

Structured Assessment 2024 – Swansea Bay University Health Board

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Summary report

About this report

- 1 This report sets out the findings from the Auditor General's 2024 structured assessment work at Swansea Bay University Health Board (the Health Board). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement 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. Our review of the Health Board's corporate approach to setting new well-being objectives in accordance with the sustainable development principle is being undertaken to help discharge the Auditor General's duties under section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 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 Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on:
 - corporate approach to planning;
 - corporate approach to financial management;
 - corporate systems of assurance; and
 - board transparency, cohesion, and effectiveness.
- 4 We have not reviewed the Health Board operational arrangements as part of this work as we published a separate [Review of Operational Governance](#) in September 2024.
- 5 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.
- 6 In January 2024, the Health Board was escalated under the [NHS Wales escalation and oversight framework](#). At this time, the Health Board was placed in enhanced

monitoring (Level 3) for maternity and neonatal services as well as for finance, strategy, and planning. The Health Board was also placed into Targeted Intervention (Level 4) for performance and outcomes. However, in November 2024, finance, strategy, and planning was further escalated to targeted intervention (Level 4) due to the Welsh Government's reduced confidence in the Health Board's financial position and forecast deficit for 2024-25.

- 7 We undertook our work between June 2024 and November 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.
- 8 We also provide an update in this report on the Health Board's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

Key findings

- 9 Overall, we found that **the Health Board is improving aspects of its governance arrangements, and good progress has been made to stabilise the Board. However, the financial position for 2024-25 remains extremely challenging, and urgent and on-going action is needed to manage the factors that are driving costs. A refreshed and re-aligned approach to strategic planning is also needed to set a direction towards models of care which support good population health and services which are clinically and financially sustainable.**
 - We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery. We found that **the Health Board lacks a long-term strategy which is affecting the ability to develop plans which support improvements to population health, enable sustainable service transformation and achieve financial balance.**
 - We considered whether the Health Board has a sound corporate approach to managing its financial resources. We found that that **the Health Board's financial position for 2024-25 is deteriorating with delivery of savings and arrangements for managing and holding to account for financial delivery within service groups of continued concern.**
 - We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services. We found that **whilst the Health Board is strengthening its risk management arrangements, there are significant operational financial and performance challenges, and arrangements for holding to account for both finance and performance need urgent action. There also remain opportunities to strengthen oversight of the quality and safety of services.**

- We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently. We found **the Board remains committed to conducting its business in an open and transparent manner, and recent changes have improved the committee structure. Progress is also being made to stabilise the Board. However, opportunities remain to strengthen performance reporting.**

Recommendations

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

Exhibit 1: 2024 recommendations

Recommendations	
R1	<p>The Health Board should:</p> <ol style="list-style-type: none"> 1.1 develop a long-term strategy, aligned to its long-term vision, which defines the required sustainable service solutions and decisions for the medium to longer term, whilst also providing a strong focus on population health and prevention (Paragraph 16); 1.2 develop a balanced financial plan that is linked to the new long-term strategy, using financial assumptions where necessary, (Paragraph 16); and 1.3 review and where appropriate refresh relevant enabling strategies and plans (ie estates, digital, workforce, clinical services) to ensure they align with the new long-term strategy (Paragraph 16).
R2	<p>The Health Board needs to ensure that the Board and its committee regularly monitor and scrutinise progress against delivery of its well-being objectives (Paragraph 22).</p>
R3	<p>The Health Board needs to ensure that Board and Committee arrangements for monitoring and scrutinising the delivery of the Health Board's savings schemes are able to capture performance across the entirety of savings schemes that are in place (Paragraph 51).</p>

Recommendations

- R4 The Health Board needs to strengthen ownership and accountability of audit recommendations to ensure that recommendations are addressed in a timely manner (**Paragraph 72**).
-
- R5 The Health Board should address the issues currently preventing it from livestreaming public Board meetings (**Paragraph 78**).
-
- R6 The Health Board needs to improve agenda planning for Committees to ensure sufficient time is available to cover items (**Paragraph 89**).
-
- R7 The Health Board should transfer responsibility for patient concerns and complaints from the Director of Corporate Governance to an appropriate Executive Director (**Paragraph 101**).

Detailed report

Corporate approach to planning

- 11 We considered whether the Health Board has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 12 We found that **the Health Board lacks a long-term strategy which is affecting its ability to develop plans which support improvements to population health, enable sustainable service transformation, and achieve financial balance.**

Corporate approach to producing strategies and plans

- 13 We considered whether the Health Board has a sound corporate approach to producing, overseeing, and scrutinising the development of strategies and corporate plans. We were specifically looking for evidence of:
 - a clear Board approved vision, appropriate objectives and a long-term strategy in place which are future-focussed, rooted in population health, and informed by a detailed and comprehensive analysis of needs, opportunities, challenges, and risks;
 - the long-term strategy underpinned by an appropriate Board approved long-term clinical strategy;
 - appropriate and effective corporate arrangements in place for developing and producing the Integrated Medium Term Plan (IMTP), and other corporate plans; and
 - the Board appropriately scrutinising the IMTP and other corporate plans prior to their approval.
- 14 We found that **despite having an agreed long-term vision, the Health Board is yet to develop a new long-term strategy for the organisation. Furthermore, it is also working to an Annual Plan for 2024-25 as it was unable to produce a financially balanced three-year IMTP.**
- 15 The Health Board has an agreed long-term vision, which sets out the clear aspiration of the Health Board to be a high-quality organisation. To support delivery, the Health Board has many enabling strategies and plans, such as the 10-year Estates Strategy, the 10-year Digital Strategy, Clinical Services Plan 2019-2024, and the new 5-year People Strategy approved by the Board in February 2024. Whilst these strategies are well written and well-intentioned, they are not aligned to each other and, in some cases, lack clear plans for implementation. For example, little progress has been made to date in delivering the Population Health Strategy (approved by the Board in March 2023) as it lacks an implementation plan (see **paragraph 18**). The Health Board intends to refresh its current Clinical Services Plan (which covers the period 2019-2024) by the end of March 2025.
- 16 However, the Health Board needs to develop a more cohesive approach to strategic planning that is shaped by a new long-term whole system strategy that is focused on population health, gives effect to the Health Board's vision and

supports the development of clinically and financially sustainable healthcare services. The strategy should build on the work already undertaken to develop the enabling strategies and plans and include a strong focus on population health and prevention (**Recommendations R1.1 and R1.2**). The Health Board will need to review its existing strategies and plans to ensure they align to the new long-term strategy (**Recommendation 1.3**, see **Appendix 2 R1b 2022**).

- 17 The Health Board is currently working to an Annual Plan this year as it was unable to submit a financially balanced three-year Integrated Medium Term Plan to the Welsh Government. The Health Board has continued to demonstrate good internal engagement in developing its plan through the Annual Plan Steering Group and Annual Plan Oversight Committee and Board Briefing Sessions. The service groups have continued to develop their own bottom-up plans. However, the plan that was developed was unaffordable and at the time of our work, remained unapproved by the Welsh Government due to the organisation's worsening financial position and forecast deficit for 2024-25. We discuss the Health Board's financial challenges in more detail in **paragraph 31**.

Corporate approach to setting well-being objectives

- 18 We considered whether the Health Board has a sound corporate approach to setting its well-being objectives in accordance with the sustainable development principle¹. We were specifically looking for evidence of:
- appropriate arrangements in place for setting well-being objectives which are underpinned by the sustainable development principle;
 - appropriate consideration given to how the organisation will ensure delivery of its well-being objectives; and
 - appropriate arrangements in place to monitor progress and improve how the organisation applies the sustainable development principle.
- 19 We found that **despite having clear well-being objectives, the Health Board needs to improve its arrangements for monitoring their delivery**.
- 20 The Board approved a Population Health Strategy in 2023 which set out the Health Board's well-being objectives based on the Marmot principles². The well-being objectives were co-produced with partners and are based on research in relation to population health and health inequalities. However, as previously discussed in **paragraph 14**, the lack of a detailed implementation plan has affected progress. As also referenced in **paragraph 14**, the Health Board will need to review its existing strategies, including the Population Health Strategy to ensure it aligns to the new long-term strategy. If the Health Board decides that the Population Health

¹ Under [The Well-being of Future Generations \(Wales\) Act 2015](#), the Health Board is required to set and publish well-being objectives that are designed to maximise its contribution to achieving each of the well-being goals.

² Institute of Health Equity Marmot Principles

Strategy remains relevant, then it needs to ensure it is underpinned by an implementation plan.

- 21 The Health Board's 2024-25 Annual Plan clearly identifies the objectives of the Public Services Boards³ as well as the priorities set out in the Regional Partnership Board Area Plan. It also shows how they align to the Health Board's well-being objectives and broader strategic objectives.
- 22 The Board monitors delivery of the 2024-25 Annual Plan strategic objectives through its 'Goals, Methods, and Outcomes' process. However, there is insufficient oversight of the delivery of the well-being objectives. The Health Board's quarterly Annual Plan progress reports to Board have not included an update on delivery of the well-being objectives to date. However, it has indicated that updates will be included in future reports, starting with the quarter three report (**Recommendation R2**).

Corporate approach to overseeing the delivery of strategies and plans

- 23 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising the implementation and delivery of corporate plans. We were specifically looking for evidence of:
- corporate plans, including the IMTP, containing clear strategic priorities/objectives and SMART⁴ milestones, targets, and outcomes that aid monitoring and reporting; and
 - the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.
- 24 We found **that the Health Board has generally good arrangements for monitoring delivery of corporate plans and strategies, but opportunities remain to strengthen these arrangements further.**
- 25 The Health Board's plans and strategies continue to have clear objectives, milestones, measures, and actions. For example, the Annual Plan clearly sets out key service changes, milestones, and priorities for 2024-25. Quarterly actions are also clearly set out in the plan, along with defined outcome measures to ensure baselines are in place to support monitoring.
- 26 The Health Board has generally good arrangements in place for monitoring delivery of the 2024-25 Annual Plan at Board and committee level. The Board and Performance and Finance Committee receive a quarterly progress update following scrutiny by the Annual Plan Oversight Group (APOG), which is chaired by the Chief Operating Officer. Whilst a report for quarter one was not produced, the

³ There are two Public Services Boards – one for Neath Port Talbot and one for Swansea.

⁴ Specific, measurable, achievable, relevant, and time-bound

quarter two report provides a clear assessment of progress against the plan, with 63% of actions assessed as 'on track' for delivery. The report contained sufficient detail on the steps being taken to address areas 'off track' to provide assurance. However, as noted in **paragraph 20**, these reports should also provide oversight of the Health Board's progress in delivering its well-being objectives.

- 27 Last year, we found there were no arrangements in place to oversee the delivery of the Population Health and Estates Strategies. This has now been addressed, with the Performance and Finance Committee overseeing delivery of the Estates Strategy, and the Population Health and Partnerships Committee planning to receive an update on the Population Health Strategy on an annual basis (see **Appendix 2 R8 2023**). However, the Health Board still needs to improve Board oversight of delivery of the corporate plans supporting the Clinical Services Plan (see **Appendix 2 R2 2022**).

Corporate approach to managing financial resources

- 28 We considered whether the Health Board has a sound corporate approach to managing its financial resources.
- 29 We found **that the Health Board's financial position for 2024-25 remains incredibly challenging, with urgent action required to deliver savings schemes in full as well as to hold budget holders to account for meeting financial targets to prevent further deterioration.**

Financial objectives

- 30 We considered whether the Health Board has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of the organisation:
- meeting its financial objectives and duties for 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.
- 31 We found that **the Health Board did not meet its financial objectives and duties for 2023-24 and is unlikely to meet them in 2024-25 given the significant financial pressures and challenges facing the organisation.**
- 32 The Health Board did not meet its financial objectives and duties for 2023-24, reporting a year-end deficit of £16.8 million against its revenue resource limit. The Health Board, therefore, breached its duty to break even over the three-year rolling period 2021-2024, with a cumulative deficit of £39.3 million and an underlying deficit of £54.8 million. However, it did achieve a small surplus of £55,000 against its capital resource limit.

- 33 The Health Board has not been able to submit a balanced financial plan for the three-year period 2024-2027 and is instead working to an Annual Plan which sets out a predicted deficit of £50.8 million for 2024-25. The Health Board, therefore, will fail to meet its financial duties relating to its revenue resource limit for this financial year, and the three-year rolling period 2022-2025 with a cumulative predicted deficit of £89.4 million.
- 34 The 2024-25 Annual Plan was originally predicated on a planned deficit of £50.1 million, which did not meet the expected total control deficit of £17 million which had been required by the Welsh Government. The Health Board has been asked twice by the Welsh Government to review and resubmit its Annual Plan with the aim of improving the year-end financial position. However, it has been unable to do so on both occasions, with the resubmissions in May and September 2024 forecasting year-end deficit positions of £50.8 million and £50.1 million respectively. At the time of reporting, the Welsh Government was still indicating that the Health Board's 2024-25 Annual Plan was unsupportable.
- 35 The financial position for the Health Board is extremely challenging. At Month 7 2024-25, the Health Board was reporting a year-to-date deficit of £48 million⁵, an adverse variance of £18.8 million against the year-to-date profile of which £15.5 million related to pay. The Morriston Service Group's financial position has continued to be a particular challenge for the Health Board, with the Month 7 position indicating a year-to-date deficit of £15.9 million.
- 36 In December 2024, the Health Board received an additional in-year recurrent allocation of £6.4 million from the Welsh Government in recognition of the consistent pressures being experienced by all health boards. Based on this, the Health Board's year-end forecast at Month 8 2024-25 has reduced from the current forecast of a £50.1 million deficit to a forecast of a £43.7 million deficit. However, the Health Board's ability to stay within this planned deficit is dependent on its ability to curtail variable pay and the costs associated with drugs, clinical supplies, and continuing healthcare, as well as delivering the required savings.

Corporate approach to financial planning

- 37 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising financial planning. We were specifically looking for evidence of:
- clear and robust corporate financial planning arrangements in place;
 - the Board appropriately scrutinising financial plans prior to their approval;
 - sustainable, realistic, and accurately costed savings and cost improvement plans in place which are designed to support financial sustainability and service transformation; and

⁵ This figure is prior to the additional £6.4 million allocated by the Welsh Government in December 2024.

- the Board appropriately scrutinising savings and cost improvement plans prior to their approval.
- 38 We found that **despite having a clear process for financial planning, the development and delivery of savings plans remain a challenge for the Health Board.**
- 39 The Health Board continues to have a clear process for developing its financial plan from the 'bottom-up'. Board members have also continued to have good engagement, with the Board and Performance and Finance Committee involved in developing and scrutinising the plan prior to its submission. However, driven by the current financial position, financial planning remains very focussed on the Health Board's financial challenges in the short term rather than over the medium to long term.
- 40 The Health Board needs to deliver a significant level of savings to achieve its forecast position. However, as we noted in our 2024 [Review of Cost Saving Arrangements](#), it has a generally poor track record of achieving its savings targets and delivering recurrent savings. The Health Board's initial savings target for 2024-25 was £26.1 million. However, this has now been increased to £59.2 million due to the worsening in-year financial position. At the time of our work, the Health Board had a shortfall of £11.4 million against this savings target and further work was ongoing with the service groups to identify further savings. The Morriston Service Group and the Corporate Directorates (Digital) were holding the highest risk of non-delivery at the time of our work.
- 41 To support the identification and delivery of savings, the Health Board has established a Recovery and Sustainability Board, with workstreams focussing on key areas including procurement and non-pay, workforce, continuing healthcare, and medicines value and sustainability. The Recovery and Sustainability Board aims to oversee the delivery of a significant reduction in the Health Board's levels of expenditure to achieve service sustainability in the short to medium term (one to ten years). There is a focus on immediate actions and expenditure control, short-term service change, and medium-term recovery. It has strong executive leadership, and reports to the Performance and Finance Committee for scrutiny and oversight. To date, the Recovery and Sustainability Board has identified schemes in partnership with the operational and corporate teams, and a programme of quality impact assessments have been undertaken on the proposals. However, the process is in its infancy, and it remains to be seen how effective the arrangements are in containing expenditure and delivering savings.

Corporate approach to financial management

- 42 We considered whether the Health Board has a sound corporate approach to overseeing and scrutinising financial management. We were specifically looking for evidence of:

- effective controls in place that ensure compliance with Standing Financial Instructions and Schemes of Reservation and Delegation;
- the Board maintaining appropriate oversight of arrangements and performance relating to single tender actions, special payments, losses, and counter-fraud;
- effective financial management arrangements in place which enable the Board to understand cost drivers and how they impact on the delivery of strategic objectives; and
- the organisation's financial statements for 2023-24 were submitted on time, contained no material misstatements, and received a clean audit opinion.

43 We found that **the Health Board has generally good corporate arrangements for overseeing and scrutinising financial management. However, it needs to significantly improve its arrangements for holding budget holders to account for delivering financial targets.**

44 The Health Board continues to have good arrangements for ensuring compliance with statutory instruments, and to report and challenge breaches. The Standing Financial Instructions and Schemes of Delegation have been reviewed and approved by the Board in March 2024. The number of single tender actions and losses and special payments are routinely scrutinised by the Audit Committee. The Health Board continues to have proactive counter fraud arrangements in place.

45 The Health Board is aware of its cost drivers and reports on these issues regularly. Accountability letters have been issued to all service groups and corporate directorates and detailed financial information is available to monitor progress against budgets and savings plans. Last year, we found that two accountability letters had yet to be signed. Whilst this situation has improved, one accountability letter remained unsigned at the time of our recent work (see **Appendix 2 R9 2023**). The balanced scorecard approach continues to be used to support financial monitoring.

46 The current financial position highlights the need for the Health Board to improve its approach to financial management and establish a robust framework for holding operational teams to account for delivery. Our 2024 Review of Cost Savings Arrangements highlighted that the internal escalation process for underperforming service groups and corporate directorates was not sufficiently effective, as highlighted by the continued escalation of Morriston Service Group which has not led to any improvement over a number of years. We understand that the Health Board is reviewing the escalation process for 2024-25. Through our work, we have also identified opportunities to strengthen training on financial and budget management for operational staff.

47 The Health Board submitted good quality draft financial statements for external audit within the required timescales. Our audit identified no material misstatements but did identify some areas where corrections should be made. We issued an unqualified opinion in respect of the true and fairness of the accounts but a

qualified regularity opinion due to the Health Board not meeting its revenue resource allocation over the rolling three-year period ending 2023-24.

Board oversight of financial performance

- 48 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.
- 49 We found that **the Health Board continues to have robust arrangements for monitoring and scrutinising its financial position, which have been strengthened further this year.**
- 50 A detailed financial report is presented at every Board and Performance and Finance Committee. The report clearly sets out the revenue position, forecast position, as well as performance against the required savings target, capital spends, costs associated with commissioned activity and payment of non-NHS invoices. Arrangements have been further strengthened this year with the Performance and Finance Committee receiving financial reporting presentations from service groups on a quarterly basis to enable more detailed scrutiny into areas of concern.
- 51 Last year, we highlighted the need for greater reporting to the Board on specific savings schemes. This has improved considerably this year, driven by the oversight of the new savings schemes identified in September 2024, the work of the Recovery and Sustainability Board, and the information presented by service groups to the Performance and Finance Committee (see **Appendix 2 R10 2023**). However, due to the number of new savings identified, there are a considerable number of savings schemes (circa 250) requiring oversight. The Health Board will need to ensure that there is effective oversight and scrutiny of the organisation's progress in delivering these (**Recommendation R3**).
- 52 Detailed information continues to be provided to the Board and committees on key cost drivers, variances for each of the service groups and corporate directorates, and the risks associated with non-delivery of savings. Risks associated with achieving the financial plan are also included in the Health Board's Risk Register. The Performance and Finance Committee continues to meet monthly due to the Health Board's current financial performance. The committee has also been engaged in the development of the new Recovery and Sustainability Board and will begin to receive reports directly in the future as this process is established fully.
- 53 The arrangements described above represent a comprehensive approach to board and committee oversight of the financial position. The Health Board is also subject to significant increased levels of scrutiny, challenge and reporting requirements by the Welsh Government because of its escalation status. However, the fact remains

that these arrangements have not yet been able to secure any improvements to the forecast year-end position, save for the additional in-year allocation provided by the Welsh Government.

Corporate systems of assurance

- 54 We considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 55 We found that **whilst the Health Board is strengthening its risk management arrangements, there are significant operational performance challenges, and arrangements for holding service groups and corporate directorates to account for finance and performance need to improve.**

Corporate approach to overseeing strategic risks

- 56 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising strategic risks to the delivery of strategic priorities / 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 priorities / objectives; and
 - the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
- 57 We found that **the Health Board is in the process of implementing a new Board Assurance Framework, with stronger links to the organisation's strategic objectives.**
- 58 In November 2024, the Board approved a revised Board Assurance Framework (BAF) and a supporting Strategic Risk Register template. The new format is clear and links to the strategic objectives of the Health Board as set out in the 2024-25 Annual Plan. The likelihood, impact, and overall risk scoring on the objectives are also captured effectively. The Health Board plans to present a completed version at the January 2025 Board meeting. Until then, the recommendation we made in our 2022 Structured Assessment report that the Health Board should update the principal risks in its BAF and ensure that controls, assurance, and mitigations are comprehensive and robust remains open (see **Appendix 2 R3 2022**). The Health Board will need to revisit these arrangements once the new long-term strategy is in place to ensure the systems of assurance are aligned to the delivery of strategic objectives.
- 59 The Health Board has made good progress in addressing other recommendations relating to the BAF. It has mapped and updated the sources of assurance across

three levels⁶, and provides an assessment of the level of assurance that can be taken from these controls (see **Appendix 2 R4 2023**). Also, as we discuss further in **paragraph 88**, the Health Board has used the BAF to inform its committee structure (see **Appendix 2 R8a 2022**).

Corporate approach to overseeing corporate risks

- 60 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising corporate risks. We were specifically looking for evidence of:
- 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.
- 61 We found that **arrangements for developing and maintaining the corporate risk register remain reasonable, however, the management of operational risks requires improvement.**
- 62 The Health Board refreshed its Risk Management Policy in March 2023 to reflect the new risk appetite statement approved by the Board in November 2022. Both remain extant at the time of our work. In November 2024, the Board approved a new interim Risk Management Strategy (up to March 2026) which is supported by a detailed implementation plan with clear milestones. The Health Board intends to review the Risk Management Policy, and the groups currently in place to oversee the risk management process (the Risk Management Group and Risk Scrutiny Panel), and the Board's approach to risk appetite over the next 12 months.
- 63 The Health Board's arrangements for developing and maintaining its corporate risk register are robust. The Board receives the risk register routinely, and the summary report clearly identifies new risks, as well as changes in risk score since the last update. There is a Risk Scrutiny Panel and Risk Management Group in place to provide scrutiny and assurance on processes for the escalation and de-escalation of risks. In September 2024, Internal Audit reviewed the effectiveness of risk management and assurance in place within service groups. It found reasonable assurance that risk management processes were well established corporately but made recommendations to improve the evidencing, monitoring, and reviewing of the risk register at both the service group and corporate levels. Our [2024 review of Operational Governance](#) also found opportunities to review and ensure operational risk registers were up to date, and clearly set out mitigating actions, timescales, and intended outcomes.

⁶ First line: Operational, Second Line: Risk and Compliance, and Third line: Independent Assurance

64 The Audit Committee continues to maintain good oversight of the Health Board's risk management arrangements, and other committees continue to oversee and scrutinise the corporate risks assigned to them. Last year, we highlighted the opportunity to better use corporate risks to drive Board and committee business, as well as the agenda setting process. We have observed improvements this year, including improved scrutiny in areas of highest risk (including maternity services and finances) and committee agendas reflecting the risks assigned to them (see **Appendix 2 R5 2023**). The Health Board will need to keep these arrangements under review once the new long-term strategy is in place.

Corporate approach to overseeing organisational performance

65 We considered whether the Health Board has a sound corporate approach to identifying, overseeing, and scrutinising organisational performance. We were specifically looking for evidence of:

- an appropriate, comprehensive, and up-to-date performance management framework in place, underpinned by clear roles and responsibilities; and
- the Board and committees providing effective oversight and scrutiny of organisational performance.

66 We found **that despite having a clear Performance Management Framework in place and reasonably effective arrangements for reporting performance to the Board, the Health Board continues to experience performance challenges in a number of areas.**

67 The Health Board's Performance Management Framework sets out the arrangements for performance management and escalation in relation to finance, performance, and quality. Despite this, there is a greater focus on financial performance (given the Health Board's financial position) compared to service quality and performance. As a result, it is not sufficiently effective in securing improvement across all areas of performance. Last year, we noted fragility in the Morriston Service Group. Although substantive appointments have been made to its leadership team (see **Appendix 2 R9 2022**), it remains in escalation and continues to receive significant management support.

68 The Board and the Finance and Performance Committee receive the Integrated Performance Report (IPR) at each meeting. This continues to provide a good overview of the Health Board's performance against national delivery measures, ministerial priorities, and local quality and safety measures. There is evidence of appropriate scrutiny and challenge from Independent Members. The executive summary provided as part of the IPR provides a good commentary on areas of performance and identifies actions being taken to improve performance. Scrutiny of this information is also supported by the Health Board Executive team who answer questions appropriately. However, opportunities remain to strengthen the use of digital solutions to present the performance reports, as well as to include

comparative data for other NHS bodies in Wales (see **Appendix 2 R5 2022**). Opportunities also remain to increase the focus on primary care in these reports (see **Appendix 2 R6 2023**).

Corporate approach to overseeing the quality and safety of services

69 We will consider the Health Board'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 organisation'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 Health Board has a sound corporate approach to overseeing and scrutinising systems for tracking progress to address audit and review recommendations and findings. We were specifically looking for evidence of appropriate and effective systems in place for tracking responses to audit and other review recommendations and findings in a timely manner.

71 We found that **the Health Board continues to have good arrangements for tracking internal and external audit recommendations. However, it needs to do more to address long-standing recommendations and improve the process for tracking recommendations made by other regulators.**

72 The Health Board continues to have good arrangements in place for tracking its progress in implementing internal and external audit recommendations. The tracker continues to provide details on individual audit recommendations and highlights overdue actions clearly. However, there have been issues this year with obtaining timely and robust management responses to Audit Wales reports, and there remain long-standing recommendations that need to be addressed (**Recommendation R4**).

73 Opportunities remain to improve reporting to the Quality and Safety Committee on actions the Health Board is taking in response to Healthcare Inspectorate Wales reviews, as well as to produce a more detailed tracker to identify outstanding recommendations, themes, and learning (see **Appendix 2 R6b 2022**). However, we note that the Health Board has recently improved its reporting on Healthcare Inspectorate Wales recommendations in relation to maternity services.

Board transparency, effectiveness, and cohesion

74 We considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently.

75 We found that **whilst the Board remains committed to conducting its business in an open manner, opportunities remain to enhance transparency further**

and improve the coverage of patient and staff stories in Board meetings. Positive changes have been made to the committee structure, but agenda setting processes require improvement. Good progress has been made to stabilise the Board, but changes are required to the Director of Corporate Governance's portfolio to enable them to fulfil their core duties effectively.

Public transparency of Board business

- 76 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.
- 77 We found that **whilst the Board remains committed to conducting its business in an open manner, opportunities remain to enhance public transparency further.**
- 78 Members of the public can attend public Board meetings in person, and the Health Board continues to make recordings of these meetings available on its website within 24 hours. Whilst the audio and visual quality of the recordings has improved, there are still occasions where it is difficult for the viewer to follow some conversations (see **Appendix 2 R1a 2023**). However, the Health Board has lost the ability to livestream its meetings this year due to an update to its operating systems (**Recommendation R5**).
- 79 In the main, there is a good balance of matters discussed in public, and we have observed open and candid discussions. The Board makes appropriate use of private meetings to discuss confidential and sensitive business. A summary of discussions held in private Board meetings continues to be presented as part of the Corporate Governance Report presented at the subsequent public Board meeting.
- 80 Public Board papers continue to be published seven days in advance of each meeting. However, we found examples where some committee papers were not publicly available in advance of the meetings or on the day of the meeting⁷. A formal written Chair's Report is now presented to Board in line with last year's recommendation (see **Appendix 2 R1b 2023**). However, the Health Board still needs to provide more detail on the costs or resource implications associated with

⁷ Quality and Safety Committee in June 2024; Performance and Finance Committee in June 2024; Audit Committee in September 2024. However, they were subsequently made publicly available.

Chair's Actions, which are reported formally to the Board via the Corporate Governance Report (see **Appendix 2 R7e 2022**).

- 81 The Health Board has taken steps to further enhance the transparency of Board business. For example, it now makes greater use of its social media channels to promote public Board meetings, including the Annual General Meeting. Despite this, there is potential for yet more use to be made of other social media tools, such as Facebook to make the public aware of upcoming meetings that they can observe (see **Appendix 2 R1c 2023**). The Health Board has also taken steps to ensure that key policies and procedures are easily accessible and up to date on its website, such as the Quality Strategy and Register of Interests. However, some documents remain difficult to find on the website, such as the Population Health Strategy (see **Appendix 2 R7b 2022**). Furthermore, whilst there is a dedicated area on the Health Board's website for confirmed Board and committee minutes, it has not been updated since January 2024 (see **Appendix 2 R7d 2022**).

Arrangements to support the conduct of Board business

- 82 We considered whether there are proper and transparent arrangements in place to support the effective conduct of Board and committee business. We were specifically looking for evidence of a formal, up-to-date, and publicly available:
- Reservation and Delegation of Powers and Scheme of Delegation in place, which clearly sets out accountabilities;
 - Standing Orders (SOs) and Standing Financial Instructions (SFIs) in place, along with evidence of compliance; and
 - policies and procedures in place to promote and ensure probity and propriety.
- 83 We found that **the Health Board continues to have good arrangements for updating and monitoring compliance with core control frameworks.**
- 84 There are formal, up-to-date, and publicly available SOs and SFIs in place with evidence of compliance. The Board approved these and the Scheme of Delegation in March 2024.
- 85 Arrangements are in place to promote and ensure probity and propriety. The Declarations of Interest, Gifts, and Hospitality Registers are up-to-date and were reviewed by the Audit Committee in September 2024. They are also publicly available on the Health Board's website (see **Appendix 2 R7c 2022**).

Effectiveness of Board and committee meetings

- 86 We considered whether Board and committee meetings are conducted appropriately and effectively. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;

- Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well being shaped on an ongoing basis by the Board Assurance Framework;
- well-chaired Board and committee meetings that follow agreed processes, with members observing meeting etiquette and providing a good balance of scrutiny, support, and challenge;
- committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board; and
- clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.

87 We found that **positive changes have been made to the committee structure and meeting cycles. Whilst Board and committee meetings are well chaired, conducted properly, and generally supported by good quality papers, there is scope to improve agenda planning to ensure items are not rushed or overlooked.**

88 Since our last structured assessment report, the Health Board has actively used its Board Assurance Framework (BAF) to make changes to the committee structure to strengthen oversight of digital, planning, and partnerships, and reduce the burden placed on Senior Officers. These changes include:

- introducing a new Digital and Data Committee, which held its inaugural meeting in November 2024.
- increasing the frequency of the Population Health, Planning, and Partnerships Committee from three to four times a year. The committee is now chaired by the Health Board's Vice Chair rather than the Chair (see **Appendix 2 R2 2023**).
- reducing the frequency of the Quality and Safety Committee from monthly to bi-monthly to allow officers more time to progress actions in between meetings.

89 Whilst these developments are positive, the Health Board may need to revisit its committee structure once work on an updated long-term strategy has been completed.

90 Terms of Reference for all committees are up-to-date, and work programmes appropriately reflect the breadth of Board business. The Board and committees are generally chaired well, with members demonstrating appropriate levels of scrutiny, support, and challenge. However, we have seen recent examples of agenda items being skipped or rushed in some meetings due to the size of the agenda⁸. **(Recommendation R6)**. Chairs' Assurance Reports from each committee provide

⁸ Specially the Quality and Safety Committee, and the Performance and Finance Committee.

a good overview of key business issues and areas for escalation to the Board. There is also appropriate cross-referral of issues between committees.

- 91 In March 2024, the Cabinet Secretary for Health and Social Care indicated their intention to issue a Ministerial Directive to the Health Board to establish a formal joint committee with Hywel Dda University Health Board to strengthen regional working. Preparations for the joint committee are progressing well, with regular updates on progress reported to the Board. In October 2024, a workshop was held with the two Boards to discuss working arrangements. The first formal meeting of the joint committee will be held in January 2025.
- 92 The Board and its committees continue to receive good quality information to support effective decision making, scrutiny, and challenge. However, some papers continue to be lengthy. The Health Board is continuing to provide training and support to report authors to help them present key issues and risks in a more concise way, both verbally and in written form. Papers are submitted to the Corporate Governance Team in a timely way. However, as we note in **paragraph 77**, the papers for some committee meetings have not been made publicly available in advance.

Board commitment to hearing from patients/service users and staff

- 93 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.
- 94 We found that **the Board remains committed to hearing from patients, staff, and service users. However, the Health Board needs to improve reporting on the themes and actions arising from Board walkarounds to the Quality and Safety Committee.**
- 95 Both the Board and the Quality and Safety Committee continue to receive and make good use of patient and staff stories. The Quality and Safety Committee receives a detailed patient experience update report quarterly. Feedback on patient experience is collected using the Friends and Family Survey, the outcomes of which are reported to the Quality and Safety Committee. Staff continue to have access to the Guardian Service to raise concerns; however, Internal Audit are undertaking a review of this at the time of our work.
- 96 Last year, we made recommendations for strengthening Board walkarounds. The Health Board now has a clearer and more frequent timetable of walkarounds which involve both Independent Members and Executive Directors and cover a wider range of services (see **Appendix 2 R3a 2023**). However, there is still no formal framework in place and no formal reporting to the Quality and Safety Committee on

the themes and actions taken following Board walkarounds (see **Appendix 2 R3b and R3c 2023**).

Board cohesiveness and commitment to continuous improvement

97 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.

98 We found that **following the appointment of a new Chair, the Health Board has made positive progress in appointing substantively to key senior positions to provide much-needed stability. However, opportunities remain to revisit the Director of Corporate Governance’s portfolio to ensure they maintain their independence and ability to service the Board effectively.**

99 The Health Board’s new Chair started their term in June 2024. Since then, the Health Board has made good progress in making substantive appointments to key senior positions. These appointments will provide the stability the Health Board needs to deliver the long-term strategic and transformational change required to address the challenges and pressures facing the organisation.

100 To date, the Health Board has:

- recruited a substantive Chief Executive, who started with the Health Board in October 2024. Following this, the Executive Medical Director and two Assistant Medical Directors returned to their substantive roles after a period of being interim Chief Executive and interim Medical Directors, respectively. This has enabled the Health Board to address the capacity issues within the Office of the Medical Director.
- recruited a substantive Executive Director of Nursing and Patient Experience, who is due to start in March 2025.
- recruited a Director of Planning and Partnerships, who is due to start in February 2025.

The Health Board is currently recruiting an Executive Director of Workforce and has appointed an interim Executive Director of Public Health to cover the current post holder’s secondment to the Welsh Government.

101 However, we remain concerned that the Director of Corporate Governance’s portfolio still includes patient concerns and complaints, which is impeding their independence and impacting on their wider duties and responsibilities to the Board. The Health Board, therefore, should address this by transferring responsibility for

patient concerns and complaints to the portfolio of an appropriate Executive Director (**Recommendation R7**).

- 102 The Health Board continues to have a full cadre of Independent Members. There is one upcoming change following the appointment of a new Independent Member (Digital) whose term begins in January 2025.
- 103 The Health Board has continued its formal programme of committee effectiveness reviews and developed action plans to make improvements, which have been routinely monitored by the Board. The Board has continued its development programme over the past year and has focussed on a range of areas including strategic risk management and strategic planning. However, considering the new appointments mentioned above, the Chair is planning to refresh the Board Development Session to ensure it meets the needs of the Board in full.

Appendix 1

Audit methods

Exhibit 2 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	<p>We observed Board meetings as well as meetings of the following committees:</p> <ul style="list-style-type: none">• Audit Committee;• Performance and Finance Committee;• Quality and Safety Committee; and• Population Health and Partnerships Committee.
Documents	<p>We reviewed a range of documents, including:</p> <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"> • Chair of the Board; • Interim Chief Executive; • Acting Deputy Chief Executive Officer and Director of Finance; • Director of Corporate Governance; • Interim Director of Strategy; • Interim Director of Public Health; • Acting Assistant Director of Strategy (Commissioning and Sustainability); • Independent Member – Chair of Audit Committee; • Independent Member – Chair of Performance and Finance Committee; and • Independent Member – Char of Quality and Safety Committee.

Appendix 2

Progress made on previous-year recommendations

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

Exhibit 3: progress against previous recommendations

Year	Recommendation	Description of progress
2022	<p>R1 The Health Board’s long-term strategy has not been updated to reflect the boundary change in 2019, its new strategic priorities and the developing population health strategy amongst others. The Health Board should:</p> <ul style="list-style-type: none">a) part (a) of this recommendation was assessed as complete in our 2023 structured assessment;b) ensure there is a clear map of the current Health Board strategies to ensure clarity and alignment and effective monitoring and scrutiny	<p>Superseded – see paragraph 16</p>
2022	<p>R2 Reporting on progress against the clinical and corporate plans supporting the Clinical Services Plan (CSP) could be improved at all levels. The Health Board should improve reporting to the Management Board to enable progress against all plans to be easily tracked.</p>	<p>In progress – see paragraph 27</p>

Year	Recommendation	Description of progress
2022	<p>R3 While the BAF has improved, opportunities exist to develop and enhance it further. The Health Board should ensure that the BAF's principal risks reflect the long-term strategy, as well as ensure that controls, assurance, and mitigations are comprehensive and robust. This should include assurances relating to estates.</p>	<p>In progress – see paragraph 58</p>
2022	<p>R5 The Integrated Performance Report has improved but opportunities exist to improve it further. The Health Board should look at opportunities to use digital solutions to present the report as well as include comparative data for other NHS bodies across Wales.</p>	<p>In progress – see paragraph 67</p>
2022	<p>R6 The process for making changes for timescales for completing audit recommendations is unclear. In addition, recommendations made by organisations including Healthcare Inspectorate Wales and the Delivery Unit are also not tracked or scrutinised by the appropriate committee or included on the audit recommendations tracker. The Health Board should:</p> <ul style="list-style-type: none"> a) part (a) of this recommendation was assessed as complete in our 2023 structured assessment; b) ensure appropriate monitoring and scrutiny of progress in addressing actions relating to recommendations by other external inspection and review bodies. 	<p>In progress – see paragraph 73</p>
2022	<p>R7 Opportunities exist to further enhance the transparency of Board and committee business. The Health Board should:</p> <ul style="list-style-type: none"> a) part (a) of this recommendation was assessed as complete in our 2023 structured assessment. 	

Year	Recommendation	Description of progress
	<ul style="list-style-type: none"> b) ensure that policies and procedures on the public website, as well as key strategies are up-to-date and accessible. In doing so, older documents should be removed to avoid confusion. c) publish the Declarations of Interest, Gifts, and Hospitality as a specific document on the public website. d) ensure confirmed minutes of Board and committee meetings are uploaded to the public website in a timely way. e) ensure that formal reporting of Chair's Actions includes greater detail on costs or wider resource implications particularly if the action is material in nature. 	<p>In progress – see paragraph 81</p> <p>Complete – see paragraph 85</p> <p>In progress – see paragraph 81</p> <p>In progress – See paragraph 80</p>
2022	<p>R8 Opportunities exist to improve Board and committee effectiveness, as well as to maximise the impact of the BAF. The Health Board should:</p> <ul style="list-style-type: none"> a) use the revised BAF to inform the design of the committee structure to align with the strategic risks of the organisation; b) strengthen the presentation and information contained within the Quality and Safety Report presented to the Quality and Safety Committee. 	<p>Complete – see paragraph 59</p> <p>Not assessed. This will be considered as part of our follow-up review of the Health Board's progress in addressing the recommendations from our 2022 Review of Quality Governance Arrangements.</p>
2022	<p>R9 There remains considerable fragility in the senior leadership team in the Morriston Hospital Service Group. The Health Board should seek to appoint substantively to posts within the Service Group triumvirate and at the level below.</p>	<p>Complete – see paragraph 67</p>

Year	Recommendation	Description of progress
2023	<p>R1 Opportunities exist to further enhance the transparency of Board and Committee business. The Health Board should:</p> <ul style="list-style-type: none"> a) review the systems and processes used to livestream Board meetings, with a view to improving the audio and visual quality (Medium Priority); b) ensure a written Chair's Report is provided to each Board meeting (Medium Priority); and c) ensure that all Board meetings and other events, such as the Annual General Meeting, are promoted via the Health Board's social media channels (Medium Priority). 	<p>In progress – see paragraph 78</p> <p>Complete – see paragraph 80</p> <p>In progress – see paragraph 81</p>
2023	<p>R2 Whilst the Board Chair is currently chairing the Partnership, Population Health, and Planning Committee given its infancy and remit, this arrangement should only be a temporary one to free up the Chair's capacity and enable the committee to provide her with the assurance required as Chair of the Board. The Health Board should seek to appoint a Committee Chair from the wider cohort of Independent Members (Medium Priority).</p>	<p>Complete – see Paragraph 88</p>
2023	<p>R3 Board walkarounds are ad-hoc and focus too much on secondary care services. The Health Board should:</p> <ul style="list-style-type: none"> a) increase the frequency of walkarounds, ensuring they involve both Independent Members and Executive Directors, and cover a broader range of Health Board services (High Priority); b) develop a framework for visits to enable a consistent approach (High Priority); and c) ensure key themes and actions arising from the visits are reported to the Quality and Safety Committee (High Priority). 	<p>Complete – see paragraph 96</p> <p>In progress – See paragraph 96</p> <p>In progress – See paragraph 96</p>

Year	Recommendation	Description of progress
2023	R4 The Health Board has continued to revise and improve the Board Assurance Framework (BAF); however, controls and assurances for the delivering care in safe and modern environments objective are rated as limited with no clear action in place to address this. The Health Board, therefore, should ensure the summary report sets out actions being taken to improve the controls and assurance to reasonable assurance (High Priority).	Complete – see paragraph 59
2023	R5 Although corporate risks are assigned to committees, they are not being used effectively to inform Board and committee business. The Health Board should address this by ensuring corporate risks are considered when shaping committee work programmes and agendas (Medium Priority).	Complete – see paragraph 64
2023	R6 The Integrated Performance Report has limited reference to primary care performance. As part of the planned refresh, the Health Board should ensure there is a greater focus on primary care performance (High Priority).	In progress – see paragraph 68
2023	R7 Although some improvements have been made, there remains room for improvement in the way in which the quality and safety of services are scrutinised. The Health Board should ensure that the Clinical Executive Directors responsible for quality and safety present the Integrated Performance Report (IPR) to the Quality and Safety Committee (High Priority).	Not assessed. This will be considered as part of our follow-up review of the Health Board's progress in addressing the recommendations from our 2022 Review of Quality Governance Arrangements.
2023	R8 There are no mechanisms in place to monitor the delivery of the Population Health and Estates Strategies. The Health Board should put mechanisms in	Complete – see paragraph 27

Year	Recommendation	Description of progress
	place to monitor delivery of these strategies, and report progress to the relevant committee (High Priority).	
2023	R9 Despite the financial challenges facing the Health Board, two accountability letters are yet to be signed. The Health Board should ensure that all accountability letters for 2023-24 are signed (High Priority).	In progress – see paragraph 45
2023	R10 Although the Performance and Finance Committee are sighted of the high-level savings requirements, the committee could benefit from receiving a more detailed report to aid scrutiny. The Health Board should provide a routine report to the committee which sets out the specific savings schemes that the service groups and corporate directorates have put in place, and progress on delivery (High Priority).	Complete – see paragraph 51

Appendix 3

Management response to audit recommendations

Exhibit 4: Swansea Bay University Health Board response to our audit recommendations

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Health Board should: 1.1 develop a long-term strategy, aligned to its long-term vision, which defines the required sustainable service solutions and decisions for the medium to longer term, whilst also providing a strong focus on population health and prevention (Paragraph 16);	The Health Board will, in 2025/26, <ul style="list-style-type: none"> • review and refresh its Organisational Strategy from 2018 ensuring it reflects the work undertaken as part of the One Bay Vision; • align the key enabling strategic portfolios (previously described as ‘strategies’) that have been developed in recent years and 	September 2025	Executive Director of Planning and Partnerships

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	<p>1.2 develop a balanced financial plan that is linked to the new long-term strategy⁹ (Paragraph 16); and</p> <p>1.3 review and where appropriate refresh relevant enabling strategies and plans (ie estates, digital, workforce, clinical services) to ensure they align with the new long-term strategy (Paragraph 16).</p>	<ul style="list-style-type: none"> • reflect the service and organisational changes that have been delivered since 2018, particularly in relation to the Clinical Services Plan 2019; • the refreshed Organisational Strategy will be available in q2 2025/26 to inform engagement with our staff and key stakeholders. <p>The Health Board has committed to roll over its current Clinical Services Plan 2019-25 and in Q3 and Q4 2024/25 has begun a review of the current HB enabling strategic portfolios and has commenced work on a baseline assessment of demand and capacity, the development of</p>		

⁹ We recognise that this financial plan will be based on assumptions due to the financial allocation regime in place within NHS Wales.

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
		<p>Horizon scanning report and Health Needs assessment.</p> <p>A financial framework for 2025/2028 has been prepared and will be supported by external expertise. A specification has been developed which will focus on immediate savings, efficiency, productivity and variation alongside a more fundamental review of the relationship of finance to the Health Board operating model looking forward to resource shift, different models for resource allocation and the pursuit of value in terms of cost and outcome.</p>	<p>March 2025</p>	<p>Director of Finance and Performance</p>
<p>R2</p>	<p>The Health Board needs to ensure that the Board and its committee regularly monitor and scrutinise</p>	<p>Review Committee work programmes to ensure the reporting and review of progress against the well-being objectives is considered by a</p>	<p>July 2025</p>	<p>Director of Corporate Governance</p>

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
	progress against delivery of its well-being objectives (Paragraph 22).	Committee of the Board, as a minimum three times a year.		
R3	The Health Board needs to ensure that Board and Committee arrangements for monitoring and scrutinising the delivery of the Health Board's savings schemes are able to capture performance across the entirety of savings schemes that are in place (Paragraph 51).	<p>A savings framework has been developed and this will be populated through existing health Board planning processes. The external support referred to above will translate this into a savings delivery plan and then will help with implementation.</p> <p>Each savings theme will have an executive or Senior Manager lead. Reporting will be undertaken by the Recovery and Sustainability (R&S) Board, through to Performance and Finance Committee (PFC) and full Board. Savings trackers are mandated through the WG monthly monitoring processes, and these will form the basis of reporting. Monthly</p>	May 2025	Director of Finance and Performance

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
		PFC reports will include detail of savings plans in place and being tracked and the R&S Programme will report monthly to the PFC also.		
R4	The Health Board needs to strengthen ownership and accountability of audit recommendations to ensure that recommendations are addressed in a timely manner (Paragraph 72).	The Health Board will produce a procedure for the management of internal and external audit recommendations. This will clearly set out roles and responsibilities in terms of discharging agreed actions in a timely manner. It will also describe the process for the review and update of progress against agreed actions within the Audit Tracker, and the reporting of the same to the Audit Committee. The procedure will clarify that responsible Directors may be called to the Audit Committee to provide additional information and assurance where actions are overdue.	July 2025	Head of Compliance

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R5	The Health Board should address the issues currently preventing it from livestreaming public Board meetings (Paragraph 78) .	Review options available to the health board and present the options to the formal Executive Team to consider the cost benefit of each option.	July 2025	Director of Corporate Governance and Director of Digital
R6	The Health Board needs to improve agenda planning for Committees to ensure sufficient time is available to cover items (Paragraph 89) .	<p>Following documents updated and issued to all Independent Members and Directors:</p> <ul style="list-style-type: none"> • Guidelines for Committee Agenda Planning Sessions; • Guidelines for Committee and Board meeting reports; and • Presentation of effective Chairing. 	Completed (February 2025)	Director of Corporate Governance
R7	The Health Board should transfer responsibility for patient concerns and complaints from the Director of Corporate Governance to an appropriate Executive Director (Paragraph 101) .	A review of the Director of Corporate Governance portfolio will be completed and a revised structure implemented, subject to OCP, in Q1 of 2025/26.	July 2025	Director of Corporate Governance



Audit Wales

1 Capital Quarter

Cardiff CF10 4BZ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
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