearer when referring business from one committee to another, what is expected to happen with the referral and whether there needs to be future update on the outcome of the referral.

## Quality and timeliness of Board and committee papers

- 32 We considered whether the Board and committees receive timely, high-quality information that supports effective scrutiny, assurance, and decision making. We were specifically looking for evidence of clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 33 We found that **whilst Board and committee papers are generally of a good standard, there are opportunities to secure further improvements.**
- 34 Board and committee information generally remains of a good standard and is constantly being reflected upon. Whilst a small number of agenda items are published later than the seven-day timeframe, this is largely due to the specific agenda information needing to be as timely as possible. This can limit the amount of time attendees and observers have to read and consider papers prior to meetings. The Health Board could consider whether adjusting the timing of Board and committee meetings would provide sufficient time to enable these papers to be

<sup>1</sup> Committee Chair Reports provide a summary to the Board of key matters considered and related decisions made by each committee since the previous Board meeting.

produced ahead of the paper deadline. Finance papers continue to be well received and regarded as clear and explanatory.

- 35 Independent members continue to provide ongoing challenge to support the continuous improvement of the quality of reports. This includes ensuring key information is presented ahead of any detailed narrative to focus attention and being clear about what the committee is being asked to do in relation to agenda items. We heard how too much technical language and use of acronyms may be a barrier to the public's understanding of committee papers. The Health Board needs to be mindful of the length of agendas and papers, especially for the D&P Committee for which agenda bundles can regularly be more than three hundred pages. This may hinder the depth of scrutiny and review which is undertaken in advance of meetings.
- 36 There also remains scope to be more explicit within committee papers as to how the sustainable development principle<sup>2</sup> is being considered and how staff present this in a meaningful way to underpin decision making.

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

- 37 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.
- 38 We found that **the Board continues to hear from patients and staff, and there remains scope to share learning from Board walkarounds.**
- 39 The Board has expanded its use of patient stories by including them on the PEQS Committee agenda. Patient stories are presented to Board and PEQS Committee both by service users attending in person and via videos. Stories now represent a broad spectrum of both positive and negative experiences (see **Appendix 2 R2 2023**). Whilst this is constructive, we have heard that the purpose of including patient stories is still unclear, and at the time of our review, a paper was being considered to help Board members maximise the impact of stories. Survey responses from the NHS Wales patient experience system (Civica) are routinely presented to PEQS Committee.
- 40 The Board and the Workforce and Culture Committee continue to receive staff stories. The Workforce and Culture Committee has also received routine updates on the Health Board's 'Great Place to Work' strategic priority, including staff retention, 'Speaking up Safely, and the Clinical Leadership Immersive Programme. The 2023 NHS Staff Survey results were also reported to the Workforce and

<sup>2</sup> The sustainable development principle means that the body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

Culture Committee in June 2024. Despite a higher response than other health boards, the Health Board's response rate was low at 28%.

- 41 Board member walkarounds continue to take place and provide an opportunity for independent members to triangulate what they hear directly from staff with the information received in Board and committee meetings. Walkarounds are planned three to six months in advance, but there is an opportunity to integrate the roles of Independent Members and Executive Directors in the walkarounds (see **Appendix R3 3.1 2023**). At the time of our review however, a Board member visit was scheduled for mental health services, due to the challenges in this service area (see **paragraph 29**). We previously recommended that the Health Board should set out how the walkarounds operate and the mechanisms for reporting key themes and identifying learning. This has yet to be implemented (see **Appendix R3.2 2023**).

## Board cohesiveness and commitment to continuous improvement

- 42 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.
- 43 We found that **the Board now has stable membership, following some significant changes and is committed to continuous improvement.**
- 44 The Board has been through some significant changes in the past 12 months, but these have been managed well. Two new independent members have been appointed in 2024, with a further appointment to be made in early 2025. The Chair of the D&P Committee has temporarily chaired the ARAC until the new independent member for finance takes over the role in January 2025, after a handover period.
- 45 In addition, following the appointment of the substantive Chief Executive in February 2024, substantive appointments have also been made to the two executive director posts previously filled on an interim basis (see **Appendix 2 R10 2022**). Changes have been made across executive portfolios to align roles and responsibilities more appropriately with the Health Board's ambitions. This has resulted in substantive changes to the Director of Operations role which is now also responsible for primary care, alongside community and mental health. The Health Board will need to ensure that this role is appropriately supported given the challenges in these service areas.

- 46 During 2024, the Health Board has introduced committee effectiveness reviews for each of its committees. These were undertaken early in the year and the results shared with the Board and each committee with appended actions and timescales for completion (see **Appendix 2 R4 2023 and R9a 2022**). As discussed in **paragraph 30**, at the end of each committee meeting the Chair asks for feedback on how the meeting went (see **Appendix 2 R9b 2022**). Annual Reports for each committee were presented to the Board in May 2024 which included commentary on committee effectiveness and changes made as a result.
- 47 There continues to be an appropriate programme of board development, with sessions held each month which focus on four themes, developing the (Board) team, developing the organisation, engaging with external partners, and engaging with the organisation.

## Corporate systems of assurance

- 48 We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 49 We found that **the Health Board is continuing to develop its systems of assurance. There are robust arrangements for performance management, but more work is needed to develop the Board Assurance Framework, strengthen strategic and operational risk management arrangements, provide greater clarity on its quality and safety priorities, and improve arrangements for closing recommendations.**

## Corporate approach to overseeing strategic and corporate risks

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

- 51 We found that **the Health Board has developed the first phase of its Board Assurance Framework, but more work is needed to identify all sources of assurance on the effectiveness of its arrangements to manage strategic risks and achieve its organisational objectives. There is a need to strengthen the corporate risk registers and arrangements to escalate the highest operational scoring risks.**
- 52 We reported in 2021 and again in 2022 that the BAF had not been updated to reflect the priorities set out in the Health Board's long-term strategy and Integrated Medium-Term Plan (IMTP) and had not been presented to the Board since January 2020. A BAF was approved by Board in May 2024, it sets out the overarching framework of the Health Board's assurance mechanisms.
- 53 Whilst we recognise that component parts of the BAF, such as the Risk Management Framework are in place, there are opportunities to make clearer the impact each of the Health Board's strategic risks has against achieving its strategic priorities and the controls and sources of assurance. The Health Board does not identify strategic risks separately to corporate risks. As a result, there is a single register which contains both the complex, high level risks to delivering the strategy and the highest scoring operational risks. As part of the work needed to further develop the BAF, the Health Board should develop risk registers for strategic risks and corporate risks to ensure oversight is appropriate. Conventionally, we would expect the Board to own the BAF (containing the strategic risks), and the Corporate Risk Register (CRR) to be owned by the executive team. The Health Board should progress the work required on the BAF at pace and present this to Board for consideration as soon as practically possible (see **Appendix 2 R3 2022**).
- 54 The Health Board's Risk Management Framework was last updated and approved by the Board in November 2022 and reviewed by ARAC in November 2023. A risk management update was presented to ARAC in May 2024 and an updated framework was due to be presented to ARAC in October 2024, however, this has been postponed to January 2025 due to resource constraints. This creates an opportunity to align the further development of the BAF with the update to the Risk Management Framework. More positively, the Health Board's refreshed risk appetite was approved by the Board in May 2024 and is available on the Health Board's website.
- 55 The CRR template was updated in 2024, with the introduction of assurance ratings in a RAG format<sup>3</sup>. The CRR is presented to Board bimonthly, and committees have specific corporate risks allocated to them for assurance and review. This is helpfully mapped in the CRR cover paper and allocations are appropriate to the committee remits. Committee CRR reports are detailed and provide information to support scrutiny, but there are minor inconsistencies in their completeness. For example, some reports include the impacts of actions on the current risk score, and some do not.

<sup>3</sup> Red, Amber and Green.



- 56 The Risk and Assurance Group has been meeting regularly and the CRR now goes to the group for review and consideration before it is presented to the Executive Committee for oversight. In June 2024, Internal Audit reported the findings of their review of operational risk management and assurance in three areas of the Health Board; Corporate Governance, the Women's and Children's Department and Medicines Management. The review received a reasonable assurance rating overall but noted that the Risk and Assurance Group had not reviewed either the Women's and Children's Department or Medicines Management risk registers for potential inclusion on the CRR. Whilst it is positive that the Risk and Assurance Group is in place, there remains work to do to ensure the corporate arrangements to review and escalate departmental risks onto the CRR are effective (see **Appendix 2 R4 2022**).
- 57 The Board's risk registers continue to be Excel spreadsheets. The Health Board recognise there are delays due to resourcing to migrating risks onto the updated Datix<sup>4</sup> software module and this needs to happen at pace (see **Appendix 2 R5 2023**). This would allow the Health Board to hold all risks centrally, improve corporate oversight, and support greater consistency in the completeness of risk registers and escalation to the CRR.

## Corporate approach to overseeing organisational performance

- 58 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.
- 59 We found that **revisions to the Health Board's performance management framework have helped strengthen oversight of organisational performance**.
- 60 The Health Board's Integrated Performance Framework was revised and updated and is now known as the Integrated Quality and Performance Framework (IQPF). It received approval from the Board in March 2024. This was in response to the requirement to embed the Duty of Quality<sup>5</sup> which came into force in April 2023 and requires the Health Board to reflect on and develop the quality of services it provides. This three-year framework allows for an annual review.

<sup>4</sup> DATIX is a system used by all NHS staff to report both incidents and risks.

<sup>5</sup> The Duty of Quality was introduced under the Health and Social Care (Quality and Engagement) (Wales) Act 2020 and applies to NHS bodies in Wales.



- 61 The IQPF is comprehensive and sets out clear roles and responsibilities for performance management. It also sets out the oversight and accountability arrangements and the frequency and coverage of performance at specific meetings.
- 62 The Board and the D&P Committee receive the Integrated Quality and Performance Report (IQPR) at each meeting. The IQPR provides useful overviews of performance against both local and national targets, including trend and benchmarking data. Ministerial priority measures are also included in the report with compliance against the Health Board internal trajectory and the NHS performance framework clearly set out. The IQPR also includes measures and information on the performance of commissioned services, which is an area that the Health Board continues to try to influence and improve.
- 63 The IQPR cover report includes a 'by exception' section to provide focus on key achievements and challenges. This is a useful and accessible document which is well received by members. The Health Board should consider refining the cover report further by separating out achievements and challenge, rather than grouping them in a single narrative.

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

- 64 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.
- 65 We found that **the Health Board has generally effective arrangements for maintaining oversight of quality and safety and has continued to embed arrangements to oversee the Duties of Quality and Candour. The Health Board's ambitions for quality and safety are unclear.**
- 66 The Health Board's IQPF (see **paragraph 60**) replaced its Clinical Quality Framework 2020-23 (see **Appendix 2 R6 2023**). While this sets out the measures to be used to monitor quality and safety, it does not set out the Health Board's ambitions for the quality and safety of its services and how it will go about achieving them (**Recommendation 2**).
- 67 Quarterly Integrated Quality Reports to PEQS Committee provide an update on the quality and safety agenda across the Health Board. The report includes information on 'Putting Things Right' and complaints, information on compliance with the Duty

of Candour (including the number of cases each quarter and trend data) and patient experience data. The report provides assurance to the committee that quality and safety is appropriately monitored with actions in place to continuously improve quality. However, not every area for improvement included in the report sets out supporting actions and where actions exist, these should be SMART<sup>6</sup>.

- 68 The Health Board continues to have appropriate arrangements to ensure compliance with the Duties of Quality and Candour. The Health Board's Duty of Quality webpage provides the Health and Care Standards and links to relevant websites such as Healthcare Inspectorate Wales and the Public Service Ombudsman for Wales.
- 69 The Health Board's Duty of Quality Report 2023-24 was presented to PEQS Committee in September 2024. The report recognises that as a first iteration since the requirement to produce annual quality reports came into being, it was 'light touch' but this was in line with Welsh Government expectations and the format and content will continue to develop in subsequent years.

## Corporate approach to tracking recommendations

- 70 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. We were specifically looking for evidence of appropriate and effective systems in place for tracking responses to audit and other review recommendations in a timely manner.
- 71 We found that **the Health Board has generally effective arrangements to monitor and track recommendations, but more robust oversight and scrutiny is required to ensure actions taken adequately address recommendations before they are closed.**
- 72 Since our previous structured assessment, the Health Board has continued to develop its arrangements for tracking internal and external recommendations, and a report is now presented to ARAC twice a year (see **Appendix 2 R7 2023**).
- 73 The recommendation tracker usefully includes a cover paper which provides a summary update of internal and external audit recommendations either completed since the last update, not due for implementation or overdue. A breakdown of progress made to date is included for each recommendation. The number of overdue recommendations has decreased over the last 12 months.
- 74 The Health Board, however, should strengthen its approach to closing recommendations. There is limited information provided in the recommendation tracker to give assurance that actions taken have adequately addressed recommendations, allowing them to be closed (**Recommendation 3**). For example, the recommendation tracker presented to ARAC in November 2024 indicated that there were just two recommendations from previous structured

<sup>6</sup> Specific, Measurable, Achievable, Relevant and Time-based

assessment reports that remained open, whereas our fieldwork indicates that six recommendations require further work before they can be considered complete (see **Appendix 2**).

## Corporate approach to planning

- 75 We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 76 We found that **the Health Board continues to progress work to deliver its long-term strategy and 'Better Together' transformation model although it continues to be unable to produce a Welsh Government approved Integrated Medium-Term Plan. There is also a need to ensure that the long-term strategy remains relevant and appropriate, and that progress is being made at sufficient pace to deliver intended impacts.**

## Corporate approach to producing strategies and plans

- 77 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.
- 78 We found that **the Health Board continues to work towards delivering its long-term strategy and is progressing work on its 'Better Together' transformation model but continues to be unable to produce a Welsh Government approved Integrated Medium-Term Plan.**
- 79 The Health Board continues to work towards delivering its long-term strategy 'A Healthy Caring Powys 2017-27'. The strategy aims to reduce inequalities and focus on people with the greatest need, improve health and wellbeing and become a leader in integrated rural health and care. The Health Board has adopted a life-course approach to deliver its vision to ensure that its population 'starts well,' 'lives well' and 'ages well,' with focus on well-being, early help, and support, tackling chronic disease, and joined up care.

- 80 The Health Board's financial challenges over the last two years (see **paragraphs 97 to 100**) have meant that it has been unable to produce an IMTP which the Welsh Government can approve. Consequently, the Welsh Government required the Health Board to develop an annual plan instead. The Health Board has achieved this by developing a five-year Integrated Plan 2024-29, which is based on delivering the long-term strategy and objectives with year one setting out the required detailed annual plan.
- 81 The Health Board began developing its Integrated Plan 2024-29 in October 2023. It was informed by extensive engagement with staff, communities, and stakeholders. The Board met frequently using Board Development sessions and Board meetings to agree the strategic priorities and provide scrutiny on the development of the plan. The Integrated Plan 2024-29 was approved by Board and submitted to Welsh Government in March 2024. Internal Audit's review of the process to develop the Integrated Plan 2024-29 in September 2024 provided a reasonable assurance rating. At the time of writing, the Integrated Plan remained unapproved by Welsh Government due to the Health Board's financial position and forecast deficit for 2024-25.
- 82 The Integrated Plan 2024-29 clearly recognises the Health Board's challenges and sets out the progress it is making to develop a financially sustainable model for health and care – the 'Better Together' transformation model<sup>7</sup>. The Health Board has developed a three-phase approach, discover, design, and deliver, to advance the model, and has indicated that it is now progressing to the delivery phase which will focus on frailty and community services, planned care and diagnostic services, and mental health service transformation.
- 83 Aside from the Winter Resilience Plan 2023-24, no other strategies or plans were approved during the year.

## Corporate approach to setting well-being objectives

- 84 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>8</sup>. We were specifically looking for evidence of:

<sup>7</sup> 'Better Together – designing a sustainable approach for Powys' is the Health Board's transformation model. The model will be informed by the principles of the Well-being of Future Generations (Wales) Act (2015) and values-based healthcare, with the aim of transforming the services the Health Board provides, improving outcomes and, experience, and being financially sustainable. Values-based healthcare aims to achieve better outcomes for patients at reduced cost. This could be through, but not limited to elimination of harm, reducing over-treatment and procedures with limited clinical effectiveness, or adopting alternative or preventative approaches.

<sup>8</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

- 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.

85 We found that **the Health Board's strategic objectives are also its well-being objectives, which were informed by appropriate evidence and engagement. However, well-being objectives should be reviewed annually to ensure they continue to be appropriate, and there is a lack of clarity as to how the Health Board intends to deliver its objectives and demonstrate their impact over the medium to longer-term.**

86 A 'Healthy Caring Powys' 2017-27 sets out the Health Board's long-term objectives which are also its well-being objectives. The strategic / well-being objectives were shaped in line with the sustainable development principle and clearly aligned to the Health Board's vision and strategy (see **paragraph 79**). The objectives were also underpinned by engagement with Powys residents, the local authority and the third sector, and informed by the evidence underpinning the long-term strategy. However, there is a statutory requirement to review well-being objectives on an annual basis to ensure their continued appropriateness and this review should be clearly communicated (**Recommendation 4.1**).

87 There is also a lack of clarity of how the Health Board intends to deliver its well-being objectives over the lifespan of its strategy, and to measure their intended impact. The Integrated Plan 2024-29 clearly sets out priorities, timescales for delivery, and the intended outcomes and impact, but these are only in the short-term (**Recommendations 5.1 and 5.2**).

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

88 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 milestones, targets, and outcomes that aid monitoring and reporting; and
- the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.

contribution to achieving each of the well-being goals. Further information is available [here](#).

- 89 We found that **the Health Board has generally effective arrangements for overseeing the delivery of year one of its Integrated Plan 2024-29. There is a need to ensure that the long-term strategy remains relevant and appropriate, and that progress is being made at sufficient pace to deliver intended impacts. Reporting of progress to deliver other plans should be enhanced with information to show where delivery is off-track, associated mitigating actions, and revised delivery timescales.**
- 90 The Health Board's long-term strategy is now at an important point, and given the strategy was set prior to the pandemic, it is necessary for the Health Board to assess and reflect whether the long-term strategy remains appropriate post-pandemic and in the context of the cost-of-living crisis (**Recommendation 4.2**). We understand a review of the strategy has taken place within the Regional Partnership Board, and the Health Board needs to ensure this is taken into account going forward and communicated.
- 91 Progress against the Integrated Plan 2024-29 is routinely reported to Board through quarterly Delivery Plan Updates. Overall, the report provides a good overview of progress against strategic objectives and sets out key deliverables, actions, and milestones (see **Appendix 2 R2 2022**). It also sets out Executive Director responsibilities for deliverables which enhances accountability.
- 92 During the year, the Board and committees received routine updates on the delivery of wider corporate strategies and plans such as the Decarbonisation Action Plan, Digital Strategic Framework, and Health and Safety Annual Report. While these provide information to demonstrate progress, they are in the main narrative and do not clearly articulate where delivery is off-track, associated mitigating actions, and revised delivery timescales (**Recommendation 6**).

## Corporate approach to managing financial resources

- 93 We considered whether the Health Board has a sound corporate approach to managing its financial resources.
- 94 We found that **while the Health Board's financial planning and management arrangements are generally effective, monitoring and reporting arrangements require strengthening to urgently establish control over the risks to its financial position. Ongoing financial challenges also means there is a need to monitor any associated performance and quality risks to service delivery.**

## Financial objectives

- 95 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
  - being on course to meet its objectives and duties in 2024-25.
- 96 We found that **the Health Board did not meet its financial objective to achieve breakeven in 2023-24, and it faces significant challenges in achieving its forecast year-end deficit position in 2024-25 and the control total deficit expected by the Welsh Government**
- 97 The Health Board did not meet its financial objective to achieve breakeven for revenue for 2023-24. It instead reported achievement of its agreed control total deficit of £12 million, which was achieved with additional in-year financial support from Welsh Government. However, its underlying deficit deteriorated to £26.3 million meaning that the Health Board continues to be unable to meet its statutory financial duty to breakeven against its revenue resource limit over a three-year rolling period. The Health Board reported a small surplus of £25,000 against its capital resource limit.
- 98 The Health Board continues to be unable to submit a balanced financial plan for the three-year period 2024-27 and is working to an annual plan for 2024-25 which sets out a predicted deficit of £24.9 million. In May 2024, the Board agreed to revise its 2024-25 financial plan to achieve a £22.9 million deficit. The Welsh Government has set a deficit control total of £12 million for 2024-25.
- 99 Until November 2024, the Health Board was forecasting achievement of its planned year-end £22.9 million deficit. However, the Month 7 update to Board highlighted a £3.7 million year-to-date operational overspend with a significant risk that the position could deteriorate further by year-end, causing the Health Board to consider whether its financial forecast needed adjustment.
- 100 In December 2024, the Welsh Government announced a further £7.1 million funding allocation for the Health Board to support increasing demand, inflationary pressures, and commissioning costs. This should reduce the Health Board's planned deficit from £22.9 million to £15.8 million. As part of the conditions of the additional allocation, the Welsh Government expects the Health Board to deliver the deficit control total it set the Health Board (£12 million). The Welsh Government has indicated that any further deterioration of the financial positions would be unacceptable and unsupportable. The Health Board continues to forecast that it will remain within its capital resource limit of £12.6 million.



## Corporate approach to financial planning

- 101 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.
- 102 We found that **the Health Board has an effective approach to financial planning in the short- to medium-term. However, ongoing financial challenges means there is a need to monitor the impact of financial challenges on the performance and quality of services delivered.**
- 103 In 2023-24, the Health Board achieved its £12.1 million savings target because it recognised accountancy gains, which are non-recurrent in nature. Our [2024 Review of Cost Savings Arrangements](#) found that while the Health Board met its agreed deficit target for 2023-24, its track record of delivering against its overall savings targets is variable. Given the Health Board's current challenging financial position, it urgently needs to accelerate work on introducing a new, more financially sustainable service model and ensure it has the necessary skills and capacity to support the transformation required. We have made several recommendations within the report.
- 104 The Health Board has a clear process for developing its financial plan. Board members have scrutinised the development of the plan and the plan itself prior to submission to the Welsh Government.
- 105 The 2024-25 financial plan sets out several risks which the Health Board needs to manage. These include high levels of demand and capacity challenges across health and social care impacting on planning commitments, achieving the savings target, the impact of the 2024-25 pay award on staffing costs and continuing cost pressures. The Health Board will need to closely monitor financial risks and the impact of financial challenges on service delivery, performance, and quality **(Recommendation 7)**.
- 106 As at Month 7 2024-25, the Health Board was forecasting achievement of its £9.9 million savings target at year-end. However, there are risks associated with the capacity of teams to deliver the required savings. Performance against savings targets continues to be scrutinised by the D&P Committee and Board.



## Corporate approach to financial management

- 107 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.
- 108 We found that **while the Health Board continues to have generally effective arrangements for overseeing and scrutinising financial management, it urgently needs to control its costs.**
- 109 The Health Board continues to have robust arrangements to ensure compliance with statutory instruments and to report breaches. As set out in **paragraph 20**, the Scheme of Delegation has been reviewed and approved by ARAC and the Board, and a review of Standing Financial Instructions is scheduled for early 2025. ARAC routinely reviews losses, special payments, single tender actions, and post payment verification reports.
- 110 An Internal Audit update in January 2024 set out themes and reflections from its work to the ARAC. The update highlighted that Internal Audit had completed 49 financial governance and management reviews at the Health Board between 2021-24, resulting in 67% and 33% given reasonable and substantial assurance ratings, respectively. The Health Board continues to have good counter-fraud arrangements. There is an agreed annual workplan and routine reports to ARAC showing delivery against the plan.
- 111 The Health Board continues to have a good understanding of its cost pressures which include continuing healthcare, commissioned activity, variable pay, inflationary cost pressures (including energy and prescribing costs), and the ongoing costs associated with responding to the legacy of the COVID-19 pandemic.
- 112 The Health Board has maintained enhanced reporting on expenditure at Board and committee levels and has established working groups, such as its Agency Spend Reduction Group, to contain expenditure. An Internal Audit review of the Agency Spend Reduction Group reported in April 2024 gave a reasonable assurance rating. The latest Finance report to Board (November 2024) continues to highlight significant adverse variances across pay budgets, as well as commissioning of healthcare services, continuing healthcare and NHS funded nursing care indicating

that the Health Board's actions are not achieving the desired impact. The Health Board issues accountability letters to Executive Directors which set out requirements to manage the Health Board's financial position.

- 113 The Health Board submitted good quality draft financial statements for external audit within the required timescales. Our audit identified no material misstatements but did identify some areas where corrections should be made. We issued an unqualified opinion in respect of the true and fairness of the accounts, but a qualified regulatory opinion due to the Health Board breaching its duty to deliver a breakeven position over the three-year rolling period 2021-24.

## Board oversight of financial performance

- 114 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
  - appropriately scrutinising the ongoing assessments of the organisation's financial position.
- 115 We found that **while financial reports provide sufficient information to enable effective scrutiny and challenge, they need to be clearer on the impact of action taken to improve the financial position.**
- 116 The Health Board has reasonably effective arrangements for reporting financial performance to the Board and D&P Committee. Finance reports are clear and provide sufficient information to enable scrutiny and challenge. Broadly similar reports are presented to both forums and there are opportunities, particularly at committee level, to undertake more in-depth scrutiny in line with their function and provide challenge in particular areas where performance is off track. Furthermore, whilst reports continue to highlight key financial risks to the financial position, there are opportunities to be clearer on the impact of mitigating actions  
**(Recommendation 8).**
- 117 Our observations found that independent members are increasing their scrutiny and challenge on the Health Board's financial performance in Board and D&P Committee meetings. However, the current financial challenges at the Health Board will require the Board and D&P Committee to provide an appropriate level of scrutiny, and ongoing challenge on financial performance, delivery of savings, and managing risks.

# 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.

### Exhibit 2: audit methods

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>• Audit, Risk and Assurance Committee;</li><li>• Delivery and Performance Committee;</li><li>• Patient Experience, Quality and Safety Committee;</li><li>• Planning, Partnerships and Population Health Committee; and</li><li>• Workforce and Culture Committee.</li></ul>
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></ul>

Element of audit approach	Description
	<ul style="list-style-type: none"> <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>
Interviews	<p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• Chair</li> <li>• Vice Chair</li> <li>• Director of Corporate Governance/Board Secretary;</li> <li>• Executive Director of Finance, Capital and Support Services and Deputy Chief Executive</li> <li>• Executive Director of Planning, Performance &amp; Commissioning</li> <li>• Independent Member (Finance)</li> <li>• Chair of Audit, Risk and Assurance Committee</li> <li>• Chair of Delivery and Performance Committee</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

### Exhibit 3: progress made on previous year recommendations

Recommendation	Description of progress
<b>Transparency of Board business</b> R1 The Health Board should: 1.1. promote all Board meetings and other events, such as the Annual General Meeting, via the Health Board's social media channels and other communication mechanisms; and 1.2. make unconfirmed minutes available on the Health Board website soon after meetings to promote more timely transparency of Health Board business. (2023)	<b>Complete</b> – see paragraph 14 <b>Complete</b> – see paragraph 15
<b>Board commitment to hearing from patients, service users and staff</b> R2 The Health Board should introduce patient stories to the Patient Experience, Quality and Safety Committee to enable a broader spectrum of both positive and negative experiences to be heard. (2023)	<b>Complete</b> – see paragraph 39

Recommendation	Description of progress
<p><b>Board Walkarounds</b></p> <p>R3 The Health Board should strengthen its board walkaround arrangements by:</p> <ul style="list-style-type: none"> <li>3.1. developing a forward programme which involves both Independent Members and Executive Directors and covers a broad range of Health Board services; and</li> <li>3.2. develop a framework setting out how the walkaround should operate, and the mechanisms for reporting key themes. (2023)</li> </ul>	<p><b>In progress</b> – see paragraph 41</p> <p><b>No action</b> – see paragraph 41</p>
<p><b>Committee effectiveness</b></p> <p>R4 The Health Board should undertake its committee effectiveness reviews as soon as practically possible, to ensure continuous development in the way in which the committees operate. (2023)</p>	<p><b>Complete</b> – see paragraph 46</p>
<p><b>Corporate approach to overseeing corporate risks.</b></p> <p>R5 The Health Board should increase the pace in which risks currently recorded on spreadsheets are moved across to the Datix risk module. (2023)</p>	<p><b>In progress</b> – see paragraph 57</p>
<p><b>Corporate approach to overseeing the quality and safety of services.</b></p> <p>R6 The Health Board should ensure that the Patient Experience, Quality and Safety Committee has timely updates throughout the year on progress against the Clinical Quality Framework 2020-23 Implementation Plan. (2023)</p>	<p><b>Superseded</b> – see paragraph 66</p>
<p><b>Corporate approach to tracking recommendations</b></p> <p>R7 The Health Board should ensure that the Audit, Risk and Assurance Committee regularly receives the recommendation tracker throughout the year. (2023)</p>	<p><b>Complete</b> – see paragraph 72</p>

Recommendation	Description of progress
<p>R2 Delivery reports for monitoring progress against the priorities and actions set out in the IMTP are largely narrative and lack a focus on measures and impact. The Health Board should revisit its delivery reports to ensure they are succinct, less narrative, and have an increased focus on measures and impact. (2022)</p>	<p><b>Complete</b> – see paragraph 91</p>
<p>R3 The Health Board does not have an updated Board Assurance Framework that maps all the opportunities and risks to achieving strategic objectives, identifies gaps in assurance, and informs Board and committee workplans. The Health Board needs to update its Board Assurance Framework. (2022)</p>	<p><b>In progress</b> – see paragraphs 25 and 53</p>
<p>R4 There is currently a disconnect between directorate risk registers and the Corporate Risk Register (CRR). The Health Board needs to review all high risks on directorate risk registers to ensure the relevant ones are escalated to the CRR, and that the Board is aware of wider risks that may materialise. (2022)</p>	<p><b>In progress</b> – see paragraph 56</p>
<p>R5 Opportunities exist to improve public access to key Health Board documents. The Health Board should ensure that:</p> <p>a) policies and procedures, and the register of interest on the public website are accessible. (2022)</p>	<p><b>No action</b> – see paragraphs 21 and 22</p> <p>(The Health Board have acknowledged that they will not be looking to address this recommendation.)</p>

Recommendation	Description of progress
<p>R6 There are no mechanisms for committee Chairs to meet formally outside of committee meetings to share concerns and good practice, and there are also no mechanisms in place to track issues and actions referred between committees. The Health Board should put in place a mechanism to enable:</p> <p>b) issues and actions referred between committees to be tracked and feedback provided when completed. (2022)</p>	<p><b>Complete</b> – see paragraph 31</p>
<p>R9 Opportunities exist to improve self-reviews of Board and committee effectiveness. The Health Board should:</p> <p>a) ensure areas for improvement are captured and monitored via an action plan; and</p> <p>b) include a standing agenda item in all Board and committee meetings to allow for a review of the meeting. (2022)</p>	<p><b>Complete</b> – see paragraph 46</p> <p><b>Complete</b> – see paragraph 46</p>
<p>R10 The Health Board is carrying several interim posts at a senior level which can cause instability for both services and staff. The Health Board should seek to appoint substantively to the interim posts within the Executive team as soon as practical to do so. (2022)</p>	<p><b>Complete</b> – see paragraph 45</p>



# Appendix 3

## Management response to audit recommendations

Exhibit 4: Powys Teaching 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 require staff with significant budget oversight and/or significant influence on commissioning arrangements to provide information on any relevant interests and include this	<b>Recommendation accepted.</b>	Complete	Director of Corporate Governance

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	information on the Register of Interests ( <b>paragraph 21</b> ).	The Standards of Behaviour Policy was updated to include relevant staff and was approved by the Board on the 26 March 2025.		
R2	The Health Board should set out its ambitions for the quality and safety of its services and how it will go about achieving them (paragraph 66)	<b>Recommendation accepted.</b>  The Integrated Quality and Performance Framework was reviewed and approved by the Board on the 21 May 2025. Bi monthly reporting will continue to take place to the Boards Finance & Performance Committee and Board alongside the other requirements set out in the revised framework.	Complete	Executive Director Nursing, Quality, Women & Family Health
R3	The Health Board should strengthen recommendation tracking by ensuring information is provided to assure the	<b>Recommendation accepted.</b>	1 November 2025	Director of Corporate Governance

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	Audit, Risk and Assurance Committee that actions taken have effectively addressed the recommendations (paragraph 74).	The audit tracking tool and process will be updated to reflect the action.		
R4	<p>The Health Board should:</p> <p>4.1. Ensure annual reviews of its well-being objectives are clearly communicated (paragraph 86); and</p> <p>4.2. Ensure a review of its long-term strategy to confirm its continued appropriateness post pandemic, and, in light of the financial challenges is communicated and contributes to future strategy review plans (paragraph 90).</p>	<p><b>Recommendation accepted.</b></p> <p>4.1 – It is noted that the WB Objectives are part of the Joint Health and Care Strategy (agreed with Powys County Council). Overall review undertaken via RPB workplan. The Health Board will review them each year as part of the annual and medium term planning cycle and communicate to the PPPH Committee and Board as part of the IMTP process.</p>	4.1 – annual – March 2026	Executive Director Planning, Performance & Commissioning

Ref	Recommendation	<b>Management response</b> Please set out here relevant commentary on the planned actions in response to the recommendations	<b>Completion date</b> Please set out by when the planned actions will be complete	<b>Responsible officer (title)</b>
		<p>4.2 – The current Joint Health and Care Strategy is agreed up until 2027. The Health Board reviews the strategic priorities to deliver the Strategy each year as part of the annual planning cycle and will continue to do so.</p> <p>The review and development of the refreshed Strategy will be planned ensuring it is completed by 2027 and will be reported to both the Planning, Partnerships and Population Health Committee and Board. Note that due to the joint nature of the Strategy the RPB coordinates this work.</p>	4.2 – completion by April 2027	
R5	As part of its core planning arrangements, the Health Board should clearly set out and monitor:	<b>Recommendation accepted.</b>	5.1 – March 2026	Executive Director Planning,

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>5.1. the actions it intends to take to deliver its well-being objectives over the lifespan of its long-term strategy (paragraph 87); and</p> <p>5.2. strategic performance measures to accompany its well-being objectives that capture the long-term impact it is seeking to achieve (paragraph 87).</p>	<p>5.1 - Due to the joint nature of the Strategy this is monitored by the RPB and for the Health Board will also form part of the annual and medium term planning cycle.</p> <p>5.2 - Due to the joint nature of the Strategy this will be coordinated by the RPB as part of the refreshed Strategy review and development.</p>	5.2 – March 2027	Performance & Commissioning
R6	The Health Board should strengthen reports setting out progress against wider corporate strategies and plans by clearly articulating where delivery is off-track, mitigating actions, and revised delivery timescales (paragraph 92).	<p><b>Recommendation Accepted.</b></p> <p>Reports will include strengthened information articulating where delivery is off track.</p>	31 March 2026	Director of Corporate Governance with support from all relevant Executive Directors

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 identify, monitor, and manage any immediate quality and performance risks that may arise because of the ongoing financial challenges (paragraph 105).	<b>Recommendation Accepted.</b>  This forms part of the assessment of financial improvement options as part of the planning process. The monitoring is undertaken via the Integrated Quality and Performance Framework. Bi-monthly Integrated Quality and Performance Reports will continue to be presented to the Finance & Performance Committee and Board alongside the other requirements set out in the revised framework.	Completed – as forms part of the revised Integrated Quality and Performance Framework approved by the Board in May 2025.	Executive Director Planning, Performance & Commissioning
R8	The Health Board should provide greater assurances within finance reports on the impact of mitigating actions to address key financial risks (paragraph 116).	<b>Recommendation Accepted.</b>  Further assurances will be included in the finance report for both the Boards Finance & Performance Committee and Board as well as	September 2025	Executive Director Finance, Capital & Support Services

Ref	Recommendation	<b>Management response</b> Please set out here relevant commentary on the planned actions in response to the recommendations	<b>Completion date</b> Please set out by when the planned actions will be complete	<b>Responsible officer (title)</b>
		the assurance of financial control reporting made to the Audit and Risk Assurance Committee.		



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