

# Structured Assessment 2022 – Swansea Bay 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 Swansea Bay 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 strategic planning arrangements; governance 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 **the Health Board has generally good governance arrangements in place but there is scope for the Health Board to enhance these arrangements further by ensuring key governance structures, processes, and resources are fully aligned to strategic objectives and risks.**
- 6 The Health Board has a long-term strategy, but this is out of date. There needs to be more clarity across all the Health Board strategies to ensure there is oversight of these. For the first time in several years, the Health Board has produced a Welsh Government approved Integrated Medium Term Plan (IMTP) for 2022-2025, which was developed with good engagement from the Board. Good arrangements are also in place for developing other corporate plans and strategies and monitoring delivery of the IMTP. However, oversight of plans supporting the Clinical Services Plan needs to be improved and the effectiveness of commissioning arrangements needs to be an area of focus.

- 7 The Board Assurance Framework (BAF) continues to evolve, and systems of assurance are improving. But there is a need to tighten up sources of assurance and align the framework with the refreshed long-term strategy. The Board and its committees are generally operating well; however, opportunities exist to enhance public transparency, and strengthen staff and patient feedback. The committee structure needs to align with the BAF, and self-review mechanisms need to be in place. There is currently a stable Executive Team, but there remains considerable fragility in the Morriston Hospital Service Group.
- 8 The Health Board failed to meet some of its financial duties for 2021-22 and will also fail to meet some of them in 2022-23, despite forecasting a break-even position. It is on track to deliver the required savings, but cost pressures and discretionary capital are a challenge. Financial deficits in the last two years, also mean that the Health Board will fail to break even over the three-year period 2020-23. Appropriate arrangements for financial management and controls are in place, and arrangements for monitoring and scrutinising the financial position are robust.
- 9 The Health Board has adequate arrangements in place to support and oversee staff wellbeing but does not systematically seek staff views. The Health Board is prioritising digital transformation but lacks the resources to fully implement its ambitions. The Health Board has good operational arrangements for the management of estates and physical assets, but these matters are currently not visible within the committee structure.

## Recommendations

- 10 Recommendations arising from this audit are detailed in **Exhibit 1**. The Health Board's management response to these recommendations will be summarised in **Appendix 2** when completed.

### Exhibit 1: 2022 recommendations

#### Updating Strategic planning

- R1 The Health Board's long-term strategy has not been updated to reflect the boundary change in 2019, its new strategic priorities, and the developing population health strategy amongst others. The Health Board, should:
  - a) revisit and decide on the future of the 2019 strategy, as to whether this needs to be updated or replaced: and
  - b) ensure there is a clear map of the current Health Board strategies to ensure clarity and alignment and effective monitoring and scrutiny.
- R2 Reporting on progress against the clinical and corporate plans supporting the Clinical Services Plan could be improved at all levels. The Health Board, therefore, should improve reporting to the Management Board to enable progress across all plans to be easily tracked.

### Further enhancing systems of assurance

- R3 While the BAF has improved, opportunities exist to develop and enhance it further. The Health Board, therefore, should ensure that the BAF's principal risks reflect the long-term strategy, as well as ensure that controls, assurances, and mitigations are comprehensive and robust. This should include assurances relating to estates.
- R4 The Audit Committee is currently responsible for a risk associated with controlled drugs. As the Audit Committee is responsible for gaining assurance on the Health Board's risk management processes, it should not be responsible for any risks. The Health Board should reallocate this risk to a different committee and ensure that no further risks are allocated to the Audit Committee.
- R5 The Integrated Performance Report has improved but opportunities exist to improve it further. The Health Board, therefore, should look at opportunities to use digital solutions to present the report as well as include comparative data for other NHS bodies across Wales.
- R6 The process for making changes to timescales for completing audit recommendations is unclear. In addition, recommendations made by organisations including Healthcare Inspectorate Wales and the Delivery Unit are also not tracked or scrutinised by the appropriate committee or included on the audit recommendation tracker. The Health Board, therefore, should:
- a) establish a clear process for reviewing and approving changes made to audit recommendation implementation dates; and
  - b) ensure appropriate monitoring and scrutiny of progress in addressing actions relating to recommendations by other external inspection and review bodies.

### **Improving Board and committee effectiveness**

- R7 Opportunities exist to further enhance the transparency of Board and committee business. The Health Board, therefore, should:
- a) ensure some, if not all, counter fraud information is considered in public Audit Committee meetings;
  - b) ensure that policies and procedures on the public website, as well as key strategies are up-to-date and accessible. In doing so, older documents should be removed to avoid confusion;
  - c) publish the Declarations of Interest, Gifts, and Hospitality as a specific document on the public website;
  - d) ensure confirmed minutes of Board and committee meetings are uploaded to the public website in a timely way; and
  - e) ensure that formal recording of Chair's actions includes greater detail on costs or wider resource implications particularly if the action is material in nature.
- R8 Opportunities exist to improve Board and committee effectiveness, as well as to maximise the impact of the BAF. The Health Board, therefore, should.
- a) use the revised BAF to inform the design of the committee structure to align with the strategic risks of the organisation;
  - b) strengthen the presentation and information contained with the Quality and Safety Report presented to the Quality and Safety Committee; and
  - c) roll out a formal programme of committee effectiveness reviews.

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### **Recruiting to key positions**

- R9 There remains considerable fragility in the senior leadership team in the Morriston Hospital Service Group. The Health Board, therefore, should seek to appoint substantively to posts within the Service Group triumvirate and at the level below.

# Detailed report

## Strategic planning arrangements

- 11 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.
- 12 We found that **whilst approval of the Health Board's 2022-2025 IMTP is positive, it needs to revisit its long-term strategy. Planning remains a strength but monitoring and reporting on the delivery of plans could be sharper.**

## Vision and strategic objectives

- 13 We considered the extent to which there is a clear vision and long-term strategy 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; and
  - the long-term strategy is underpinned by an appropriate long-term clinical strategy.
- 14 We found that **the Health Board has a long-term strategy, but this needs to be revisited to reflect changes to its strategic priorities, the developing population health strategy, and the boundary changes in 2019.**
- 15 The Health Board's current long-term strategy 'Better Health, Better Care, Better Lives' refers to the predecessor organisation, Abertawe Bro Morgannwg University Health Board<sup>1</sup>. This strategy is therefore out of date and a decision needs to be taken about its future. (**Recommendation 1a**). In July 2021, the Health Board revised its strategic objectives, and set these out in its 2022-2025 Integrated Medium Term Plan (IMTP). The Health Board has also been developing a population health strategy, which was due for completion in December 2022. In addition, the Health Board is working on an estates strategy, and a workforce strategy.

<sup>1</sup> On 1 April 2019, the Health Board changed its name to Swansea Bay University Health Board following the transfer of services for the people of the Bridgend County Borough Council area to Cwm Taf University Health Board.



16 In 2019, the Health Board also launched its five-year Clinical Services Plan. This initially set out the vision for clinical services, which the Health Board is currently in the process of delivering. The plan sets out an ambition to create centres of excellence, as well as to promote health and wellbeing. In January 2021, the Health Board refreshed its wellbeing objectives, which are required under the Well-being of Future Generations (Wales) Act 2015. The Clinical Services Plan is seen as the vehicle to deliver these. However, it is difficult to map all these strategies together and the Health Board needs to ensure clarity across the organisation of all the current strategies, and to ensure alignment of these. **(Recommendation 1b)**

## Integrated Medium Term Plan

- 17 We considered the extent to which the Health Board has been able to produce an approvable IMTP for 2022-2025. In examining this, we have looked at whether:
- the IMTP was submitted within the required timeframes in line with Welsh Government guidance;
  - the draft and final versions of the IMTP were discussed, challenged, and agreed by the Board prior to submission; and
  - the IMTP received approval from the Minister for Health and Social Services.
- 18 We found that **the Health Board has an approved IMTP, which was developed with good Board engagement.**
- 19 The Health Board has been able to produce a Welsh Government approved IMTP for the first time since 2015-16. The initial draft was approved by the Board in March 2022, and subsequently updated following notification from the Welsh Government in July 2022 that the Health Board would receive an additional £24.4 million. This recurring funding was received as a population adjustment, enabling the Health Board to develop a financially balanced plan. The IMTP is set within the context of the Clinical Services Plan and is called the 'Recovery and Sustainability Plan' by the Health Board.
- 20 There was good Board involvement in the development of the IMTP. Draft versions were discussed at several Board development sessions, and a working group was established to provide assurance and oversight of its development. The group was chaired by the Chief Executive and included Independent Members. Independent Members were complimentary of the Health Board's process. The IMTP was submitted to the Welsh Government within the required timescales and received Ministerial approval in July 2022.

## Planning arrangements

- 21 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:
- corporate strategies and plans have been developed in liaison with relevant internal and external stakeholders;
  - prudent and value-based healthcare principles are considered and reflected in corporate strategies and plans; and
  - arrangements for commissioning services are effective and efficient, and aligned to corporate strategies and plans.
- 22 We found that **the Health Board has good arrangements for developing corporate strategies and plans, with evidence of good stakeholder engagement. However, the effectiveness of commissioning arrangements needs to be an area of focus.**
- 23 The Health Board has good arrangements in place to oversee the development of corporate strategies and plans. Supporting the Clinical Services Plan are several clinical and corporate plans and strategies, such as the Maternity Services Plan, and the Children and Young People’s Strategy. The IMTP is also supported by several delivery plans designed to address specific issues, for example, the planned care backlog, cancer performance, and urgent and emergency care.
- 24 The Health Board has an IMTP Executive Steering Group, and an Integrated Planning Group that support the preparation of the IMTP and oversee the development of supporting plans. Business partners continue to support operational teams and groups, and there are various operational planning groups in place. Next year, each Service Group<sup>2</sup> will develop their own IMTP. This will strengthen the process further and improve ownership for development and delivery at a local level.
- 25 Stakeholder engagement in the development of the clinical and delivery plans underpinning the Clinical Services Plan and the IMTP has been strong. Each of the system-wide plans had clinical engagement. In July 2021, the Health Board, in partnership with Swansea Bay Community Health Council, launched a comprehensive engagement exercise for patients, the public, staff, and stakeholders on detailed service change proposals developed by clinicians across primary and secondary care. Plans are also in place to undertake a stakeholder event on population health. The aim of this is to apply a population health lens to describe the vision for services and to embed the principles of population health in everyday work. This work will inform the development of the 2023-2026 IMTP.
- 26 Value-based healthcare (VBH) features in corporate plans and strategies. The 2022-2025 IMTP has a focus on pathway improvements in diabetes, heart failure,

<sup>2</sup> The Health Board has four Service Groups – Morriston; Singleton and Neath Port Talbot; Primary Care and Community; and Mental Health and Learning Disabilities.

atrial fibrillation, hypertension, and Chronic Obstructive Pulmonary Disease (COPD). These pathways are currently being implemented. In addition, the Health Board is currently piloting a new efficiency framework developed by the Financial Delivery Unit, as well as working with Swansea University to support the development of a VBH academy, using funding from the Welsh Government.

- 27 The Health Board recognises that the effectiveness of commissioning arrangements needs to be an area of focus. Our work in October 2022 on the arrangements for overseeing and managing the contractual agreements established following the realignment of the Health Board Boundaries highlighted a lack of pace by the Health Board, and Cwm Taf Morgannwg University Health Board, with the disaggregation of services following the Bridgend transfer in 2019. An Internal Audit review of Community and Adult Mental Health Services commissioning in December 2021 gave limited assurance, highlighting the lack of service level agreement or service specification for the services, and a lack of assurance on the quality of the service being received by the Health Board.

## Implementation and monitoring arrangements

- 28 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.
- 29 We found that **there are good arrangements for monitoring delivery of the IMTP but oversight of plans supporting the Clinical Services Plan needs to be improved.**
- 30 The 2022-2025 IMTP has clear performance measures and actions. The Health Board has continued to refine these further and ensures that clear outcome measures and baselines are in place to support monitoring. Where deliverables and outcomes are set out, these are in an annual format, broken down into quarters.
- 31 There is a clear reporting and operational governance structure in place for monitoring delivery of the Clinical Services Plan and IMTP. Underpinning the Clinical Services Plan are nine Programme Boards which report to the Management Board. These programmes are executive-led, and track progress against the 'Goals, Methods, and Outcomes' methodology the Health Board has applied to its IMTP. However, reports to Management Board are very narrative (**Recommendation 2a**).
- 32 There are good arrangements for monitoring delivery of the IMTP at Board and committee level, but progress against clinical and corporate plans is less visible. There are comprehensive quarterly updates on delivery of the IMTP to the Board

and the Performance and Finance Committee, of which the Clinical Services Plan is a key element. The committee also receives updates on the delivery plans mentioned in paragraph 23 to enable performance to be tracked. Progress on implementing the underpinning plans supporting the Clinical Services Plan is monitored on a risk-based approach, except for the Acute Services Medical Redesign Programme, which has been reported to the Board regularly.

## Governance arrangements

- 33 In this section of the report, we provide our views on the Health Board's governance arrangements, with a particular focus on:
- key systems of assurance;
  - Board and committee effectiveness; and
  - the extent to which organisational design supports good governance.
- 34 Details of progress made on previous-year recommendations relating to the Health Board's governance arrangements are provided in **Exhibit 2**.
- 35 We found that **governance arrangements are generally effective, with open and transparent discussions. However there needs to be further refinement of the Board Assurance Framework (BAF) to strengthen sources of assurance and ensure committees are providing appropriate oversight of risks to delivering the long-term strategy.**

## Systems of assurance

- 36 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 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.
- 37 We found that **whilst the BAF continues to evolve, and systems of assurance are improving, there is a need to tighten up some sources of assurance and align the BAF with the refreshed long-term strategy.**
- 38 The Health Board has revised its BAF, but it could be further improved. In February 2022, an Internal Audit review of the BAF gave limited assurance due to concerns around the structure of the document, its length, expired actions, and a lack of review by committees of the assigned risk areas. The BAF has since been revised, and an updated version was presented to Board in July 2022. The new BAF is

shorter in length and sets out the principal risks to the delivery of the 2022-2025 IMTP objectives, but more changes are needed to improve it further. Whilst the version presented to Board in September 2022 saw an improvement in the principal risk descriptions, there was no likelihood, impact, or overall risk scoring. There were also gaps in controls, assurance, and mitigation, such as for the primary care risk, and some sources of assurance were significantly out of date or provided limited assurance. In refreshing its long-term strategy, the Health Board should address these weaknesses and align the BAF with the principal risks impacting on the delivery of its strategy (**Recommendation 3**).

- 39 The Health Board has good arrangements for risk management. The Health Board refreshed its risk management strategy in 2021 and will update it further following the Board's recent review of its risk appetite. The process for the development of the Health Board's Corporate Risk Register (CRR) is sound, with a Risk Scrutiny Panel in place to moderate new and escalated risks to the CRR and BAF, as well as advising on escalation and de-escalation. This has recently been strengthened by the inclusion of the Executive Medical Director although the panel's terms of reference have not yet been updated.
- 40 An Internal Audit review of risk management in February 2022 gave reasonable assurance although highlighted that some operational and reporting matters still need to be strengthened. This included addressing anomalies in Service Group risk registers. All risks are assigned to relevant committees for oversight. At the time of our work the Audit Committee was responsible for five digital risks and one risk relating to controlled drugs. As the Audit Committee is responsible for gaining assurance on organisational risk management arrangements, it should not be responsible for any risks (**Recommendation 4**).
- 41 There are good arrangements for monitoring performance, but the Health Board's performance continues to be a challenge, as with others across Wales. In September 2022:
- despite a decrease in emergency department attendances, performance against the four-hour wait was below target at 72.7%;
  - the number of patients waiting over 26 weeks (and 52 weeks) for a first outpatient attendance was still a challenge, particularly in orthopaedics, ophthalmology, and Ear, Nose, and Throat (ENT);
  - performance on the single cancer pathway at 55% was well below the Health Board's submitted trajectory to the Welsh Government; and
  - in terms of diagnostics, endoscopy services were of concern in terms of performance with significant numbers of patients waiting over eight weeks.
- 42 The Integrated Performance Report (IPR) continues to provide an overview of the Health Board's performance against national delivery measures, ministerial priorities, and key local quality and safety measures. The report is scrutinised by the Performance and Finance Committee prior to Board and a good summary of the information is presented both verbally and in writing by the Director of Finance and Performance. Positive changes to the IPR have been made, with more

information on actions being taken in response to performance concerns, and trajectories being included. But there remains an opportunity to look at digital solutions to make the report interactive, and the lack of benchmarking data makes it challenging to identify areas where performance is poor (**Recommendation 5**).

- 43 The Performance Management Framework introduced in 2021 remains sets out the arrangements for managing the performance of Service Groups and Corporate Directorates. This framework sets out a series of escalation levels ranging from earned autonomy to special measures, reflecting the extent to which appropriate support is needed to recover performance. As with other Health Boards and Trust across Wales there are considerable pressures on services. At the time of our work Morriston Hospital Service Group and cancer services within the Singleton Hospital Service Group remained in escalation, as was the case when we completed our 2021 structured assessment work.
- 44 The Health Board is improving its quality governance arrangements. In December 2021, we completed a review of the Health Board's quality governance arrangements<sup>3</sup>. Despite several strengths, we found significant weaknesses in corporate and operational arrangements. which were limiting the Health Board's ability to know whether the services it provides were safe and effective. The Health Board has since developed a clear improvement plan, with improvements being led by the Chief Executive as well as the Clinical Executives. Progress to date includes the development of a new Clinical Audit Plan, as well as changes to supporting governance structures underneath the Quality and Safety Committee. Scrutiny is provided by the Audit Committee, Quality and Safety Committee, and Management Board. We will be reviewing operational quality governance arrangements across the Service Groups in 2023.
- 45 The Health Board has good arrangements for providing assurances on information governance and security, but the capacity of the relevant committee to scrutinise the information is of concern. There is an up-to-date approved Cyber Security Policy, which sets out the roles and responsibilities of the Cyber Security Team. The Health Board has also adopted the all-Wales Information Governance Policy, although it has not tailored it to reflect local contacts who fulfil the statutory roles. There is good compliance with mandatory information governance training at 82%, and the Health Board is continuing to strive to achieve its 95% target. However, in January 2023 concerns were identified by Internal Audit in relation to information governance, these included the lack of staff resources, issues with policies, issues with information governance risk reporting and a lack of full performance measures. We are aware of plans to move scrutiny of digital to the Workforce and Organisational Development Committee. Prior to this, the Audit Committee received updates including a routine highlight report from the Information

<sup>3</sup> [Audit Wales, Swansea Bay University Health Board – Review of Quality Governance Arrangements, September 2022](#)

Governance Group. The Board also received a detailed cyber security briefing in October 2021, which highlighted the organisation's cyber security arrangements.

- 46 The Health Board has improved its arrangements for tracking progress in implementing internal and external audit recommendations. The tracker presented to the Audit Committee now contains more detail relating to individual audit recommendations. In February 2023 the Executive team reviewed all outstanding audit recommendations that were assigned to them, and the future plan is for the Executive Team to receive the audit tracker monthly to ensure there is progress addressing the outstanding recommendations. Several changes to implementation timescales on the tracker have been made. For instance, in July 2022 there were no overdue Audit Wales recommendations, however there should have been seven according to the original timescales set by the Health Board. There is a similar picture for Internal Audit, with revised implementation dates reducing the overdue actions from 102 to 42. The approval process for the revision of these timescales is unclear (**Recommendation 6a**). There also remains little oversight of recommendations from other organisations, including Healthcare Inspectorate Wales (HIW) and the Delivery Unit (**Recommendation 6b**).

## Board and committee effectiveness

- 47 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.
- 48 We found that **the Board and its committees are generally operating well. However, opportunities exist to further enhance public transparency, strengthen staff and patient feedback, align the committee structure with the BAF, and improve self-review mechanisms.**
- 49 The Board remains committed to public transparency. The Board has continued to meet virtually, broadcasting its meetings live via YouTube, with links to recordings available on its website. However, committee meetings are not live streamed or recorded. The Board is starting to return to meet in person using a hybrid format, with the first such meeting held in September 2022. Meetings are promoted via the website and papers are available seven days in advance. In the main, there is a



good balance of matters being discussed in public, and we observed open and candid discussions.

- 50 However, opportunities exist to enhance transparency further. Some, if not all, counter fraud information should be discussed in the public session of the Audit Committee, in line with other NHS bodies (**Recommendation 7a**). Other health boards also publish agendas of private meetings to aid transparency. Last year, we recommended that issues with the navigation of the website should be addressed. Whilst we have seen improvements, several key documents are still difficult to find, such as the 2022-2025 IMTP, and some documents are significantly out of date, including key policies (**Recommendation 7b**).
- 51 The Health Board's arrangements support the effective conduct of Board and committee business. Standing Orders, Schemes of Delegation, and Standing Financial Instructions are up to date and were approved by the Board in September 2022. Meetings consistently follow governance processes including recording apologies and declarations of interest and reviewing action logs. The Health Board, however, could improve transparency of its declarations of interest by uploading the relevant registers to the website (**Recommendation 7c**). The Board and committees approve previous meeting minutes at subsequent meetings, but we found several instances of final approved minutes missing on the Health Board website (**Recommendation 7d**). Furthermore, better clarity on the reporting of Chair's actions is needed, for example, by formally recording in papers the costs or wider resource implications, particularly if the action is material in nature (**Recommendation 7e**).
- 52 The Board and committees are generally working well but we found gaps in assurances and a need to revisit the committee structure. The Board receives chairs' assurance reports from its committees which give an overview of key committee business and identify issues for escalation. There is good referral of issues between committees, although feedback to the referring committee could be improved. Terms of reference for all committees are up to date, but there are gaps relating to the oversight of estates and partnerships, including the work of the Regional Partnership Board. The Performance and Finance Committee is also now receiving information on progress against delivery plans and has received ad hoc updates on estates performance. The Health Board intends to consider these issues as part of its review of the committee structure. In undertaking the review, the Health Board should look to use the revised BAF to shape the committee structure and the associated workplans (**Recommendation 8a**). The Health Board may wish to consider the frequency of the Quality and Safety, and Performance and Finance Committees. Currently both meet monthly, compared to bi-monthly in other health boards. Reducing the frequency of these meetings to bi-monthly would free up both Executive and Independent Member time and would also give operational staff more time to focus on delivery and making improvements. Oversight of issues can still be maintained monthly by scheduling committee meetings in alternative months to Board meetings.



- 53 The Board and its committees receive good quality information to support effective scrutiny and challenge. Papers are submitted in a timely way, and the quality of papers produced is good; however, some could be shorter in length. In paragraph 40, we highlight opportunities to further improve the IPR, and there is also scope to improve the Quality and Safety Performance Report to the Quality and Safety Committee. For example, the cover sheet could have a stronger focus on the quality issues contained within the report, and presentation of the report should be led by the responsible executive directors for quality (**Recommendation 8b**).
- 54 The Health Board continues to demonstrate its commitment to hearing from staff and patients. The Guardian Service<sup>4</sup> continues to be a mechanism for staff to raise concerns. Board walkrounds have also now restarted with Independent Members finding these a useful way to speak to staff and gain assurance. The Board and Quality and Safety Committee make good use of patient stories and staff stories. A Patient Experience Update Report is routinely presented to Quality and Safety Committee, although members have requested improvements to the report to enable it to be more outcomes focused and impactful.
- 55 The Health Board has a strong Board with a diverse portfolio of skills and experience. It manages the risks associated with turnover well. There are two Independent Member vacancies currently, covering legal and local authority respectively. The Health Board has appointed an interim legal advisor for a year to cover the gap. At the time of our work, the local authority vacancy was unfilled. There will be an additional Independent Member vacancy in 2023. The Board has also continued its development programme over the last year and has had targeted sessions on a range of areas including the digital programme, Board effectiveness, and risk appetite. The Health Board is now exploring options for the next phase of board development.
- 56 The Health Board has an established process for reviewing Board effectiveness using a maturity matrix, but similar arrangements are not in place for committees. The output of the effectiveness review feeds into an action plan, which is monitored at Board. Most domains show improvement. There has, however, been regression in the values and behaviours domain due to COVID-19 limiting Independent Members' ability to be visible through walkrounds. This has been a focus for the Board in 2022-23 along with Board assurance, risk management, and quality governance. At the time of our work, there were no formal arrangements for assessing the effectiveness of committees, although members are asked to provide verbal feedback at the end of each meeting. A more formal review mechanism would significantly strengthen this arrangement (**Recommendation 8c**).

<sup>4</sup> The Guardian Service is an external independent service which operates 24/7, 365 days a year offering a safe, confidential and non-judgemental way to raise concerns in the workplace.

## Organisational design

- 57 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 the Board Secretary, 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.
- 58 We found that **there is currently a stable Executive Team, but the Morriston Hospital Service Group remains fragile and unstable.**
- 59 The Health Board has a stable Executive Team currently. However, the Executive Director of Strategy will be leaving in 2023, and the Executive Director of Nursing and Midwifery, and the Director of Communications and Engagement both remain as interim arrangements. The interim Director of Governance and Board Secretary was substantively appointed to the role in October 2022. Arrangements will need to be made to ensure there is sufficient capacity in the Corporate Governance Team following this internal promotion.
- 60 The Health Board's Management Board continues to provide oversight and drive forward operational, financial, quality, and workforce performance. The Management Board includes the Executive Directors and the Service Group Directors and meets fortnightly. In April 2022, the Management Board recognised that agendas were becoming too cumbersome and put together a work programme to ensure each item had sufficient focus.
- 61 Last year, we reported that the triumvirate teams at both the Service Group and directorate level below had a mixture of recently appointed staff, interim arrangements, and unfilled vacancies. There is now an improved picture with all but one Service Group having a substantive triumvirate of a Service Director, Medical Director, and Nurse Director in place. However, the Morriston Hospital Service Group structure remains fragile and unstable. At the time of our work, there was an interim Service Director and Nurse Director. Below the directors, all five Heads of Nursing were interim. There was also an interim Deputy Service Director and Associate Service Director, and vacancies for a Deputy Medical Director and a further two Associate Service Directors. As referenced in paragraph 43, this Service Group is escalated within the Health Board's Performance Management Framework. Ensuring substantive appointments in this area is important to provide stability and improve performance (**Recommendation 9**).

**Exhibit 2: progress made on previous-year recommendations**

| Recommendation   | Description of progress   |
|--|---|
| <p><b>Health Board Website</b></p> <p>R1 It is difficult to navigate the Health Board’s website to find recordings of Board meetings and up-to-date Board information. The Health Board should make improvements to website navigation as soon as possible to enable the public to easily find and access up-to-date information and recordings (2021).</p>  | <p><b>Completed</b></p> <p>A link to the recordings on YouTube is now available on the website.</p>   |
| <p><b>Committee Effectiveness</b></p> <p>R2 The Performance &amp; Finance, and Quality &amp; Safety Committees are held on the same day with the Integrated Performance Report presented to both. This leads to risks of duplication in discussions, or members of the Quality &amp; Safety Committee missing important discussions. The Health Board needs to consider moving the detailed focus on the performance report to the main Board meeting, reducing the risk of duplication in the committee meetings and freeing up capacity for them to undertake deep dives into areas of concern (2021).</p> | <p><b>Completed</b></p> <p>Revised Terms of Reference have been agreed for both committees to reduce duplication in reporting. A revised IPR is now in place for the Performance and Finance Committee and work is ongoing to develop a separate Quality and Safety performance report. The Health Board has decided that the focus of the IPR will remain with the committees rather than the Board.</p> |
| <p><b>Board and Committee Papers</b></p> <p>R3 The length of Board and committee papers may impact on the ability of members to absorb the information being provided to</p>   | <p><b>Completed</b></p> <p>The Health Board has delivered report writing sessions for report authors across Corporate Directorates and</p>  |

| Recommendation  | Description of progress  |
|---|--|
| <p>them, with some duplication in the content. The Health Board needs to ensure that training is provided to authors of agenda papers to ensure that key information is appropriately summarised, and the key messages are drawn out in cover papers (2021).</p>  | <p>Service Groups, with more to be offered later in the year.</p>  |
| <p><b>Integrated Performance Report</b><br/>R4 The Integrated Performance Report focuses on describing performance. The Health Board should strengthen its performance reporting by providing more information about the actions being taken to improve or maintain performance (2021).</p>                       | <p><b>Completed</b><br/>As set out in paragraph 40.</p>  |
| <p><b>Healthcare Professionals Forum</b><br/>R5 During the pandemic, the Healthcare Professional Forum has not met and there has been no representation from the forum at Board. The Health Board should reinstate the Healthcare Professional Forum and ensure the Chair regularly attends the Board (2021).</p> | <p><b>Completed</b><br/>The Healthcare Professional Forum is now meeting regularly (although August 2022 was not quorate due to holidays.)</p> |
| <p><b>Audit Tracking</b><br/>R6 While arrangements for tracking audit recommendations are in place, there is an absence of routine focus on individual recommendations. As part of the audit tracking report to the Audit</p>   | <p><b>Completed</b><br/>As set out in paragraph 44.</p>  |

| Recommendation   | Description of progress |
|--|-------------------------|
| Committee, the Health Board should include an update on actions against each individual recommendation (2021). |                         |

## Managing financial resources

- 62 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.
- 63 We found that **although the Health Board failed to meet some of its financial duties in 2021-22 and is set to fail some of them in 2022-23, its financial position has improved. Overall, arrangements for financial management, control, and monitoring are good.**

## 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 **the Health Board failed to meet some financial duties in 2021-22, and will also fail to meet some of them in 2022-23 despite forecasting a break-even position. Whilst the delivery of savings is on track, cost pressures and discretionary capital are a challenge. Financial deficits in the last two years also mean that the Health Board will fail to break even over the three-year period 2020-23.**
- 66 The Health Board failed to meet its financial duties for 2021-22, ending the year with a financial deficit of £24.4 million. However, this was in line with the target deficit agreed with the Welsh Government. The Health Board also reported a three-year cumulative deficit of £65 million for the rolling three-year period 2019-2022.

The Health Board met its capital resource limit financial duty, with a small underspend of £243,000.

- 67 Whilst the Health Board will not meet all financial duties in 2022-23, it is on track to achieve a break-even position for 2022-23. This is following an uplift in its baseline revenue allocation of £24.4 million by the Welsh Government in recognition of the Health Board's underfunded position against the revised resource allocation formula. However, the Health Board will continue to report a cumulative deficit for the rolling three-year period 2020-2023, currently forecast at £48.7 million, due to the deficits in the last two financial years. The Health Board is also currently forecasting an overspend on its capital resource limit of £1.8 million due to reductions in discretionary funding, and an increased possibility that new requests during the year, including those with high-risk scores, will be unable to receive capital support during 2022-23.
- 68 Due to the uplift in the baseline allocation, the Health Board has a balanced financial plan underpinning its 2022-2025 IMTP. Despite forecasting a break-even position for the financial year, the ability to deliver this is challenging. At Month 7 2022-23, the Health Board was reporting a deficit of £3.7 million, comprising overspends totalling £13.1 million across Service Groups and Corporate Directorates offset against £9.4 million of financial opportunities. Morriston Hospital Service Group is a concern due to pressures in the system. As such, a £9 million in-year deficit has been agreed with the Service Group, which will be offset against financial opportunities elsewhere. All other Service Groups and Corporate Directorates are expected to break even. At Month 7 2022-23, the Morriston Hospital Service Group was reporting an overspend of £10 million. The Health Board's ability to break even is dependent on curtailing variable pay, and drug, clinical supplies, and continuing healthcare costs, as well as savings being delivered.
- 69 The Health Board is on track to over-deliver its savings target. At the start of the financial year, the Health Board set a required savings target of £27 million. By Month 7 2022-23, the Health Board had increased the target to £33.6 million, to include an additional £2 million of savings to offset the pressures within the Morriston Hospital Service Group, along with a savings requirement brought forward from 2021-22 of £4.6 million. The Health Board is currently forecasting it will deliver savings of £32.4 million by the year-end, with £22.7 million recurring. At Month 7, the Health Board had delivered £15.6 million savings.

## Financial controls

- 70 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.

71 We found that **the Health Board has appropriate arrangements for financial management and control.**

72 The Health Board has robust processes in place to ensure compliance with statutory instruments, and to report and challenge breaches. As stated in paragraph 51, Standing Financial Instructions and Schemes of Delegation have been reviewed and approved by the Board. The number of single tender actions, and losses and special payments are routinely scrutinised by the Audit Committee and an update on the ongoing review of financial control procedures is reported to every meeting. The Health Board has a proactive counter fraud arrangement; however, as stated in paragraph 50, scrutiny of counter fraud activity could be more transparent by bringing reports into the public meeting of the Audit Committee.

73 The Health Board is aware of its cost drivers, and good controls are in place to manage the financial position. Accountability letters have been issued to all Service Groups and Corporate Directorates, and detailed financial information is available to monitor progress against budgets and savings plans. Check and challenge meetings have been held during the year with each of the Service Groups and Corporate Directorates, where the financial position has been challenged, and key actions put in place. Where financial performance is off track, the Health Board's performance management framework is used to escalate areas of concern. Additional financial capacity has been made available to support the Morriston Hospital Service Group which is currently escalated. In September 2022, a summit was held involving the Executive Team, and the Service Group Directors, led by the Chief Executive and the Director of Finance and Performance. The aim of the summit was to identify actions which would help deliver control totals over the following two months and deliver improvements which would support a sustainable financial plan for 2023-24 and beyond. The summit resulted in the uplift in the savings target as mentioned in paragraph 69.

74 The Health Board submitted good quality draft financial statements for audit by the Welsh Government imposed deadline of 29 April 2022. These were considered by the Audit Committee on 19 May 2022. Our audit identified no material misstatements but identified some issues of significance regarding the governance

and controls over senior officer remuneration. We issued an unqualified audit opinion, except for the regularity opinion, for which we issued a qualified opinion<sup>5</sup>.

## Monitoring and reporting arrangements

75 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
- Board members sufficiently challenge ongoing assessments of the financial position.

76 We found that **the Health Board continues to have robust arrangements for monitoring and scrutinising its financial position.**

77 The Health Board continues to produce several comprehensive financial reports. A detailed financial report is presented at every Board and Performance and Finance Committee meeting. The report sets out a clear overview of revenue, the forecast position, performance against the required savings, capital spend, costs associated with commissioned activity, and payment of non-NHS invoices. Detailed information is also provided on the key cost drivers, variances for each of the Service Groups and Corporate Directorates, and the risks associated with saving schemes. Risks associated with achieving the financial plan are included in the Corporate Risk Register. Financial performance is also included in the IPR which is also presented at every Board and Performance and Finance Committee meeting. As mentioned in paragraph 72, reports are also presented to the Audit Committee which set out compliance with financial controls. All reports are well scrutinised by Independent Members. The financial position is also closely monitored through the regular Management Board meetings.

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

78 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:

<sup>5</sup> Due to the Health Board failing to meet its statutory duties to break even over the three-year period 2019-2022, and to have an approvable IMTP for 2019-2022, we issued a qualified regularity opinion. We also issued a qualified regularity opinion to all Health Boards due to clinicians' pension tax liabilities.



- arrangements for supporting staff wellbeing<sup>6</sup>;
- arrangements for managing its digital resources; and
- arrangements for managing its estate and other physical assets.

79 Details of progress made on previous-year recommendations relating to the Health Board's estate and physical assets are provided in **Exhibit 3**.

80 We found **that the Health Board is supporting staff wellbeing, has clear plans for digital, and operationally is managing its estates and physical assets well. But limited capital funding is a challenge, mechanisms to demonstrate impact are not yet in place and oversight of estates issues at a corporate level need improving.**

## Supporting staff wellbeing

81 We considered the extent to which the Health Board has appropriate and effective arrangements in place for supporting staff wellbeing<sup>7</sup>. 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 pandemic<sup>8</sup>.

82 We found that **the Health Board has adequate arrangements in place to support and oversee staff wellbeing but does not systematically seek staff views.**

83 The Health Board has taken positive action to improve staff wellbeing. It has developed a post COVID-19 Well-being Strategy with a focus on intervention and prevention, along with a Staff Stress and Emotional Wellbeing Policy. A wide range of staff wellbeing services are in place. In September 2021, an Internal Audit review of the staff wellbeing programme gave reasonable assurance. Areas for improvement included seeking feedback on the effectiveness of its initiatives. Whilst there is a wide range of staff wellbeing services, it is not clear what engagement with staff took place before these were set up to find out what staff needed. The Health Board has used data from the 2020 NHS Wales Staff Survey and has also conducted ad-hoc consultation with staff, typically in areas that have high sickness rates, in response to using one of the wellbeing services or through concerns raised. The Health Board is undertaking work to start "the big

<sup>7</sup> Note: we will be undertaking a separate review of the organisation's workforce planning arrangements, commencing in 2023.

<sup>8</sup> Audit Wales, [Taking care of the carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic](#), October 2021

conversation' which is an engagement exercise designed to find out staff views on how to make quality everybody's business. However, this will not directly ask staff how they are feeling about their work environment.

- 84 The Workforce and Organisational Development Committee maintains effective oversight of these arrangements. It regularly receives and discusses reports on staff wellbeing, concerns raised and grievances. The Board is updated via the committee update, and staff wellbeing is also a key feature in other papers. Whilst the IPR presented to Board provides only limited information on staff wellbeing including sickness absence figures, and PADR and statutory and mandatory training compliance, more detailed information is considered in the Workforce and Organisational Development Committee. In November 2021, the Audit Committee received the Health Board's management response to our Taking Care of the Carers report. A comprehensive update has also been provided to the Workforce and Organisational Development Committee in October 2022, which provided a detailed narrative against progress of each recommendation but did not conclude on whether they had been completed. We found that these recommendations have not been placed formally on the audit recommendations tracker, and this should be done to ensure appropriate oversight.

## Managing digital resources

- 85 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.
- 86 We found that **whilst digital transformation is a priority, the Health Board lacks the resources to fully implement its ambitions and capture the benefits arising from digital solutions.**
- 87 The Health Board is committed to digital transformation and has a clear digital vision, set out in its ten-year digital strategy. The strategy is reflected in the 2022-2025 IMTP, and implementation is supported through a digital annual plan for 2022-23. Digital is recognised as a key enabler to recovery and sustainability, and the Director of Digital is a non-voting member of the Board.
- 88 The limited availability of capital funding and the challenges of recruiting experienced digital professionals are impacting on delivery. The Digital Team works closely with the Finance Team to identify funding streams for digital transformation; however, the lack of capital from the Welsh Government for 2022-23 is limiting progress with digital projects. Although the Health Board has

allocated £1.2 million of discretionary capital to digital, only one digital project has been supported to date. At Month 7 2022-23, the Health Board was reporting slippage against its digital spending.

- 89 There are clear arrangements for oversight. Digital goals and timescales are clearly set out in the 2022-2025 IMTP and monitored through the Board, and Performance and Finance Committee. The digital annual plan is overseen by the Digital Leadership Group which reports to the Performance and Finance Committee. Digital risks are discussed at a Digital Risk Meeting, with escalation to the Digital Business Meeting and Management Board if required. There are currently four digital risks on the Corporate Risk Register, which are now overseen by the Performance and Finance Committee. In May 2022, an Internal Audit report on digital project management found that the Health Board's digital benefits and evaluation processes were an area that was working well.

## Managing the estate and other physical assets

- 90 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.
- 91 We found that **the Health Board has good operational arrangements, but oversight of the management of estates and physical assets is not visible within the committee structure.**
- 92 The Health Board does not have an asset management strategy but is currently drafting an estates strategy following a recent survey of the Health Board's estate, which is due to be presented to Board in May 2023. The backlog maintenance costs identified from the recent survey were £242 million, risk adjusted to £85 million. Due to the significant reduction in capital funds, the Health Board has only been allocated £33.6 million for 2022-23. In its ten-year investment plan submitted to the Minister in July 2022, the need for capital funds in the region of £112 million to maintain business continuity with respect to its estates and assets were identified. As well as funding challenges, a lack of ward decant facilities to conduct the work which has been a long-standing issue to addressing backlog maintenance.
- 93 There are good operational arrangements in place for maintaining oversight of the condition of the estate and physical assets, but visibility at Board and committee

level is limited. **(Recommendation 3)**. The Health Board has a Capital Prioritisation Group which routinely identifies investment needed on a risk assessment basis. During 2021-22, the Health Board was able to invest additional funding into equipment, reducing several high risks on its Corporate Risk Register. Plans are in place to address equipment risks further. Issues relating to estates and physical assets, however, are not currently reported to a committee, except for some operational issues which are reported to the Health and Safety Committee, and progress against capital spending which is reported to the Performance and Finance Committee. Papers are taken to Management Board or straight to the Board. Internal Audit’s follow-up review of estates in June 2022 gave reasonable assurance. An improvement from limited assurance in the original review. Issues outstanding related to financial safeguarding, control of contractors, backlog maintenance, fire safety, and water safety.

**Exhibit 3: progress made on previous-year recommendations**

| Recommendation  | Description of progress   |
|---|---|
| <p><b>Strategic Planning</b></p> <p>R1 The Health Board is developing estates and asset plans to underpin the Clinical Services Plan and will need to ensure that asset and estate requirements are clearly defined and reflected in the long-term capital plan (2019).</p> | <p><b>Completed</b></p> <p>The Health Board outlined its capital requirements in the ten-year investment plan submitted to the Welsh Government in July 2022.</p> |

# Appendix 1

## Audit approach

**Exhibit 4** sets out the approach we adopted for delivering our structured assessment work at the Health Board.

### Exhibit 4: audit approach

| Element of audit approach | Description   |
|---------------------------|---|
| Observations              | We observed Board meetings as well as the following committee meetings: <ul style="list-style-type: none"><li>• Performance and Finance Committee;</li><li>• Audit Committee;</li><li>• Quality and Safety Committee; and</li><li>• Workforce and Organisational Development.</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, Healthcare Inspectorate Wales, and other relevant external bodies.</li> </ul> |

| Element of audit approach | Description   |
|---------------------------|---|
| Interviews                | <p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"> <li>• Chief Executive;</li> <li>• Health Board Chair;</li> <li>• Chair of Quality and Safety Committee;</li> <li>• Chair of Audit Committee;</li> <li>• Assistant Head of Risk and Assurance;</li> <li>• Director of Finance and Performance;</li> <li>• Director of Therapies and Health Science;</li> <li>• Medical Director and Deputy CEO;</li> <li>• Director of Digital;</li> <li>• Director of Workforce and OD;</li> <li>• Interim Director of Nursing and Patient Experience;</li> <li>• Director of Strategy; and</li> <li>• Director of Corporate Governance and Board Secretary.</li> </ul> |

## Organisational response to audit recommendations

Exhibit 5: organisational response

| Recommendation   | Organisational response  | Completion date                    | Responsible officer                                     |
|--|--|------------------------------------|---|
| <p><b>Updating Strategic planning</b></p> <p>R1 The Health Board’s long-term strategy has not been updated to reflect the boundary change in 2019, its new strategic priorities, and the developing population health strategy amongst others. The Health Board, should:</p> <ul style="list-style-type: none"> <li>a) revisit and decide on the future of the 2019 strategy, as to whether this needs to be updated or replaced: and</li> <li>b) ensure there is a clear map of the current Health Board strategies to ensure clarity and alignment and effective monitoring and scrutiny.</li> </ul> | <ul style="list-style-type: none"> <li>a) The Health Board will review the organisational strategy following completion of the Big Conversation, cultural change programme, to consider the Swansea Bay way.</li> <li>b) Map of current Health Board strategies to be completed setting out report monitoring arrangements.</li> </ul> | <p>March 2024</p> <p>June 2023</p> | <p>Director of Strategy</p> <p>Director of Strategy</p> |
| <p><b>Updating strategic planning</b></p>  | <p>The clinical services plan is now firmly embedded in the IMTP and implementation is monitored and reported</p>  | <p>Completed</p>                   | <p>Director of Strategy</p>                             |



| Recommendation  | Organisational response  | Completion date   | Responsible officer                     |
|---|--|-------------------|---|
| <p>R2 Reporting on progress against the clinical and corporate plans supporting the Clinical Services Plan could be improved at all levels. The Health Board, therefore, should improve reporting to the Management Board to enable progress across all plans to be easily tracked.</p>   | <p>through quarterly reports to the Management Board and Board.</p>  |                   |   |
| <p><b>Further enhancing systems of assurance</b><br/>R3 While the BAF has improved, opportunities exist to develop and enhance it further. The Health Board, therefore, should ensure that the BAF's principal risks reflect the long-term strategy, as well as ensure that controls, assurances, and mitigations are comprehensive and robust. This should include assurances relating to estates.</p> | <p>Workshops will be held in Q1 to further strengthen the BAF and align it to the IMTP. The revised BAF will then be reported to the Board for consideration.</p>          | <p>July 2023</p>  | <p>Director of Corporate Governance</p> |
| <p><b>Further enhancing systems of assurance</b><br/>R4 The Audit Committee is currently responsible for a risk associated with</p>   | <p>Risk Management Policy includes the change to the Audit Committee's role in terms of overseeing the process only and all Health Board Risk Register entries will be</p> | <p>March 2023</p> | <p>Director of Corporate Governance</p> |

| Recommendation  | Organisational response   | Completion date                   | Responsible officer   |
|---|---|-----------------------------------|---|
| <p>controlled drugs. As the Audit Committee is responsible for gaining assurance on the Health Board's risk management processes, it should not be responsible for any risks. The Health Board should reallocate this risk to a different committee and ensure that no further risks are allocated to the Audit Committee.</p>            | <p>allocated to committees of the Board and this will exclude the Audit Committee. The Policy will be considered by the Management Board and Board for approval.</p>  |                                   |   |
| <p><b>Further enhancing systems of assurance</b><br/>R5 The Integrated Performance Report has improved but opportunities exist to improve it further. The Health Board, therefore, should look at opportunities to use digital solutions to present the report as well as include comparative data for other NHS bodies across Wales.</p> | <p>COVID dashboard has been used live and further dashboards are under development to support this. Balance must be struck between formal written reporting for the record and presenting dashboard recorded in minutes.<br/>Launch revised performance management framework in 2023-24 which will use live dashboards in service group performance meetings.</p> | <p>In Place<br/><br/>May 2023</p> | <p>Director of Finance and Performance<br/><br/>Director of Finance and Performance</p> |
| <p><b>Further enhancing systems of assurance</b><br/>R6 The process for making changes to timescales for completing audit recommendations is unclear. In</p>  |   |                                   |   |

| Recommendation   | Organisational response  | Completion date                      | Responsible officer   |
|--|--|--------------------------------------|---|
| <p>addition, recommendations made by organisations including Healthcare Inspectorate Wales and the Delivery Unit are also not tracked or scrutinised by the appropriate committee or included on the audit recommendation tracker. The Health Board, therefore, should:</p> <ul style="list-style-type: none"> <li>a) establish a clear process for reviewing and approving changes made to audit recommendation implementation dates; and</li> <li>b) ensure appropriate monitoring and scrutiny of progress in addressing actions relating to recommendations by other external inspection and review bodies.</li> </ul> | <ul style="list-style-type: none"> <li>a) Process has been revised and deadline dates are not changed once set. The Executive Lead, where actions are not completed by the deadline provide an indicative date by which they will expect to close the action down in their updates.</li> <li>b) Health Board will use AMAT to monitor all audit/inspection actions which will provide greater assurance to the Audit Committee.</li> </ul> | <p>Completed</p> <p>October 2023</p> | <p>Director of Corporate Governance</p> <p>Director of Corporate Governance</p> |
| <p><b>Improving Board and committee effectiveness</b></p> <p>R7 Opportunities exist to further enhance the transparency of Board and</p>   |  |                                      |   |

| Recommendation  | Organisational response   | Completion date  | Responsible officer   |
|---|---|--|---|
| <p>committee business. The Health Board, therefore, should:</p> <ul style="list-style-type: none"> <li>a) ensure some, if not all, counter fraud information is considered in public Audit Committee meetings.</li> <li>b) ensure that policies and procedures on the public website, as well as key strategies are up to date and accessible. In doing so, older documents should be removed to avoid confusion.</li> <li>c) publish the Declarations of Interest, Gifts, and Hospitality as a specific document on the public website.</li> <li>d) ensure confirmed minutes of Board and committee meetings are uploaded to the public website in a timely way.</li> <li>e) ensure that formal recording of Chair's actions includes greater detail on costs or wider resource</li> </ul> | <ul style="list-style-type: none"> <li>a) Counter fraud reports will now be included in the public agenda for Audit Committee with the exception of any sensitive case information.</li> <li>b) The new Director of Insight, communications and Engagement took up post on 1 March 2023. This will be actioned as part of a programme of work to improve the Health Board's internet. Scoping work is currently underway which will identify priorities and resources required.</li> <li>c) Standard Operating Procedure to be developed to support the 'live' register on the website.</li> <li>d) These are now starting to be published on the website, starting with Board Committees, and</li> <li>e) Revised report to be shared with the Board from May 2023.</li> </ul> | <p>March 2023</p> <p>March 2024</p> <p>July 2023</p> <p>September 2023</p> <p>May 2023</p> | <p>Director of Corporate Governance</p> <p>Director of Insight, Communications and Engagement</p> <p>Director of Corporate Governance</p> <p>Director of Corporate Governance</p> <p>Director of Corporate Governance</p> |

| Recommendation   | Organisational response   | Completion date   | Responsible officer   |
|--|---|---|---|
| <p>implications particularly if the action is material in nature.</p>  |   |   |   |
| <p><b>Improving Board and committee effectiveness</b></p> <p>R8 Opportunities exist to improve Board and committee effectiveness, as well as to maximise the impact of the BAF. The Health Board, therefore, should.</p> <ul style="list-style-type: none"> <li>a) use the revised BAF to inform the design of the committee structure to align with the strategic risks of the organisation;</li> <li>b) strengthen the presentation and information contained with the Quality and Safety Report presented to the Quality and Safety Committee; and</li> <li>c) roll out a formal programme of committee effectiveness reviews.</li> </ul> | <ul style="list-style-type: none"> <li>a) BAF has been used to revise the Board committee arrangement and these changes will be considered by the Board in March 2023 and subject to approval will take effect from April 2023.</li> <li>b) Quality and Safety report to the Q&amp;S committee has been revised and is now in use.</li> <li>c) Programme of committee effectiveness reviews to be completed six monthly.</li> </ul> | <p>April 2023</p> <p>Completed</p> <p>September and March 2023-24</p> | <p>Director of Corporate Governance</p> <p>Director of Nursing and Patient Experience</p> <p>Director of Corporate Governance</p> |

| Recommendation  | Organisational response   | Completion date  | Responsible officer                 |
|---|---|------------------|-------------------------------------|
| <p><b>Recruiting to key positions</b></p> <p>R9 There remains considerable fragility in the senior leadership team in the Morriston Hospital Service Group. The Health Board, therefore, should seek to appoint substantively to posts within the Service Group triumvirate and at the level below.</p> | <p>Head hunters have been selected to recruit substantively to this role and campaign will commence in March 2023. Plans to recruit to this role have been deferred due to the resignation of the COO. Once new COO has been appointed following the interview scheduled for 29 March 2023, the successful candidate will be able to participate on the appointment of the Morriston Service Group Director. Other associated posts will be recruited thereafter.</p> | <p>June 2023</p> | <p>Director of Workforce and OD</p> |





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