

Structured Assessment 2024 – 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 2024 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 2024 structured assessment work took place at a time when NHS bodies were continuing to respond to a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. In addition, NHS bodies are still dealing with the legacy of the COVID-19 pandemic. More than ever, therefore, NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to themselves, the public, and key stakeholders that the necessary action is being taken to deliver high-quality, safe and responsive services, and that public money is being spent wisely.
- 3 The key focus of the work has been on the 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); and
 - other relevant good practice guides.We undertook our work between October and December 2024. The methods we used to deliver our work are summarised in **Appendix 1**. Our work was conducted in accordance with the auditing standards set by the International Organization of Supreme Audit Institutions.
- 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. However, there remains a need to improve the timeliness of some committee meetings and develop a more comprehensive approach to assurance mapping as part of its Board Assurance Framework.**
- we considered whether the Trust's Board conducts its business appropriately, effectively, and transparently. We found that **the Board and its committees continue to 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. The quality of papers is generally of a good standard with appropriate action being taken to improve this further. The Trust should still review the timing of its committee meetings to ensure they are of sufficient frequency and adequately support the flow of assurances to the Board.**
 - we considered whether the Trust has a sound corporate approach to managing risks, performance, and the quality and safety of services. We found that **the Trust is continuing to strengthen its corporate systems of assurance related to risk, performance, and tracking recommendations and associated scrutiny. However, the Trust still needs to identify all sources of assurance on the effectiveness of its arrangements to manage its strategic risks and achieve its organisational objectives.**
 - we considered whether the Trust has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery. We found that **the Trust has a sound approach to developing and monitoring the delivery of Integrated Medium-Term Plans but there is scope to further strengthen its approach to demonstrating impact.**
 - we considered whether the Trust has a sound corporate approach to managing its financial resources. We found that **the Trust continues to have a sound approach to managing its financial resources.**

Recommendations

- 7 Whilst we have not made any new recommendations this year, there remains work to do to ensure that recommendations from previous years are addressed in full (see **Appendix 2**).

Detailed report

Board transparency, effectiveness, and cohesion

- 8 We considered whether the Trust's Board conducts its business appropriately, effectively, and transparently.
- 9 We found that **the Board and its committees continue to 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. The quality of papers is generally of a good standard with appropriate action being taken to improve this further. The Trust should still review the timing of its committee meetings to ensure they are of sufficient frequency and adequately support the flow of assurances to the Board.**

Public transparency of Board business

- 10 We considered whether the Board promotes and demonstrates a commitment to public transparency of board and committee business. We were specifically looking for evidence of Board and committee:
- meetings that are accessible to the public;
 - papers being made publicly available in advance of meetings; and
 - business and decision-making being conducted transparently.
- 11 We found that **the Board continues to be committed to conducting its business transparently.**
- 12 The Trust continues to demonstrate a strong commitment to public transparency. Board meetings are livestreamed, which the public can observe virtually, with recordings made available on the Trust's website shortly afterwards. Dates of Board meetings are published well in advance and opportunities exist for members of the public to attend in person should they wish. Board papers are published on the Trust's website seven days in advance of meetings. Recordings and unconfirmed minutes of Board meetings are made available on the website usually within the 28-day target the Trust has set itself.
- 13 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 if they attend meetings in person. However, the Trust is still unable to arrange simultaneous translation for those viewing meetings online on Teams.
- 14 We continue to observe open and candid discussions in public Board and committee meetings. In line with its own Protocol for Matters Discussed in Private, the Trust minimises the use of private Board and committee sessions, reserving these for confidential and sensitive matters only. In 2024, the Trust switched the order of public and private Board meetings, with the private meeting now taking place first. This has enabled Board members to consider whether items scheduled

to be discussed in private should be moved to the later public meeting, if appropriate to do so. A summary of matters discussed in private is presented through the Chairs Update in public Board meetings. Chairs Actions are kept to a minimum and noted in writing at the next available meeting.

- 15 Last year, we reported that the Trust considered Audit and Corporate Governance Committee (ACGC) meetings to be private for all its business due to historical Welsh Government guidance. Although the Trust published papers deemed suitable for public access following ACGC meetings, the arrangement was out of line with all other NHS bodies in Wales. Since the start of the current financial year, the Trust has run separate public and private sessions of its ACGC (see **Appendix 2 R1 2023**). Public committee meetings are not live streamed or recorded, however, meeting papers are published seven days in advance of meetings. The Trust aims to publish unconfirmed minutes within 28 days of meetings.
- 16 Information is also shared with the Board between meetings via briefings, with a summary of the information shared noted in the subsequent Chair's Update to Board. Some reports are also shared with Board members between meetings. We reported in our previous two structured assessment reports that a key report, specifically the Month 12 financial position, was not in the public domain as it was shared with Board members between Board meetings. This year, the report was made available on the Trust's website (see **Appendix 2 R6d 2022**). However, it would be preferable for this to be formally received in a Board meeting to provide the opportunity for discussion on the year-end financial position and any associated learning.

Arrangements to support the conduct of Board business

- 17 We considered whether there are proper and transparent arrangements in place to support the effective conduct of Board and committee business. We were specifically looking for evidence of formal, up-to-date and publicly available:
- Reservation and Delegation of Powers and Scheme of Delegation in place, which clearly sets out accountabilities;
 - Standing Orders (SOs) and Standing Financial Instructions (SFIs) in place, along with evidence of compliance; and
 - policies and procedures in place to promote and ensure probity and propriety.
- 18 We found that **the Board continues to have effective arrangements to support the conduct of its business.**
- 19 The Trust has up-to-date and accessible Standing Orders, Scheme of Delegation, and Standing Financial Instructions in place with evidence of compliance. The Trust reviews these documents on a regular basis. The Standing Orders and Scheme of Delegation were last updated in May 2024, and endorsed by ACGC and subsequently approved by the Board in their May meetings. The Standing Orders and Scheme of Delegation were updated to reflect changes to the Welsh

Government's Model Standing Orders¹. The latest versions of the Standing Orders and Standing Financial Instructions are available on the Trust's website. Internal reports² and our audit of accounts work over the last year indicate that key control frameworks are routinely complied with.

- 20 Bi-annual updates are provided to the ACGC on the arrangements for managing declarations of interest, gifts and hospitality, compliance with Welsh Health Circulars, and updating policies. The most recent update was provided in September 2024. The Declarations of Interest, Gifts, and Hospitality Registers are up-to-date and available on the Trust's website. We routinely observed declarations of interest taken at the start of Board and committee meetings as a standing item.
- 21 Considerable progress has been made to ensure that 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. Based on the latest updates to the relevant committees³, of 80 policies, 17 were out-of-date. Of those 17 policies, 12 are 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.

Effectiveness of Board and committee meetings

- 22 We considered whether Board and committee meetings are conducted appropriately and effectively. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;
 - Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well as being shaped on an ongoing basis by the Board Assurance Framework;
 - 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

¹ In April 2024, the NHS Wales Joint Commissioning Committee replaced the Emergency Ambulance Services Committee, the Welsh Health Specialised Services Committee and the National Collaborative Commissioning Unit.

² Routine ACGC reports on procurement, losses and special payments, counter fraud and registers of interest, gifts, and hospitality.

³ Received in September or October 2024 depending on the timing of committee meetings.

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

23 We found that **the Board and committees are generally operating effectively. The Trust should still review the timing of its committee meetings to ensure they are of sufficient frequency and adequately support the flow of assurances to the Board.**

24 The Board and its committees continue to work well. There have been no substantive changes to the committee structure or their remits since our previous structured assessment report. Terms of Reference for each committee are reviewed and approved at least annually. Workplans are in place and reflect the breadth of Board and committee business. Executive leads and committee chairs work together to develop workplans and meeting agendas. The Trust makes it clear that workplans are indicative and will be confirmed during the agenda setting process. In September 2024, the Trust received a substantial assurance rating from Internal Audit on ‘Board Assurance – Committee Work Planning’.

25 Board and committee meetings are chaired well. During 2024, there have been changes to the Board Chair and some committee chairs. These changes have been managed well, and all committee chairs reported good support from the lead executive(s) for their relevant committees. Despite carrying Non-Executive Director (NED) vacancies throughout the year, the Trust has managed quoracy of its meetings (see **paragraph 48**).

26 We observed good levels of scrutiny, support, and challenge in Board and committee meetings. Pre-meetings and a new Chair’s Brief enable meeting chairs to be clear about how items are to be presented and provide clear instructions on their purpose and what is required from attendees. The Trust told us there has been a positive shift in the focus of scrutiny to outcomes and impact due to improvements both to the clarity of purpose of meeting items and the quality of items presented (see **paragraphs 32 to 34**).

27 There continue to be clear flows of information across committees and to Board. During 2024, consideration has been given to cross-cutting agenda items that are discussed by more than one committee and for these items, the role of each committee clarified.

28 We reported last year that the timing of committees is problematic, with scope to consider the timing of committee meetings alongside Board meetings to overcome the issues we identified. This year, we found there remains:

- Some substantial time gaps between meetings, specifically the September and January ACGC meetings, and the October and February People and Organisational Development Committee (PODC) meetings.
- Some tight time gaps between some Quality, Safety and Improvement Committee (QSIC) meetings and Board meetings, resulting in four occasions in 2024 where verbal updates of committee meetings were provided to the Board and subsequently (written) duplications in assurance received in the following Board meeting.

- Variation in the timeliness of when quarterly and bi-annual reports are received by committee, with ACGC receiving quarterly updates generally two months later than QSIC.

29 When we made our recommendation to review the timing of meetings in our 2023 structured assessment report, the Trust had already scheduled its Board and committee meetings for 2024-25. During 2024, the Trust has concentrated on ensuring that the flows of information from committee meetings to the Board keeps Board members informed and updated on matters raised in those meetings. The Composite Committee Report⁴ has been refined to provide more consistency on the format and matters included in the report for each committee. The Trust told us it has aimed to avoid or minimise the use of verbal updates, and the Composite Committee Report contains a link to unconfirmed minutes for meetings which are too close to the Board meeting to enable a written update to be included. The Trust told us it will consider further refinements to the scheduling of committees in 2025-26, namely the QSIC and ACGC committee meetings (see **Appendix 2 R2 2023**).

Quality and timeliness of Board and committee papers

- 30 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.
- 31 We found that **Board and committee papers are generally of a good standard, with good use of interactive tools. Where opportunities for enhancing the quality of papers have been identified, the Trust is taking appropriate action to make the necessary improvements.**
- 32 The Board continues to receive timely and clear information that supports effective decision making, scrutiny, and challenge. Last year, we found that whilst presentations are clear, they did not always set out what is expected of the Board or committee receiving the presentation. This year, the Trust told us that clear instructions are given to people presenting to Board and committee meetings, in terms of timing and what needs to be covered in slides, such as the purpose of the presentation and what the ask of the Board or committee is. We reviewed each of the slide sets used in Board and committee meetings in 2024. Most, but not all, made clear the purpose of the presentation either in an accompanying cover sheet, or in the slides themselves. The Trust should consider whether using cover sheets for all slide sets would help Board members and members of the public better understand the purpose of the presentation. However, contrary to last year, we found that all PODC and Knowledge, Research and Information Committee (KRIC)

⁴ The Composite Committee Report provides a summary to the Board of key matters considered and related decisions made by each committee since the previous Board meeting.

meeting papers in 2024 included cover sheets for all relevant agenda items, including presentations (see **Appendix 2 R6c 2022**).

- 33 Last year, we found that some committee papers were lengthy and needed more focus on key matters. The Trust has piloted work to improve the quality of reports prepared for QSIC meetings to ensure that the information meets the needs of the committee members. The pilot focused on being clear on the information required, the time required for discussion, and the most appropriate format for presentation. A brief has been provided to lead executives and is used to assess agenda papers prior to the meeting. A template was developed for deep dives received by QSIC to provide a standardised report format and to encourage focus on what matters, key risks, and impact. The Trust told us that it feels that there has been a vast improvement in papers presented to QSIC and they are now more focused. Information quality is reviewed at the end of each QSIC meeting to identify any learning points. The pilot has concluded, and the approach will be rolled out to the other committees in 2025.
- 34 Where possible, the Trust aims to incorporate related items in a single committee report to gain efficiency of time. For example, for QSIC the Trust has merged related governance items into a single report, and committee meeting highlight reports to Board are provided as a single agenda item. This approach also helps to support triangulation of related information.
- 35 Last year, we reported that the Trust was aiming to pilot an approach - the Governance Hub - to strengthen cover papers by providing assurance to Board members that all relevant governance aspects have been considered. The Governance Hub is intended to be a central point for authors of papers to seek advice on all required governance aspects at the outset, such as compliance with legislation and information governance needs. The pilot of the Governance Hub was intended to commence in early 2024, however, it is still in development. The Trust told us it wants to ensure that the Governance Hub is fully ready before launch. Once launched, it should enable discussions at Board and committee meetings to be focused on the content and next steps, rather than seeking assurance that all governance requirements have been considered.
- 36 The Trust continues to make good use of interactive tools, such as its Performance Assurance Dashboard and its Public Health Dashboard, 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.

Board commitment to hearing from patients/service users and staff

- 37 We considered whether the Board promotes and demonstrates a commitment to hearing from patients/service users and staff. We were specifically looking for evidence of the Board using a range of suitable approaches to hear from a diversity of patients/service users, the public and staff.

- 38 We found that **the Board has continued to strengthen its commitment and approach to hearing from staff and service users.**
- 39 Staff representatives continue to attend all Board and committee meetings. The Board also periodically receives information from the Trust's staff network groups, and network representatives were invited to join the Board for lunch after the September 2024 Board meeting. In addition, Board members continue to take opportunities to engage with staff around the margins of Board and committee meetings. To facilitate this, the Trust holds Board meetings in other locations rather than just the Cardiff headquarters. For example, the Trust took the opportunity to arrange a tour for Board members around the Pathogen Genomics Unit and to meet staff in its November 2024 Board meeting.
- 40 All NEDs were invited to attend the all-staff conference in October 2024, and most did so. Discussions continue to take place on how to enable the Board to hear from a wider range of staff, acknowledging the distinct services that the Trust has, and the dispersion of services and Board members geographically.
- 41 Mechanisms for staff engagement are routinely considered at PODC meetings and the findings of engagement activities presented to the committee. Routine updates are provided to the PODC on the Local Partnership Forum, and in July 2024, the Committee received assurance on action being taken to address findings from the NHS Staff Survey 2023. We continue to observe active engagement in meetings, with Board members taking staff views seriously and acting on concerns.
- 42 The Board has established several mechanisms to hear from service users and the wider population. The Trust's Time to Talk Public Health Panel of 2,500 residents from across Wales meets monthly to share views on a range of topics. The findings from the monthly panel reviews inform relevant Board and committee business. The Board continues to engage positively with its Young Ambassador Programme.
- 43 Findings from other engagement mechanisms are included in committee business, for example, the annual consideration by KRIC of results from the impact survey of the Trust's data, analysis, and research products. 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 by QSIC and the Board.
- 44 The Trust considers how to receive feedback more routinely on how other partners, most notably the wider NHS Wales and local authorities, perceive the services that they receive from the Trust. The Trust held a joint board development session with a Cwm Taf Morgannwg University Health Board in June 2024, with a focus on diabetes care and prevention, and continues to seek opportunities to invite partners from NHS and local authorities to Board meetings. We will consider the Trust's approach to hearing from service users and stakeholders further in our 2025 follow-up of the recommendations we made as part of our [Review of Quality Governance Arrangements](#) at the Trust in 2022 (see **Appendix 2 R4 2022**).

Board cohesiveness and commitment to continuous improvement

- 45 We considered whether the Board is stable and cohesive and demonstrates a commitment to continuous improvement. We were specifically looking for evidence of:
- a stable and cohesive Board with a cadre of senior leaders who have the appropriate capacity, skills, and experience;
 - the Board and its committees regularly reviewing their effectiveness and using the findings to inform and support continuous improvement; and
 - a relevant programme of Board development, support, and training in place.
- 46 We found that **the Board continues to be cohesive, with a strong focus on development and improvement. Changes in Board membership have been well managed and brought a new energy and fresh perspective.**
- 47 Changes in the Executive team have been managed well with a substantive appointment made in August 2024 to the Director of Quality, Nursing and Allied Health Professionals role (following holding the role on an interim arrangement for the previous year). The Chief Executive Officer also stepped back from their role for two months early in 2024 to prepare for the extensive nature of the Trust's involvement in the UK Covid-19 inquiry. Appropriate interim arrangements were established to provide cover.
- 48 The Trust continues to have a strong Board with a diverse portfolio of skills and experience across different sectors. There has been significant change in the NED cohort since our previous report, with the departure of the Board Chair (May 2024), the Vice Chair (February 2024), and two NEDs (February and September 2024), of which one had been on secondment to another health body for a year previously. The Trust managed these changes well, particularly due to the unexpected nature of some of the departures. The ACGC Chair was appointed by the Cabinet Secretary for Health and Social Care to be the interim Board Chair until December 2024, pending the recruitment of a substantive chair and a NED stepped in to cover the ACGC Chair role, also on an interim basis. A new NED was appointed at the end of 2023 and a new Vice Chair was appointed in May 2024. NEDs have also provided cover to committees to ensure quoracy is maintained. There is still one NED role for which recruitment was underway at the time of reporting.
- 49 The Trust told us that the changes have brought new energy and perspectives to the Board. The Board has had a strong focus on becoming a high-performing Board over the last twelve months, aiming to build upon the development programme in 2023. The Board also continues to demonstrate its commitment to ongoing improvement by reviewing committee effectiveness annually and implementing improvements. 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.

50 The Trust's Board Business Unit has developed a local induction programme to support new NEDs and provided a range of Board development opportunities throughout the year. Last year we recommended that the NEDs meet periodically to share experiences and learn from each other. The NEDs have held an initial meeting to determine how the NEDs Peer Group meetings will work and who should attend. It was agreed that all NEDs will attend, along with the Board Business Unit members. Meetings are due to start in January 2025 and the group will meet bimonthly (see **Appendix 2 R3 2023**).

Corporate systems of assurance

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

52 We found that **the Trust continues to strengthen its corporate systems of assurance, with good oversight and scrutiny of risks and performance provided by the Board and its committees. However, the Trust still needs to identify all sources of assurance on the effectiveness of its arrangements to manage its strategic risks and achieve its organisational objectives.**

Corporate approach to overseeing strategic and corporate risks

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

54 We found that **the Trust is continuing to strengthen its approach to risk management, with Board and committee oversight of strategic and corporate risks improving. However, the Trust still needs to identify all sources of assurance on the effectiveness of its arrangements to manage its strategic risks and achieve its organisational objectives.**

55 The Trust reviewed its BAF in March 2024, and it was approved by the Board in its May 2024 meeting. However, the BAF in its current form describes the Trust's

corporate governance arrangements. As a result, the timing of the review allowed the Trust to consider the changes made to the Model Standing Orders and committee Terms of Reference with minor changes made to the assurance mapping, Consideration was also given to hosting arrangements, commissioning arrangements, and service delivery and engagement.

- 56 The Trust's Strategic Risk Register is what we would consider to be a traditional BAF⁵. The Trust refreshed its Strategic Risk Register in January 2024, and it now includes signposting to related corporate risks at the request of Board members. Last year, we reported that opportunities remained to improve the Strategic Risk Register in terms of articulating the sources of assurance more clearly using the three lines of defence model⁶. This continues to be the case, with current and planned assurances (to close gaps in control) largely based on internal operational sources which would be categorised as first lines of defence using the model (see **Appendix 2 R2b 2022**). However, the Trust plans to articulate the sources of assurance for all three lines of defence during 2025. Until the sources of assurance are set out in full, the committees are unable to provide oversight of the controls and the sources of assurance underpinning each strategic risk and scrutinise the Trust's progress in addressing any gaps (see **Appendix 2 R2d 2022**).
- 57 In a workshop in February 2024, the Executive Team refocused the strategic risks alongside the development of the organisation's 2024-27 Integrated Medium-Term Plan (IMTP) and mapped them to the Trust's strategic priorities (as set out in the IMTP) to ensure they are comprehensive. The six strategic risks were approved by the Board in March 2024. The strategic risks were reframed with the aim of limiting them to cover what is within the control of the Trust to influence and shape. However, the Trust intends to further refine the articulation of its strategic risks to ensure they do not encapsulate those areas which require partners to deliver. The Board will revisit the strategic risks in a board development session in February 2025 alongside a review of the risk appetite statement.
- 58 The Board receives the Strategic Risk Register three times a year. The summary report clearly identifies any changes in controls since the last update and provides a delivery confidence assurance rating. Last year, we reported that with five of the six strategic risks were assigned to QSIC, it placed a heavy burden on the committee. In 2024, the strategic risks were redistributed amongst committees, with three committees now assigned risks to oversee and scrutinise. The Terms of Reference of KRIC have been updated to include the committee's new responsibility to scrutinise two strategic risks.

⁵ As defined by RSM UK Group and NHS Providers, 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.

⁶ The three lines of defence model enables sources of assurance to be categorised, increasing the independence and objectivity of assurance at the third level.

- 59 The Trust received a substantial assurance rating from the Internal Audit on 'Board Assurance – Strategic Risk' in September 2024.
- 60 Unlike other NHS bodies, the Corporate Risk Register is delegated to the Leadership Team which sits below the Business Executive Team (BET). In other NHS bodies, the Corporate Risk Register is owned by the Board, with the Operational Risk Register the responsibility of the executive team.
- 61 The Board and committees considered the Corporate Risk Register at its January and September 2024 meetings (see **Appendix 2 R4 2023**). Whilst there was a lot of information included on each risk, there were no SMART⁷ actions included on the Board and committee report. However, the latest version of the Corporate Risk Register, shared at the November 2024 QSIC meeting included a short description on actions planned or underway to help the Trust meet the target risk score, the due dates and progress made to date.
- 62 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. In 2022, the Trust split the role of Chief Risk Officer into two posts, creating a new Head of Risk Management post. It took time to recruit to the post, following some unsuccessful recruitment rounds. However, the post was filled in 2024. The extra capacity has enabled the Trust to ensure there is more support for leads with responsibility for managing operational risk.

Corporate approach to overseeing organisational performance

- 63 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.
- 64 We found that **the Trust continues to have good and improving performance management arrangements, with the Board providing effective oversight and scrutiny of performance.**
- 65 The Trust continues to have effective performance management arrangements. 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

⁷ Specific, measurable, achievable, relevant, and time-bound

meaningful data on key performance indicators across the breadth of the Trust's business.

- 66 The Performance and Insight Report now includes three sections - governance and accountability, service delivery, and strategy delivery. New performance indicators have been developed in the service delivery section.
- 67 The Directorate and Divisional Assurance Dashboards are well established and continue to support performance management arrangements at an operational level.
- 68 The Board and committees continue to provide effective oversight and scrutiny of the Trust's performance. Due to the improvements made to the Performance and Insight Report, discussions in meetings are more focused on the key performance issues, rather than the report format.

Corporate approach to overseeing the quality and safety of services

- 69 We will consider the Trust's corporate approach to overseeing and scrutinising the quality and safety of services in 2025 as part of our separate follow-up review of the Trust's progress in addressing the recommendations we made in our [2022 Review of Quality Governance Arrangements](#).

Corporate approach to tracking recommendations

- 70 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.
- 71 We found that **the Trust's corporate arrangements for tracking progress to address audit recommendations have improved although there remains opportunity to improve central oversight of other types of recommendations.**
- 72 The ACGC has an internal and external audit log to monitor progress against recommendations. At the end of 2023, the BET delegated the monitoring of the log to the Leadership Team. The Leadership Team undertook a deep dive review of all outstanding recommendations to understand progress against each action, the risks associated with actions past their deadline, as well as to consider whether any extension requests were appropriate and realistic. The log is monitored by the Leadership Team on a quarterly basis and now reported to the ACGC quarterly, rather than biannually as in previous years. The log provides the Board and committee members with the latest updates on progress to implement actions to address internal and external audit recommendations. It also outlines changes agreed by the Leadership Team for the closure of completed actions and extensions to implementation dates. Unlike in previous years, greater clarity is now

provided on the reasons for requesting extensions to target dates for implementing actions. Other committees receive the audit log to note progress against recommendations relevant to their areas of business (see **Appendix 2 R5 2023**).

- 73 Progress to meet clinical audit recommendation target dates continues to be reported every six months to QSIC. Last year, we found that whilst the Trust continued to have a central log to track progress against clinical audit recommendations, the information was collated manually. There was no process for centrally tracking recommendations from clinical audit reviews or other types of reviews, and the required information was held within the relevant directorates. We recommended the Trust track all recommendations centrally. The Trust has approved funding for a digital solution⁸ for clinical audit recommendations, and it is anticipated that a system will be available for implementation by Quarter 4 of 2024-25. The Trust told us that there are limited reviews undertaken by others (such as other regulators) and generally these reports would be considered by the Board or a relevant committee. Nonetheless, we remain of the view that there should be a central tool for tracking progress to address all recommendations because this provides an additional layer of assurance, and it also better supports triangulation of recommendations on themes arising across reports (see **Appendix 2 R6 2023**).

Corporate approach to planning

- 74 We considered whether the Trust has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 75 We found that **the Trust has a sound approach to developing and monitoring the delivery of Integrated Medium-Term Plans but there is a scope to further strengthen its approach to demonstrating the impact of its key corporate strategies and plans.**

Corporate approach to producing strategies and plans

- 76 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:
- 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.
- 77 We found that **the Trust has sound arrangements for developing Integrated Medium-Term Plans, supported with good Board engagement.**

⁸ Audit management and tracking tools utilise dashboards to give intelligence and enable staff to update progress in real time thus reducing the burden on governance teams as it automates many of the processes, such as asking for progress updates.

- 78 We discussed the Trust's approach to developing its long-term strategy in our previous Structured Assessment. The Trust hasn't produced any key corporate strategies and plans this year, The Trust continues to have sound arrangements for developing and producing its IMTP. Set within the context of its new long-term strategy, the Trust started developing its 2024-27 IMTP in October 2023. Development of the IMTP was initially informed by a review of existing progress made against each strategic priority in the previous IMTP. IMTP development 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.
- 79 Engagement across the organisation helped to develop key actions for inclusion in the plan. A series of workshops were held for each strategic priority to focus on the 2035 ambitions set out in the long-term strategy, and the steps needed to be undertaken in the next 3 years. Several cross organisational workshops were held to review the plan, and assess its overall feasibility, and identify key dependencies. The Board was involved in the development of the IMTP through briefing sessions, and formally approved the plan in March 2024. The IMTP was submitted to the Welsh Government within the required timeframe and received Ministerial approval in August 2024.
- 80 The approach for developing the 2025-28 IMTP commenced in October 2024. The Trust is developing a route map for each of the six strategic priorities which will set out the milestones for delivery over the short- to long-term delivery and inform IMTP development.
- 81 Our review of the Trust's arrangements for setting and monitoring the delivery of its well-being objectives⁹ under the 2015 Well-being of Future Generations (Wales) Act will be published in 2025.

Corporate approach to overseeing the delivery of strategies and plans

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

⁹ The Trust's well-being objectives are also the strategic objectives.

- 83 We found that **the Trust continues to have good arrangements for monitoring and scrutinising delivery of its plans and strategies but there is a scope to further strengthen its approach to demonstrating impact.**
- 84 The Trust has strengthened its approach to measuring and demonstrating the impact of its 2024-27 IMTP. The IMTP sets out 43 priorities to support the delivery of the six strategic objectives and the strategic change programmes. Each of the 43 IMTP priorities have clear deliverables and milestones. The IMTP also contains outcomes or outputs which are closely aligned with the priorities; however, the outcomes are not measurable. Consequently, it is difficult to assess whether in delivering the priority, the intended impact has been achieved or not. The work to develop route maps for each of the Trust’s six strategic objectives (see **paragraph 80**) should enable it to set out the intended impact, the stepping stones for delivery over each objective’s lifespan, and the impact trajectory. This approach will enable the Trust to agree outcome measures to support the priorities set out in its IMTPs over the short- to medium-term. Non-executive directors continue to challenge whether the Trust could develop more measures to support effective monitoring of the delivery of the strategic priorities.
- 85 The Trust has good arrangements for monitoring delivery of its IMTPs. The BET is responsible for overseeing the strategic priorities set out in IMTPs, with each 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

- 86 We considered whether the Trust has a sound corporate approach to managing its financial resources.
- 87 We found that **the Trust continues to have a sound approach to managing its financial resources.**

Financial objectives

- 88 We considered whether the Trust has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of the organisation;

- meeting its financial objectives and duties for 2023-24, and the rolling three-year period of 2021-22 to 2023-24; and
- being on course to meet its objectives and duties in 2024-25.

89 We found that **the Trust met its financial duties in 2023-24 and is forecasting to break even in 2024-25.**

90 The Trust met its financial duties to break even for the financial year 2023-24, with a small revenue and capital surplus of £51,000 and £22,000, respectively. The Trust also met its financial duties for the rolling three-year period 2021-24, with a cumulative surplus of £279,000. In 2023-24, the Trust delivered planned savings of £3.174 million resulting from savings to pay and non-pay expenditure. The Trust also met the NHS Wales target to pay 95% of non-NHS contracts within 30 days.

91 As at Month 6 2024-25, the Trust was on track to deliver its forecast of a break-even position at the end of the financial year and for the rolling three-year period 2022-25.

Corporate approach to financial planning

92 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.

93 We found that **the Trust continues to have a sound approach to financial planning and delivering savings.**

94 The Trust has a clear and balanced Financial Plan for 2024-27 which was approved by the Board in March 2024. The plan underpins the Trust's 2024-27 IMTP and clearly sets out the Trust's financial principles and roles and responsibilities. The plan is kept under regular review to ensure it remains up to date.

95 The Trust has a savings scheme in place for 2024-25 totalling £3.6 million (£2.8 million recurrent and £0.8 million non-recurrent) for the financial year. Our 2024 Review of Cost Improvement Arrangements reviewed the Trust's approach to identifying, delivering, and monitoring financial savings. The review found that the Trust has clear arrangements for identifying and delivering its cost improvement opportunities and monitoring its overall financial position. The Trust has set a savings target to achieve the Welsh Government's efficiency target but also to create an internal investment fund. The Trust has good arrangements in place to

prioritise how the investment fund is used, ensuring that spending is aligned with its strategic priorities/objectives and high-risk areas of the Trust's business.

Corporate approach to financial management

- 96 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 2023-24 were submitted on time, contained no material misstatements, and received a clean audit opinion.
- 97 We found that **the Trust continues to have good financial controls in place with appropriate oversight maintained by the Audit and Corporate Governance Committee.**
- 98 The Trust continues to have robust processes in place to ensure compliance with statutory instruments, and to report and challenge breaches. As discussed in **paragraph 19**, 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.
- 99 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.
- 100 The Trust submitted good quality draft financial statements as per the required timescales, which were considered by the ACGC and Board in July 2024. Our audit identified one non-material misstatement which was uncorrected but had no impact on the bottom line. We issued an unqualified opinion in respect of the truth and fairness of the accounts, and an unqualified regulatory opinion.

Board oversight of financial performance

- 101 We considered whether the Board appropriately oversees and scrutinises financial performance. We were specifically looking for evidence of the Board:

- receiving accurate, transparent, and timely reports on financial performance, as well as the key financial challenges, risks, and mitigating actions; and
- appropriately scrutinising the ongoing assessments of the organisation's financial position.

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

103 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 spending, and payment of non-NHS invoices. Financial performance is also included in the Performance Assurance Dashboard and summarised in the Performance and Insight Report.

Appendix 1

Audit methods

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

Exhibit 2: audit methods

Element of audit approach	Description
Observations	We observed Board meetings as well as meetings of the following committees: <ul style="list-style-type: none">• Audit and Corporate Governance Committee;• Quality, Safety and Improvement Committee; and• Knowledge, Research and Information Committee;
Documents	We reviewed a range of documents, including: <ul style="list-style-type: none">• Board and Committee Terms of Reference, work programmes, agendas, papers, and minutes;• key governance documents, including Schemes of Delegation, Standing Orders, Standing Financial Instructions, Registers of Interest, and Registers of Gifts and Hospitality;• key organisational strategies and plans, including the IMTP;• key risk management documents, including the Board Assurance Framework and Corporate Risk Register;• key reports relating to organisational performance and finances;• Annual Report, including the Annual Governance Statement;• relevant policies and procedures; and

Element of audit approach	Description
	<ul style="list-style-type: none"> • reports prepared by the Internal Audit Service, Health Inspectorate Wales, Local Counter-Fraud Service, and other relevant external bodies.
Interviews	<p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"> • Interim Chair of the Board; • Chief Executive Officer; • Board Secretary and Head of Board Business Unit, and Deputy Board Secretary and Board Governance Manager; • Deputy Chief Executive and Director of Finance and Operations, and Deputy Director of Operations and Finance; and • Executive Director of Nursing, Quality and Integrated Governance, Assistant Director of Integrated Governance and Head of Risk Management.

Appendix 2

Progress made on previous-year recommendations

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

Exhibit 3: progress against previous year recommendations

Recommendation	Description of progress
<p>Audit and Corporate Governance Committee (2023)</p> <p>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.</p>	<p>Completed – see paragraph 15</p>
<p>Scheduling of committee meetings (2023)</p> <p>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>	<p>Ongoing – see paragraph 29</p>

Recommendation	Description of progress
<p>Non-Executive Director development (2023)</p> <p>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.</p>	<p>Completed – see paragraph 50</p>
<p>Corporate risk reporting (2023)</p> <p>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.</p>	<p>Completed – see paragraph 61</p>
<p>Audit and review tracking (2023)</p> <p>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.</p>	<p>Completed – see paragraph 72</p>
<p>Audit and review tracking (2023)</p> <p>R6 The Trust should develop a central log of recommendations arising for other reviews to enable corporate oversight of progress.</p>	<p>Ongoing – see paragraph 73</p>

Recommendation	Description of progress
<p>Systems of assurance (2022)</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"> b) include all relevant controls and sources of assurance for Board and committees; and d) be used to inform Board and committee workplans. 	<p>Parts a) and c) of this recommendation were assessed as complete in our 2023 structured assessment.</p> <p>Ongoing – see paragraph 56</p> <p>Ongoing – see paragraph 56</p>
<p>Opportunities to hear from staff and service users (2022)</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>Not assessed. This will be considered as part of our follow-up review of the Trust’s progress in addressing the recommendations from our 2022 Review of Quality Governance Arrangements.</p>
<p>Improving transparency of Board and committee business (2022)</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"> 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 d) ensure that briefings provided outside of the formal Board meetings are put in the public domain. 	<p>Parts a) and b) of this recommendation were assessed as complete in our 2023 structured assessment.</p> <p>Completed – see paragraph 32</p> <p>Completed – see paragraph 16</p>

Recommendation	Description of progress
<p>Improving oversight of asset management (2021)</p> <p>R4 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>Not assessed, to be considered as part of the 2025 Audit Programme.</p>



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