

## Structured Assessment 2023 – Public Health Wales NHS Trust

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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 Public Health Wales NHS Trust (the Trust). 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 Trust'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 Trust's operational arrangements as part of this work.
- 4 Our work has been informed by our previous structured assessment work, which has been developed and refined over several years. It has also been informed by:
  - Model Standing Orders, Reservation and Delegation of Powers.
  - Model Standing Financial Instructions.
  - Relevant Welsh Government health circulars and guidance.
  - The Good Governance Guide for NHS Wales Boards (Second Edition).
  - Other relevant good practice guides.We undertook our work between July and November. The methods we used to deliver our work are summarised in **Appendix 1**.
- 5 We also provide an update in this report on the Trust's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

## Key findings

- 6 Overall, we found that **the Trust has effective arrangements to ensure good governance, with sound approaches in place to develop and monitor its plans and manage its finances. Opportunities exist to improve the timeliness of committee meetings and further strengthen some of the Trust's corporate systems of assurance.**

### Board transparency, effectiveness, and cohesion

- 7 We found that **the Board and its committees operate well, and maintain a good focus on public transparency, hearing from staff and service users, and continuous improvement. The Board remains cohesive and changes in membership have been managed well, although a gap has presented a challenge. Quality of papers is generally of a good standard with appropriate action being taken to improve this further. Opportunities exist to consider the timing of committee meetings.**
- 8 The Trust continues to demonstrate a strong commitment to public transparency. The public availability of committee papers ahead of meetings has been improved, except for the Audit and Corporate Governance Committee (ACGC) which the Trust treats as a private meeting. There are good arrangements to support the effective conduct of Board and committee business, with considerable work underway to ensure all policies are updated and accessible.
- 9 The Board and committees continue to work well, with good levels of scrutiny, support and challenge observed. There continue to be clear flows of information across committees and to Board. However, there is scope for the Trust to consider the timing of its committee meetings to ensure more regular oversight throughout the year across the Board and committee business. Papers are generally of a good standard with good use made of interactive tools. But the Trust recognises that improvements are needed with committee papers and is taking appropriate action, with a pilot currently underway.
- 10 The Board has strengthened its commitment to hearing from staff and service users, with plans to enhance arrangements further, with the reintroduction of Board walkarounds currently being considered. The Board continues to be cohesive, with a strong focus on becoming a high-performing Board. Where changes in Board membership have occurred, these have been managed well. However, the Board has carried a Non-Executive Director (NED) vacancy for several months, which has placed pressure on maintaining quoracy.

### Corporate systems of assurance

- 11 We found that **the Trust is continuing to strengthen its corporate systems of assurance related to performance and quality governance. The Trust's approach to identifying strategic risks is improving, and the Board**

**Assurance Framework is now consolidated into a single document. However, arrangements for managing strategic and corporate risks, and tracking recommendations need further work.**

- 12 The Trust is continuing to strengthen its approach to risk management and refreshed its strategic risks earlier in the year. The Board Assurance Framework has now been consolidated into a single document, which clearly sets out the Trust's governance arrangements, and a refreshed Strategic Risk Register has been developed. The corporate risks are being updated but the Corporate Risk Register has not been considered by the Board or its committees since the start of the financial year. The frequency of oversight of strategic and corporate risks is not at the level we see in other NHS bodies, and sources of assurance for the strategic risks need to be improved. Capacity within the risk team is presenting a challenge to implementing the Trust's Risk Management Development Plan.
- 13 The Trust continues to have good corporate and Board oversight and scrutiny of performance, with arrangements continually improving through developments to its Performance Assurance Dashboard and supporting reporting. The Trust also continues to have appropriate quality governance arrangements in place and has taken a robust approach to ensuring compliance with the new duties of quality and candour. The Trust's corporate arrangements for tracking recommendations need to be improved to ensure regular and comprehensive oversight of progress being made.

## **Corporate approach to planning**

- 14 We found that **the Trust has a sound approach to developing and monitoring the delivery of its strategies and plans, with a new long-term strategy in place and a strengthened approach to demonstrating impact.**
- 15 The Board approved its new 12-year strategy in March 2023, following Board workshops and substantial internal and external engagement. The strategy aligns with the Wellbeing of Future Generations (Wales) Act 2015 and so the strategic priorities are also the Trust's wellbeing objectives. The Trust has good arrangements for developing strategies and plans. During the year, the Trust has also developed a 12-year Digital and Data Strategy, a three-year Research and Evaluation Strategy, and refreshed its 10-year International Health Strategy. The Trust continues to have sound arrangements for developing and producing an approvable Integrated Medium-Term Plan (IMTP).
- 16 The Trust has strengthened its focus on impact by including clear outcomes in its IMTP and how these will be measured. The Trust continues to have good arrangements for monitoring and scrutinising delivery of its IMTP through its performance reporting arrangements to Board. Monitoring of strategies is maintained through committees.

## Corporate approach to managing financial resources

- 17 We found that **the Trust overall has a sound approach to managing its financial resources.**
- 18 The Trust met its financial duties to break-even for the financial year 2022-23, with a small revenue and capital surplus of £85,000 and £35,000, respectively. The Trust also met its financial duties for the rolling three-year period 2020-23, with a cumulative surplus of £260,000. It is on track to meet them again in 2023-24.
- 19 The Trust has a robust approach to financial planning, with a clear and balanced financial plan for 2023-26 underpinning its IMTP. The plan clearly sets out its approach to savings. The Trust continues to have good financial controls and management in place with appropriate oversight maintained through the ACGC. The Trust also continues to have good arrangements to monitor and report its financial position.

## Recommendations

- 20 **Exhibit 1** details the recommendations arising from our work. The Trust's response to our recommendations is summarised in **Appendix 3**.

### Exhibit 1: 2023 recommendations

#### Recommendations

##### Audit and Corporate Governance Committee

- R1 In line with all other NHS bodies in Wales, the Trust should make its Audit and Corporate Governance Committee a public meeting to improve transparency, with only matters of a sensitive nature reserved for a private meeting. In doing so, the Trust should ensure that the papers for the committee are published on its website seven days in advance of meetings.

##### Scheduling of committee meetings

- R2 The Trust should improve the scheduling of all its committee meetings to ensure timelier flows of information to and from Board, to reduce the need for verbal assurances to Board, and to provide more consistency when committees receive quarterly and bi-annual reports. Consideration of short additional meetings to cover specific agenda items should also be made.

## Recommendations

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### Non-Executive Director development

- R3 The Trust should periodically bring together all the Non-Executive Directors to provide opportunity for them to share experiences and to learn from each other.
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### Corporate risk reporting

- R4 The Trust should ensure that the Board and its committees receive the updated Corporate Risk Register as soon as possible, and that workplans ensure more regular consideration of the register throughout the year.
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### Audit and review tracking

- R5 The Trust needs to ensure that its committees have regular oversight of progress against internal and external audit recommendations relevant to the remit of the committees, with the Audit and Corporate Governance Committee maintaining regular oversight of all recommendations.
- R6 The Trust should develop a central log of recommendations arising for other reviews to enable corporate oversight of progress.



# Detailed report

## Board transparency, effectiveness, and cohesion

- 21 We considered whether the Trust's Board conducts its business appropriately, effectively, and transparently.
- 22 We found that **the Board and its committees operate well, and maintain a good focus on public transparency, hearing from staff and service users, and continuous improvement. The Board remains cohesive and changes in membership have been managed well, although a gap has presented a challenge. Quality of papers is generally of a good standard with appropriate action being taken to improve this further. Opportunities exist to consider the timing of its committee meetings.**

## Public transparency of Board business

- 23 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.
- 24 We found that **the Board continues to be committed to public transparency. However, unlike other NHS bodies, the Audit and Corporate Governance Committee is not held in public.**
- 25 The Trust continues to demonstrate a strong commitment to public transparency. Board meetings continue to be livestreamed, with recordings available on the Trust's website shortly after the meeting. Dates of Board meetings are published well in advance and opportunities exist for members of the public to attend in person should they wish. Papers for Board meetings are also made publicly available seven days in advance.
- 26 Board business is conducted in line with the Trust's Etiquette Policy which sets out the values and cultures expected of Board members. Translation arrangements are in place to enable Board members and attendees to communicate in Welsh. The use of Teams, however, means that the Trust is currently unable to support simultaneous translation for those viewing the meeting online. Discussions are translated for the purposes of the minutes.
- 27 The Trust continues to be open and candid about the challenges it faces. In line with its own Protocol for Matters Discussed in Private, items discussed in private Board meetings are kept to an absolute minimum and reserved for sensitive items only. The Trust is proactively keeping this under review. A summary of matters discussed privately is presented through the Chair's Update to the public Board

(see **Appendix R6b 2022**). Chair's Actions are also kept to a minimum and noted in writing at the next available meeting.

- 28 The Trust has improved the availability of committee papers ahead of meetings, with all papers now made publicly available seven days in advance. However, this is not the case for the ACGC, which the Trust treats as a private meeting for all its business due to historical Welsh Government guidance<sup>1</sup>. Although the Trust publishes papers deemed suitable for public access following the meeting, the arrangement to hold ACGC meetings in private is out of line with practice in all other NHS bodies in Wales (**Recommendation 1**). The Trust has also improved the availability of unconfirmed minutes for both Board and committees, with these now made available on the Trust website. Some unconfirmed minutes, however, were not available for several months after meetings<sup>2</sup>.

## Arrangements to support the conduct of Board business

- 29 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 a 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.
- 30 We found that **there are good arrangements to support the effective conduct of Board and committee business**.
- 31 The Trust has up-to-date and accessible SOs and SFIs in place with evidence of compliance. The Board approved these and the Scheme of Delegation in September 2023, following review by the Business Executive Team (BET) and the ACGC. These documents were updated to reflect changes to the Trust's composition as well as changes made nationally to the model SOs and SFIs e.g. to reflect the new Duties of Quality and Candour. The latest versions of the SOs and

<sup>1</sup> The 2009 guidance referred to a requirement to hold Audit Committees 'in private'. This guidance has been overtaken by the introduction of the [NHS Wales Audit Committee Handbook](#) in 2011 (updated in June 2012) and model Standing Orders which states 'The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees. The Board shall, wherever possible, require its committees to hold meetings in public unless there are specific, valid reasons for not doing so'.

<sup>2</sup> Based on a spot-check of the Trust's website on 7<sup>th</sup> November 2023, the unconfirmed minutes of the September meetings of the ACGC, Knowledge, Research, and Innovation Committee (KRIC), and the Board, and the July meeting of the People and Organisational Development Committee (PODC) were unavailable.

SFIs are available on the Trust's website (see **Appendix 2 R6a 2022**). Internal reports, internal audit work<sup>3</sup>, and our audit of accounts over the last year indicate that key control frameworks are routinely complied with.

- 32 Arrangements to promote and ensure probity and propriety have been strengthened. Bi-annual updates are now provided to the ACGC on the arrangements for managing declarations of interest, gifts and hospitality, compliance with Welsh Health Circulars (WHC), and updating policies. The most recent update was provided in September 2023. Declarations of interest are considered at the start of every Board and committee meeting, and the Declarations of Interest, Gifts, and Hospitality Registers are up-to-date and available on the Trust's website (see **Appendix 2 R6a 2022**).
- 33 Considerable work is underway to ensure all policies are updated and available on the Trust's website. Bi-annual updates are provided to each committee setting out the review status for each policy assigned to that committee. All out-of-date policies are risk assessed and clear plans are in place to ensure these are updated by March 2024 where possible. Based on most recent updates to committees<sup>4</sup>, of 68 policies, 34 were out-of-date. Action was in place to address 19 policies. The remaining 15 policies were all-Wales policies which were reliant on national updates. The Welsh Government has confirmed that all out-of-date all-Wales policies remain extant. Our review of the Trust's website found that all the latest versions of the Trust's policies are accessible (see **Appendix 2 R6a 2022**).

## Effectiveness of Board and committee meetings

- 34 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; and
  - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board.

<sup>3</sup> Reviews and reports include Internal Audit's review of financial management, Board, and committee self-assessments, and routine ACGC reports on procurement, losses and special payments, counter fraud and registers of interest, gifts, and hospitality.

<sup>4</sup> Bi-annual updates to ACGC in September, QSIC in October, PODC in November and KRIC in December 2023.

- 35 We found that **the Board and committees are generally working well although there is opportunity for the Trust to consider the timing of its meetings. A short-term gap in NED membership has placed pressure on maintaining quoracy of committee meetings.**
- 36 The Board and its committees continue to work well. Terms of Reference are reviewed and approved annually. This year, the approval process was supported with a review of the remits across all committees, alongside the refreshed long-term strategy. Several changes were made to the remits of committees, including clarifying the responsibility for oversight of information governance (see **Appendix 2 R3 2022**). As mentioned in **paragraph 28**, there is opportunity for the Trust to make its ACGC a public meeting, with a private session to discuss sensitive issues such as counter-fraud cases (**Recommendation 1**).
- 37 Workplans are in place and reflect the breadth of Board and committee business. Since our previous structured assessment report, the Trust now makes it clear that workplans are indicative and will be confirmed during the agenda setting process (see **Appendix 2 R6b 2022**).
- 38 Board and committee meetings are chaired well, and we observed good levels of scrutiny, support, and challenge. During 2023, there have been several changes to committee chairs. These changes have been managed well, and all committee chairs reported good support from the lead executive(s) for their relevant committees. A NED vacancy, however, has meant that the Board Chair has needed to become a member of PODC. While not ideal, this arrangement has been a practical solution given time constraints on other NEDs. Despite carrying a NED vacancy, the Trust has managed quoracy of its meetings. The Chair and other NEDs have also needed to provide cover for committees more generally to ensure quoracy. This position was resolved in December 2023 (see **paragraph 55**).
- 39 There continue to be clear flows of information across committees and to Board. Committee chairs are now meeting as a group to share areas of concern, and the Composite Committee Report to Board gives a good overview of key committee business and issues for escalation. The timing of committees, however, is problematic with:
- some substantial time gaps between meetings, e.g., the September and January ACGC meetings, and the July and November PODC meetings;
  - some tight time gaps between committee and Board meetings, resulting in verbal updates and duplications in assurance received; and
  - variation in the timeliness of when quarterly and bi-annual reports are received by committees, with some substantial time gaps after the quarter has ended, for example, the Quarter Two<sup>5</sup> Counter-Fraud Report received

<sup>5</sup> July - September

by the ACGC in January, and the Quarter Two Putting Things Right Report received by the QSIC in December.

40 There is scope for the Trust to consider the timing of its committee meetings alongside Board meetings to overcome the issues identified above (**Recommendation 2**). Where there are statutory requirements for Board and/or committees to meet at certain times of the year, e.g., approval of the accounts, it is common practice across other NHS bodies to hold short additional meetings specifically to address these requirements, rather than schedule their routine committee meetings around these dates.

## Quality and timeliness of Board and committee papers

- 41 We considered whether the Board and committees receive timely, high-quality information that supports effective scrutiny, assurance, and decision making. We were specifically looking for evidence of:
- clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 42 We found that **papers are generally of a good standard with good use of interactive tools, but the Trust recognises that improvements are needed and is taking appropriate action.**
- 43 The Board continues to receive timely and clear information that supports effective decision making, scrutiny, and challenge. However, some committee papers are lengthy and need to focus more on key matters. Presentations are often used, which are clear and provide a good summary of the item, but they do not always set out what is expected of the committee. We reported last year that some KRIC, and PODC papers do not include cover sheets, and this continues to be the case (see **Appendix 2 R6c 2022**).
- 44 Pilot work is underway with the QSIC to improve the quality of information presented to ensure it meets the needs of the committee members. The pilot focuses on being clear on the information and time required, and the most appropriate format at the agenda setting stage with the committee chair. This is set out in a brief for the lead executive and used to assess the papers as they become available prior to the meeting. A review after the meeting is held to identify any learning points. The pilot is due to conclude in early 2024 and if successful, the approach is intended to be rolled out to the other committees shortly after.
- 45 The Trust is also at the early stages of strengthening cover papers to ensure they provide assurances to members that all relevant governance requirements have been considered. Prior to doing this, the Trust is looking at piloting a governance hub in early 2024. This will be a central point for authors of papers to seek advice from, to ensure that when drafting papers, they are considering all relevant governance aspects at the outset, such as compliance with legislation and information governance needs. This will enable discussions at Board and

committees to be more focused on the key issues and next steps, rather than whether governance processes have been complied with.

- 46 The Trust continues to make good use of interactive tools, enhancing its Performance Assurance Dashboard<sup>6</sup> and developing its new Public Health Overview Dashboard<sup>7</sup> during the year. The Trust's Performance and Insight Report also sets out very clearly a snapshot of performance across the totality of the Trust's business using infographics. Information is also shared with the Board between meetings via briefings, with a summary of information shared noted in the Chair's Update to Board. Some reports are also shared with Board members between meetings, although these are not always in the public domain. As reported last year, some of the reports, specifically the Month 12 financial position, continue to provide a layer of assurance that should be in the public domain (see **Appendix 2 R6d 2022**).

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

- 47 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.

- 48 We found that **the Board has strengthened its commitment to hearing from staff and service users, with plans to enhance arrangements further.**

- 49 Over the course of the year, the Board has introduced a rolling programme of attendance by its staff networks<sup>8</sup> to enable members to hear the lived experience of those working for the Trust. Board members continue to take opportunities to engage with staff in headquarters around the margins of Board and committee meetings. Also, in 2023 the QSIC held one of its meetings outside of the Trust headquarters, enabling the opportunity for committee members to engage with staff in another setting. Plans were in place to hold the Board in north Wales in September, but mindful of the current financial pressures within NHS Wales, rotation of Board meetings around Wales has been deferred to 2024-25.

<sup>6</sup> The Performance Assurance Dashboard is an internal Power BI tool used to provide assurance across a range of performance indicators and measures covering the breadth of the Trust's business.

<sup>7</sup> The Public Health Overview Dashboard is an internal Power BI tool setting out a range of public health indicators including communicable disease, healthy behaviours, and wider determinants of health.

<sup>8</sup> The Trust has five networks – Reach (diversity network), Enfys (LGBTQ+ network), We Care (working carers network), Porffor (disabilities network) and a Women's network.

- 50 Staff representatives continue to attend all Board and committee meetings. We continue to observe active engagement in meetings, with Board members taking staff views seriously and acting on concerns. Mechanisms for staff engagement are routinely considered at the PODC and findings of engagement activities presented. All NEDs were invited to attend the all-staff conference in September although only the Chair and Vice-Chair were able to attend. Discussion is currently taking place on how Board walkarounds can be reintroduced, acknowledging the distinct services that the Trust has and the dispersion of both services and Board members geographically. Routine updates are provided to the PODC on the Local Partnership Forum discussions, and in November 2023, the committee also considered the new 'Speaking Up Safely' framework and approved its implementation plan.
- 51 The Board has established several mechanisms to hear from service users and the wider population. The Trust's [Time to Talk Public Health Panel](#) was established in January 2023, bringing together 2,500 residents from across Wales to share views on a range of topics each month. The findings from the monthly panel reviews inform relevant Board and committee business. The Board continues to engage positively with its Young Ambassador Programme with opportunities for the Young Ambassadors to periodically attend Board meetings and development sessions.
- 52 Findings from other engagement mechanisms<sup>9</sup> are included in committee business, for example, the annual consideration by KRIC of the results from the impact survey of the Trust's data, analysis, and research products. The QSIC routinely considers the quarterly Putting Things Right report which includes complaints and concerns. Several of these aspects are included in the Performance Assurance Dashboard which is also routinely considered at QSIC and Board. Work is progressing to systematically consider service user feedback, including the rollout of the Civica<sup>10</sup> platform. However, the uptake of Civica across the directorates is not yet at the level the Trust would like. Opportunities remain for the Trust to consider feedback more routinely on how other partners, most notably the wider NHS Wales and local authorities, perceive the services they receive from the Trust (see **Appendix 2, R4 2022**).

## Board cohesiveness and commitment to continuous improvement

- 53 We considered whether the Board is stable and cohesive and demonstrates a commitment to continuous improvement. We were specifically looking for evidence of:

<sup>9</sup> Focus groups and evaluations.

<sup>10</sup> In November 2022, NHS Wales rolled out the Civica Experience Wales platform to capture service user feedback as part of the Once for Wales Concerns Management System programme.



- a stable and cohesive Board with a cadre of senior leaders who have the appropriate capacity, skills, and experience;
- the Board and its committees regularly reviewing their effectiveness and using the findings to inform and support continuous improvement; and
- a relevant programme of Board development, support, and training in place.

54 We found that **the Board continues to be cohesive, with a strong focus on development and improvement. Where changes in membership have occurred, these have been managed well.**

55 The Trust continues to have a strong Board with a diverse portfolio of skills and experience across different sectors. The sudden outward secondment of the ACGC Chair<sup>11</sup> in February 2023 was managed well. However, for much of the year, the Board has carried a NED vacancy due to delays with the recruitment process largely caused by the Public Appointments Unit<sup>12</sup>. The Chair and other NEDs have needed to provide cover for committees which they are not a member of to ensure quoracy. A new NED started in December 2023. Changes in the Executive team have also been managed well with three new appointments during the year to the posts of Director of Quality, Nursing and Allied Health Professionals (interim arrangement), National Director of Health and Wellbeing, and Board Secretary.

56 The Board has had a strong focus on becoming a high-performing Board over the last twelve months with positive use made of its development programme to strengthen its areas for improvement. Using the McKinsey 7s Model<sup>13</sup> to identify its strengths and weaknesses, the development programme has included a focus on organisational culture, strategic partnerships and more practical areas of Board effectiveness including the development of its Board Assurance Framework. The Board also continues to demonstrate its commitment to ongoing improvement by reviewing committee effectiveness annually and implementing improvements identified. Committee chairs also continue to routinely seek feedback at every meeting, and the Chair and Board Secretary routinely reflect how the Board is working after each meeting.

57 New NEDs are well supported with mentoring arrangements and a learning and development programme, which is tailored to their specific needs. However, several NEDs commented that both the local and national induction programme could be improved. The Board Business Unit is currently developing its local induction programme to support the new NED who started in December 2023. The

<sup>11</sup> In February 2023, the ACGC Chair was seconded at short notice to Betsi Cadwaladr University Health Board. The Vice-Chair was due to leave in February 2023, but agreed to stay on for a further 12 months to provide stability.

<sup>12</sup> The Public Appointments Unit is a function of the Welsh Government which facilitates the appointment of candidates to high-profile roles across the public sector.

<sup>13</sup> McKinsey 7S Model is a tool used to analyse an organisations design focused on structure, strategy, systems, skills, style, staff, and shared values.



Board Secretary is also working with peers on the all-Wales Board Secretaries Network to support a consistent induction approach across Wales and influence the national induction offered to new NEDs and Independent Members. The Executive Team meet periodically to develop as a group, however there is currently no mechanism in place for all NEDs to come together to share experiences and learn from each other (**Recommendation 3**).

## Corporate systems of assurance

- 58 We considered whether the Trust has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 59 We found that **the Trust is continuing to strengthen its corporate systems of assurance related to performance, and quality governance. The Trust's approach to identifying strategic risks is also improving, and the Board Assurance Framework has now been consolidated into a single document. However, arrangements for managing strategic and corporate risk, and tracking recommendations need further work.**

## Corporate approach to overseeing strategic and corporate risks

- 60 We considered whether the Trust has a sound corporate 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 the relevant information on the risks to achieving the organisation's strategic priorities / objectives; and
  - the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
  - an appropriate and up-to-date risk management framework in place, which is underpinned by clear policies, procedures, and roles and responsibilities;
  - 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.
- 61 We found that **the Trust is continuing to strengthen its approach to risk management and the Board Assurance Framework is now consolidated into a single document. But oversight of strategic and corporate risks needs improving and capacity within the risk team is presenting a challenge.**
- 62 The Trust has made good progress in consolidating its Board Assurance Framework (BAF) into a single document, with the draft agreed at the November 2023 Board meeting. The BAF is comprehensive which the Trust intends to maintain as a live document, reviewed by the Board twice a year (see **Appendix 2**

**R2c and d**). However, the BAF in its current form just describes the Trust's corporate governance arrangements.

- 63 The Trust's Strategic Risk Register is what we would consider a traditional BAF<sup>14</sup>. However, there remain opportunities to improve the Strategic Risk Register particularly in terms of articulating the sources of assurance more clearly, using the three lines of defence model<sup>15</sup> (see **Appendix 2 R2b 2022**). Current assurances are largely internal operational sources which would be categorised as first lines of defence using the model. There is also scope to map and align the strategic risks to the Trust's strategic objectives (as set out in the IMTP) to ensure they are comprehensive and provide adequate coverage.
- 64 The Trust refreshed its strategic risks at a Board Development Session in May 2023, following the launch of its new strategy. The Risk Appetite was also refreshed at a Board development session in July 2023. The Board receives the Strategic Risk Register three times a year, and the summary report clearly identifies any changes in controls since the last update, as well as a delivery confidence assurance rating<sup>16</sup>. Three of the committees are assigned strategic risks to maintain oversight and scrutiny at each meeting. The QSIC is assigned five of the seven strategic risks, which places a heavy burden on this committee. The Trust is currently reviewing the allocation of the strategic risks to rebalance the workload (see **Appendix 2 R2d**).
- 65 The Trust's strategic risks are broad and high-level in nature, and consequently there is limited movement in the risk score. The frequency of review of the Strategic Risk Register by the Board and committees is much more frequent than we see elsewhere. Other NHS bodies typically consider their Board Assurance Framework and strategic risks twice a year. However, other NHS bodies consider their Corporate Risk Register more frequently than the Trust. For instance, their Boards receive the Corporate Risk Register received at every meeting, with risks assigned to the relevant committees for oversight and scrutiny at every meeting.
- 66 The Trust has been revisiting its Corporate Risk Register since the refresh of strategic risks, but this has taken time due to capacity issues. The November 2023 Board meeting considered the updated corporate risks but not the Corporate Risk Register. This is due for consideration at the January 2024 Board meeting. The Board and committees last considered the Corporate Risk Register at the April and May 2023 meetings (**Recommendation 4**). Unlike other NHS bodies, the Corporate Risk Register is delegated to the Leadership Team which sits below the

<sup>14</sup> As defined by the HM Treasury, we would consider a Board Assurance Framework as a key document used to record and report an organisation's key strategic objectives, risks, controls, and assurances to the Board.

<sup>15</sup> The three lines of defence model enables sources of assurance to be categorised, increasing the independence and objectivity of assurance at the third level.

<sup>16</sup> Six of the seven strategic risks are rated as amber, with one strategic risk rated as green.

Business Executive Team. In other NHS bodies, the Corporate Risk Register is owned by the Board, with the Operational Risk Register the responsibility of the executive team.

- 67 The ACGC continues to maintain good oversight of the Trust's risk management arrangements, with routine updates received on progress against the Trust's three-year Risk Management Development Plan. An updated Risk Protocol was approved by the ACGC in September 2023, and the Risk Management Policy and Procedure are both extant, although both were due to be reviewed recently<sup>17</sup>. In 2022, the Trust split the role of Chief Risk Officer into two posts, creating a new Head of Risk Management post. Despite three recruitment campaigns, the Trust has been unable to appoint to this post. At the time of our work, the Trust was seeking to gain some short-term capacity to help with the ongoing capacity issues. The policy and procedure are expected to be updated by March 2024.

## Corporate approach to overseeing organisational performance

- 68 We considered whether the Trust 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.
- 69 We found that **the Trust continues to have good corporate and Board oversight and scrutiny of performance, with arrangements continually improving.**
- 70 The Trust continues to have effective performance management arrangements. As mentioned in **paragraph 46**, the Performance Assurance Dashboard continues to develop following ongoing feedback, along with the Performance and Insight Report. The Trust has also developed its Public Health Dashboard. All of these are reported regularly to the Board and relevant committees, and continue to provide clear, accessible, and meaningful data on key performance indicators across the breadth of the Trust's business. The Trust recognises that more outcome measures need to be included in the Performance Assurance Dashboard and has identified this as a priority action for 2024-25. The Directorate and Divisional Assurance Dashboards are well established and continue to support performance management arrangements at an operational level.

<sup>17</sup> Risk Management Policy – November 2023, and Risk Management Procedure – October 2023

71 The Board and committees continue to provide effective oversight and scrutiny of the Trust's performance. Board members continue to challenge whether the Trust could report performance in more areas to ensure comprehensive coverage to support effective monitoring of the delivery of all its strategic priorities. The Trust's key performance challenges continue to relate to the delivery of some of its screening programmes. Following our recent report on the [Trust's screening recovery arrangements](#), the QSIC held a short facilitated session at its December 2023 meeting to refine the performance information and supporting commentary it receives in relation to the Trust's screening services.

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

72 We considered whether the Trust 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.

73 We found that **the Trust continues to have appropriate quality governance arrangements in place and has taken a robust approach to reviewing arrangements to comply with the new duties of quality and candour.**

74 The Trust has robustly reviewed arrangements in place to ensure compliance with the new duties set out in the Health and Social Care (Quality and Engagement) Act (2020). Implementation groups were established for both duties, chaired by the relevant directors<sup>18</sup>. The groups have recently been stood down. A Senior Responsible Officer (SRO) Group remains in place to maintain operational oversight. Since February 2023, QSIC has received updates at every meeting on progress being made to respond to the duties and any associated challenges. The Trust has a webpage dedicated to the Duty of Candour, and Board members and staff have received a detailed briefing on the Act. Responsibility for the Duty of Quality will transfer to the Interim Director of Quality, Nursing and Allied Health Professionals before March 2024.

<sup>18</sup> Director for NHS Quality Improvement and Patient Safety (Duty of Quality) and the Interim Director of Quality, Nursing and Allied Health Professionals (Duty of Candour).

75 The Trust's Quality and Safety Framework, approved in 2021, remains in place, with the Trust continuing to strengthen its quality improvement capability through its 'Quality as an Organisational Strategy'. Structures and lines of accountability for quality, safety and improvement remain clear. The Trust is continuing to address the recommendations from our [2022 Review of Quality Governance](#). The Trust has recently approved its Clinical Governance Framework and a delivery plan is currently being developed jointly between the Medical Director and Interim Director of Quality, Nursing and Allied Health Professionals. The QSIC maintains good oversight of the quality and safety of services through routine reporting on infection control, Putting Things Right, patient safety alerts, and compliance with healthcare standards. Deep dives are undertaken in areas of concern and matters escalated to Board when relevant. As mentioned in **paragraph 52**, several quality and safety indicators are included in the Performance Assurance Dashboard routinely considered at QSIC and Board.

## Corporate approach to tracking recommendations

76 We considered whether the Trust has a sound corporate approach to overseeing and scrutinising systems for tracking progress to address audit and review recommendations. We were specifically looking for evidence of:

- appropriate and effective systems in place for tracking responses to audit and other review recommendations in a timely manner.

77 We found that **the Trust's corporate arrangements for tracking recommendations need to be improved**.

78 The ACGC has used an internal and external audit log to monitor progress against recommendations for several years, but the committee has not considered the audit log since March 2023. The log is monitored through the Business Executive Team on a quarterly basis and reported to the ACGC twice yearly. It was due to be reported to the September ACGC meeting, but this did not happen as the quarterly BET review had not taken place in time. Instead, it will be considered at the committee's January 2024 meeting. Other committees should receive the audit log to note progress against recommendations relevant to their areas of business. The PODC last received the audit log at its April meeting, however the QSIC has not received the audit log this financial year, despite there being several recommendations relating to quality governance (**Recommendation 5**).

79 Last year, we reported that the recommendations arising from our 2021-22 audit of accounts had not been included on the audit log. These were subsequently included in the audit log considered by the ACGC in March 2023 (see **Appendix 2 R5 2022**). Our 2022-23 audit of accounts made four recommendations<sup>19</sup>, one of

<sup>19</sup> Recommendations focused on year-end stock count arrangements, declarations of interest, administration and governance of human resources, and existence of misclassification errors.

which was a repeat recommendation from the previous year. The latest audit log was not available to review so we were unable to assess whether these new recommendations were included on the audit log. The BET has recently undertaken a deep dive into outstanding actions on the audit log. One of our 2022-23 audit of accounts recommendations and three of our 2022 structured assessment recommendations were considered. We assume that the Trust considers the remaining audit of accounts completed<sup>20</sup>, although this assurance has not been provided to the ACGC. In total, the BET considered 38 internal and external audit recommendations. Extensions to implementation dates were approved for just under half of these. The ACGC needs to have oversight of the reasons for extending implementation dates.

- 80 The Trust continues to have a central log to track progress against clinical audit recommendations, which is reported every six-months to the QSIC. This remains in place but continues to be a manual process. The Trust does not have a process for centrally tracking recommendations from other reviews such as accreditation reviews. Recommendations arising from these reviews are held within the relevant directorates (**Recommendation 6**). Several other NHS bodies utilise AMaT<sup>21</sup> to track review recommendations. The Trust may wish to consider this as an option.

## Corporate approach to planning

- 81 We considered whether the Trust has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 82 We found that **the Trust has a sound approach to developing and monitoring the delivery of its strategies and plans, with a new long-term strategy in place and a strengthened approach to demonstrating impact.**

## Corporate approach to producing strategies and plans

- 83 We considered whether the Trust 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;

<sup>20</sup> The management response to our 2022 structured assessment report was first considered at the September ACGC meeting. The management response indicated that several recommendations had been completed.

<sup>21</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.

- appropriate and effective corporate arrangements in place for developing and producing the IMTP, and other corporate plans; and
- the Board appropriately scrutinising the IMTP and other corporate plans prior to their approval.

84 We found that **the Trust has a new long-term strategy. It has sound arrangements for developing its strategies and plans, with good Board engagement.**

85 The Board approved its new 12-year strategy 'Working together for a healthier Wales – Our long-term strategy 2023 – 2035' in March 2023. This followed Board workshops, substantial internal and external engagement, and a review of evidence which commenced in 2021-22. The strategy is rooted in public health and sets the vision for the Trust around six strategic priorities. In developing its new strategy, the Trust has integrated its statutory duty under the Wellbeing of Future Generations (Wales) Act 2015 and developed its objectives through the lens of the Act. As such, the Trust's new strategic priorities are also its wellbeing objectives.

86 The Trust has good arrangements for developing strategies and plans. During the year, the Trust has also developed a 12-year Digital and Data Strategy, a three-year Research and Evaluation Strategy, and refreshed its 10-year International Health Strategy. Board members have been engaged in development of these strategies through the KRIC, with routine updates provided to the Board through the Composite Chairs Report. Approval of these strategies were reserved for Board.

87 The Trust continues to have sound arrangements for developing and producing the IMTP. Set within the context of its new strategy, the Trust started developing its IMTP in October 2022, with the publication of its own internal guidance. Development of the plan continues to be through close working with members of the Finance and People and Organisational Development teams and lead directors, with oversight maintained by BET. Routine check-in meetings were held with directorate planning leads along with relevant leads within the corporate functions. The Board was fully involved in the development of the IMTP through briefing sessions, with formal approval by the Board in March 2023. The IMTP was submitted to Welsh Government within the required timeframe and received ministerial approval in May 2023. The approach for developing the 2024-27 IMTP has recently been shared with Board members (see **Appendix 2 R1 2022**).

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

88 We considered whether the Trust 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>22</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.

89 We found that **the Trust continues to have good arrangements for monitoring and scrutinising delivery of its plans and has strengthened its approach to demonstrating impact.**

90 The Trust has strengthened its approach to measuring and demonstrating its impact of its IMTP. The IMTP sets out 27 objectives to support the delivery of the six strategic priorities. Each of the objectives have clear deliverables and milestones. The IMTP also contains clear outcomes which are closely aligned with the objectives, setting out the baseline measure and the source in which outcomes can be measured over the lifespan of the IMTP.

91 The Trust has good arrangements for monitoring delivery of its IMTP. The BET is responsible for delivery of the objectives, with each of the priority areas assigned to an executive lead. The Board and committees monitor and scrutinise their delivery. Progress against IMTP milestones continues to be reported monthly to the Board and BET via the Performance Assurance Dashboard. The Performance and Insight Report also sets out high-level progress to date and risks to delivery. The Directorate and Divisional Assurance Dashboards are also used to monitor oversight at an operational level. These arrangements provide clear insight into the delivery of milestones and enable the Board to track progress. More broadly, the Trust continues to have good arrangements to monitor other plans and strategies via relevant committees.

## Corporate approach to managing financial resources

92 We considered whether the Trust has a sound corporate approach to managing its financial resources.

93 We found that **the Trust overall has a sound approach to managing its financial resources.**

## Financial objectives

94 We considered whether the Trust has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of the Trust:

- meeting its financial objectives and duties for 2022-23, and the rolling three-year period of 2020-21 to 2022-23; and

<sup>22</sup> Specific, measurable, achievable, relevant, and time-bound



- being on course to meet its objectives and duties in 2023-24.

95 We found that **the Trust met its financial duties in 2022-23 and is on track to meet them again in 2023-24.**

96 The Trust met its financial duties to break-even for the financial year 2022-23, with a small revenue and capital surplus of £85,000 and £35,000, respectively. The Trust also met its financial duties for the rolling three-year period 2020-23, with a cumulative surplus of £260,000. In 2022-23, the Trust delivered planned savings of £1.091 million resulting from savings to non-pay expenditure. The Trust also met the NHS Wales target to pay 95% of non-NHS contracts within 30 days.

97 The Trust is forecasting and is on-track to deliver another break-even position at the end of 2023-24 and for the rolling three-year period 2021-24. The Trust has a savings scheme in place totalling £3.174 million for the financial year and is currently forecasting a surplus of £120,000 resulting from underspends. In addition, the Trust had identified further savings totalling £4.222 million as part of its contribution to help ease financial pressures across NHS Wales.

## Corporate approach to financial planning

98 We considered whether the Trust 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.

99 We found that **the Trust has a good approach to financial planning.**

100 The Trust has a clear and balanced financial plan for 2023-26 which was approved by the Board in March 2023. The financial plan underpins the Trust's IMTP and clearly sets out the Trust's financial principles and roles and responsibilities. The financial plan is kept under regular review to ensure it remains up to date.

101 The Trust has also clearly set out its approach to savings, which is included within the financial plan. The Trust has applied a savings requirement of 2.5% which consists of a 1% recurring savings requirement for each directorate, several corporate and cost cutting saving schemes, and some planned reductions in spend. Savings are used to offset some of the Trust's cost pressures, with the remainder being used to generate an internal investment fund. The Trust has good arrangements in place to prioritise how the investment fund is used, ensuring that spend is aligned with its strategic priorities and high-risk areas.

102 The Auditor General will be commenting further on the Trust'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

103 We considered whether the Trust 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.

104 We found that **the Trust continues to have good financial controls and management in place with appropriate oversight maintained through the Audit and Corporate Governance Committee.**

105 The Trust continues to have robust processes in place to ensure compliance with statutory instruments, and to report and challenge breaches. As mentioned in **paragraph 31**, the 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 ACGC.

106 The Trust continues to have good controls in place to manage its finances and maintain oversight of the financial position at a directorate level. The financial plan very clearly sets out the Trust's funding assumptions, cost pressures and directorate budget allocations. Budgets are agreed with each directorate at the start of the year, and arrangements continue to include quarterly financial review meetings with each directorate. Internal Audit has provided substantial assurance on several of the Trust's financial arrangements<sup>23</sup>. However, Internal Audit gave a limited assurance on the Trust's management of population health grants which is managed by the Health and Wellbeing Directorate, although the associated financial procedures and administration received reasonable assurance.

107 The Trust submitted good quality draft financial statements as per the required timescales, which were considered by the ACGC and Board in July 2023. Our audit

<sup>23</sup> Substantial assurance on financial management arrangements, and substantial assurance on the Welsh Risk Pool claims process.

identified one material misstatement which was corrected but had no impact on the bottom line. Our audit also made several recommendations concerning the Trust's approach to preparing its accounts (see **paragraph 79**). We issued an unqualified opinion in respect of the true and fairness of the accounts, and an unqualified regulatory opinion.

## Board oversight of financial performance

108 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.

109 We found that **the Trust continues to have good arrangements to monitor and report its financial position.**

110 The Trust continues to produce comprehensive financial reports. A detailed Financial Position Report is presented at every Board meeting with good scrutiny and challenge. The report continues to set out a clear overview of revenue, the forecast position, capital spend, and payment of non-NHS invoices. Financial performance is also included in the Performance Assurance Dashboard and summarised in the Performance and Insight Report. However, as mentioned in **paragraph 46**, the Month 12 financial position continues to be issued to Board members outside of Board meetings, which is not available in the public domain.

# 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	<p>We observed Board meetings as well as meetings of the following committees:</p> <ul style="list-style-type: none"><li>• Audit and Corporate Governance Committee;</li><li>• Knowledge, Research, and Information Committee;</li><li>• Quality, Safety, and Improvement Committee; and</li><li>• People and Organisational Development Committee.</li></ul>
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"><li>• Board and Committee Terms of Reference, work programmes, agendas, papers, and minutes;</li><li>• key governance documents, including Schemes of Delegation, Standing Orders, Standing Financial Instructions, Registers of Interest, and Registers of Gifts and Hospitality;</li><li>• key organisational strategies and plans, including the IMTP;</li><li>• key risk management documents, including the Board Assurance Framework and Corporate Risk Register;</li><li>• key reports relating to organisational performance and finances;</li><li>• Annual Report, including the Annual Governance Statement;</li><li>• relevant policies and procedures; and</li><li>• reports prepared by the Internal Audit Service, Local Counter-Fraud Service, and other relevant external bodies.</li></ul>

Element of audit approach	Description
Interviews	<p>We interviewed the following Senior Officers and Non-Executive Directors:</p> <ul style="list-style-type: none"> <li>• Chair of the Board;</li> <li>• Chief Executive;</li> <li>• Board Secretary and Deputy Board Secretary;</li> <li>• Director of Finance and Deputy Chief Executive, Deputy Director of Finance, and Head of Strategy, Planning and Corporate Affairs;</li> <li>• Interim Director of Quality, Nursing and Allied Health Professionals, Assistant Director of Quality, Nursing and Allied Health Professionals, Assistant Director of Integrated Governance; and</li> <li>• Chairs of ACGC, PODC, QSIC and KRIC.</li> </ul>

# Appendix 2

## Progress made on previous-year recommendations

Exhibit 3 below sets out the progress made by the Trust in implementing recommendations from previous structure assessment reports

Recommendation	Description of progress
<p><b>Describing the strategic planning process</b></p> <p>R1 We identified opportunities for the Trust to more articulate the process more explicitly for developing its IMTP to the Board. The Trust should share its process for developing the IMTP for scrutiny and challenge at Board, and discussion around when in the process, the Board should engage in the draft versions.</p>	<p>Complete – see paragraph 87</p>
<p><b>Improving systems of assurance</b></p> <p>R2 The Trust currently lacks a comprehensive Board Assurance Framework and there are currently several gaps in the Trust's sources of assurance. As part of the review of its long-term strategy, the Trust should develop a clear Board Assurance Framework. The Board Assurance Framework should:</p> <ul style="list-style-type: none"><li>a) address current gaps by including assurances relating to the Trust's approach to enabling better population health through preventative and sustainable measures, partnership working, and estates and other physical assets;</li></ul>	<p>Complete – the Trust has revisited its areas for assurance and agreed that these areas are covered through existing arrangements</p>

Recommendation	Description of progress
<ul style="list-style-type: none"> <li>b) include all relevant controls and sources of assurance for Board and committees;</li> <li>c) be regularly reviewed by the Board; and</li> <li>d) be used to inform Board and committee workplans.</li> </ul>	<p>In progress – see paragraph 63</p> <p>Complete – see paragraph 62</p> <p>In progress – see paragraph 64</p>
<p>R3 There is duplication in the terms of reference for the Audit and Corporate Governance Committee (ACGC) and the Knowledge, Research, and Information Committee (KRIC) with respect to information governance and security. The Trust should consider which is the most appropriate committee to maintain oversight of information governance and security and update terms of reference accordingly. The Trust should factor in the heavy workload of the ACGC into its considerations. More broadly, the Trust’s review of its long-term strategy presents opportunities to review the current committee structure to ensure that workloads are balanced.</p>	<p>Complete – see paragraph 36</p>
<p>R4 There are opportunities to include staff and user feedback more routinely in committee meetings, incorporating feedback from broader users of the Trust’s services, such as NHS and local government bodies. In developing its approach to seeking, and providing assurance on, feedback, the Trust should incorporate capturing a broader perspective of views on how its services are received.</p>	<p>In progress – see paragraph 52</p>
<p><b>Improving oversight of progress addressing audit recommendations</b></p> <p>R5 The audit log does not include the recommendations arising from our audit of the Trust’s financial statements for 2021-22. The Trust should update its audit</p>	<p>Complete – see paragraph 79</p>

Recommendation	Description of progress
<p>log accordingly to ensure that the ACGC can oversee progress in addressing these recommendations.</p>	
<p><b>Improving transparency of Board and committee business</b></p> <p>R6 We identified opportunities for the Trust to improve its administration of Board and committee business. The Trust should:</p> <ul style="list-style-type: none"> <li>a) ensure that all key governance, financial, policy and strategic documents are updated and published in a timely manner on its website;</li> <li>b) ensure that arrangements are in place to note in public where items set out in Board and committee workplans are not considered;</li> <li>c) ensure that cover sheets are used for all Board and committee papers to summarise key issues and explain what Board members are being asked to do; and</li> <li>d) ensure that briefings provided outside of the formal Board meetings are put in the public domain.</li> </ul>	<p><b>Complete</b> – see paragraphs 31 - 33</p> <p><b>Complete</b> – see paragraphs 27 and 37</p> <p><b>In progress</b> – see paragraphs 43 and 45</p> <p><b>In progress</b> – see paragraph 46</p>
<p><b>Improving oversight of asset management</b></p> <p>R7 The Trust has not set out its strategic approach to managing its buildings (both owned and leased) and other physical assets. As part of the long-term strategy review, the Trust should set out its strategic approach to ensuring that its buildings and assets support delivery of its strategic priorities, maximising efficiency, and effective use.</p>	<p><b>In progress</b> – the Trust will consolidate all estates and asset considerations as part of the budget strategy, IMTP and estate updates, into a single Capital and Asset strategic plan to support the IMTP process for 2024-27</p>



# Appendix 3

## Organisational response to audit recommendations

Exhibit 4: Trust response to our audit recommendations

<b>Recommendation</b>	<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>
<b>Audit and Corporate Governance Committee</b> R1 In line with all other NHS bodies in Wales, the Trust should make its Audit and Corporate Governance Committee a public meeting to improve transparency, with only matters of a sensitive nature reserved for a private meeting. In doing so, the Trust should ensure that the papers for the committee are published on its website seven days in advance of meetings.	The Trust agrees with this recommendation and will (with effect from the new financial year) run public and private sessions of its Audit and Corporate Governance Committee, publishing the agenda and papers (as appropriate) on our website 7 days in advance.	May 2024	Board Secretary
<b>Scheduling of committee meetings</b>	The Trust believes the current scheduling of its meetings supports	May 2024	Board Secretary

<b>Recommendation</b>	<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>
R2 The Trust should improve the scheduling of all its committee meetings to ensure timelier flows of information to and from Board, to reduce the need for verbal assurances to Board, and to provide more consistency when committees receive quarterly and bi-annual reports. Consideration of short additional meetings to cover specific agenda items should also be made.	<p>effective governance. In 2023, additional single-issue meetings were held of the Audit and Corporate Governance Committee as well as for the full Board as required.</p> <p>The Trust is however reviewing its reports to Committees to provide more consistency and to avoid verbal updates where possible. For example, the Joint Chairs report for Board will contain a summary of draft minutes for meetings which are too close to the Board meeting for the minutes to be confirmed. The summary minutes will be presented by the relevant committee chair at Board.</p>		
<b>Non-Executive Director development</b> R3 The Trust should periodically bring together all the Non-Executive Directors to provide opportunity for them to share experiences and to learn from each other.	The Trust accepts this recommendation and will put in place mechanisms for Non-Executive Directors to share experiences and learn. This will be incorporated into the Board and Committee effectiveness review and bi-annual meetings will be facilitated. The Trust is very aware of the Unitary Board governance construct and will ensure this recommendation is implemented appropriately.	April 2024	Board Secretary

<b>Recommendation</b>	<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>
<b>Corporate risk reporting</b> R4 The Trust should ensure that the Board and its committees receive the updated Corporate Risk Register as soon as possible, and that workplans ensure more regular consideration of the register throughout the year.	The Corporate Risk Register will be presented to the Board in full in January 2024.  We will increase the frequency of reporting on the Corporate Risk Register to quarterly for Committees, and Bi-annually for Board. The Workplans for 2024/25 will reflect this and the Risk Protocol will be updated.	April 2024	Board Secretary
<b>Audit and review tracking</b> R5 The Trust needs to ensure that its committees have regular oversight of progress against internal and external audit recommendations relevant to the remit of the committees within their workplans.	The Trust will ensure each committee has oversight of progress against internal and external audit recommendations, with the Audit and Corporate Governance Committee maintaining regular oversight of all recommendations on a quarterly basis.  The Trust will also review and update its Audit Protocol to ensure it is in line with this action.	April 2024	Board Secretary
R6 The Trust should develop a central log of recommendations arising for other	The Trust will review the scope and scale of other relevant reviews and will	April 2024	Board Secretary

<b>Recommendation</b>	<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>
reviews to enable corporate oversight of progress.	consider whether a central log is appropriate.		





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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.