

# Structured Assessment 2023 – Cwm Taf Morgannwg University Health Board

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# Summary report

## About this report

- 1 This report sets out the findings from the Auditor General's 2023 structured assessment work at Cwm Taf Morgannwg University Health Board (the Health Board). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement under section 61 of the Public Audit (Wales) Act 2004 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources.
- 2 Our 2023 Structured Assessment work took place at a time when NHS bodies were still responding to the legacy of the COVID-19 pandemic as they look to recover and transform services and respond to the additional demand in the system that has built up during the pandemic. Furthermore, health bodies are also dealing with 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. More than ever, therefore, NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to themselves, the public, and key stakeholders that the necessary action is being taken to deliver high quality, safe and responsive services, and that public money is being spent wisely.
- 3 The key focus of the work has been on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on Board transparency, cohesion, and effectiveness; corporate systems of assurance, corporate approach to planning, and corporate approach to financial management. We have not reviewed the Health Board's operational arrangements as part of this work.
- 4 Our work has been informed by our previous structured assessment work, which has been developed and refined over a number of years. It has also been informed by:
  - Model Standing Orders, Reservation and Delegation of Powers;
  - Model Standing Financial Instructions;
  - Relevant Welsh Government health circulars and guidance;
  - The Good Governance Guide for NHS Wales Boards (Second Edition); and
  - Other relevant good practice guides.We undertook our work between July 2023 and October 2023. The methods we used to deliver our work are summarised in **Appendix 1**.
- 5 We also provide an update in this report on the Health Board's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

## Key findings

- 6 Overall, we found that **the Health Board has generally effective arrangements to ensure good governance; however, opportunities exist to improve some of these arrangements further. Addressing the financial challenges currently facing the Health Board and preparing a long-term Clinical Services Plan and an approvable Integrated-Medium Term Plan remain key priorities for the Board.**

### Board transparency, effectiveness, and cohesion

- 7 We found that **the Board and its committees operate effectively, cohesively, and transparently, but opportunities to further enhance some arrangements remain.**
- 8 The Board continues to conduct its business in an open and transparent manner. Agendas and papers for Board and committee meetings continue to be published on the Health Board's website in a timely manner. However, the confirmed minutes of Board and committee meetings are not made available on the Health Board's website in a timely manner. Board meetings are held in person and are livestreamed to allow the public to observe virtually, with recordings made available on the Health Board's website. The Health Board makes good use of social media to promote Board meetings, but it should provide more guidance on how members of the public can request to attend meetings in person should they wish to do so. The Board and committees review, update, and publish key control frameworks on a regular basis, but some policies are out of date.
- 9 The Board and committees are operating well, and receive good support from the Corporate Governance Team despite the significant capacity challenges the team has been dealing with during 2023. Meetings are well chaired, with members and attendees observing the necessary etiquette. Whilst the Health Board continues to have a stable and well embedded committee structure in place, it plans to review this structure next year. In doing so, the Health Board has an opportunity to align it to its long-term vision and strategic goals. Board and committee work programmes and agendas cover all aspects of their respective terms of reference and are shaped by the Board Assurance Framework. Oversight of the Health Board's estate is improving. Board meetings are generally well chaired, with members and attendees observing the necessary etiquette. Papers for Board and committee meetings are generally well written and clear.
- 10 The Health Board continues to demonstrate a strong commitment to hearing from staff and patients. The Board acts cohesively, with Independent Members providing a good balance of scrutiny, support, and challenge. There have been some changes to the Independent Member cadre during this year which have been managed well to with no disruption to Board business. The Health Board has continued to make effective use of self-assessments, appraisals, and board

development sessions to support learning, development, and continuous improvement.

### Corporate systems of assurance

- 11 We found that **the Health Board’s risk, performance, and quality governance arrangements continue to strengthen, but further work is required to ensure they are fully embedded across the organisation and achieving the desired impact.**
- 12 The Health Board’s Board Assurance Framework is well embedded and starting to drive Board and committee business. The Health Board has an appropriate Board-approved risk management framework in place, with the risk management strategy, statement, and risk domains up-to-date and reflecting the organisation’s new operating model.
- 13 The Health Board has appropriate arrangements in place to manage performance. However, it lacks a documented framework that clearly sets out roles, responsibilities, and frequency for reviewing performance at all levels of the organisation. The Health Board’s Integrated Performance Dashboard continues to provide a detailed overview of its performance, and now appropriately focusses on the key challenges facing the organisation.
- 14 The Health Board’s arrangements for quality governance have improved significantly. The Health Board has a stronger strategic focus on quality and patient safety. Its new three-year Quality Strategy and three-year Quality and Patient Safety Framework provide a good foundation to support the delivery of the Duty of Quality and Duty of Candour which came into effect in April 2023. There is greater clarity on roles, responsibilities, accountability, and governance in relation to quality and patient safety. Organisational scrutiny of quality safety has also improved considerably, with greater openness and transparency evident. This is a positive development, and the Health Board is aware that some further action is required to fully embed its revised quality governance arrangements across the organisation.
- 15 The Health Board’s arrangements for monitoring internal and external audit recommendations have improved. Whilst positive steps are being taken to track recommendations from other inspectorates and regulators, more could be done to identify and analyse key themes.

### Corporate approach to planning

- 16 We found that **the Health Board’s corporate planning arrangements have matured, and work is underway to develop the Clinical Services Plan. However, as with other Health Boards, it has been unable to produce an approvable IMTP. Furthermore, its arrangements for monitoring the delivery of corporate plans and strategies require further improvement.**
- 17 The Health Board’s corporate planning arrangements continue to mature. It has a clear Board-approved vision and strategic goals, which are being used to shape its

Clinical Services Plan. There is a clear timeline in place for developing the Clinical Services Plan, progressing this work at pace remains a priority for the Health Board.

- 18 The Health Board has effective arrangements in place for preparing its Integrated Medium-Term Plan (IMTP). However, in common with other Health Boards in Wales, it has been unable to produce a Welsh Government approved IMTP for 2023-26 and is instead working to an Annual Plan. Further work is still required to develop clear milestones, targets, and outcomes for corporate plans and strategies to enable the Board and its committees to ensure effective monitoring, assurance, and scrutiny of progress.

### Corporate approach to managing financial resources

- 19 We found that **despite a clear process for financial planning, and good arrangements for managing and monitoring the financial position, the Health Board's financial position is extremely challenging for 2023-24.**
- 20 The Health Board has a clear process for financial planning, with good involvement from the Board. However, the Health Board did not meet its statutory duties in 2022-23 in respect of achieving financial balance and having an approvable medium-term plan. The financial position for 2023-24 is extremely challenging with the Health Board working to a planned financial deficit of £79.6m million. The Health Board reported a £36.0 million year-to-date deficit against its core revenue plan in Month 5 2023-24, which was £2.8 million worse than plan. In October 2023 additional allocations were made available to Health Boards, alongside a requirement for a 10% stretch saving delivery. As a result, the Health Board now has a break-even planning position for 2023-24. position.
- 21 Arrangements to oversee and scrutinise financial management are effective, and the Health Board has updated several of its financial control procedures. However, the delivery of its savings plan is a challenge. The Health Board requires savings of £22.9 million but was reporting a gap of £4.4 million in its savings plans at Month 5 2023-24.

## Recommendations

- 22 **Exhibit 1** details the recommendations arising from our work. These include timescales and our assessment of priority. The Health Board's response to our recommendations is summarised in **Appendix 3**.

## Exhibit 1: 2023 recommendations

### Recommendations

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#### Public observation of Board Meetings

- R1 Whilst the Health Board meets in public, it is not clear how members of the public can request to attend these meetings in person. The Health Board, therefore, should provide clear guidance on how members of the public can request to observe public Board meetings in person. **(Medium Priority)**
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#### Accessibility of videos

- R2 The Health Board makes good use of videos in committee meetings to present patient and staff stories. However, they are not subsequently made available on the Health Board's website. The Health Board, therefore, should ensure that any videos shown during committee meetings are made available on its website for completeness with agreement of the contributors. **(Medium Priority)**
- 

#### Enhancing transparency of committee business

- R3 Draft committee meeting minutes are produced quickly and reviewed by the relevant chair; however, they are not made publicly available until the papers of the subsequent meeting are published. Furthermore, committee meetings are not livestreamed or recorded for public use. The Health Board, therefore, should consider putting appropriate arrangements in place to ensure the public have timelier access to records of committee meetings as part of its wider efforts to enhance transparency of Board business. **(Medium Priority)**
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#### Confirmed minutes

- R4 Whilst the Board and committees review and confirm the minutes of previous meetings, they are not always uploaded to the Health Board's website in a timely manner. The Health Board, therefore, should ensure that all confirmed minutes are uploaded to the relevant section of its website in a timely manner to ensure the public have full access to the approved records of meetings. **(Medium Priority)**
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#### Health Board policies and procedures

- R5 Whilst the Health Board has a dedicated area on its website for policies and procedures, some of them are out of date. The Health Board, therefore,



## Recommendations

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should ensure that all policies and procedures on its website are up-to-date and, if not, put a clear plan in place to revise and approve them. **(Medium Priority)**

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### Performance Management Framework

- R6 The Health Board has appropriate arrangements in place to manage operational performance; however, it lacks a documented performance management framework. In order to enhance its arrangements further, the Health Board should prepare a written framework that clearly sets out roles, responsibilities, and frequency for reviewing performance at service, management, committee, and Board levels **(High Priority)**

# Detailed report

## Board transparency, effectiveness, and cohesion

- 23 We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently.
- 24 We found that **the Board and its committees operate effectively, cohesively, and transparently, but opportunities to further enhance some arrangements remain.**

## Public transparency of Board business

- 25 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;
  - business and decision making being conducted transparently; and
  - meeting minutes being made publicly available in a timely manner.
- 26 We found that **transparency of Board business has continued to improve this year. However, opportunities remain to enhance some of the Board's arrangements further.**
- 27 The Board continues to conduct its business in an open and transparent manner. Board meetings are held in person and are livestreamed to allow the public to observe virtually, with recordings made available on the Health Board's website. The recordings are easy to access and are of good quality. We found that upcoming Board meetings are signposted effectively on social media. However, more guidance should be provided on how members of the public can request to attend these meetings in person if they wish to do so, particularly as the Board plans to hold some of its future meetings in different parts of the Health Board estate (**Recommendation 1**).
- 28 The Health Board continues to publish agendas and papers for Board and committee meetings on its website in advance of meetings. Compliance with the timescales for publishing Board and committee papers has improved this year, but further work is needed to improve compliance with the timescales for publishing papers for meetings of the Board's advisory groups<sup>1</sup> (see **Appendix 2 - Structured Assessment 2022 R1b**). However, we recognise that this has been impacted by the capacity challenges within the Corporate Governance Team. In addition, the Health Board needs to find a way of including the videos of staff and

<sup>1</sup> The Health Board has three advisory Boards - the Clinical Advisory Group, the Local Partnership Forum, and the Stakeholder Reference Group.

patient stories presented during committee meetings in the papers it uploads to its website (**Recommendation 2**).

- 29 The Board continues to make appropriate use of private sessions, reserving them for confidential and sensitive matters only. The Health Board publishes the agendas of private Board meetings to enhance transparency in line with our recommendation last year (see **Appendix 2 - Structured Assessment 2022 R1a**). This practice has also been extended to the majority of Board committees, with the exception of the Planning, Performance, and Finance Committee. The Health Board will need to address this to ensure consistency.
- 30 Draft committee meeting minutes are produced quickly and reviewed by the relevant chair; however, they are not made publicly available until the papers of the subsequent meeting are published. Furthermore, committee meetings are not livestreamed or recorded for public use. The Health Board, therefore, should consider putting appropriate arrangements in place to ensure the public have timelier access to records of committee meetings as part of its wider efforts to enhance transparency of Board business (**Recommendation 3**). Furthermore, whilst draft minutes are confirmed at subsequent Board and committee meetings, they are not uploaded to the Health Board's website in a timely manner. Whilst we recognise that this has been impacted by the capacity challenges within the Corporate Governance Team, the Health Board should take appropriate action to address this for the future (**Recommendation 4**).

## Arrangements to support the conduct of Board business

- 31 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.
- 32 We found that **whilst the Board and committees regularly review, update, and publish key control frameworks and documents, some policies are out of date.**
- 33 The Board has formal, up-to-date, and publicly available SOs and SFIs in place with evidence of compliance. In September 2023, the Board approved updated versions of the SOs and SFIs to reflect the requirements of the Health and Social Care (Quality and Engagement) (Wales) Act 2022 and the creation of the new citizen voice panel, "Llais", which has replaced the former Community Health Councils.

- 34 The Health Board has taken positive steps to increase public access to governance and assurance documents this year by creating a dedicated section on its website for key policies and procedures. However, some of the policies and procedures, including the Handling Concerns Policy and Incident Management Framework, are currently out of date. Whilst we recognise that this has been impacted by the capacity challenges within the Corporate Governance Team, the Health Board should take appropriate action to address this for the future **(Recommendation 5)**.
- 35 The Health Board has publicly available policies and procedures in place to promote and ensure probity and propriety. We have observed declarations of interest routinely being taken at the start of Board and committee meetings as a standing item on all agendas. The Audit and Risk committee routinely receives the Declaration of Interest, Gifts, Hospitality, and Sponsorship Register, which it last reviewed in August 2023.

## Effectiveness of Board and committee meetings

- 36 We considered whether Board and committee meetings are conducted appropriately and effectively. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;
  - Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well being shaped on an ongoing basis by the Board Assurance Framework;
  - well chaired Board and committee meetings that follow agreed processes, with members observing meeting etiquette and providing a good balance of scrutiny, support, and challenge;
  - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board; and
  - clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 37 We found that **Board and committee meetings are well chaired, conducted properly, have balanced agendas, and are generally supported by good papers. The committees are operating well, and oversight of estate matters has improved this year. The Health Board plans to review its committee structure in the next 12 months.**
- 38 The Board has an appropriate, integrated, and well-functioning committee structure in place which meets statutory requirements. Each committee has up to date and clear terms of reference which appropriately reflect the breadth of Health Board business. In our structured assessment report last year, we identified a gap in oversight of the Health Board's estate. The Health Board has since updated the

Planning, Performance, and Finance Committee's terms of reference to include estates (see **Appendix 2 - Structured Assessment 2022 R10b**). The Health Board intends to review the committee structure in the next 12 months to ensure it remains fit for purpose.

- 39 Board and committee work programmes and agendas cover all aspects of their respective terms of reference, and are shaped by the Board Assurance Framework (see **paragraph 56**). As noted earlier, the Planning, Performance, and Finance Committee is now responsible for maintaining oversight of the Health Board's estate. At the time of our work, it had received an assurance report on the Health Board's exposure to reinforced autoclaved aerated concrete (RAAC) in June 2023 and a mid-year update on the Capital and Estates Programme in October 2023. However, it had not received an overarching assurance report on the condition of the estate due to the delay in receiving the necessary data from the Estates and Facilities Performance Management System. An interim report will be presented in the meantime (see **Appendix 2 - Structured Assessment 2022 R10a and R10c**).
- 40 Our observations found that Board and committee meetings are generally well chaired, with members and attendees observing the necessary etiquette. Meeting agendas are appropriately planned, with the Health Board making appropriate use of consent agendas to allow sufficient time for discussion on other matters. We observed Independent Members providing a good balance of scrutiny, support, and challenge.
- 41 The Health Board continues to have an effective approach in place for referring matters between committees as well as to escalate matters to the Board via the highlight reports prepared by committee chairs. Chairs are effective at highlighting the key matters and risks identified by their respective committees at every Board meeting.
- 42 Papers for Board and committee meetings are generally well written and clear. Cover sheets clearly identify where papers have previously been scrutinised by a committee, and meeting chairs helpfully remind attendees of this to help avoid unnecessary repeat discussions. However, we found that some reports are lengthy, and opportunities remain to use cover sheets more effectively to draw attention to the key risks and issues requiring consideration.
- 43 Cover sheets have been updated to ensure more explicit links to the Well-being of Future Generations (Wales) Act 2015 (see **Appendix 2 - Structured Assessment 2022 R1c**). Whilst cover sheets are now used to accompany presentations, they are in a different format to report cover sheets. As a result, they do not sufficiently capture the key risks and issues associated with the presentations (see **Appendix 2 - Structured Assessment 2022 R1d**).
- 44 The Board and its committees are well supported by the Corporate Governance Team, despite significant capacity challenges as noted earlier. These capacity challenges arose during 2023 with the vacancy of the Director of Corporate Governance/Board Secretary role and the retirement of the Head of Corporate

Governance & Board Business. These vacancies have now been filled and the position should improve from October 2023 onwards.

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

- 45 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 patients / service-users and staff.
- 46 We found that **the Board demonstrates a good commitment to hearing from staff and patients.**
- 47 The Health Board engages effectively with staff and patients through various methods. The Board and Quality and Safety Committee receives a Shared Listening and Learning Story<sup>2</sup> at each meeting, which highlight both positive and negative experiences from staff and patients. The Health Board also has a formal framework in place for Board walkarounds which allow Executive Directors and Independent Members to engage directly with staff across primary, community, and acute services. There is good reporting to the Quality and Safety Committee on what was observed during walkarounds, and actions taken in response. The Health Board also has robust plans in place to involve stakeholders in the development of its Clinical Services Plan. At the time of our work, the Health Board was in the process of implementing the Speaking Up Safely Framework<sup>3</sup> and Guardian Service<sup>4</sup> across the organisation.

## Board cohesiveness and commitment to continuous improvement

- 48 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;

<sup>2</sup> Patient and staff stories describing their experiences.

<sup>3</sup> The Speaking Up Framework aims to support organisations to create a culture where individuals feel safe and able to speak up about anything that gets in the way of delivering safe, high-quality care or which negatively affects their experience.

<sup>4</sup> The Guardian Service is an external independent service which operates 24/7 365 days a year offering staff a safe, confidential, and non-judgmental supportive way to raise any concern or risk in the workplace.

- 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.

49 We found that **the Board is cohesive and demonstrates a good commitment to self-reflection and continuous improvement. The Health Board has a strong executive team, and changes to the Independent Member cadre are being managed well.**

50 The Board acts cohesively and demonstrates appropriate support and challenge from Independent Members and appropriate responses from senior management. The Health Board's executive leadership is experienced and focussed on making a difference. The new Director of Corporate Governance joined the Health Board in September 2023, and an interim Director of Public Health is in place until a substantive appointment is made.

51 The Health Board is managing changes to its Independent Member cadre well. The new Chair took up their role in April 2023 following the retirement of the interim Chair. Since then, two Independent Members - the Vice Chair and Independent Member (Legal) - have reached the end of their terms of service in August and September 2023, respectively. Recruitment for both positions has been completed and appointments have been made. The Independent Member (Community) and Independent Member (Trade Union) will be leaving in March and September 2024, respectively. In light of these changes, the Health Board has recently refreshed the membership of its committees to maintain continuity and minimise disruption to Board business.

52 The Board and its committee routinely review their effectiveness and make good use self-assessments to inform and support continuous improvement. The Health Board has continued to make effective use of development sessions to support Board learning and development. These sessions have also been used during 2022-23 to support the development of the long-term vision and priorities for the organisation. The Chair has undertaken Personal Development Reviews with all Independent Members.

## Corporate systems of assurance

53 We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services.

54 We found that **the Health Board's risk, performance, and quality governance arrangements continue to strengthen, but further work is required to ensure they are fully embedded across the organisation and are achieving the desired impact.**

## Corporate approach to overseeing risks

55 We considered whether the Health Board has a sound approach to identifying, overseeing, and scrutinising strategic 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 of the relevant information on the risks to achieving the organisation's strategic priorities / objectives;
- the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
- an appropriate and up-to-date risk management framework in place, which is underpinned by clear policies, procedures, and roles and responsibilities;
- the Board providing effective oversight and scrutiny of the effectiveness of the risk management system; and
- the Board providing effective oversight and scrutiny of corporate risks.

56 We found that **the Board Assurance Framework is well embedded and starting to drive the business of the Board and committees. Organisational risk management arrangements are appropriate and routinely reviewed.**

57 The Health Board's BAF continues to appropriately reflect the key risks to achieving the organisation's strategic goals. It provides good information on gaps in controls and assurance, as well as mitigating actions. The Board actively reviews and scrutinises the BAF at each public board meeting, and new strategic risks are added as required. For example, in September 2023, the Board approved the addition of a strategic risk relation to population health – prevention and early intervention. As recommended in last year's structured assessment report, the Health Board is now actively using the BAF to shape and inform committee business (see **Appendix 2 - Structured Assessment 2022 R2**). The BAF and committee assigned risks are discussed at all agenda planning meetings and considered when shaping committee cycles of business. The principal and strategic risks assigned to committees are now captured within the organisational risk register submitted to committee meetings.

58 The Health Board has an appropriate risk management framework in place which is effectively overseen and scrutinised by the Board. The risk management framework is reviewed annually. In May 2023, the Health Board updated the risk management strategy, risk management statement, and the risk domains to reflect the organisation's new operating model. Whilst the Board does not formally review the organisational risk register at each meeting, it is available to members of the Board to support the discussion on the BAF. There is appropriate review of the organisational risk register in its totality at Audit and Risk Committee meetings, with individual committees maintaining good oversight of the risks assigned to them.



## Corporate approach to overseeing organisational performance

- 59 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.
- 60 We found that **whilst performance management arrangements are in place, the Health Board lacks a documented framework. Performance reporting is now more appropriately targeted to areas of concern, and the Health Board is taking positive steps to improve the presentation of information.**
- 61 The Health Board has appropriate arrangements in place to manage operational performance which include a performance dashboard covering quality, performance, and monthly performance and finance meetings between the Care Groups and senior executives. In order to enhance its arrangements further, the Health Board should update the current draft performance management framework, to reflect the new Health Board structure and ensure it clearly sets out roles, responsibilities, and frequency for reviewing performance at service and management levels. **(Recommendation 6).**
- 62 The Integrated Performance Dashboard (IPD) continues to provide a detailed overview of the Health Board's performance against national delivery measures, ministerial priorities, and local quality and safety measures. The report is presented at each public Board and Planning, Performance, and Finance Committee meeting by the relevant Executive Directors. As recommended in our structured assessment report last year, performance reporting is now more appropriately focussed on the key challenges the Health Board faces in both planned care, and urgent and emergency care (see **Appendix 2 - Structured Assessment 2022 R3**). Furthermore, in order to improve the presentation of information, the IPD was amended in September 2023 to include a key metrics section to help draw the attention of Board members to key performance areas. Whilst this aspect of the IPD gives Board members a more holistic overview of organisational performance, it is still in its early stages of development and continues to be refined.

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

- 63 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:

- corporate arrangements in place that set out how the organisation will deliver its requirements under the new Health and Social Care (Quality and Engagement) Act (2020);
- a framework (or similar) in place that supports effective quality governance;
- 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.

64 We found that **the Health Board’s arrangements for quality governance have improved significantly, but further work is needed ensure they are fully embedded and improve quality outcomes as intended.**

65 The Health Board has made significant progress in addressing the substantial concerns and recommendations set out in our 2019 [Joint Review of Quality Governance Arrangements](#) with Healthcare Inspectorate Wales. In August 2023, we published our [Joint Review Follow-up](#) report. We found that:

- The Health Board has a stronger strategic focus on quality and patient safety. Its new three-year Quality Strategy clearly articulates the organisation’s quality vision, mission, pledge, ambitions, and goals. It also clearly sets out the Health Board’s approach to quality, as well as what success will look like.
- The strategy, together with the new three-year Quality and Patient Safety Framework, provides a good foundation to support the delivery of the new Duty of Quality and Duty of Candour, which came into effect in April 2023.
- There is greater clarity on roles, responsibilities, accountability, and governance in relation to quality and patient safety at all levels of the organisation.
- Organisational scrutiny of quality and patient safety has improved considerably, with greater openness and transparency evident. The Health Board’s Quality and Safety Committee is operating effectively. The quality of the papers prepared for the committee has improved, and we observed Independent Members providing a good balance of support, scrutiny, and challenge.

66 This is a positive development, and the Health Board is aware that some further action is required to address our outstanding recommendations and fully embed its revised quality governance arrangements across the organisation to ensure they consistently support the delivery of safe and high-quality healthcare and positive patient outcomes.

## Corporate approach to tracking recommendations

- 67 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising systems for tracking progress to address audit and review recommendations and findings. We were specifically looking for evidence of:
- appropriate and effective systems in place for tracking responses to audit and other review recommendations and findings in a timely manner.
- 68 We found that **arrangements for monitoring internal and external audit recommendations have improved, and steps are now being taken to track recommendations from other inspectorates and regulators.**
- 69 The Health Board has continued to strengthen its arrangements for tracking internal and external recommendations. The audit tracker for internal and external audit has continued to be refined and is working well. The summary report, which provides an update to the Audit and Risk Committee, on the closure of recommendations and subsequent removal from the tracker has also improved since last year, with more detail provided for assurance. As of October 2023, 73 of the 137 outstanding internal audit recommendations and 7 of the 21 outstanding Audit Wales recommendations had passed their target implementation date. Plans are in place to move the tracking of recommendations onto the AmAT<sup>5</sup> audit system which should support the Corporate Governance Team to obtain and provide timelier updates on progress. This move should also help the Health Board to identify, analyse, and respond to common themes and trends emerging from recommendations.
- 70 The Health Board has developed its arrangements for tracking recommendations made by external inspection and regulatory bodies, noting this was first flagged as a recommendation in our 2018 structured assessment report (see **Appendix 2 - Structured Assessment 2018 R6**). In July 2023, the Quality and Safety Committee received a prototype tracking report on the recommendations from Healthcare Inspectorate Wales. Whilst this is a positive development, the report was high level and did not provide detail on the areas where recommendations were outstanding, or any thematic analysis of the information. However, we understand that this data will be included in the new AmAT system, which should enable the Health Board to identify and analyse key themes. Furthermore, recommendations from other inspectorates and regulators including the Delivery Unit were not yet included.

<sup>5</sup> AmAT is an audit management and tracking tool, which utilises dashboards to give intelligence, and enables staff to update progress in real time reducing the burden on governance teams as it automates many of the processes, such as asking for progress updates.

## Corporate approach to planning

- 71 We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 72 We found that **the Health Board’s corporate planning arrangements have matured, and work is underway to develop the Clinical Services Plan. However, as with other Health Boards, it has been unable to produce an approvable IMTP. Furthermore, its arrangements for monitoring the delivery of corporate plans and strategies require further improvements.**

## Corporate approach to producing strategies and plans

- 73 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 and 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;
  - 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.
- 74 We found that **the Health Board’s corporate planning arrangements are generally good. However, as with other Health Boards, it has been unable to produce an approvable IMTP. The Health Board has clear plans in place to develop a Clinical Services Plan, and progressing this work remains a priority for the Board.**
- 75 The Health Board’s approach to corporate planning continues to mature. As noted in last year’s structured assessment, the Health Board has a clear Board-approved vision which is underpinned by four strategic goals – Creating Health, Improving Care, Sustaining our Future, and Inspiring People. We noted that whilst the Health Board had made positive progress in developing its new strategy, CTM 2030 – Our Health, Our Future, the document lacked clear and measurable outcomes. The Health Board is making good progress in addressing this through the work of the Strategy Groups, which have been established to develop clear actions and outcome measures for each strategic goal (see **Appendix 2 - Structured Assessment 2022 R4**). The Board and the Planning, Performance, and Finance Committee continue to maintain effective oversight of these arrangements, with Independent Members providing appropriate input, scrutiny, and challenge as required.

- 76 The Health Board has recently established a clear timeline for developing its Clinical Services Plan in the context of CTM 2030, which was approved by the Board in July 2023. The Health Board is aiming to develop its Clinical Services Plan in a phased approach to allow it to make key changes in the short-term whilst scoping and developing its plans for the medium- to longer-term. The Health Board also intends to develop an Estates Plan and People Plan alongside the Clinical Services Plan. Progressing this work at pace and ensuring all key corporate plans and strategies are aligned remains a priority for the Board.
- 77 The Health Board has effective arrangements for preparing its Integrated Medium-Term Plan 2023-26 / Annual Plan 2023-24. The Health Board adopted a bottom-up approach this year, building its plan from the service plans prepared by each Care Group and Corporate Directorate. Clear guidance and templates were issued to each Care Group and Corporate Directorate, and support was provided by the Corporate Planning Team and Business Partners to ensure plans reflected CTM 2030 and Welsh Government requirements. The Board and Planning, Performance, and Finance Committee were fully involved in the process of developing and approving the plan. Both the Board and committee provided good scrutiny, challenge, and input particularly in relation to the financial options and investment priorities for 2023-24. However, despite these arrangements, the Health Board was unable to produce a Welsh Government approved Integrated Medium-Term Plan for 2023-26 due to its planned financial deficit in 2023-24. This was also the case for other Health Boards in Wales. Instead, the Health Board is working to an Annual Plan set in the context of CTM 2030 and the unapproved three-year plan.

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

- 78 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising the implementation and delivery of corporate plans. We were specifically looking for evidence of:
- Corporate plans, including the IMTP, containing clear strategic priorities / objectives and SMART<sup>6</sup> milestones, targets, and outcomes that aid monitoring and reporting; and
  - The Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.
- 79 We found that **further work is required to develop clear milestones, targets, and outcomes for corporate plans and strategies to enable effective monitoring, assurance, and scrutiny.**
- 80 As noted in **paragraph 75**, work is underway to develop clear milestones, targets, and outcomes for CTM 2030. Until this work is completed, the Board will be unable

<sup>6</sup> specific, measurable, achievable, relevant, and time-bound

to monitor the Health Board's progress in achieving its strategic goals and objectives. Whilst the IMTP and Annual Plan include a range of different priorities, actions, deliverables, or measures for 2023-24, they are still not summarised and presented in a way that would allow progress to be monitored and reported on a regular basis (see **Appendix 2 - Structured Assessment 2022 R5a**).

Furthermore, there is still no clarity on which Executive Directors are responsible for ensuring the delivery of key actions/deliverables, thus limiting opportunities for appropriate accountability (see **Appendix 2 - Structured Assessment 2022 R5b**).

- 81 Whilst progress on delivering the Annual Plan is reported to the Board and Planning, Performance, and Finance Committee on a regular basis, the reports are very narrative in nature. Furthermore, they are still not sufficiently aligned to the Integrated Performance Report. As a result, the Board is still unable to assess the extent to which progress is on track, and the extent to which the implementation of key actions / deliverables is having a positive impact on Health Board performance (see **Appendix 2 - Structured Assessment 2022 R5c**).

## Corporate approach to managing financial resources

- 82 We considered whether the Health Board has a sound corporate approach to managing its financial resources.
- 83 We found that **despite a clear process for financial planning, and good arrangements for managing and monitoring the financial position, the Health Board's financial position is extremely challenging for 2023-24.**

## Financial objectives

- 84 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 2022-23, and the rolling three-year period of 2020-21 to 2022-23; and
  - the organisation is on course to meeting its objectives and duties in 2023-24;
- 85 We found that **the Health Board did not achieve its financial duties for 2022-23, and the financial position is extremely challenging for 2023-24.**
- 86 The Health Board failed to meet its statutory financial duties for 2022-23. Firstly, the Health Board did not break-even against its Resource Revenue Limit over the three-year rolling period 2020-21 to 2022-23, thus breaching its cumulative revenue resource limit of £3.853 million by £24.221 million. Secondly, the Health Board was unable to produce a Welsh Government approved Integrated Medium-term Plan (IMTP) for 2022-25.
- 87 The Health Board has again been unable to submit a balanced financial plan for 2023-26. Instead, it is working to an Annual Plan which sets out a predicted deficit

of £79.6 million for 2023-24. At Month 5 2023-24, the Health Board reported a £36 million year-to-date deficit against its core revenue plan, which was £2.8 million worse than plan. The main driver for this adverse variance is a shortfall in savings delivery. At the time of our work the Health Board was forecasting that the deficit would remain at £79.6million as per the core plan submitted to Welsh Government, the situation remains very challenging. In October 2023, additional allocations were made available to Health Boards, alongside a requirement for a 10% stretch saving delivery. As a result, the Health Board now has a break even planning position for 2023-24.”

## Corporate approach to financial planning

- 88 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.
- 89 We found that **the Health Board has a clear process for financial planning; however, the development and delivery of its savings plans is a challenge.**
- 90 The Health Board has a clear framework for developing its financial plan. The plan for 2023-24 was developed using a bottom-up approach from the Care Groups and Corporate Directorates, with support provided by Finance Business Partners. This year, the Health Board has centralised the Finance Business Partners as they had previously been part of the Integrated Locality Group structure which was recently disbanded. Centralising the Finance Business Partners as well as other Business Partners has improved consistency and strengthened resilience across the organisation. The Health Board has also strengthened resilience further by investing in more Finance Business Partners. Independent Members were regularly briefed throughout the process of developing and finalising the financial plan. The Board and the Planning, Performance, and Finance Committee were also fully engaged in the scrutiny of the plan prior to its original submission and subsequent resubmission to Welsh Government.
- 91 The Health Board requires a significant level of savings; however, there remain gaps in the savings plan and delivery of identified savings is off track. The Health Board set a savings requirement of £27.3 million at the start of the financial year. At Month 5 2023-24, the Health Board was forecasting delivery of £22.9 million in savings, which was £4.4 million below target. However, actual savings in Month 5 2023-24 year-to-date was £8.2 million, which was £3.2 million below the Month 5

year-to-date savings target of £11.4 million. The Auditor General will be commenting further on the Health Board's approach to identifying, delivering, and monitoring financial savings in a separate piece of work that we will report in the early part of 2024.

## Corporate approach to financial management

92 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 2022-23 were submitted on time, contained no material misstatements, and received a clean audit opinion.

93 We found that **arrangements in place to oversee and scrutinise financial management are effective.**

94 The Health Board has adequate arrangement to ensure compliance with its Standing Financial Instructions (SFIs) and Scheme of Reservation and Delegation (SoRD). The SFIs and SORD have been reviewed and approved by the Board. The Health Board has reviewed the upper financial limit for the Chief Executive as recommended in last year's structured assessment report (see **Appendix 2 - Structured Assessment 2022 R7a**), and the new level set is consistent with the model Standing Orders and SFIs from Welsh Government. Good arrangements are in place for counter fraud, with an agreed annual workplan and reports which show delivery against the plan received at each Audit and Risk Committee meeting. There is also now a clear process for the Board to review and approve capital programmes and projects (see **Appendix 2 - Structured Assessment 2022 R7b**). Quarterly capital reports are presented to the Planning, Performance, and Finance Committee, with bespoke reports on special projects (such as the Llantrisant Health Park) being received by Board for scrutiny. Last year, some of the financial control procedures on the Health Board's website were out of date. Of the eight that needed to be reviewed, five have been updated and the remaining three are on track for approval in December 2023 (see **Appendix 2 - Structured Assessment 2022 R7c**).

95 The Health Board is aware of its cost drivers and controls are in place to manage the financial position. The Health Board has taken positive steps to enhance its financial management arrangements b by issuing strengthened accountability



letters from the Chief Executive Officer to Corporate Directorates and Care Groups (see **Appendix 2 - Structured Assessment 2022 R6**).

- 96 The Health Board has good arrangements in place to monitor financial performance. Monthly finance review meetings are held with all Care Groups, and with other functions on a bi-monthly basis. These meetings cover savings delivery, expenditure variances, and action plans to improve the overall control environment. However, as mentioned in **paragraph 60** there is currently no documented performance management framework in place to escalate areas of concern.
- 97 The Health Board submitted good quality draft financial statements as per the required timeline. Our audit identified no material misstatements but did identify some areas where corrections should be made. Our audit also made recommendations to improve working papers to support primary care expenditure, and several recommendations around improvements needed to digital controls. 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 break-even position over the rolling three-year period 2020-23.

## Board oversight of financial performance

- 98 We considered whether the Board appropriately oversees and scrutinises financial performance. We were specifically looking for evidence of:
- The Board receiving accurate, transparent, and timely reports on financial performance, as well as the key financial challenges, risks, and mitigating actions; and
  - The Board appropriately scrutinising the ongoing assessments of the organisation's financial position.
- 99 We found that **the Health Board has good arrangements for monitoring financial performance, with improved scrutiny of care groups and other directorates.**
- 100 The Health Board has effective arrangements for reporting financial performance to the Board and the Planning, Performance, and Finance Committee. Reports are timely and make good use of text and exhibits to convey key messages. They receive good scrutiny from Independent Members.
- 101 In last year's structured assessment report, we noted that the Health Board needed to report the financial performance of the Care Groups. This has been addressed, and the Health Board now reports the performance of Care Groups and Corporate Directorates against the delegated budgets at each Planning, Performance, and Finance Committee meeting (see **Appendix 2 - Structured Assessment 2022 R8b**). However, whilst reports continue to highlight key financial risks, opportunities, and assumptions, they could provide more detail on what actions are being taken, for example where care groups have not identified the required proportion of forecast savings. (see **Appendix 2 - Structured Assessment 2022 R8a**).

# Appendix 1

## Audit methods

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

Element of audit approach	Description
Observations	We observed Board meetings as well as meetings of the following committees: <ul style="list-style-type: none"><li>• Audit and Risk Committee;</li><li>• Digital and Data Committee;</li><li>• In Committee Extraordinary Board Session;</li><li>• People and Culture Committee;</li><li>• Planning, Performance, and Finance Committee;</li><li>• Population Health and Partnerships Committee; and</li><li>• Quality and Safety Committee.</li></ul>

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

# Appendix 2

## Progress made on previous year recommendations

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

Recommendation	Description of progress
<p><b>Audit Recommendations</b></p> <p><u>Structured Assessment 2018 R6:</u> The audit recommendation tracker should be expanded to include the recommendations of other external agencies e.g., Healthcare Inspectorate Wales and the Delivery Unit.</p>	<p><b>In Progress</b> – see paragraph 70</p>
<p><b>Direct and Indirect Harm from COVID-19</b></p> <p><u>Structured Assessment 2021 (Phase 2) R5:</u> The Health Board has undertaken specific work in relation to COVID-19.</p>	<p><b>Completed</b> – The Health Board has a framework in place and reports on its work in this area are presented to the Quality and Safety Committee.</p>

Recommendation	Description of progress
<p>However, as with other Health Boards, it has yet to finalise a standard framework to support the assessment of direct and indirect harm associated with COVID-19. The Health Board should produce a framework for assessing both direct and indirect harm from COVID-19 and ensure that the framework and accompanying report outlining key issues are monitored by appropriate operational, strategic groups and reported to the Board or on of its committees.</p>	
<p><b>Improving administrative governance arrangements</b></p> <p><u>Structured Assessment 2022 R1</u>: We found opportunities for the Health Board to improve its administrative governance arrangements to enhance public transparency and support Board and committee effectiveness. The Health Board, therefore, should:</p> <ul style="list-style-type: none"> <li>a) publish the agendas of private Board and committee meetings;</li> <li>b) publish the papers for all public Board, committee, and advisory meetings on its website in a timely manner;</li> <li>c) update report cover sheets to enable authors to better link their reports to the requirements of the Well-being of Future Generations (Wales) Act 2015; and</li> </ul>	<ul style="list-style-type: none"> <li>a) <b>In Progress</b>– See paragraph 28</li> <li>b) <b>In Progress</b> – see paragraph 29</li> <li>c) <b>Completed</b> – see paragraph 43</li> <li>d) <b>No Progress</b> – see paragraph 43</li> </ul>

Recommendation	Description of progress
<p>d) update presentation cover sheets to enable authors to summarise the information sufficiently and capture the relevant risks and issues.</p>	
<p><b>Using the Board Assurance Framework (BAF) to shape Board business</b></p> <p><u>Structured Assessment 2022 R2:</u> Although the Health Board has made positive progress in developing a BAF, it is not yet currently being used to shape Board and committee business. The Health Board, therefore, should actively use the BAF on an ongoing basis to shape and inform Board and committee work programmes.</p>	<p><b>Completed</b> – see paragraph 57</p>
<p><b>Strengthening performance management arrangements</b></p> <p><u>Structured Assessment 2022 R3:</u> The Health Board has a number of longstanding performance challenges across many areas in both planned care and urgent and emergency care, resulting in it being escalated to enhanced monitoring from routine arrangements under Welsh Government’s Escalation and Intervention Arrangements. The Health Board, therefore, should ensure its performance management and reporting</p>	<p><b>In Progress</b> – see paragraph 61</p>

Recommendation	Description of progress
<p>arrangements are appropriately focused on the key challenges it faces in both planned care and urgent and emergency care, especially where performance in those areas is comparatively worse than other Health Boards in Wales.</p>	
<p><b>Establishing measurable outcomes for strategic priorities</b></p> <p><u>Structured Assessment 2022 R4</u>: Whilst the Health Board has made positive progress in developing a long-term vision, strategic goals, and strategic priorities for the organisation, the new strategy (CTM 2030) lacks clear and measurable outcomes. The Health Board, therefore, should seek to articulate outcomes for each strategic priority, what success would look like, and how it will measure and report progress. In doing so, it should consider the relationship between the goals of the Population Health Strategy and the wider strategic goals and public health 'life course' approach set out in CTM 2030.</p>	<p><b>In Progress</b> – see paragraph 75</p>
<p><b>Enhancing arrangements for monitoring delivery of corporate plans and strategies and reporting progress to the Board</b></p>	

Recommendation	Description of progress
<p><u>Structured Assessment 2022 R5:</u> We found opportunities for the Health Board to enhance its arrangements for monitoring the delivery of corporate plans and strategies, and reporting progress to the Board. The Health Board, therefore, should enhance its arrangements by ensuring:</p> <ul style="list-style-type: none"> <li>a) plans and strategies contain clear summaries of key actions / deliverables, timescales, and measures to support effective monitoring and reporting;</li> <li>b) plans and strategies provide greater detail on which Executive Directors are responsible for the delivery of key actions / deliverables to enable appropriate accountability; and</li> <li>c) reports are aligned to performance reports to enable the Board to assess the extent to which the implementation of key actions / deliverables is having a positive impact on Health Board performance.</li> </ul>	<ul style="list-style-type: none"> <li>a) <b>No Progress</b> – see paragraph 80</li> <li>b) <b>No Progress</b> – see paragraph 80</li> <li>c) <b>No Progress</b> – see paragraph 81</li> </ul>
<p><b>Strengthening financial management arrangements</b></p> <p><u>Structured Assessment 2022 R6:</u> We identified the need for the Health Board to improve its arrangements for containing expenditure and delivering savings. The Health Board, therefore, should review its arrangements to ensure there is</p>	<p><b>Completed</b> – See paragraph 95</p>



Recommendation	Description of progress
<p>sufficient grip and challenge at all levels of organisation on expenditure and savings delivery.</p>	
<p><b>Strengthening financial controls</b></p> <p><u>Structured Assessment 2022 R7:</u> Whilst the Health Board's financial control procedures are generally effective, we identified opportunities to strengthen some controls and update the information available on the Health Board's website. The Health Board should:</p> <ul style="list-style-type: none"> <li>a) review the delegated upper financial limit for the Chief Executive;</li> <li>b) ensure there is a clear process in place for the Board to review and approve capital programmes and projects; and</li> <li>c) ensure out-of-date financial control procedures are removed from its website and replaced with the current versions.</li> </ul>	<ul style="list-style-type: none"> <li>a) <b>Completed</b> – See paragraph 94</li> <li>b) <b>Completed</b> – See paragraph 94</li> <li>c) <b>In Progress</b> - See paragraph 94</li> </ul>
<p><b>Enhancing financial reports to the Board</b></p>	<ul style="list-style-type: none"> <li>a) <b>In Progress</b> – See paragraph 101</li> </ul>

Recommendation	Description of progress
<p><u>Structured Assessment 2022 R8:</u> Whilst the Health Board has effective arrangements for reporting financial performance to the Board, we identified opportunities to enhance these reports further. The Health Board should:</p> <ul style="list-style-type: none"> <li>a) provide greater assurances that mitigating actions are in place to address key financial risks highlighted in the reports; and</li> <li>b) report the financial performance of the new Care Groups at the earliest possibility.</li> </ul>	<p>b) <b>Completed</b> – See paragraph 101</p>
<p><b>Maximising the benefits of digital technologies and solutions</b></p> <p><u>Structured Assessment 2022 R9:</u> There is limited capacity within the Health Board to fully deliver its digital transformation agenda. The Health Board, therefore, should seek to set out in its refreshed Digital Strategy how it intends to overcome staffing and funding challenges to fully exploit the benefits offered by digital technologies and solutions.</p>	<p><b>In Progress</b> – Despite the limited resources the Health Board has made some progress developing digital plans. Within the 2023-24 plan there was an additional £3m allocated to digital. Projects included, digitising patient notes, investment in digital system and the digital team.</p>

Recommendation	Description of progress
<p><b>Strengthening Board-level oversight of estates issues and risks</b></p> <p><u>Structured Assessment 2022 R10</u>: There is currently insufficient Board-level oversight of the condition of the estate and other significant related risks. The Health Board, therefore, should:</p> <ul style="list-style-type: none"> <li>a) ensure there is regular reporting on estates-related performance indicators and risks to the Planning, Performance, and Finance Committee;</li> <li>b) update the committee’s Terms of Reference to reflect these responsibilities; and</li> <li>c) establish a clear process for ensuring appropriate cross-referral of estate issues which may have a significant health and safety impact with the Quality and Safety Committee.</li> </ul>	<ul style="list-style-type: none"> <li>a) <b>In Progress</b> – see paragraph 39</li> <li>b) <b>Completed</b> – See paragraph 38</li> <li>c) <b>No Progress</b> – see paragraph 39</li> </ul>

# Appendix 3

## Organisational response to audit recommendations

**Exhibit 4:** Cwm Taf Morgannwg University Health Board response to our audit recommendations.

Ref	Recommendation	<b>Organisational 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>
R1	<b>Public observation of Board Meetings</b> Whilst the Health Board meets in public, it is not clear how members of the public can request to attend these meetings in person. The Health Board, therefore, should provide clear guidance on how members of the public can request to observe public	With effect from January 2024 the Health Board will include guidance on how members of the public can join Board meetings in person.  This information will be captured on the Health Board's website and when sharing details of upcoming Board meetings via the Health Board's social media channels.	31 January 2024	Director of Corporate Governance / Board Secretary

Ref	Recommendation	Organisational 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)
	Board meetings in person. <b>(Medium Priority)</b>			
R2	<p><b>Accessibility of videos</b></p> <p>The Health Board makes good use of videos in committee meetings to present patient and staff stories. However, they are not subsequently made available on the Health Board's website. The Health Board, therefore, should ensure that any videos shown during committee meetings are made available on its website for completeness with agreement of the contributors. (Medium Priority)</p>	<p>Shared Listening and Learning Story videos will be published with the relevant Board Committee papers following the meeting.</p> <p>The Corporate Governance Team will also link in with the Patient Experience Leads and Communications and Engagement colleagues to consider how awareness of these stories can be enhanced internally and externally using the various communication channels available.</p>	31 March 2024	Director of Corporate Governance / Board Secretary
R3	<p><b>Enhancing transparency of committee business</b></p>	<p>The Corporate Governance Team will be reviewing how it can further enhance transparency around its Board Committee Business e.g.</p>	31 March 2024	Director of Corporate Governance /

Ref	Recommendation	Organisational 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>R3 Draft committee meeting minutes are produced quickly and reviewed by the relevant chair; however, they are not made publicly available until the papers of the subsequent meeting are published. Furthermore, committee meetings are not livestreamed or recorded for public use. The Health Board, therefore, should consider putting appropriate arrangements in place to ensure the public have timelier access to records of committee meetings as part of its wider efforts to enhance transparency of Board business. (Medium Priority)</p>	<p>sharing a summary of planned business on the website ahead of publication of papers, publishing shared listening and learning videos (linked to R2) etc.</p>		<p>Board Secretary</p>
<p>R4</p>	<p><b>Confirmed minutes</b> Whilst the Board and committees review and confirm the minutes of previous meetings, they are not always uploaded to the Health Board's website in a timely manner. The</p>	<p>With effect from January 2024 the Health Board will introduce a dedicated page on the website for "Latest Confirmed and Unconfirmed Minutes" for each Board meeting and Board Committee.</p>	<p>31 January 2024</p>	<p>Director of Corporate Governance / Board Secretary</p>

Ref	Recommendation	Organisational 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)
	Health Board, therefore, should ensure that all confirmed minutes are uploaded to the relevant section of its website in a timely manner to ensure the public have full access to the approved records of meetings. <b>(Medium Priority)</b>			
R5	<p><b>Health Board policies and procedures</b></p> <p>Whilst the Health Board has a dedicated area on its website for policies and procedures, some of them are out of date. The Health Board, therefore, should ensure that all policies and procedures on its website are up-to-date and, if not, put a clear plan in place to revise and approve them. <b>(Medium Priority)</b></p>	<p>The following policies and procedures are available on the Health Boards public facing website:</p> <ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Risk Management Policy</li> <li>• Standards of Behaviour Framework Policy</li> <li>• Incident Management Framework</li> <li>• Handling Concerns Policy</li> <li>• Raising Concerns Policy (Whistleblowing)</li> <li>• Freedom of Information Policy</li> <li>• Environmental Policy</li> </ul>	31 January 2024	Executive Director of Nursing / Deputy Chief Executive Officer

Ref	Recommendation	<b>Organisational 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>The Concerns Policy &amp; Procedures which are linked to the review of the Incident Management Framework which is planned to be presented to the January 2024 Quality &amp; Safety Committee for approval.</p> <p>With regards to the Incident Management Framework review and updating of this is in progress and expected to be completed by the end of the year.</p> <p>The other policies and procedures published on this page are in date in terms of their scheduled review.</p>		
R6	<b>Performance Management Framework</b>	The Health Board has developed a working version of the Performance Framework, however it does require updating to reflect the new	28 February 2024	Executive Director of



Ref	Recommendation	Organisational 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>The Health Board has appropriate arrangements in place to manage operational performance; however, it lacks a documented performance management framework. In order to enhance its arrangements further, the Health Board should prepare a written framework that clearly sets out roles, responsibilities, and frequency for reviewing performance at service, management, committee, and Board levels <b>(High Priority)</b></p>	<p>organisational structure and the latest Welsh Government performance framework.</p> <p>This activity will be undertaken before 31st December 2023 and presented to the first meeting of the Planning, Performance &amp; Finance Committee in 2024 (currently scheduled for the 27 February 2024), for approval.</p>		<p>Strategy &amp; Transformation</p> <p>Director of Digital</p>



Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff CF10 4BZ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

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

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