

Structured Assessment 2022 – Aneurin Bevan University Health Board

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Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2022 structured assessment work at Aneurin Bevan University Health Board (the Health Board). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2004.
- 2 Our 2022 Structured Assessment work took place at a time when NHS bodies continued to respond to the unprecedented and ongoing challenges presented by the COVID-19 pandemic. Health bodies were not only tackling the immediate challenges presented by the public health emergency but were also seeking to recover and transform services to respond to the significant numbers of people who are waiting for treatment and improve population health. NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to 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 the organisation's governance arrangements; strategic planning arrangements; financial management arrangements; and arrangements for managing the workforce, digital assets, the estate, and other physical assets. The approach we adopted to deliver our work is detailed in summarised in **Appendix 1**.
- 4 We have also provided updates on progress against recommendations identified in previous structured assessment reports.

Key messages

- 5 Overall, we found that **while the Health Board is strengthening its governance arrangements, there is scope to enhance them further to address the significant challenges it needs to address in the short- and medium-term.**
- 6 Board and committee arrangements are strengthening, but they will need to be enhanced further to enable the Health Board to focus on addressing the increasing financial and performance challenges it is facing. While recent changes to committee structures appear to be leading to balanced workloads, there is scope to refine the size and order of agendas and sharpen some papers to ensure they are more focussed.
- 7 The Health Board is building greater leadership stability at an executive level through permanent appointments to key posts. It is also appropriately developing and embedding its systems of assurance, particularly its board assurance, risk management, and outcomes frameworks. The outcomes framework in particular is

starting to help the Health Board to better monitor strategic objective delivery. However, there are opportunities to strengthen performance reporting relating to the impact of its improvement actions.

- 8 The Health Board is facing growing risks relating to unscheduled care, planned care, cancer performance and growing financial challenges. The Health Board needs to review its Clinical Futures Strategy and underpinning plans to ensure that its current and future service models are sustainable and drive improvement. The Health Board has a good approach to planning, consistently securing Welsh Government approval of its Integrated Medium-Term Plans. However, there are opportunities to engage better with wider stakeholders to help jointly plan solutions to some of the difficult challenges the Health Board currently faces, particularly in relation to patient flow and discharge.
- 9 The Health Board's arrangements to secure financial balance to date have been good. However, increased cost pressures alongside under-delivery of savings have resulted in a substantial change in the forecasted financial position for 2022-23, with the Health Board now reporting a year-end deficit (of around £37 million to £49 million) rather than a balanced year-end position. This deterioration is also likely to have a consequent effect in future years both on the achievability of a three-year balanced financial position and increased underlying deficit, which could affect its ability to prepare a balanced integrated medium-term plan for 2023-26. In general, the Health Board has demonstrated effective financial controls, monitoring, and reporting arrangements. However, it must provide more robust scrutiny and challenge on its finances and strengthen its financial recovery measures and financial accountability arrangements at senior levels.
- 10 The Health Board prioritises wellbeing and seeks to understand how staff are feeling to help inform its improvement initiatives. However, there continues to be limited focus on workforce and wellbeing issues at Board level. The Health Board has refreshed its digital strategy, but there is scope to improve the quality of reporting on digital matters to ensure it delivers the expected aims and enables wider service improvement. The Health Board has an estate strategy and appropriate governance arrangements to oversee it, but the availability of capital finance is a concern, and its management of physical assets requires strengthening.

Recommendations

- 11 Recommendations arising from this audit are detailed in **Exhibit 1**. The Health Board's management response to these recommendations is summarised in **Appendix 2**.

Exhibit 1: 2022 recommendations

Recommendations

Agenda / meeting management

- R1 Board and Committee agendas cause some meetings to overrun. The Health Board, therefore, should review Board and committee agendas to ensure meeting business can be covered in the time available whilst also allowing for sufficient scrutiny and discussion.
-

Quality of Information to Board and committees

- R2 Information presented to Board and committees does not always provide the required assurance. Some papers are too long, detailed, and technical. Cover reports continue to follow an SBAR format, but there is variation in their use. The Health Board, therefore, should develop training and guidance for Health Board staff around the reporting expectations and quality of information presented to the Board and its committees.
-

Patient and Staff Stories

- R3 There is limited use of patient and staff stories at Board. The Health Board should consider how it can increase and maximise the benefit of patient and staff stories in Board and committees to help centre and focus meetings on the things that matter most, and to help triangulate this intelligence with formal agenda items.
-

Performance Reporting

- R4 The Integrated Performance Report has remained unchanged for several years, and at present it doesn't clearly articulate the impact of past and ongoing improvement actions. The Health Board should strengthen this report to provide more information to Board and committees on the actions required to address underperformance or the impact of past actions taken.

Recommendations

Clinical Futures Strategy and Long-Term Clinical Plan

- R5 The Clinical Futures Strategy has remained in place for over a decade, but the pressures the Health Board is facing have changed substantially in this time. The Health Board, therefore, should:
- a. review of the Clinical Futures Strategy to ensure it helps to shape financially and clinically sustainable service models; and
 - b. develop a detailed long-term clinical plan that underpins the Clinical Futures Strategy.
-

Working with wider partners in Integrated medium-term plan development

- R6 The Health Board discussed plans with both Welsh Government and the Community Health Council during the 2022-25 Integrated Medium-Term Plan development, but there was limited engagement with wider partners. The Health Board, therefore, should better involve wider partners to help collectively develop solutions to growing service challenges, particularly where services interface.
-

Schemes of Delegation

- R7 The Health Board's deteriorating financial position and deterioration in savings deliver indicates that stronger accountability for financial performance and delivery is required. The Health Board, therefore, should review its Scheme of Delegation to ensure it more strongly outlines delegated accountability for the budgetary position and achievement of financial efficiencies at and below executive levels.

Detailed report

Governance arrangements

- 12 In this section of the report, we provide our views on the Health Board's governance arrangements, with a particular focus on:
- Board and committee effectiveness;
 - the extent to which organisational design supports good governance; and
 - key systems of assurance.
- 13 Details of progress made on open recommendations made between 2017 and 2021 relating to the Health Board's governance arrangements are provided in **Exhibit 2**.
- 14 We found that **while the Health Board has taken positive steps to improve the effectiveness of its governance arrangements, opportunities exist to enhance these arrangements further to address key risks and operational pressures.**

Board and committee effectiveness

- 15 We considered the extent to which the Board and its committees conduct their business effectively and support good governance. In examining this, we have looked at whether:
- the Board and its committees demonstrate appropriate levels of public transparency;
 - meetings are conducted appropriately supported by clear Schemes of Delegation, Standing Orders, Standing Financial Instructions, and Registers of Interest;
 - there is an appropriate and well-functioning committee structure below the Board;
 - the Board and its committees receive the right information, including views from staff and service users; and
 - there is evidence of sufficient self-review by the Board and its committees.
- 16 We found that **Board and committee arrangements are strengthening but will need to be refined further to enable the Health Board to address the increasing challenges it faces effectively.**
- 17 The Health Board demonstrates reasonable levels of public transparency. It introduced hybrid meeting arrangements for its Board meetings, accommodating both in-person and virtual attendance. Members of the public can observe the meeting virtually through the livestream, although there are plans to allow in-person public attendance from November 2022. Whilst the hybrid approach allows greater flexibility for board members, our observations indicated that they are not as seamless as in-person and fully virtual meetings. For example, there were instances where we were unable to see or clearly hear staff presenting reports for specific agenda items and occasionally members did not use their laptop cameras

whilst speaking. Recordings of Board meetings are made available publicly shortly after each meeting.

- 18 Committee meetings continue to be held virtually and effectively. Whilst committee meeting minutes are published after they have been confirmed at the subsequent meeting, these timescales limits, to an extent, timely public access to records of committee business. The Health Board, therefore, is exploring options for livestreaming or publishing recordings of committee meetings to help improve public transparency of business.
- 19 The Health Board aims to publish agendas and papers on its website a week in advance of meetings. However, papers are occasionally updated at short notice, which makes it difficult for Board members and stakeholders to review all papers in advance. The Director of Corporate Governance is developing key performance indicators to track and address performance in this area. The Health Board limits the use of private meetings to discuss sensitive items only. But where these take place, public papers include a summary of business to be considered in private.
- 20 The Health Board has adopted the model Standing Orders and Financial Instructions including the model Scheme of Delegation, but there are opportunities to review the Scheme of Delegation to strengthen financial accountability and ensure they remain fit for purpose (we discuss this further in paragraph 74) The Health Board is not formally meeting its requirements to have a Healthcare Professional Forum. Instead, the Board engages clinical professionals through its Executive Directors and existing management groups. The Health Board intends to review these arrangements later in 2022-23.
- 21 The Health Board's policies on standards of business conduct, which include Declarations of Interest, and Receipts of Gifts, and Hospitality, are up to date. The process for declaring interests is well established at Board and committee meetings. The Health Board maintains a register of interests, which is available on its website. But while most declarations are up to date, some need updating. The Health Board's wider policies to support the effective conduct of business are mainly up to date, but some need updating such as its email and social media policies.
- 22 At its March 2022 meeting, the Board agreed to further revise its governance structure to better balance the focus between strategy, delivery, performance, and culture. While these arrangements are still relatively new, they appear to be working well by reducing risk of committee agenda overlap, keeping agendas manageable, and ensuring all committees have a formal footing. In particular, the new Audit, Risk, and Assurance Committee now focusses on core audit and assurance matters, and the new Finance and Performance Committee has a clear remit for finance, performance, and digital services. The Partnerships, Population Health, and Planning Committee is now a formal committee whereas its predecessor (the Strategy, Planning, Partnerships and Wellbeing Group) was not. Board members commented positively about the changes to the governance structure, indicating that the volume of work has reduced for some of the

committees and that there are now clearer flows of assurance for aspects of the Health Board's business, such as information governance and ICT.

- 23 Committee chairs are actively involved in agenda setting meetings, supporting collective agreement when selecting items to discuss at meetings. The Board and committees have up to date terms of reference, maintain comprehensive action logs, and annual programmes of business or forward work programmes. We found consistency in the way committee agendas are configured, with items for decision and assurance placed first, followed by items for consideration, and finally items for noting and information. Agendas also include indicative times to help committee chairs manage the meeting and maintain focus, albeit some meetings still overrun **(Recommendation 1)**.
- 24 Board and committee meetings continue to be generally well managed, enabling good discussions on key issues and encouraging contributions from all. Independent Members continue to engage and participate fully in meetings and provide reasonably effective scrutiny and questioning of the information presented. However, there is scope for Independent Members to provide a stronger focus on what difference is being made and to strengthen their challenge on the risks that might affect the successful delivery of Health Board plans. There have been new appointments to the Board, and it is becoming more cohesive. The Health Board has introduced local induction arrangements for both Executive Directors and Independent Members and is seeking feedback from new starters to help refine these arrangements (**see Exhibit 2 R1, 2018**).
- 25 The Board has self-assessed its effectiveness using the [NHS Improvement Well-Led Framework](#), the results of which were reported to the Board meeting in May 2022. The Board gave itself an 'amber-green' rating¹ and is progressing the improvement actions it identified. The introduction of the governance structure has meant that Committees have still not completed a review of their effectiveness. However, there are plans to complete this work this financial year.
- 26 The Board continues to hold development and briefing sessions for its members and has identified the need to focus on board effectiveness going forward. Whilst it has procured board development support from the University of South Wales to enhance Executive Team effectiveness, it needs to progress work around Independent Member development and overall Board effectiveness.
- 27 Information presented to the Board and committees, while normally good, does not always provide an appropriate level of assurance. We note requests from committee members during meetings for further information to gain greater assurance. Generally, papers are becoming more succinct, but Independent Members informed us that whilst there's been some improvement, some papers are still too long, detailed, and technical. Cover reports continue to follow an

¹ Definition of amber-green rating is 'partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe'.

SBAR² format, but they need to better describe the review/approval process prior to Board and committee meetings and there is still some variation in their use suggesting a training need for report authors. **(Recommendation 2)**

- 28 Our recent Quality Governance Report and this year's Structured Assessment work found limited use of patient and staff stories at Board **(Recommendation 3)**. Board member walkarounds also provide valuable intelligence from the front line although Independent Members did express concern around the prescriptive nature of the current approach.

Organisational design

- 29 We considered the extent to which the Health Board's organisational structure supports effective governance. In examining this, we have looked at whether:
- the responsibilities of Executive Directors are clear, and that they have balanced and equitable portfolios of work;
 - there is clarity on the role of Director of Corporate Governance, and there are adequate resources in place to support the work of the Board and its committees; and
 - the organisational structure supports effective governance and facilitates whole system working.
- 30 We found that **the Health Board's leadership arrangements are beginning to stabilise, and positive changes have been made to the Board Secretary role. Divisional structures have been refreshed, but it is unclear at present if these changes are delivering the intended benefits.**
- 31 Whilst the Health Board has taken positive steps to stabilise its leadership arrangements by appointing a permanent Chief Executive Officer, a Director of Operations, and a Director of Nursing, it still has a number of interims in other key executive positions including the Director of Finance and Procurement, the Director of Primary Care and Communities, and the Director of Planning. Furthermore, an Executive Director Public Health and Strategic Partnerships also intends to retire in November 2022. The Health Board is seeking to recruit permanently to several of these key roles by the end of the financial year. These permanent appointments should bring some much-needed leadership stability to provide a clear direction to help address some of the very pressing challenges that it is currently facing **(see Exhibit 2 R4, 2021)**.
- 32 In addition to the changes above, the remit of the Board Secretary has been broadened to encompass wider corporate governance development and Senior Information Risk Officer responsibilities. The Director of Corporate Governance role was agreed by the Remuneration and Terms of Service Committee in March 2022 and this wider remit should better support governance developments as well

² SBAR – Situation, Background, Assessment and Recommendation is an approach to drive improvement focussed reporting.

as ensure the governance arrangements are effectively embedded. The Director of Corporate Governance is supported by the Corporate Governance Support Team, which provides effective day-to-day governance and committee administration support (**see Exhibit 2 R3, 2021**).

- 33 The Health Board made several changes to its divisional structures during May 2022 following feedback from staff and system changes made resulting from the Covid-19 pandemic and Clinical Futures Strategy.. Changes to divisional structures include a reduction in the remit of the Scheduled Care Division and the creation of a new Clinical Support Services Division. The Health Board has also concluded its consultation with staff on proposed changes to its Unscheduled Care Division. Those changes include the creation of a new Medicine Division (incorporating Medicine and Acute Medicine) and a new Urgent Care Division (incorporating the Emergency Department, Urgent Primary Care Centres 24/7, and Flow Centre.) However, it is too early to comment on the effectiveness of the new structural arrangements.

Systems of assurance

- 34 We considered the extent to which the Board and its committees oversee, scrutinise, and challenge organisational risks, performance, and quality of services. In examining this, we have looked at whether:
- there is an effective Board Assurance Framework (BAF) in place, which is actively reviewed and owned by the Board;
 - the BAF is underpinned by appropriate systems for managing risks and performance; overseeing the quality and safety of services; and handling information in a secure manner; and
 - effective action is taken to address audit and review findings and recommendations.
- 35 We found that **whilst the Health Board continues to develop and embed its systems of assurance, there is scope to strengthen these arrangements further to ensure that significant risks and performance challenges are fully addressed.**
- 36 The Health Board introduced its Board Assurance Framework (BAF) in October 2021, which detailed its principal risks (scoring 15 and above). Work is currently ongoing to align the BAF to the Integrated Medium-Term Plan (IMTP) and the Health Board's new Outcomes Framework. The Audit, Risk, and Assurance Committee receives progress updates, but the Board has not formally received the BAF since it was introduced. More now needs to be done to ensure the BAF becomes an effective tool, which is fully owned by the Board, to address assurance gaps, shape Board and committee business, and inform wider governance developments.
- 37 The Health Board's Risk Management Strategy and Realisation Plan is now starting to progress. Last year, we reported on the limited investment made by the

Health Board to support the roll-out of the risk management approach. Some of those capacity issues have been resolved to help implement the plan 'at pace'. All strategic risks are allocated to a risk owner and assurance committee and actively reviewed and challenged by Committee members which is helping to inform agenda setting.

- 38 The Corporate Risk Register, alongside the Strategic Risk Report³, has improved **(see Exhibit 2 R2, 2019)**. However, we observed limited scrutiny, challenge, and discussion on risks at some Board meetings. Given the extent of the performance, finance, and quality risks facing the Health Board, the Board needs to increase its focus on the extent that actions being taken are reducing the risks faced.
- 39 The Health Board continues to experience significant service pressures with deteriorating performance against some key Welsh Government performance measures including:
- month-on-month growth in the overall numbers of people waiting for elective care and growth in long waits i.e., over 36 weeks;
 - deterioration in unscheduled care performance including 'Category A' ambulance response times within 8 minutes, increasing ambulance handover delays, and increasing long waits in emergency departments;
 - deterioration in access to timely cancer treatment against the 62-day target with concerns around access to treatment for Urology, Gynaecology Breast, and Lower Gastrointestinal tumour sites; and
 - growth in the numbers of patients waiting for a follow-up outpatient appointment and growth in the numbers waiting over twice as long as they should be (i.e., 100% delayed).

Although the Health Board has introduced a new performance dashboard in July 2022, its Integrated Performance Report has remained unchanged for several years, and at present it doesn't clearly articulate the impact of past and ongoing improvement actions **(Recommendation 4)**. The Health Board is currently developing its performance management framework and strategy. In doing so, the Health Board needs to ensure these arrangements enable it to address the key performance challenges it faces.

- 40 Our recent Quality Governance report found that the Health Board has clearly articulated its corporate quality arrangements and priorities. However, weaknesses remain at a divisional and directorate level which could impact the flow of assurance from floor to Board. Our report outlines several recommendations for improvement which the Health Board accepted alongside an appropriate action plan. Progress against the Health Board's actions is monitored by the Patient Quality, Safety and Outcomes Committee.

³ The Strategic Risk Report provides an overview of the Health Board's current organisational risk profile, changes in risk status, and any developments arising from the BAF and risk management approach.

- 41 Following a review of information security arrangements in November 2021, the Health Board is developing its Cyber Security and Information Governance strategies. Recent reports suggest no major issues or information governance breaches during 2021-22 and the Health Board's cyber security arrangements appear to be improving. A recent Internal Audit review of this area in June 2022 gave reasonable assurance but highlighted some issues around governance and reporting arrangements.
- 42 The Health Board has strengthened its arrangements for monitoring progress against internal, external audit, and Health Inspectorate Wales (HIW) recommendations. Recommendation tracking reports are transparent and enable detailed analysis. However, the most recent reports from October 2022 highlight 73 Internal Audit recommendations and nine Audit Wales recommendations were overdue suggesting that a more proactive response to addressing recommendations is required.

Exhibit 2: progress made on previous year recommendations

Recommendation	Description of progress
<p>Risk Management 2017 R3 The Health Board should review risk management arrangements to ensure that corporate risks are appropriately escalated and managed by:</p> <ul style="list-style-type: none"> a. developing upon its current risk reports to ensure that the context of the risk and progress in managing it are clearly set out; and b. revising the risk rating based on the mitigating actions. 	<p>Complete The Health Board continues to embed its risk management arrangements across the organisation. Our review of the Strategic Risk report found that the context of risks and progress in managing is clear and there is evidence that risk rating are amended based on mitigating actions.</p>

Recommendation	Description of progress
<p>Information Technology and Information Management 2017 R5 The Health Board should ensure resources allocated to information technology and information management provide sufficient capacity to meet the Health Board's plans.</p>	<p>In Progress An update to the Audit, Risk, and Assurance Committee in October 2022 indicates there has been no further progress in implementing this recommendation.</p>
<p>Board Member Induction and Training 2018 R1 The Health Board should ensure Board member induction and training meet the needs of independent members.</p>	<p>Complete The Health Board has introduced new induction arrangements for Executive Directors and Independent Members.</p>
<p>Information Governance Arrangements 2018 R3 The Health Board should improve its information governance arrangements by:</p> <ul style="list-style-type: none"> a. improving compliance with the information governance training programme to reach the national rate of 95%. b. improving performance against Freedom of Information Act to reach the statutory targets. 	<ul style="list-style-type: none"> a. In Progress - Overall compliance for the Health Board currently sits at 78%. The Health Board has established an internal target of 85% compliance, reflective of staff absences and system pressures. In November 2022, the Health Board adopted the national Information Governance training module, delivered through a blended approach of e-learning, classroom, video. b. Complete. Freedom of Information performance for the Health Board is sustained at around 95%.

Recommendation	Description of progress
<p>Informatics 2018 R4 The Health Board should address areas for improvement in relation to informatics, specifically ICT disaster recovery plans and test these to ensure they worked as intended.</p>	<p>In Progress An update to Audit, Risk, and Assurance Committee in October 2022 indicates that some progress has been made but recommendation has still not been fully implemented.</p>
<p>Board Assurance and Risk 2019 R2 There is scope to improve the quality of the corporate risk register (CRR). The Health Board should review the CRR by the end of March 2020 to ensure it clearly articulates cause and effect, reduced overlaps between controls and mitigating actions, specifies controls such as policies and procedures, aligns assurances to controls, indicates whether mitigating action is effective and includes timescales to monitor progress.</p>	<p>Complete The Corporate Risk Register is included within the Strategic Risk report, presented to the Board and its committees. It clearly articulates the Health Boards strategic risks, controls, and mitigating actions.</p>

Recommendation	Description of progress
<p>Website Content and Information 2021 R1</p> <p>The Health Board’s website contains some outdated information relating to its governance arrangements and incomplete performance data which is not supported by appropriate explanatory information. The Health Board, therefore, should take immediate action to ensure:</p> <ul style="list-style-type: none"> • content is well-organised, easy to navigate, clear and concise, and • key information/data is up to date and in a format that the public and stakeholders can interpret and understand. 	<p>In Progress</p> <p>The completion date is March 2023; therefore, the recommendation remains in progress.</p>

Recommendation	Description of progress
<p>Corporate Governance Support Team resilience and capacity 2021 R3</p> <p>Recent staff turnover within the Corporate Governance Support Team has impacted on the quality of service it is able to provide to the Board and its Committees. The Health Board, therefore, should review the effectiveness of its Corporate Governance Support Team as soon as possible to ensure that it has sufficient resilience and capacity to support all governance functions. Arrangements should also be put in place to ensure staff are able to access suitable training/learning opportunities to develop their knowledge and skills within their respective roles.</p>	<p>In Progress</p> <p>An update to the Audit, Risk, and Assurance Committee in October 2022 indicates that interim additional capacity has been put in place to provide some resilience. A full review of the structure and capacity of the Corporate Governance Support Team is due in quarter 3 2022/23.</p>

Recommendation	Description of progress
<p>Stability of the Board 2021 R4</p> <p>The Health Board has experienced significant changes in its Executive Team and cadre of Independent Members resulting in several interim Executive Director appointments and is currently recruiting to two independent member vacancies. However, maintaining these temporary arrangements indefinitely alongside the turnover of Independent Members presents risks at a time of significant operational pressures. The Health Board, therefore, should seek to make permanent appointments to these key Executive Director roles at the earliest possible opportunity. In addition, there remains a need for the Health Board to strengthen its induction and training for new Independent Members in line with our recommendation in 2019.</p>	<p>In Progress</p> <p>As noted in paragraph 31, the Health Board has made several substantive appointments to some key executive posts, but interim arrangements remain in other executive positions. The Health Board is seeking to recruit permanently to several of those key roles by the end of the year</p>

Strategic planning arrangements

- 43 In this section of the report, we provide our views on the Health Board's strategic planning arrangements, with a particular focus on the organisation's:
- vision and strategic objectives;
 - Integrated Medium-Term Plan (IMTP);
 - planning arrangements; and
 - arrangements for implementing and monitoring the delivery of corporate strategies and plans.

- 44 Details of progress made on open recommendations made between 2017 and 2021 relating to the Health Board's strategic planning arrangements are provided in **Exhibit 3**.
- 45 We found that **the Health Board needs to revisit its clinical strategy to ensure that clinical and medium-term plans help to drive service improvement and help to shape long-term sustainable services.**

Vision, strategic objectives, and integrated medium-term plan

- 46 We considered the extent to which there is a vision, strategy, and medium-term plan in place for the organisation. In examining this, we have looked at whether:
- the vision and strategic objectives are future-focussed, and rooted in a detailed and comprehensive analysis of needs, opportunities, challenges, and risks;
 - the vision and strategic objectives have been developed and adopted by the Board;
 - the long-term strategy is underpinned by an appropriate long-term clinical strategy; and
 - the IMTP was reviewed by the Board, submitted within the required timeframes in line with Welsh Government guidance and approved by the Minister for Health and Social Services.
- 47 We found that **while the Health Board has a clear vision and strategic objectives, its Clinical Futures Strategy needs to be reviewed to ensure that it responds to growing service and financial pressures and provides an effective platform for planning sustainable good quality services.**
- 48 The Health Board's [Integrated Medium-Term Plan \(IMTP\) 2022-25](#) outlines its vision and strategic objectives. It builds on the life course approach previously introduced in its [2021-22 Annual Plan](#) and aligns to [Building a Healthier Gwent](#)⁴ and the Health Board's [Clinical Futures Strategy](#). The Health Board's life course approach aims to reduce inequalities across communities through improving population health. The approach outlines five clear strategic objectives aligned to key stages in an individual's life course, underpinned by a set of outcomes and measures to achieve them.
- 49 The Clinical Futures Strategy, which has been in place now for over a decade, outlines the Health Board's long-term ambition for delivering clinical services. Whilst the Health Board is progressing work to deliver the strategy, it should seek to undertake a detailed review of the strategy as soon as possible to ensure it is fit for the future, particularly given the operational and workforce challenges facing

⁴ Building a Healthier Gwent is a collaborative approach to support health and wellbeing in communities across Gwent.

the organisation. Furthermore, while the strategy provides a high-level direction for clinical services, it is not currently underpinned by a detailed long-term clinical plan to ensure good quality and sustainable clinical services. **(Recommendation 5)**.

- 50 The draft Integrated Medium-Term Plan (IMTP) 2022-25 was discussed and approved by the Board in March 2022 and submitted to Welsh Government within the required timeframe. The Minister for Health and Social Services approved the plan in June 2022. However, preparing an approvable plan for 2023 onwards will become increasingly challenging for the Health Board in light of current risks associated with in-year and future cost pressures, performance issues, and ongoing growth in service demands.

Planning arrangements

- 51 We considered the extent to which the Board maintains effective oversight of the process for developing corporate strategies and plans. In examining this, we have looked at whether:
- prudent and value-based healthcare principles are considered and reflected in corporate strategies and plans;
 - corporate strategies and plans have been developed in liaison with relevant internal and external stakeholders; and
 - arrangements for commissioning services are effective and efficient, and aligned to corporate strategies and plans.
- 52 We found that **the Health Boards has a reasonably effective approach to planning, but stakeholder engagement could be improved around service changes and developing joint solutions.**
- 53 The Health Board engages well with its internal stakeholders as part of strategic planning processes. The IMTP 2022-25, People Plan 2022-25, and Arts in Health Strategy 2022-27 were all developed with involvement from key internal stakeholders, through staff engagement and various Health Board forums. Board members were also given opportunities to comment on these strategies and plans through Board development sessions. However, they indicated that earlier engagement on the IMTP would have been beneficial.
- 54 The Health Board discussed the 2022-25 Integrated Medium-Term Plan with both Welsh Government and the Community Health Council during its development, but there was limited evidence of engagement with wider partners. The Health Board should address this as a means to develop joint solutions, particularly where services interface, such as health and social care **(Recommendation 6)**. There also are opportunities for the Health Board to improve engagement with staff and Trade Union representatives when planning operational changes to Health Board services. The latest Trade Union Partnership Forum annual report highlights engagement issues relating to the Same Day Emergency Care (SDEC) Unit at the Grange University Hospital and possible planned changes at County Hospital. Service pressures appear to be making it more difficult for staff and managers to

both keep services delivering and at the same time plan for the future, but it is essential.

- 55 Positively the Health Board is seeking to deliver efficiencies through its value-based healthcare approach. Its Value-Based Healthcare Team supports healthcare professionals across the organisation, with some achievements to date. Many of the benefits from value-based healthcare can only be achieved through effective operational level service planning and change. It is investing £2.9 million to support value-based healthcare improvements, but it will need to ensure a clear return on investment through improved quality, increased efficiency, and cost reduction.
- 56 The Health Board directly commissions a range of providers for its healthcare services. It has a commissioning team which manages and monitors arrangements where the Health Board commissions or is the provider of services. However, a recent Internal Audit review on Commissioning of NHS Continuing Healthcare gave limited assurance, highlighting weaknesses around the oversight and scrutiny of some commissioned services.

Implementation and monitoring arrangements

- 57 We considered the extent to which the Board oversees, scrutinises, and challenges the implementation and delivery of corporate strategies and plans. In examining this, we have looked at whether:
- corporate strategies and plans contain clear milestones, targets, and outcomes that aid monitoring and reporting; and
 - the Board receives regular reports on progress to deliver corporate strategies and plans.
- 58 We found that **the new outcomes framework is a positive development, but the absence of clear target dates and milestones in plans inhibit effective progress monitoring.**
- 59 In general, key strategic plans provide clear objectives underpinned by outcome measures. However, they do not include target dates / milestones thus making progress tracking more difficult. The Health Board continues to work on its Clinical Futures Strategy with several priority programmes for delivery ongoing. There is clear Executive Director ownership, and the Health Board has recently re-established Clinical Futures Programme Board is providing oversight.
- 60 The Health Board's quarterly outcomes framework helps the Board to monitor progress against strategic objectives outlined in the Health Board's Integrated Medium-Term Plan. The outcomes framework introduced this year signals the Health Board's move towards outcome-based measurements and aligns with the NHS Wales Performance Framework⁵. The report is clear and easy to understand with good use of qualitative and quantitative information to illustrate performance

⁵ [NHS Wales Performance Framework 2022-23](#)

information. However, there are opportunities to more clearly articulate risks to delivery of its Clinical Futures Programmes, there are some challenges around the timeliness of outcome data, and there is a need to better utilise patient experience information. The Health Board acknowledges that its outcomes framework is a 'work in progress' and requires further development (see Exhibit 3 R3 2019, R4 2019, and R5 2021).

Exhibit 3: progress made on previous-year recommendations

Recommendation	Description of progress
<p>Engagement Strategy 2017 R7 The Health Board should review refresh and update the Engagement Strategy – 'Hearing and acting upon the voice of our staff and citizens'.</p>	<p>Incomplete An update to the Audit, Risk, and Assurance Committee in October 2022 indicates there has been no further progress in implementing this recommendation.</p>
<p>Reporting on delivery of the IMTP and Clinical Futures 2019 R3 Board updates on Clinical Futures do not include information on whether planned actions / mitigation is effective, and it is unclear whether risks no longer reported have been eliminated. The Health Board should include information on the effectiveness of risk mitigation in its Board updates.</p>	<p>In Progress The Health Board's quarterly outcomes framework helps the Board to monitor progress against delivery of strategic objectives outlined in the Health Board's Integrated Medium-Term Plan. Our review found opportunities to more clearly articulate risks to delivery of its Clinical Futures Programmes.</p>

Recommendation	Description of progress
<p>Reporting on delivery of the IMTP and Clinical Futures 2019 R4</p> <p>The recent report to the Finance and Performance Committee on progress against the IMTP SCPs did not include progress against the relevant high-impact priorities aligned to them. The Health Board should ensure that committee reports on SCP progress clearly link relevant high-impact priorities with the achievements set out.</p>	<p>Superseded</p> <p>The reporting of IMTP service change plans is superseded by the Health Board's Outcomes Framework which is enabling it to monitor progress in delivering strategic objectives outlined in its IMTP and Clinical Futures Strategy.</p>
<p>Monitoring Delivery of Strategic Objectives 2021, R5</p> <p>The Health Board has not finalised its monitoring framework due to the pandemic, subsequently, there continues to be limited oversight and scrutiny at Board-level on overall delivery against priorities outlined in the 2021-22 Annual Plan. The Health Board, therefore, should complete the development of its monitoring framework as soon as possible to allow the Board to review and if necessary, challenge delivery of its strategic priorities and progress against the Annual Plan and future Integrated Medium - Term Plans.</p>	<p>Complete</p> <p>The Health Board's outcomes framework helps it to monitor strategic objective delivery. The outcomes framework introduced this year signals the Health Board's move towards outcome-based measurements and aligns with the NHS Wales Performance Framework.</p>

Managing financial resources

- 61 In this section of the report, we provide our views on the Health Board's arrangements for managing its financial resources, with a particular focus on the organisation's:
- arrangements for meeting key financial objectives;
 - financial controls; and
 - arrangements for reporting and monitoring financial performance.
- 62 Details of progress made on open recommendations made between 2017 and 2021 relating to the Health Board's arrangements for managing financial resources are provided in **Exhibit 4**.
- 63 We found that **whilst arrangements to secure financial balance have been satisfactory to date, the Board needs to strengthen its focus on addressing financial challenges and risks and ensure greater oversight of financial recovery measures**.

Financial objectives

- 64 We considered the extent to which the Health Board has effective arrangements in place to meet its key financial objectives. In examining this, we have looked at whether the Health Board:
- met its financial objectives for 2021-22, and is on course to meet its financial duties in 2022-23; and
 - has a clear and robust financial plan in place, which includes realistic and sustainable savings and cost improvement plans.
- 65 We found that **whilst the Health Board achieved its financial objectives for 2021-22, it is not on course to meet its financial duties in 2022-23 due to growing cost pressures and challenges in delivering its savings programme**.
- 66 The Health Board met its financial duty to spend within allocation over the three-year period 2019-2022, with a cumulative surplus of £0.526 million for revenue expenditure. In 2021-22, the Health Board reported a break-even position in relation to both revenue and capital expenditure.
- 67 Whilst the Health Board has a good financial track record, the growing underlying deficit it reports⁶, and now the substantial in-year financial deficit forecast for 2022-23, are a significant concern. During 2020-21, the Health Board identified an ambitious savings target of £33 million to achieve a break-even position. However, the Health Board revised its savings target to £16.596 million due to the continuing impact of the pandemic and, as a result, the underlying deficit was again carried over into this financial year.

⁶ Reported increases to the Health Board's underlying deficit over the last three years: £11.405 million (2019-20), £16.261 million (2020-21) and £20.914 million (2021-22).

- 68 The Health Board's financial plan for 2022-23 was approved by the Board in March 2022 with an expectation that it would achieve an improvement to its underlying financial position. The financial plan continues to account for Covid-19 costs and new financial risks and exceptional cost pressures. To achieve financial balance in 2022-23, the financial plan assumes £26 million savings delivery and £19 million cost mitigation and avoidance. But cost pressures and reduction in savings expectations are having a significant impact. In October 2022, the Board was notified that the Health Board would not breakeven this financial year projecting a likely £37 million deficit (£49 million worst case scenario) if no further action is taken.
- 69 The main factors contributing to the deficit position are significant income reductions and continuing high expenditure levels for Covid-19, variable pay, prescribing growth, continuing healthcare cost growth, premium rate elective delivery plans, and limited cashable savings forecasted against plans. The consequence for this year would mean that the Health Board fails to meet its statutory spending requirement. But the financial challenge for future years is also likely to increase, which could affect the approvability of next year's Integrated Medium-Term Plan.
- 70 The change in the formally reported financial position is not a surprise. During the first six months of the 2022/23 financial year, the Health Board has consistently reported the significant risks to its financial position at executive team meetings, and public Board and Finance and Performance Committee meetings. But those risks have materialised resulting in a change in the formally reported position.
- 71 We are currently in the process of reviewing the Health Board's arrangements for securing financial efficiencies and will offer recommendations for improvement as part of that work. However, it is clear that there now needs to be greater collective ownership and rigour to address the financial challenges in both the short- and medium-term.

Financial controls

- 72 We considered the extent to which the Health Board has appropriate and effective arrangements in place for allocating, authorising, recording, and managing the use of its financial resources. In examining this, we have looked at whether:
- there are effective controls in place to ensure compliance with Standing Financial Instructions and Schemes of Delegation;
 - the Audit Committee maintains appropriate oversight of arrangements and performance relating to single tender actions, special payments, losses, and counter-fraud;
 - there are effective financial management arrangements in place; and
 - financial statements were submitted on time, contained no material misstatements, and received a clean audit opinion.

- 73 We found that **whilst financial controls remain generally effective, there is a need to provide greater clarity around delegated accountability for budgets and delivery of savings.**
- 74 In paragraph 20 we comment on the Health Board's arrangements to ensure compliance with Standing Financial Instructions and Schemes of Delegation. While control arrangements are in place, the deteriorating financial position suggests they should be reviewed to ensure clear delegated accountability for the budgetary position and achievement of financial efficiencies at and below Executive levels. **(Recommendation 7)**
- 75 During 2022-23, the Internal Audit service completed several reviews around financial governance and management within the Health Board that gave reasonable and substantial assurance ratings in relation to management of clinical negligence costs, charitable funds, and budgetary controls for waste management. Their review on financial sustainability also provided reasonable assurance, although the financial outlook is now deteriorating.
- 76 Our review found appropriate reporting to the Audit, Risk, and Assurance Committee on single tender actions, and losses and special payments with appropriate scrutiny and oversight of the information. The committee also receives regular progress reports from the Health Board's Counter Fraud Team. The latest report highlights some concerns around the resources and capacity within the team which have impacted on its ability to undertake some of its planned work. However, recruitment was underway, and they have successfully appointed one Local Counter Fraud Specialist leaving one further vacancy.
- 77 We received the Health Board's draft Financial Statements by the deadline of 29 April 2022, and the draft Performance Report and Accountability Report by 6 May 2022. The audited documents were submitted to the Welsh Government, by the 15 June 2022 deadline. We issued an unqualified audit opinion on the 2021-22 Financial Statements, except for the regularity opinion, for which we issued a qualified opinion⁷.

Monitoring and reporting arrangements

- 78 We considered the extent to which the Board oversees, scrutinises, and challenges the organisation's financial performance. In examining this, we have looked at whether:
- reports to the Board provide a clear picture of the organisation's financial position, as well as the key financial challenges, risks, and mitigating actions taken; and

⁷ This year the Auditor General qualified his regularity opinion at eight of eleven NHS bodies due to the accounts including expenditure and funding in respect of clinicians' pension tax liabilities.

- Board members sufficiently challenge ongoing assessments of the financial position.

79 We found that **there is sufficient and clear information to enable effective financial monitoring, but the Board must provide more robust scrutiny and challenge on financial performance and risks and strengthen its oversight of financial recovery measures.**

80 Financial performance is regularly reported to the Board and Finance and Performance Committee⁸. Finance reports continue to provide sufficient information to enable scrutiny and challenge and include some detail in respect of progress against savings schemes (**see Exhibit 4 R1, 2017**). However, we found instances where broadly similar reports are presented to both forums, thus limiting opportunities, particularly at committee level, to undertake deep-dives and provide challenge in particular areas where savings achievement is off track. The Health Board has recently appointed a new Independent Member (Finance) which is beginning to increase the scrutiny and challenge on financial matters in both Board and committee meetings. However, the current financial challenges at the Health Board will require the Board and Finance and Performance Committee to provide more robust scrutiny and challenge on financial performance, savings, and risks.

Exhibit 4: progress made on previous-year recommendations

Recommendation	Description of progress
<p>Savings Schemes Monitoring and Reporting 2017 R1</p> <p>The Health Board should provide more detail to Executives and Independent Members in respect of progress against savings schemes. This should help them to provide sufficient scrutiny and challenge to schemes which are off target.</p>	<p>Complete</p> <p>Finance reports continue to provide sufficient information to enable scrutiny and challenge and include more detail in respect of progress against savings schemes.</p>

⁸ Reports were previously provided to the Audit, Finance, and Risk Committee until the arrangements were reviewed in March 2022.

Managing the workforce, digital resources, the estate, and other physical assets

- 81 In this section of the report, we provide our high-level views on the Health Board's arrangements for managing its wider resources, with a particular focus on the organisation's:
- arrangements for supporting staff wellbeing (please note we will be undertaking a separate review of the organisation's workforce planning arrangements);
 - arrangements for managing its digital resources; and
 - arrangements for managing its estate and other physical assets.
- 82 We found that **the Health Board has a good approach to supporting staff wellbeing. It is keen to exploit the benefits of 'digital', but there needs to be stronger oversight of digital strategy and plan implementation. The Health Board has a strategic approach to Estates, but the availability of capital finance is a concern, and its management of physical assets requires strengthening.**

Supporting staff wellbeing

- 83 We considered the extent to which the Health Board has appropriate and effective arrangements in place for supporting staff wellbeing. In examining this, we have looked at whether:
- mechanisms to seek staff views about their wellbeing needs are effective, and appropriate action is taken to respond to findings; and
 - actions to support and improve staff wellbeing are actively monitored by the Board, including actions taken in response to our report on how NHS bodies supported staff wellbeing during the COVID-19 pandemic⁹.
- 84 We found that **the Health Board prioritises wellbeing and continues to understand how its staff are feeling to help inform its improvement initiatives.**
- 85 The Health Board's IMTP and People Plan identify the physical and mental wellbeing of its staff as an organisational priority. The Health Board recognises that having healthy, motivated, and engaged staff will result in improved retention, increased innovation, lower levels of sickness absence, and a positive effect on patient experience. The People Plan outlines several key deliverables to achieve

⁹ Audit Wales, [Taking care of the carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic](#), October 2021

this¹⁰. The Health Board completes regular wellbeing surveys to understand how its staff are feeling. The results from these services and the NHS staff survey shaped the People Plan.

- 86 The Health Board's 'people first' and 'agile working' projects, which are aimed at addressing staff disengagement, stress at work and improve staff wellbeing, are progressing well. Our '[Taking Care of the Carers' report](#) made several recommendations to health bodies around staff wellbeing which the Health Board accepted, responded to and has now implemented in full.
- 87 The People and Culture Committee provides a forum to scrutinise and seek assurance in this area, with information included in an Employee Wellbeing Dashboard. At present though, it is hard to see the impact of its wellbeing initiatives on areas such as sickness absence, which is increasing, particularly relating to anxiety, stress and depression. The Board receives regular reports by the committee chair on the work of the committee and key risks relating to the workforce.

Managing digital resources

- 88 We considered the extent to which the Health Board has appropriate and effective arrangements in place for managing its digital resources. In examining this, we have looked at whether:
- there is a Board approved digital strategy in place which seeks to harness and exploit digital technology to improve the quality, safety, and efficiency of services, as well as to support new models of care and new ways of working; and
 - benefits arising from investments in digital technology are actively monitored by the Board.
- 89 We found that **the Health Board has refreshed its digital strategy but needs to improve scrutiny and challenge to ensure that digital truly becomes a strategic and operational enabler for wider service improvement.**
- 90 The Health Board approved its 'Transformation Through Digital' strategy in 2019. The strategy outlines four principles of digital foundations, digital organisation, digital community, data, information, intelligence, and associated delivery priorities. The strategy aligns to the Health Board's IMTP and Clinical Futures strategy.
- 91 Inevitably the Covid-19 pandemic has impeded delivery of the strategy. An update provided to Board in July 2022, indicates a refreshed focus, and provides a narrative overview of progress for each programme aligned to the four principles. But progress reporting contains gaps that need addressing as assurance reports

¹⁰ People Plan key deliverables include establishing the first Welsh Centre of Excellence, introducing new integrated psychological wellbeing roles and peer support networks, improving staff engagement, rolling out compassionate leadership frameworks and building on the Health Board's financial wellbeing offer.

do not include an action plan, RAG ratings or milestones / targets. Based on the information reported, it is difficult to assess what difference the strategy is making, whether it is sufficiently resourced and if digital is enabling wider service improvement. Whilst the digital strategy was included in Finance and Performance Committee's forward work plan for its October 2022 meeting, it wasn't discussed in the meeting. The new Independent Member (Digital) is a strong advocate for digitally enabled services and, as a member of the Finance & Performance Committee, should help to enhance scrutiny and challenge on digital performance.

Managing the estate and other physical assets

92 We considered the extent to which the Health Board has appropriate and effective arrangements in place for managing its estate and other physical assets. In examining this, we have looked at whether:

- there are Board-approved strategies and plans in place for managing the organisation's estates and its wider physical assets;
- there are appropriate arrangements in place for the Board to review, scrutinise, challenge, and approve significant capital projects and programmes; and
- there are appropriate arrangements in place for the Board to maintain appropriate oversight of the condition of the estate and other physical assets.

93 We found that **the Health Board has an estate strategy supported by appropriate governance arrangements, but the availability of capital finance is a concern, and its management of physical assets requires strengthening.**

94 The Health Board approved its 10-year Estates strategy in 2019 and refreshed the approach in November 2021. The strategy aligns to the IMTP and Clinical Futures strategy¹¹. As part of this, the Health Board is progressing its 'agile working' project. The Health Board's Estates Utilisation and Efficiency Group is working collaboratively with the Agile Working Delivery Group to review estate utilisation, support agile working models, and determine options for decommissioning poor quality estate or estate that is no longer needed.

95 The Health Board's capital programme is a key enabler to delivering its Estates strategy. However, prioritising capital spend is an issue. An update provided to Board in March 2022 indicates that the capital outlook for 2022-23 is challenging due to a lower funding allocation and significant demands on the discretionary capital programme. The Health Board has introduced a more robust approach to prioritising capital resources addressing issues such as backlog maintenance, replacing out-of-date equipment, and refreshing key ICT infrastructure. Board

¹¹ The 10-year Estates Strategy focuses on the development of physical and virtual 'hubs' across the region and transforming its hospital network to provide a hub and spoke model of secondary care services.

members fully recognise the challenges arising from low capital resourcing and the risks to its estates, assets, and health and safety compliance. The Strategic Capital and Estates Group monitors delivery of the Estates strategic objectives and reports progress into the Clinical Futures Programme Board. Board oversight of estates issues has been limited, although we understand that there will be increasing levels of scrutiny at the Finance and Performance Committee.

- 96 The Health Board is taking action to address Internal Audit recommendations on its Medical Equipment and Devices. Progress includes introduction of an asset tagging system, with actions now tracked by the Medical Equipment Management Group. Our work also found that whilst asset registers are in place and there appears to be information on equipment lifecycles, asset tracking for example location of IT equipment needs improving.

Appendix 1

Audit approach

Exhibit 5: audit approach

Exhibit 5 sets out the approach we adopted for delivering our structured assessment work at the Health Board.

Element of audit approach	Description
Observations	We observed Board meetings as well as meetings of the following Committees: <ul style="list-style-type: none"><li data-bbox="636 815 1133 842">• Audit, Risk and Assurance Committee<li data-bbox="636 852 1263 879">• Quality, Patient Safety and Outcomes Committee<li data-bbox="636 888 1126 916">• Finance and Performance Committee<li data-bbox="636 925 1370 952">• Partnerships, Population Health, and Planning Committee.

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

Element of audit approach	Description
Interviews	<p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"> • Chair of the Health Board • Chair of the Audit, Risk and Assurance Committee • Chair of the Patient Quality, Safety and Outcomes Committee • Chair of the People and Culture Committee • Interim Chief Executive Officer • Interim Director of Finance Procurement • Medical Director • Director of Operations • Director of Planning and Performance • Director of Corporate Governance.

Appendix 2

Management response to audit recommendations

Exhibit 6: management response

Recommendation	Management response	Completion date	Responsible officer
<p>Agenda / meeting management</p> <p>R1 Board and Committee agendas cause some meetings to overrun. The Health Board, therefore, should review Board and committee agendas to ensure meeting business can be covered in the time available whilst also allowing for sufficient scrutiny and discussion.</p>	<p>Ongoing development of the Board's Assurance Framework and Risk Management Framework will enable the Board and Committees to ensure focus on priority, risk-based, areas by exception, supported by risk-based workplans.</p> <p>The development of Board and Committee Etiquette and Conduct of Business will also support greater effectiveness of meetings.</p>	<p>30 September 2023</p> <p>30 April 2023</p>	<p>Director of Corporate Governance</p>

Recommendation	Management response	Completion date	Responsible officer
<p>Quality of Information to Board and committees</p> <p>R2 Information presented to Board and committees does not always provide the required assurance. Some papers are too long, detailed, and technical. Cover reports continue to follow an SBAR format, but there is variation in their use. The Health Board, therefore, should develop training and guidance for Health Board staff around the reporting expectations and quality of information presented to the Board and its committees.</p>	<p>Revised report templates will be developed and rolled-out for the new financial year, with supporting guidance.</p> <p>The provision of report writing training will also be explored.</p>	<p>30 April 2023</p>	<p>Director of Corporate Governance</p>
<p>Patient and Staff Stories</p> <p>R3 There is limited use of patient and staff stories at Board. The Health Board should consider how it can increase and maximise the benefit of patient and staff stories in Board and committees to help centre and focus meetings on the things that matter most, and to help triangulate this intelligence with formal agenda items.</p>	<p>A Digital Story Protocol for staff and patient stories is currently under development and once approved an electronic digital repository of stories will be created. Digital Story Telling training has been commissioned.</p> <p>The CIVICA Citizen Feedback System now allows people to leave narrated stories. A selection of these will be played at the start of every Board meeting.</p> <p>The Executive Team will agree a programme of staff and patient stories that help triangulate intelligence with formal agenda items.</p>	<p>31 March 2023</p>	<p>Executive Director of Nursing</p>

Recommendation	Management response	Completion date	Responsible officer
<p>Performance Reporting</p> <p>R4 The Integrated Performance Report has remained unchanged for several years, and at present it doesn't clearly articulate the impact of past and ongoing improvement actions. The Health Board should strengthen this report to provide more information to Board and committees on the actions required to address underperformance or the impact of past actions taken.</p>	<p>A new interactive performance dashboard has been developed. The Quarterly Performance Report has been revised and developed into an IMTP progress report with outcome measures, reportable performance measures and the actions taken as a result. This includes Quality and Patient Safety measures and the quarterly outcomes and progress of the 10 priority programmes.</p> <p>This report has been in place for Q1 and Q2 and the format will and has been provided to the Board and continue to be reviewed.</p>	<p>Implemented from July 2022</p>	<p>Executive Director of Planning and Performance</p>

Recommendation	Management response	Completion date	Responsible officer
<p>Clinical Futures Strategy and Long-Term Clinical Plan</p> <p>R5 The Clinical Futures Strategy has remained in place for over a decade, but the pressures the Health Board is facing have changed substantially in this time. The Health Board, therefore, should:</p> <ul style="list-style-type: none"> • review of the Clinical Futures Strategy to ensure it helps to shape financially and clinically sustainable service models; and • develop a detailed long-term clinical plan that underpins the Clinical Futures Strategy. 	<p>The Health Board is delivering the Clinical Futures Strategy through its 10 High Priority Programmes as outlined with the IMTP and refreshed annually. These programmes reflect the changing nature of health care delivery and the challenges faced by the Health Board in terms of demand, demographic changes and workforce supply and are therefore reflective to current trends.</p> <p>However, it is accepted that a review of the Clinical Futures long term strategy is also required to take a broader view strategically on the structure and nature of service provision for future generations. It is proposed that the Strategy review will be formed over the following financial year and finalised in 2024/25.</p>	<p>30 April 2024</p>	<p>Executive Director of Planning and Performance</p>

Recommendation	Management response	Completion date	Responsible officer
<p>Working with wider partners in Integrated medium-term plan development</p> <p>R6 The Health Board discussed plans with both Welsh Government and the Community Health Council during the 2022-25 Integrated Medium-Term Plan development, but there was limited engagement with wider partners. The Health Board, therefore, should better involve wider partners to help collectively develop solutions to growing service challenges, particularly where services interface.</p>	<p>The Health Board has implemented a new infrastructure and dedicated corporate planner and transformation team to work with partners, including the provision of direct support to the Regional Partnership Board (RPB) and Neighbourhood Care Networks to align cluster planning, borough level plans and the RPB's Joint area plan with the Health Board's Integrated Medium-Term Plan, acknowledging that these are ongoing and maturing processes. In addition, the team engages with other partners such as the Health Board's Trade Unions Partnership and the Community Health Council.</p>	<p>30 April 2023</p>	<p>Executive Director of Planning and Performance</p>

Recommendation	Management response	Completion date	Responsible officer
<p>Schemes of Delegation</p> <p>R7 The Health Board’s deteriorating financial position and deterioration in savings deliver indicates that stronger accountability for financial performance and delivery is required. The Health Board, therefore, should review its Scheme of Delegation to ensure it more strongly outlines delegated accountability for the budgetary position and achievement of financial efficiencies at and below executive levels.</p>	<p>The Health Board’s existing accountability arrangements have been endorsed by the Audit, Risk & Assurance Committee and is aligned to Standing Orders and Standing Financial Instructions.</p> <p>The Executive Team has commenced work with the organisation’s senior leadership team to further embed a culture of empowerment, autonomy, authority and accountability, building on existing arrangements in place. This Framework will cover all aspects of the organisation’s business (not just a focus on finance) and will be presented to the Board for consideration in March 2023. Upon approval, further work will be required to support the embedding of the framework in practice.</p>	<p>Approval of Framework 30 April 2023</p> <p>Embedding of the Framework will be ongoing</p>	<p>Director of Corporate Governance with</p> <p>Director of Planning and Performance & Director of Finance and Procurement</p>



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.