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Summary report

Context

- 1 Structured assessment examines Cwm Taf University Health Board's (the Health Board) arrangements to support good governance and the efficient, effective and economic use of resources. In previous years, the work assessed the robustness of financial management arrangements, the adequacy of governance arrangements, the management of key enablers that support effective use of resources, and the progress made in addressing previously identified improvement issues. Our 2015 work found that Governance arrangements continue to evolve but some aspects, particularly ICT, are making insufficient progress, and achieving financial balance for 2015-16 remains a challenge.
- 2 Structured assessment work in 2016 has again reviewed the Health Board's financial management arrangements and the progress made in addressing the previous year's recommendations. This year, we have also carried out comparative work in three areas. The selected areas and the scope has been informed by our own analysis of all-Wales issues and discussion with board secretaries. The areas of comparative work include:
 - the format of financial reporting to boards;
 - arrangements for developing Integrated Medium-Term Plans (IMTPs) and monitoring and reporting on the delivery of these plans¹; and
 - approaches for mapping risks and assurances and developing a board assurance framework².
- 3 This report details our local audit findings for the Health Board. On finalisation of local audit reporting, we will complete all-Wales analyses on the three areas of comparative work, to share with NHS organisations and relevant all-Wales fora, such as directors of finance, directors of planning and board secretary groups. This approach is intended to support learning, by sharing approaches and good practice across NHS organisations. Publication of our comparative analysis of IMTP development and reporting will be coordinated with that of the Auditor General's national report on the National Health Services Finance (Wales) Act 2014, planned for early in 2017.
- 4 Our findings are based on interviews, committee observations, review of documents and performance data, information returns from board secretaries and directors of planning and the results of a survey of board members. Some 119 board members responded to our survey, a response rate of 59 per cent. This included 12 responses (50% response rate) from the Health Board.

¹ Where there is no approved IMTP, we have considered the annual plan.

² A board assurance framework sets out the risks to achieving corporate objectives, the internal controls for mitigating those risks and the assurances the board needs to know that controls are effective and risks are being managed.

We would like to thank those board members who responded to our survey for their time and input.

- 5 During 2016 the Health Board undertook a range of activities with the broad aim to ensure that the organisation is fit for purpose. A review of executive portfolios and management accountabilities has been undertaken to realign the leadership and accountability of the workforce to help deliver strategic objectives³. There is a phased approach with phase one reviewing executive portfolios and proposed changes at assistant director level. Phase two covers directorate managers and substructures. It is anticipated that appointments to a revised management structure will commence shortly and be completed by April 2017.

Accountabilities and responsibilities in the new structure and job descriptions will be reflected in the new Performance Management Framework when finalised.

- 6 In addition to structural changes work has been undertaken to develop training and development programmes to build management capability and capacity including:
- Performance into Action for Cwm Taf (PACT), launched in November 2015 is an 18 month leadership and management development programme for directorate managers and business partners.
 - Essential Leadership and Management Skills, launched in February 2016 is a six month development programme for team leaders, supervisors and managers.
 - Graduate Growth, launched in February 2016 is a two year graduate management leadership programme. The number of places has increased to 15 and four other health bodies have joined the scheme.

Key findings

- 7 Our overall conclusion from 2016 structured assessment work is that The Health Board has continued to strengthen corporate governance and financial management arrangements, and made good progress in addressing previous years findings. Challenges remain in delivering a balanced financial position, improving reporting and project management, and quickening the pace of addressing information management and technology recommendations. The reasons for reaching this conclusion are summarised below.

Financial planning and management

³ Review of Executive Portfolios and Management Accountability Staff Consultation Document, July 2016

- 8 In reviewing the Health Board's financial planning and management arrangements we found that the Health Board continues to exhibit good budgetary control, and to monitor savings plans effectively. It has a good record of achieving financial balance and has improved stakeholder engagement in financial planning, however, significant challenges remain in delivering a balanced financial position in 2016-17.

Financial planning

- 9 The Health Board's financial planning approach continues to mature with greater engagement with stakeholders than in previous years and robust arrangements for budget setting. There remains a robust approach to financial planning and integrated medium term planning more generally, with the addition of an Engagement Plan in 2016-17 to improve stakeholder engagement with the budget setting process. There is a more bottom up approach to identifying savings by directorates in 2016-17, alongside cross cutting themes for savings, which should provide greater accountability and realism to the process.

Financial control and stewardship

- 10 In-year financial controls operate appropriately and ensure good stewardship although some aspects need to be more consistently documented and applied. There are clear roles and responsibilities set out in the Local Planning Framework, although they could be more consistently documented for the staff leading the cross cutting themes for savings schemes. The terms of reference for Clinical Business Meetings are not consistently in place yet. The Audit Committee plays an active role, as part of the overall Board Assurance Framework, in monitoring financial control drawing appropriately on the work of internal and external audit and the Local Counter Fraud Service.

Financial monitoring and reporting

- 11 Financial reporting arrangements provide appropriate information for Board decision making and support corrective action if required. The Board responds openly and transparently to identified risks and issues and there is consistent, reliable and timely reporting at both operational levels and to the Board. There is active monitoring through various operational and Board level groups, including monthly Clinical Business Meetings with directorates, and the Finance Performance and Workforce Committee of the Board. There is scope for further clarity of key messages and comparisons to other local health boards in Wales in reports to the Board and Executive Board. On the whole, financial reporting provides insights which inform service design and decision making.

Financial performance

- 12 The Health Board delivered against its annual financial aims for 2015-16 and has a strong track record of meeting its financial targets and delivering financial balance in line with its statutory responsibilities and its IMTPs. A high proportion of its 2015-16 savings were recurrent in nature and the Health Board is forecasting to break even again in 2016-17. While savings plans are currently behind target, with a significant level of savings planned to be delivered in March 2017, the levels of planned investment spending are also behind target to a similar degree. This does mitigate the risk that the Health Board will not deliver a balanced financial position in 2016-17, however, the Health Board needs to effectively manage the impact on services.

Governance and assurance

- 13 In reviewing the Health Board's corporate governance and board assurance arrangements we found that the Health Board continued to strengthen its strategic planning and governance arrangements during 2016, however, there is scope to improve IMTP reporting and to strengthen organisation wide approaches to programme and project management. Whilst in overall terms the Health Board is responding well to previous audit recommendations, there is a need to accelerate progress against that made in respect of information management and technology.

Strategic planning and reporting

- 14 The Health Board again received Welsh Government approval for its IMTP and has an established approach to strategic planning which includes documented local planning guidelines available each year for directorates to produce their local plans. The business partner model is now an established and effective aspect of its arrangements and the Project Management Office (PMO) is now fully staffed. IMTP progress reporting arrangements continue to develop although there is scope to extend programme and project management approaches and methodology across the organisation.

Board effectiveness and assurance

- 15 Arrangements for developing and embedding the board assurance framework continue to mature. The board and its committees are operating effectively with improvements made in the transparency of public reporting. The recent changes to the quality, safety and risk committee are positive but will need more time to become fully effective.
- 16 The Health Board recognised the importance of having a board assurance framework (BAF) and began its development in 2014. The framework which is now in place is reviewed periodically by the Audit Committee to ensure assurance arrangements are working effectively. There are currently some gaps in assurance in respect of ICT although the Health Board is aware of these and

is taking action to address them. Our comparative work shows that the Health Board's BAF and its development compares well with other health bodies. An area that could be improved is the clearer articulation of strategic objectives to ensure identification of assurances required to deliver them.

Progress in addressing previous audit recommendations

- 17 The Health Board has made good progress in addressing our 2015 structured assessment recommendations, with seven of the 12 recommendations implemented and progress is being made on addressing the other five. The Health Board has a tracker which is reported to Audit Committee and its assessment of progress against the recommendations is consistent with ours. Whilst overall progress in implementing audit recommendations is good, there is a need to accelerate progress in response to our recommendations on information management and technology. Of the 21 recommendations we made in December 2015, 13 remained to be completed in October 2016, of which nine were past the completion date stated in the Health Board's management response.

Recommendations

- 18 Recommendations arising from 2016 structured assessment work are detailed in [Exhibit 1](#). The Health Board will also need to maintain focus on implementing any previous recommendations that are not yet complete.
- 19 The Health Board's management response detailing how it intends responding to these recommendations will be included in [Appendix 1](#) once complete and considered by the relevant board committee.

Exhibit 1: 2016 recommendations

2016 recommendations	
Board Assurance Framework	
R1	In order to better identify board assurance requirements, the Health Board should: <ul style="list-style-type: none"> articulate its strategic objectives more clearly by using sub-objectives or aims; and include in-year IMTP priorities.
Audit Committee	
R2	The Audit Committee should:

2016 recommendations

- ensure that it has appropriate arrangements in place to regularly review and monitor assurances within the Board Assurance Framework; and
- develop a forward work programme to assist the committee plan and timetable meetings.

Committee effectiveness

R3 The Health Board should ensure:

- all reports to Board and committees adopt the revised report template; and
- the report template is used to clearly articulate the purpose of the report and the action/decision required when plans and policies are reported to Board and committees.

Committee effectiveness

R4 Complete the design and implementation of the supporting structures for the newly created Quality, Safety and Risk Committee.

External Reports

R5 The Health Board should ensure that reports from the Delivery Unit are subject to the organisation's governance and assurance arrangements.

Combined follow-up of Information Management and Technology audits

R6 Address the pace at which outstanding information management and technology audit recommendations are addressed.

Financial control

R7 Strengthen current arrangements for financial control and stewardship by:

- agreeing consistent roles and responsibilities of staff leading the cross cutting themes for savings; and
- agreeing a consistent approach and terms of reference for Clinical Business Meetings as recommended by Internal Audit.

Financial performance

R8 Strengthen arrangements for the monitoring and reporting of savings plans against targets by ensuring there is clear accountability, understanding and reporting of why savings are not delivered.

Detailed report

The Health Board continues to demonstrate good budgetary control and to monitor savings plans effectively. It has a good record of achieving financial balance and has improved stakeholder engagement in financial planning, but significant challenges remain to delivering a balanced financial position in 2016-17

- 20 Our structured assessment work in 2016 has considered the action that the Health Board is taking to achieve financial balance and create longer-term financial sustainability. We have assessed the financial position of the organisation, the approach to financial planning, financial controls and stewardship, and the arrangements for financial monitoring and reporting. We have also considered the progress made in addressing previous recommendations relating to financial management. Our findings are set out below.

The Health Board's financial planning approach continues to mature with greater engagement with stakeholders than in previous years and robust arrangements for budget setting

- 21 The Health Board continues to improve and refine its approach to financial planning. Specifically we noted that:
- arrangements for revenue and capital budget setting remain robust, with financial planning roles and responsibilities clearly set out in the Local Planning Framework. This Framework also set out appropriate processes and budgetary activities to set directorate and locality budgets.
 - an Engagement Plan has been put in place this year to improve stakeholder engagement with the IMTP and budget setting processes.
 - there remains robust challenge of IMTP and financial planning with the establishment of the IMTP Scrutiny and Support Panel in 2015-16, and the continued scrutiny by the Board of the financial, service and workforce assumptions underpinning the IMTP.
 - directorate and locality budgets are linked to the IMTP, with detailed service planning and budget assumptions feeding into the Directorate service plans for delivery. The process for identifying savings plans has evolved again this year into a matrix approach. This has allowed a more “bottom up” approach for directorates to identify savings plans against a Health Board wide target of 3% savings. This is overlaid by a number of cross cutting themes for savings across the Health Board which have yet to be consistently integrated with Directorate plans.
 - the Health Board has not used the financial flexibilities available under the new NHS Finances Act (for bodies with an approved IMTP). This is because

the Health Board feels its own financial planning needs to mature further, and also because it is not clear how the Welsh Government will fund this flexibility given the annual nature of public sector funding.

In-year financial controls operate appropriately and ensure good stewardship although some aspects need to be more consistently documented and applied

22 As identified in our 2015 Structured Assessment review, there are satisfactory arrangements for financial control and good stewardship in place. We found that:

- as part of the IMTP and Local Planning Framework processes, roles and responsibilities for financial control and accountability are clear, although these roles and responsibilities have not been consistently documented for the staff leading the cross cutting themes for savings schemes.
- there are appropriate control activities and processes to monitor the financial position throughout the Health Board including monthly Clinical Business Meetings at directorate level, the Finance Performance and Workforce Committee, and the Board. However, Internal Audit noted that the terms of reference for the Clinical Business Meetings are not consistently in place yet.
- the risks of financial losses are assessed and mitigated through both the monthly monitoring returns provided to the Welsh Government and at various levels within the Health Board. The Board continues to receive finance reports to each meeting documenting the current position, key risks and progress to date. This internal information is consistent with the figures and messages on financial risks budget variances and mitigating actions reported each month to the Welsh Government.
- internal Audit regularly reviews the core financial systems, concluding in 2015-16 that 'substantial assurance' could be taken by the Health Board on those systems.

Financial reporting arrangements provide appropriate information for Board decision making and support corrective action if required

23 The Health Board has well developed arrangements in place for reporting and monitoring financial performance internally and to the Welsh Government throughout the year. We found that:

- as noted above, there are satisfactory arrangements for financial monitoring and reporting, and the Board responds openly and transparently to identified risks and issues. While there is consistent, reliable and timely reporting at operational levels and the Board using the IMTP Dashboard document, reports to the Board and Executive Board do remain very detailed. There is scope for further clarity of key messages and comparisons to other local health boards in Wales.

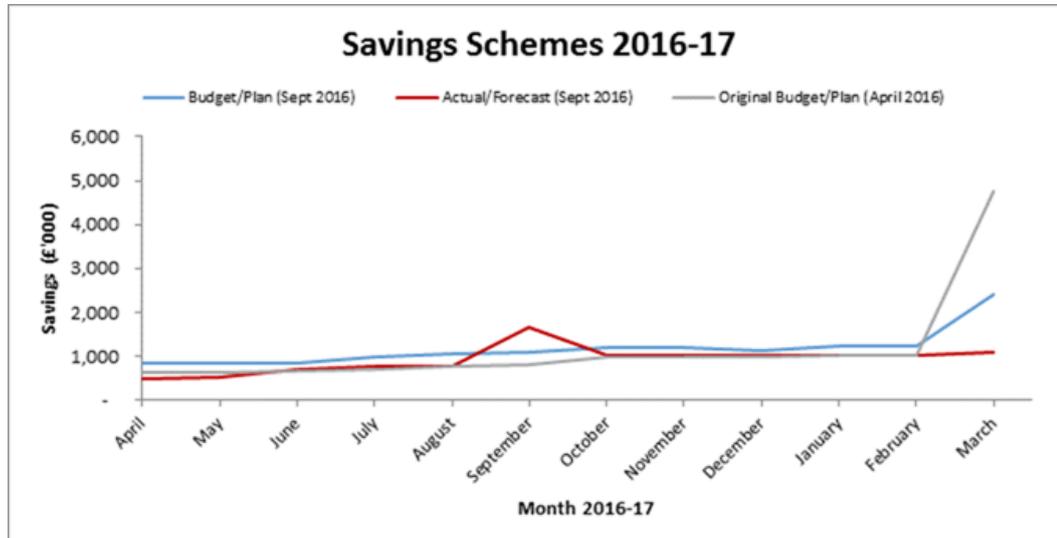
- on the whole financial reporting provides insights which inform service design and decision making. Clinical and service professionals receive timely financial information and are fully engaged in service level monitoring as part of the Clinical Business Meetings. The IMTP Scrutiny and Support Panel, the Programme Management Office and the Board receive information that allows them to consider the delivery of savings schemes, the root causes of variances to budget, and potential solutions.
- as part of the IMTP process, the Board considers financial costing and implications to support decision making and in its scrutiny of new service plans.

The Health Board has delivered against its annual financial aims for 2015-16 and while it is forecasting a break even position for 2016-17, challenges in delivering planned savings create a risk that this will not be achieved

24 The Health Board has a strong track record of meeting its financial targets and delivering financial balance in line with its statutory responsibilities and its IMTPs, and is forecasting again to break even in 2016-17. We found that:

- The Health Board continues to deliver a financial position consistent with the needs of the IMTP and its forecasts in the monthly monitoring returns to Welsh Government.
- In 2015-16 the Health Board again achieved a break even financial position and reported savings of £11.4m against a target of £14.6m (or 78 per cent). Of the savings reported, £9.8m or 86% of the savings made were reported as recurring which compares favourably with other NHS bodies in Wales. It will be important for the Health Board to look at increasing the level of recurring savings going forward to improve its underlying financial position at the start of each financial year.
- there is self-reliance in delivering as planned without needing significant additional financial help from the Welsh Government to do so. At month 6 the Health Board is still forecasting a break even position for 2016-17, but this is dependent on delivering a very significant level of savings in the last month of the financial year as shown in [Exhibit 2](#) below:

Exhibit 2: Phasing of savings scheme delivery in 2016-17



Source: Wales Audit Office

- savings schemes were behind target for the first five months of the year, before a significant catch up in month 6 (September). Actual year to date savings to the end of September 2016 were £4.9m—£0.7m behind the year to date target of £5.6m. For the full financial year, the forecast outturn against the original savings target at April 2016 of £14m was revised to £11.1m in September 2016. In the latest monitoring return submitted to Welsh Government, the Health Board notes that it has a non-recurrent slippage budget of £5m to recognise delays in the implementation of the recurrent savings plans.
- this means there is still a significant risk that the Health Board may not deliver a balanced financial position in 2016-17.
- there is no evidence that organisational delivery or quality and safety of services could or has been compromised to achieve successful in-year financial performance.

The Health Board has made progress in addressing previous financial planning and management recommendations

- 25 In 2015 we made the following recommendations relating to financial planning management. Exhibit 3 describes the progress made.

Exhibit 3: progress on 2015 financial management recommendations

2015 recommendation	Description of progress
<p>2015 R1</p> <p>Improved stakeholder engagement will be key to delivering sustainable efficiencies and savings. Whilst this is an ongoing process the Health Board needs to ensure that:</p> <ul style="list-style-type: none"> a. current 2015-16 savings plans are signed off; and b. 2016-17 directorate savings plans are signed off prior to the start of the financial year. 	<p>Complete</p> <ul style="list-style-type: none"> a) An Engagement Plan has been put in place as part of the IMTP process for 2015-16 to improve the level of stakeholder engagement within the IMTP. The approach to identifying cost savings has also changed to provide greater directorate input and accountability for delivering those savings. b) In its Local Planning Framework 2016-17, the Health Board provided a guarantee that all clinical and corporate Directorates would receive the outcome of the assessment their Directorate Plans 2016-19 by the end of April 2016. This was achieved subject to one exception, for which there was a unique set of circumstances.
<p>2015 R2</p> <p>The Health Board should simplify its Monthly Finance Updates to ensure the key messages are not lost and are more easily understood.</p>	<p>Complete</p> <p>Work has been undertaken to clarify and simplify reporting (although there may be scope for further clarity of the key messages and causes of variances).</p>

The Health Board continued to strengthen strategic planning and governance arrangements during 2016, however there is scope to improve IMTP reporting and project management and pace is needed to address information management and technology recommendations

- 26 Our structured assessment work in 2016 has examined the Health Board's arrangements for developing an IMTP and reporting on delivery of the plan, and the approach for developing and reviewing a board assurance framework. We have also considered the overall effectiveness of the board and its governance structures and the progress made in addressing previous structured assessment recommendations and improvement issues. Our findings are set out below.

The Health Board continues to strengthen its approach to strategic planning with effective monitoring arrangements in place but there is scope to further improve IMTP reporting and extend programme and project management arrangements

- 27 The findings underpinning this conclusion are based on our review of the Health Board's approach to strategic planning⁴, monitoring and reporting on delivery of the IMTP. We have also considered the arrangements which support delivery of strategic change programmes underpinning the IMTP and the progress made in addressing previous recommendations relating to strategic planning. Our key findings are set out below.

The IMTP was produced in the required timeframe, received board scrutiny and approval and was approved by Welsh Government

- 28 Board members were engaged in the refresh of the IMTP 2016-2019 at board development sessions. Our survey reveals that Board Members are generally positive about IMTP development. In response to the statement 'I understand the intended benefits of moving to three year integrated medium term plans', seven respondents strongly agreed and five agreed. All Board Members either agreed or strongly agreed that the Health Board 'has improved its approach to planning as a result of the NHS Planning Framework'.
- 29 Although the Board submitted its IMTP to Welsh Government by the March 2016 deadline timetabling issues resulted in the final version being presented to the Integrated Governance Committee for approval in April and subsequently endorsed by the Board at its public meeting in May 2016. This approach was agreed with Welsh Government. Despite these timetabling issues the Board were appropriately engaged in the development of the IMTP. As in the previous two years, the Minister again approved the IMTP. There are, however, a number of conditions to the approval relating to maintaining quality standards, reducing admissions and improving patient flow, managing financial risk and having robust delivery monitoring and performance management arrangements. Although the IMTP is lengthy at some 350 pages the Health Board has produced a public facing summary. Stakeholders, including the Community Health Council, were engaged in the development of the summary.

There is a clear strategic planning model and sufficient planning capability and capacity in respect of planning within the Health Board

- 30 Each year the Health Board refreshes its local guidance for the development of directorate integrated medium term plans in line with Welsh Government's nationally issued guidance. The local planning guidance is part of the Health

⁴ Audit work has not duplicated Welsh Government's IMTP scrutiny work, but has considered actions taken by NHS bodies in response to any Welsh Government feedback on the plan or plan approval conditions.

Board's evolving methodology to have an integrated planning regime that is more bottom up in its approach. The guidance sets out the requirements from directorates and clearly states that 'the IMTP is the Health Board's overarching strategy. Therefore, if it isn't in the plan, it isn't planned to be done'. A Stakeholder Engagement Plan is produced for each IMTP refresh to ensure relevant internal and external stakeholders are engaged via a number of mechanisms including, updates to Local Service Boards and the four Health Board's public fora.

- 31 Although the Director of Planning and Performance holds executive responsibility for developing the IMTP there is close working with finance and workforce executive directors to ensure an integrated approach across the organisation. The Health Board has a number of arrangements which support its planning approach including an established Integrated Planning Group, Programme Management Office and a Planning and Partnerships Team. In our Board Member survey, four respondents strongly agreed and eight agreed that there are clear roles, responsibilities and accountabilities for delivery of the key objectives and actions within the IMTP. The new management structure has a number of aims, one of which is to ensure clarity in accountabilities and responsibilities for operational delivery and these will be reflected in the Performance Management Framework.
- 32 In responding to the surveys undertaken as part of our Structured Assessment the Health Board told us that capacity to undertake planning within the Health Board is sufficient for current requirements but indicated that it will be kept this under review in light of any changes in national requirements.
- 33 The Health Board has sought to continually improve its approach to IMTP development and there are established review mechanisms in place. Mechanisms include a yearly review undertaken by the Assistant Director Planning and Partnership, a review undertaken by the Integrated Planning Group, feedback from the Performance through Action for Cwm Taf (PACT) and the Medical Director Forum as well as an independent review undertaken by Internal Audit.
- 34 The Health Board has established key operational arrangements that support the development of its IMTP. These include:
- development of a Business Partner model – this provides planning, finance and workforce support and expertise to directorates to develop local plans.
 - assessment and approval process – this has been further refined and aimed to reduce the number of times plans were submitted for assessment and approval. The revised two stage process resulted in all directorate plans except one being approved by the timescale set out in the local planning guidance. The assessment process reviews a number of aspects including, planning, quality, capital, workforce, savings and a qualitative assessment of the robustness and coherence of financial plans. Each plan is given an overall assessment.

- 35 Of the 22 assessments⁵ made in relation to saving plans 10 were rated red, which means they did not meet the required 75% of the financial savings target. Eleven plans were rated green and one amber. Given this and the known issues in delivering against savings targets this is an area that the Health Board needs to revisit to better understand the reasons for lower than required savings and also the challenges to actually delivering the savings in-year.
- 36 The recently established PACT development programme is a formal 18 month programme for directorate managers and their business partners. Although the programme is designed to support the personal and professional development of senior managers, a key outcome is to improve the development and delivery of the IMTP and the Health Board told us that feedback from participants was positive.

There are effective and evolving assurance arrangements to monitor and report progress on the delivery of the IMTP

- 37 The Health Board has a number of arrangements in place to monitor and report progress on the delivery of its IMTP including:
- Clinical Business Meetings – where a small core of Executives meet on a monthly business with the clinical and managerial leads of each directorate to provide oversight and performance management of the entire operation.
 - Corporate Business Meetings – where a small core of Executives meet on a bi-monthly basis with the managerial leads for each major corporate function to provide oversight and performance management.
 - Operations Board – where the Chief Operating Officer oversees his cluster of cross cutting themes and associated activities to achieve medium to long term improvement trajectories.
 - Executive Programme Board (EPB) – where the Executives meet on a monthly basis to give oversight and coordinate all of the performance and improvement activities in the organisation related to the UHB's cross cutting transformation programme. The EPB reports on a quarterly basis to the Executive Board⁶.
 - Strategic Planning Group – where Executive Directors, Clinical Directors and Assistant Directors meet monthly to manage the strategic change programme.
 - there is quarterly reporting to Board – the Health Board is seeking to improve reporting in line with a number of recommendations we made last year around better reporting of actual and planned progress against the stated in-year priorities. It is positive to see that the approach being

⁵ IMTP Directorate Approval Letters, Cwm Taf University Health Board, April 2016

⁶ Three Year Integrated Medium Term Plan 2016/7 – 2018/19, Cwm Taf University Health Board March 2016

developed sees quarter two reporting moving away only narrative towards a more summarised tabular approach and is aiming for a balanced scorecard approach. The tabular report identifies a number of key deliverables, progress made in quarter two, risks and focus for quarter three. The Health Board are seeking to improve IMTP progress reporting by developing a scorecard approach and we will review this as part of our programme of audit work next year:

- the quarterly report to Board is also submitted to the Welsh Government as part of national reporting requirements.
- the Health Board and its committees also receive a number of other reports some of which provide detailed information on specific projects within its IMTP as well as its health board wide performance measure report⁷ which comprises Tier 1 targets and other outcome measures and its financial position report.
- there are a number of strategic projects within the Health Board's IMTP known as cross cutting themes. These are subject to different monitoring and reporting arrangements involving the Programme Management Office (PMO) and are discussed in more detail later in this report.

38 In addition to the above, our survey of Board Members drew consistently positive responses to the following statements:

- 'The Health Board has quantified the benefits that it expects the current IMTP to deliver';
- 'The Board and relevant committees set enough time aside for effective scrutiny of the current IMTP'; and
- 'The Board receives appropriate information to support effective scrutiny of IMTP progress'.

Exhibit 4: progress on 2015 IMTP progress reporting and developing a performance management framework recommendations

2015 recommendation	Description of progress
2015 R3 Ensure that IMTP progress reporting: <ul style="list-style-type: none"> • incorporates progress against the stated in-year priorities; and • clearly identifies progress against what the Board had planned to achieve at that point in time. 	On track but not yet complete The Health Board recognises that improvements can be made to IMTP progress reporting and is seeking to develop balanced scorecard approach.
2015 R7	On track but not yet complete

⁷ Cwm Taf Integrated Performance Dashboard

Develop and adopt a Performance Management Framework to enhance accountability arrangements.	The Health Board has developed a draft Performance Management Framework (PMF) which will be completed when the organisational structures are finalised. The Health Board anticipates implementation of the PMF in 2017.
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Cross cutting themes are supported by programme and project management arrangements but there is scope to introduce more systematic approaches to project management across the organisation

- 39 As mentioned above the Health Board has eight strategic change programmes for 2016-17 known as cross cutting themes which are; Integrated Unscheduled Care, Scheduled Care, Service Redesign & Site Rationalisation, Outpatient Improvement and Patient Care Administration, Contracting & Commissioning, Workforce Productivity and Improvement, non pay and Continuing Health Care. Each theme has an executive director lead as well as an operational lead.
- 40 During 2015 the Health Board established a Programme Management Office (PMO) to provide specialist advice and programme infrastructure to support the development and delivery of the cross cutting themes. All posts within the PMO have now been recruited to and a work programme is being developed to identify and assess directorate needs for PMO support.
- 41 In common with other health bodies in Wales the Health Board does not have a single programme management methodology. Although the Health Board encourages projects to adopt PRINCE project methodology or MSP programme management methodology, it acknowledges the need to introduce more systematic approaches to project management across the organisation.
- 42 The PMO has sought to establish programme and project management arrangements to strengthen governance arrangements and reporting to Executive Programme Board. Since our work last year the PMO has been further developing methodologies and arrangements including:
- the design of the financial reporting process – the aim is to ensure regular, consistent and timely financial reporting on cross cutting themes. A summary position is reported to the finance, performance and workforce committee and also Board.
 - further refining the format of highlight reports and developing modelling tools and trackers to monitor productivity gains and financial targets. This work is still in development.
- 43 Last year we made a number of recommendations regarding programme and project arrangements and whilst the Health Board has made some progress to address these there is still some work yet to be completed. The Health Board recognises that reporting and monitoring of benefits achievement needs further improvement and it is committed to improving this. Work undertaken to address our recommendations includes:

- a benefits realisation framework has been developed and will be used for the eight cross cutting theme programmes. The Health Board should consider how this approach can be adopted more consistently across the organisation to support project investment decisions and on-going monitoring of benefits delivered.
 - the scoping of cross cutting projects now has a greater focus on milestones, targets, review and reporting arrangements. Despite this, the Health Board recognise that there are still challenges in identifying the transition of projects to operational business as usual.
- 44 As part of our comparative work we asked Board members a series of questions about the Health Board's track record and future prospects of delivering strategic change. The findings are summarised below:
- in response to the statement 'My organisation has already improved service delivery as a result of the NHS Planning Framework', two respondents strongly agreed and ten agreed.
 - in response to the statement 'My organisation is likely to improve service delivery in future as a result of the integrated planning regime', four respondents strongly agreed, six agreed and two responded neither agree or disagree.
 - when board members were asked if their organisation had a track record of introducing changes to services that result in sustainable improvements in service delivery, two responded 'always', nine responded 'mostly'. These responses were more positive than other health bodies.
- 45 The NHS Planning Framework for 2017-20⁸ was issued in October 2016 and contains some new requirements including the need to have a long term strategy and specific IMTP monitoring and reporting requirements, specifically:
- Welsh Government will require quarterly updates on delivery of the IMTP from all organisations.
 - NHS bodies must have arrangements to monitor quality and delivery against plan on a monthly basis. As a minimum, there should be:
 - an executive group to oversee plan delivery; and
 - a board sub-committee or group to scrutinise and challenge progress and performance on a regular basis.
 - the board should receive an overall assessment of progress against the plan in public session at least bi-annually.
- 46 The arrangements for monitoring and reporting the IMTP described earlier should ensure that the Health Board is well placed to meet the requirements.
- 47 The 2017-20 planning framework will for the first time, require all organisations to develop long term strategies setting the direction of travel for IMTPs. This

⁸ NHS Planning Framework 2017/20 Welsh Health Circular WHC/2016/044

should be a separate document to the 2017-20 IMTP, which will demonstrate how the actions to be taken in the three year period help achieve the long-term vision of the organisation set out in the strategy. In advance of specific guidance being produced by the Welsh Government the Health Board will incorporate a new preface in its IMTP a brief statement of its long-term strategic intent which will take account and be reflective of the Well-Being of Future Generations Act.

48 In 2015 we made the following recommendations relating to IMTP reporting and programme and project management. **Exhibit 5** describes the progress made.

Exhibit 5: progress on 2015 programme and project management recommendations

2015 recommendation	Description of progress
<p>2015 R12</p> <p>As part of programme and project management arrangements develop:</p> <ul style="list-style-type: none"> • robust benefit realisation approaches and methodologies which are used throughout the life of a project; • clearly identified arrangements to support the transition of projects to operational business as usual; and • reporting arrangements that require assessments or evaluations of benefits achieved during the life of projects. 	<p>On track but not yet complete</p> <p>There has been progress on aspects of this recommendation, for example a benefits realisation framework has been developed but more work remains to be done to fully address the recommendations.</p>

Board assurance arrangements continue to mature and committees are generally operating effectively, although more time is needed to embed recent changes to some committees

49 The findings underpinning this conclusion are based on our review of the Health Board’s approach to mapping assurances and developing its board assurance framework, the effectiveness of the board and its governance structures and the review of progress in addressing previous recommendations. Our key findings are set out below.

Arrangements for developing and embedding the board assurance framework continue to mature and whilst there are still gaps in assurances, the Health Board is aware of these and taking action to address them

50 All health boards and trusts have governance structures and processes in place to seek and provide assurance on the services provided, that risks are being managed and that the organisation is acting in accordance with legal and other requirements. NHS bodies are complex organisations and operate within a

dynamic environment. It is, therefore, important that boards keep their governance and assurance arrangements under review and satisfy themselves that the assurances they rely on are proportionate, appropriately targeted and cover the breadth of the organisation's overall risk portfolio.

- 51 Assurance mapping⁹ is an increasingly used tool for systematically identifying and mapping the assurances needed over key risks to achieving organisational objectives. The mapping process can help organisations to highlight any gaps in their assurances, or unnecessary duplication of assurance processes. Such mapping aids the design of an effective assurance framework, which aligns risks and assurances to the appropriate control systems and scrutiny arrangements.
- 52 We have examined the Health Board's approach for developing and reviewing its board assurance framework and how this compares to the approaches adopted by other health boards and trusts in Wales. We have also assessed the progress made in addressing previous recommendations relating to the Health Board's board assurance framework. Our key findings are set out below.
- 53 The Health Board began developing its Board Assurance Framework (BAF) at a Board workshop in December 2014 and a framework was subsequently approved by Board in April 2015. The Health Board acknowledges that its board assurance framework is continually evolving and it ensures that it is periodically reviewed and updated. Board members' view of the Health Board's BAF was positive with the majority of respondents to our survey either agreeing or strongly agreeing with the statement 'The Board engages its Board members in the development and ongoing review of the Board Assurance Framework'.
- 54 The BAF was reviewed in 2016 in line with the refreshed IMTP and was reported to the Audit Committee in July and the Integrated Governance Committee in August. The Audit Committee are taking action to ensure that audit, in particular clinical audit, are an element of their assurance arrangements and recognise that the programme of internal audit reviews will need to be more strongly aligned with the BAF in future. It is positive that the Audit Committee has suggested that a Board development session on risk appetite be held, however, this has not yet been acted upon.
- 55 A particular focus of the latest review by the Audit Committee was to ensure better alignment of the Board's strategic goals outlined in its three year integrated medium term plan¹⁰. Its strategic goals, referred to as overarching core objectives, are:
- to improve quality, safety and patient experience;
 - to protect and improve population health;

⁹ HM Treasury, [Assurance Frameworks](#), December 2012

¹⁰ [Three Year Integrated Medium Term Plans 2015-2018 and 2016-2019](#)

- to ensure that the services provided are accessible and sustainable into the future;
- to provide strong governance and assurance; and
- to ensure good value based care and treatment for our patients in line with the resources made available to the Health Board.

56 The Health Board's overarching core objectives are at a high level which makes it more difficult to clearly determine what success looks like, what needs to be done to achieve the objective and therefore what areas of assurance are required. Whilst all of the Board members responding to our survey felt that the organisation has clearly articulated what success against the objectives looks like, there is scope for the Health Board to critically review the way it articulate its objectives. Organisations that appear to be more successful at developing and using a BAF have articulated objectives in a way which provides sufficient detail in their own right, and/or have split the objectives into sub-objectives and aims. This greater level of detail is used as a basis for determining the required assurances.

57 Although the Health Board's strategic objectives are at a high level each one has clearly articulated risks which does help it to determine what assurances are be required to mitigate threats to the successful delivery of particular objectives. The Health Board should consider how it can better articulate objectives and whether it can incorporate in-year priorities within the BAF.

58 It is positive to note that the Health Board has an objective regarding governance and assurance and a risk domain in its BAF which is called Statutory Duty/Inspections. Examples of risks in this domain are; Ensure compliance with Legislation and Failure to meet Fire Safety Standards.

59 The BAF is structured around the five core objectives and each identified risk is allocated to a lead committee. The Board has delegated the overall monitoring of assurance to the Audit Committee. The Audit Committee examine the arrangements in place to provide comprehensive and reliable assurance. At its meeting in July 2016 the committee clearly articulated what further developments and improvements it wanted in the BAF both in terms of identified risks and sources of assurances, for example, the inclusion of nurse staffing as a risk and clinical audit and the Capital Programme Board as sources of assurance. The Audit Committee needs to consider how it regularly reviews and monitors assurances within the Board Assurance Framework as it currently does not have a forward work programme.

60 It is positive to note that in addition internally focused risks, the BAF contains a number of specific risks which recognise the need to work with other bodies to deliver objectives including, 'failure to work closely with partners to improve the overall health of their local population' and to 'continue to develop truly integrated services with our partners including local authorities and the third sector, across areas such as health and social care and reablement services, particularly for children and the frail elderly'.

- 61 The Health Board has identified gaps in assurance around ICT and partnership governance which it is actively seeking to address. For example, work is taking place on partnership governance with partners and at an all Wales¹¹ level and an ICT Strategy has been developed, although not yet approved, and the function will report to a new Executive Director. Our work on ICT and information management has raised a number of issues and we aim to follow up next year as part of our on-going ICT audit work to assess how information management and technology are being developed and managed. Eleven of the responders to our board member survey agreed that the Health Board effectively identifies assurances required to ensure achievement of corporate objectives.
- 62 The BAF is owned by Board and is considered formally by Board each year. It is scheduled to be reported to Board in January 2017 which aligns with the Health Board's integrated medium term planning arrangements and timetable.
- 63 Current risk management arrangements provide a reasonable basis to understand and respond to key organisational risks but will need to be reviewed once the new organisational structure is implemented and the Datix Risk Module roll-out is completed within directorates in 2017. The Health Board's corporate risk register is routinely reported to Board and also the Audit Committee. Each risk within the register has been allocated to a committee for oversight and scrutiny and a summary of the committee risk register is reviewed and regularly updated at committee meetings.
- 64 The Health Board has adopted both formal and informal arrangements to ensure that any issues of concern or risk can be appropriately escalated. These include formal reporting mechanisms to Board and referral arrangements between committees in addition to less formal arrangements to assist quick and direct escalation to the Chief Executive and Board Chair. Most of the Board members responding to our survey either agreed or strongly agreed with the statement, 'I am clear on the range of actions that committees or sub-committees can take to manage or escalate issues'.
- 65 In broad terms, the picture that is emerging from our comparative work on board assurance frameworks is that the Health Board compares well with other health bodies on a number of areas including board assurance mapping attributes and engaging independent members in the development of the BAF.
- 66 In 2015 we made the following recommendation relating to board assurance framework development. [Exhibit 6](#) describes the progress made.

¹¹ All Wales Board Secretaries Group

Exhibit 6: progress on 2015 board assurance framework recommendation .

2015 recommendation	Description of progress
<p>2015 R4 Map performance measures to the Board Assurance Framework to ensure that there are no gaps in assurance.</p>	<p>On track but not yet complete Despite the Health Board only partly accepting this recommendation it believes the development of its Performance Management Framework will address this recommendation.</p>

The board and its committees are operating effectively with improvements made in the transparency of public reporting but recent changes to quality, safety and risk committee will need time to become fully effective

- 67 Like last year our observations of Board and committee meetings found improving levels of scrutiny and challenge with generally good responses from Executives. Board members strongly believe there is a culture of transparency in the Trust. In response to the statement in our survey ‘The organisation has made a concerted effort to ensure openness and honesty of all those involved in providing assurance to Board and its committees’, all respondents strongly agreed or agreed.
- 68 The Board’s administration and conduct is effective with processes in place to review board and committee effectiveness. The Board has introduced paperless meetings which has been successful and many users told us that the system is easy to use. Despite this there are still some challenges in meeting the Health Board’s timescale for issuing committee papers one calendar week before the meeting. Last year we identified the risks of the reduced timescale and the potential impact upon a committee’s ability to consider reports. This is still a challenge for the Health Board particularly as there will be four new independent members in 2017.
- 69 The Health Board adopted a revised scheme of delegation in April 2016. The scheme of delegation is clear and our work on the 2015-16 accounts found no particular issues with its application. Next year we will review the scheme as part of a whole system review.
- 70 During the year the Health Board has improved its approach to both committee self-assessment and development of committee forward work programmes:
- electronic annual self-assessments are now undertaken across all committees and there have been lessons learnt for example, the need to ensure audit is a key source of assurance. However, it is not clear if an overall evaluation is undertaken to identify learning that can be shared across all committees. The Board self-assesses against the governance and accountability module. Our Board member survey found in response to the statement ‘The Health Board has an effective approach for assessing the

effectiveness of the Board and its committees', four respondents strongly agreed and eight agreed.

- forward work programmes have been developed for all committees except the Audit Committee. The Health Board considers that the agenda for the Audit Committee is such that it has a structured programme based around the internal and external audit programmes. However, we would recommend that a forward work programme for this committee is developed, in particular, to assist the committee plan and timetable their requests for future update reports. More broadly, the Health Board recognise the opportunity to use work plans to collectively identify assurance gaps at its Integrated Governance Committee.

- 71 On occasions the Health Board uses motions to raise exceptional items for discussion at Board meetings. During the course of the year we identified a particular issue where a set of board minutes did not accurately or comprehensively record the procedure followed in making a decision. The decision related to funded nursing care and although it was made in accordance with the appropriate procedure the minutes did not record how the decision was made, ie it was proposed and seconded. This was raised with the Health Board and they have taken action to address this. We will follow up this up next year as part of our on-going audit work.
- 72 The Health Board has improved transparency in public reporting. During the year a revised board report template was implemented. A key feature is the Freedom of Information Status which the Board believed as an essential prerequisite before making committee papers publically available. A review of committee papers indicates that the new template is becoming increasingly embedded, however, recent reports to some committees have not used the report template. More use could be made of the report template when policies and plans are reported to committees to clearly articulate what action is required by members.
- 73 Since October 2016 the Health Board has placed the papers for all its committees in the public domain via its website. This is a significant development as previously only Board papers were in the public domain. The Health Board is seeking to further improve accessibility by having committee papers available on the website in advance of meetings taking place.
- 74 We undertook a review of the health Board's website to assess compliance with the Welsh Health Circular¹² regarding the publication and accessibility of information. The Circular contains both action which requires compliance and also recommendations for consideration:

¹² WHC/2016/033 - Publication of information on Local Health Board and NHS Trust websites. The purpose of this Welsh Health Circular is to require the publication of information on Local Health Board and NHS Trust public facing internet websites and to ensure that published information is easily accessible.

- action which requires compliance – the Health Board meets the requirements.
 - recommendation for consideration – of the four items we could not find evidence of two (flexible visiting times policy and human rights policy or a health and safety policy). The Health Board is addressing these outstanding items.
- 75 The Health Board has a programme of diarised bi-monthly board development sessions. These sessions have covered a range of topics such as responding to new legislation, Health and Care Standards (including the annual governance and assurance self-assessment), Welsh Health Specialised Services, Employee Engagement and IMTP. There are also some topics that have been identified for future sessions including risk appetite and the role of a committee chair and independent members.
- 76 Despite the approach adopted by the Board our survey of Board members showed a mixed response to the statement ‘The programme of board development supports board member skills and confidence in effectively handling assurance and scrutinising delivery against objectives’, with one respondent strongly agreeing, seven respondents agreeing, three neither agreeing or disagreeing and one disagreeing.
- 77 In April 2016 the Health Board had three newly appointed Independent Members and induction comprised both structured elements and elements tailored to the individual member. Each new independent member was paired with a mentor. We were told that induction was flexible and met the needs of a newly appointed member.
- 78 There are four independent members whose terms of office end during 2017 including the Chairman. The Chairman has been focused on dealing with potential succession issues and has undertaken a number of strategies including shadowing opportunities for future committee chairs and extending terms of office where appropriate. The Chairman is also engaging with Welsh Government, who are responsible for appointment independent members, to explore opportunities for his replacement and the potential for them to be involved in new member recruitment during 2017.
- 79 The Health Board recognises where it needs to strengthen the operational effectiveness of some of its committees and recognises some committees are still developing for example, the Primary Care Committee. It has reviewed and strengthened the membership of the Audit Committee but will need to ensure in 2017 that as a minimum at least one Independent Member of the Audit Committee has recent relevant financial experience. The Audit Committee’s level of challenge and scrutiny is improving and it supports the organisation’s governance and internal control arrangements.
- 80 During the year the Health Board has continued to review its governance arrangements including the on-going review of its quality and safety committee. In common with other health boards, there were challenges with this committee

in respect of the size of agendas and establishing a supporting structure that facilitates an appropriate flow of information to the committee. During the review of this committee the Health Board took the decision to combine the quality and safety and the corporate risk committees with the intention of reducing duplication and improving effectiveness. The inaugural meeting of the quality, safety and risk committee took place in October 2016. The committee's membership is restricted to Independent Members with officers in attendance, a move which is intended to improve scrutiny and accountability. There is also a new supporting structure being developed which includes a quality improvement steering group, a quality assurance group and a range of other sub-groups. At the time of reporting these supporting arrangements had not been finalised and the Health Board will need to agree and implement the structures in a timely way and to formally review in October 2017 as agreed. It is too early to assess the committee's effectiveness and we will review its governance and operation as part of our audit work next year.

- 81 In 2015 we made the following recommendations relating to board and committee effectiveness. [Exhibit 7](#) describes the progress made.

Exhibit 7: progress on 2015 board and committee effectiveness recommendations

2015 recommendation	Description of progress
<p>2015 R5 Review website content in relation to key corporate documents and plans to ensure that current versions are clearly signposted to improve accessibility by members of the public</p>	<p>Complete The Health Board has independently created a new website and key corporate documents and plans are accessible. The Health Board complies with the requirements of Welsh Health Circular¹³.</p>
<p>2015 R6 Develop and embed forward work programming in all sub-committees and groups that support the Board.</p>	<p>Complete Forward work programmes have been developed for all committees except the Audit Committee. They are used to agenda plan and are reviewed at each meeting. The Health Board recognise the next stage of development is for work programmes to be reviewed collectively across the committees to improve assurance arrangements.</p>
<p>2015 R8 Develop succession planning for the existing cohort of Independent Members</p>	<p>Complete Induction arrangements are led by the Chairman of the Board and are tailored to</p>

¹³ see [Footnote 12](#)

2015 recommendation	Description of progress
and develop induction arrangements in anticipation of terms of office ending.	<p>respond to the needs of individual Board Members.</p> <p>There are further challenges facing the Board as four independent members terms of office end in 2017 including the Chairman.</p>
<p>2015 R9</p> <p>Put in place arrangements to achieve a uniform level of operational practice across all committees in terms of chairmanship and scrutiny.</p>	<p>On track but not yet complete</p> <p>The Health Board has updated its House Style, adopted a more proactive agenda planning arrangements across its committees and established chair briefings. The Chairman also observes committees periodically and provides feedback in addition to the formal Chairman's annual appraisal of independent members.</p> <p>There are further challenges facing the Board as four independent members terms of office end in 2017 including the Chairman.</p>
<p>2015 R10</p> <p>Consider whether that as a minimum at least one Independent Member of the Audit Committee has recent relevant financial experience. If this is not the case the Health Board should consider other arrangements, such as appointing an associate non-executive with that relevant experience.</p>	<p>Complete</p> <p>The Health Board has reviewed the terms of reference and membership for Audit Committee. The Independent Member (Finance) lead is now a member of the Audit Committee.</p> <p>The Health Board will need to ensure it has at least one independent member with recent financial experience as the term of office for the current member ends in 2017.</p>
<p>2015 R11</p> <p>Develop a mechanism to ensure that the Wales Audit Office recommendations that predate January 2014 and which are still valid are appropriately monitored.</p>	<p>Complete</p> <p>The WAO recommendations tracker includes all outstanding recommendations and is regularly reported to Audit Committee.</p>

The Health Board has made good progress in addressing 2015 recommendations but progress in addressing other audit recommendations relating to information management and technology recommendations is slow

82 Our structured assessment work in 2016 has reviewed both the progress made by the Health Board in addressing the 12 recommendations made last year as well as recommendations made in other audit reports. Recommendations relating to financial planning, performance management and reporting, board and committee effectiveness and the board assurance framework have been

described in the earlier sections of this report. Overall the Health Board has made good progress on addressing our 2015 structured assessment recommendations and recognises that work on some is still on-going. Of the 12 recommendations seven are complete and the remainder are in progress, however, three of the recommendations are overdue, ie past their original completion date. We found that the tracker information, reported to Audit Committee in October 2016, is consistent with our assessment of progress made in relation to our 12 structured assessment recommendations.

83 In addition to reviewing the actions taken to address our 2015 structured assessment recommendations, we also considered the effectiveness of the Health Board's arrangements to manage and respond to recommendations from our other audit reports. The Audit Committee receives a regular recommendation tracker report which details the progress made against all our recommendations.

In addition, a summary tracking report is produced which identifies the number of recommendations made, the number achieved, the number outstanding, the number not yet falling due and the number out of date. The tracking reports are considered at every audit committee meeting and are used to challenge the pace of progress. The committee actively monitor high and medium risk recommendations where the implementation dates have lapsed and requires the Executive Director to attend the Committee to explain any delay.

84 In October 2016, the audit tracker reported to the Audit Committee stated that of the 126 recommendations made 27 recommendations were overdue ie beyond their original completion date. Nine related to our information management and technology report. The Health Board needs to address the pace at which these recommendations are addressed as they relate to key business functions and it is also recognised by the Health Board as a risk.

85 Our Board member survey found in response to the statement 'Over the last 12 months, the Health Board has taken timely and appropriate action in response to external review and inspection findings', eight respondents strongly agreed and four agreed.

86 Whilst internal and external audit reports receive the necessary profile at the board's committees, the picture is less consistent in respect of reports produced by the Delivery Unit, which typically identify important opportunities and recommendations to strengthen operational delivery. The Health Board needs to ensure that these reports receive the necessary profile and attention within the organisation's governance and assurance arrangements, although it is noted that some recent Delivery Unit reports have been considered by the Finance, Performance and Workforce Committee.

Appendix 1

The Health Board's management response to 2016 structured assessment recommendations

The Health Board's management response will be inserted once the response template has been completed. The appendix will form part of the final report to be published on the Wales Audit Office website once the report has been considered by the board or a relevant board committee.

Exhibit 8: management response

The following table sets out the 2016 recommendations and the management response.

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R1	<p>Board Assurance Framework</p> <p>In order to better identify board assurance requirements, consider:</p> <ul style="list-style-type: none"> articulating strategic objectives more clearly by using sub-objectives or aims; and including in-year IMTP priorities. 	Improved basis for determining assurances required to successfully deliver the Health Board's strategic objectives.	Yes	Yes	The UHB will consider this recommendation further as it developed the refresh of the UHBs IMTP for 2017-20.	March 2017	<p>Director of Planning & Performance /</p> <p>Board Secretary / Director of Corporate Services & Governance</p>

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R2	Audit Committee The Audit Committee should: <ul style="list-style-type: none"> ensure that it has appropriate arrangements in place to regularly review and monitor assurances within the Board Assurance Framework; and develop a forward work programme to assist the committee plan and timetable meetings. 	Assurance arrangements are regularly reviewed to ensure they are still fit for purpose.	Yes	Yes	The Board has agreed that the Audit Committee review at least twice per annum its maturing Board Assurance Framework. This is in addition to the once per annum Board consideration.	Review approach in July 2017 (as part of completion of Committee Annual Report)	Board Secretary / Director of Governance & Corporate Services
		Improved planning and agenda management.	No	Yes	The Audit Committee will develop a forward work programme.	February 2017	Board Secretary / Director of Governance & Corporate Services
R3	Committee effectiveness The Health Board should ensure: <ul style="list-style-type: none"> all reports to Board and committees adopt the revised report template; and 	Improved consistency and compliance with the Health Board's House Style requirements. Improved clarity of action required by Board and committees	No	Yes	The vast majority of Board / Sub Committee papers are developed within the agreed template. We will continue to ensure consistency of application.	Ongoing	Board Secretary / Director of Governance & Corporate Services

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> the report template is used to clearly articulate the purpose of the report and the action/decision required when plans and policies are reported to Board and committees. 		Yes	Yes	The Executive will reinforce the requirement for this recommendation to be enacted and ongoing review will take place via Corporate Services / Secretariat.	Ongoing	All Directors and Board Secretary / Director of Governance & Corporate Services
R4	<p>Committee effectiveness</p> <p>Complete the design of the supporting structures for the newly created Quality, Safety and Risk Committee.</p>	<p>Better understanding of the arrangements and assurances provided by the different components of the supporting structure.</p> <p>Those charged with governance have assurance that the committee will operate as intended.</p>	Yes	Yes	<p>The Executive will ensure that the sub structures for the Committee are developed and in place to help inform the work of this important Health Board Committee.</p> <p>A review period has also been agreed with the Chair of the Board and CEO.</p>	<p>April 2017</p> <p>June 2017</p>	<p>Director of Nursing, Midwifery & Patient Services</p> <p>Board Secretary / Director of Governance & Corporate Services</p> <p>Director of Nursing, Midwifery & Patient Services</p> <p>Board Secretary / Director of Governance &</p>

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
							Corporate Services
R5	<p>External Reports</p> <p>The Health Board should ensure that reports from the Delivery Unit are subject to the organisation's governance and assurance arrangements.</p>	Improved governance and assurance arrangements, Those charged with governance are better informed of external reports.	Yes	Yes	The appropriate lead Director will, following discussion with the Board Secretary, agree the relevant governance route for DU related reports.	Ongoing	All Directors and Board Secretary / Director of Governance & Corporate Services
R6	<p>Combined follow-up of Information Management and Technology audits</p> <p>Address the pace at which outstanding information management and technology recommendations are addressed.</p>	Achieve the benefits as set out in the original report.	Yes	Yes	The Health Board recognizes the need for pace in taking forward and delivering recommendations in relation to ICT. Taking forward the revised management structure, realigning the Director portfolio and implementing the ICT	<p>April 2017 (Executive lead / Management Structure and outstanding ICT actions)</p> <p>The ICT Strategy will have a longer term trajectory for implementation</p>	Lead Director for ICT

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
					Strategy, will help address the progress needed.		
R7	<p>Financial control Strengthen arrangement over financial control and stewardship by:</p> <ul style="list-style-type: none"> • agreeing consistent roles and responsibilities of staff leading the cross cutting themes for savings; and • agreeing a consistent approach and terms of reference for Clinical Business Meetings as recommended by Internal Audit. 	Greater clarity of roles and terms of reference for key controls over savings delivery	Yes	Yes	Agreed. Will be addressed in 2017/18 arrangements for signing off cross cutting theme scopes and action plans.	2017/18	All Directors and Board Secretary / Director of Governance & Corporate Services
			Yes	Yes	The Executive will develop generic terms of reference for the CBMs.	April 2017	
R8	<p>Financial performance Strengthen arrangements for the monitoring and</p>	Reduces risk of non delivery of savings plans	Yes	Yes	Agreed. Will be addressed in 2017/18 financial reporting.	2017/18	Director of Finance

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	reporting of savings plans against targets by ensuring there is clear accountability, understanding and reporting of why savings are not delivered.				Important to note the developing 'draft' of the UHB's Performance Management Framework, which will be finalized in alignment with revised management structures.	2017/18	Director of Performance & Planning

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