

Structured Assessment

2025

Aneurin Bevan University Health Board

December 2025

About us

We have prepared and published this report under section 61(3) (b) of the Public Audit Wales Act 2004.

© Auditor General for Wales 2025

You may re-use this publication (not including logos except as an integral part of the document) free of charge in any format or medium.

If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third-party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Audit snapshot	4
Key facts and figures	6
Our findings	7
Recommendations	22
1 About our work	24
2 Previous audit recommendations	27
3 Management response	33
4 Key terms in this report	42



Audit snapshot

What we looked at

- 1 We looked at how well Aneurin Bevan University Health Board (the Health Board) is governed and whether it makes the best use of its resources. We looked at four areas in particular:
 - how well its board works;
 - how it keeps track of risks, performance, service quality, and recommendations;
 - how it produces key plans and strategies; and
 - how it manages its finances.
- 2 We also looked at the Health Board's progress in implementing recommendations from:
 - previous structured assessment reports; and
 - our 2024 report on cost savings.

Why this is important

- 3 NHS bodies continue to face a wide range of challenges associated with the need to modernise and transform services to deal with constrained finances, growing demand, treatment backlogs, workforce shortages, and an ageing estate. It is therefore more important than ever for the boards of NHS bodies to have strong corporate and financial governance arrangements in place. This helps provide assurance to themselves, the public, and key stakeholders that they are taking the right steps to deliver safe, high-quality services and to use public money wisely.

What we have found

- 4 The Health Board has an effective Board supported by continued good governance arrangements. Clear and high-quality information helps the Board carry out its duties. Support from the Good Governance Institute has also improved how reports are written and presented. The Board listens well to patients and service users, but it could do more to hear from staff.
- 5 The Health Board is improving how it manages risks and is finalising its corporate risk register. This year, it approved a new long-term strategy and delivered a Welsh Government approved three-year Integrated Medium-Term plan. These plans give the organisation a clear direction, with set milestones and targets.
- 6 Although financial oversight is strong and the Health Board has a good track record of savings delivery, its financial position is getting worse. It submitted a balanced three-year plan but now expects a deficit of £19.9 million by the end of the year. To meet these financial challenges, the Health Board must focus on transforming services and delivering its strategy. This is an area we have previously recommended for improvement but is not yet well-progressed.

What we recommend

- 7 We have made six recommendations to the Health Board, which focus on
 - introducing reporting on declarations of interest compliance;
 - making more use of staff stories at Board;
 - formally reporting progress on actions following patient safety leadership walk rounds;
 - improving Patient, Quality, Safety Outcomes Committee reporting;
 - improving oversight of local clinical audit activity; and
 - tracking recommendations from other bodies including Healthcare Inspectorate Wales.

Key facts and figures

Following de-escalation in March 2025, under the Welsh Government Escalation and Intervention arrangements, the Health Board is currently at Level 3 (enhanced monitoring) for finance, strategy and planning, and performance and outcomes related to urgent and urgent care pathways at the Grange University hospital.

The Health Board has an approved three year Integrated Medium-Term plan (IMTP) for 2025-28.

The Health Board did not meet its financial duty to break even against its revenue resource limited over the three years 2022-23 to 2024-25 reporting a cumulative deficit of £93.7 million for 2022-25.

In 2024-25, the Health Board aimed to save £40.5 million but successfully saved £45.5 million, of which £32 million was recurrent.

The current 2025-26 year-end forecast position for the Health Board is a £19.9 million deficit, against a breakeven target from Welsh Government. This year, £28.3 million of its £42.5 million planned savings are recurrent.

The Health Board has fully implemented 12 outstanding recommendations since our last structured assessment report. Two recommendations remain in progress, three have not yet started, and one has been replaced by a new recommendation this year.

Our findings

Board effectiveness and openness

The Health Board operates openly and transparently but improvements are needed on outdated policies, declarations of interest, walkrounds reporting and hearing the staff voice

Public openness of board business

- 8 The Health Board continues to demonstrate that it is being open and transparent about Board and committee activities:
 - it continues to livestream and publish recordings of all public Board meetings;
 - the public can observe any public board meeting;
 - it publishes Board and committee papers a week before each meeting on its website;
 - uses private sessions only when needed to discuss sensitive topics; and
 - has open and transparent Board and committee discussions, especially when discussing challenges.
- 9 The Health Board could further enhance transparency by making documents available in Welsh and in formats that are easy to use.
- 10 The Health Board recognised that members of the public cannot attend committee meetings. To address this, they are producing short public summaries to increase transparency of committee business.

Supporting effective board conduct

- 11 The Health Board has clear and up-to-date governance arrangements that help the Board and its committees run effectively. The Audit, Risk and Assurance Committee ensures key governance controls are in place. This includes routinely overseeing compliance with Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation.
- 12 The absence of a Stakeholder Reference Group and a Healthcare Professionals Forum is a gap and represents a breach of Standing Orders. While it has a Clinical Advisory Forum, this group does not offer the same level of representation at Board meetings. In addition, meeting minutes of the forum are not shared with the Board or published on the Health Board's website.
- 13 In February 2025, Internal Audit gave substantial assurance on how the Health Board manages declarations of interest and gifts. The Health Board has widened the group of staff who must make declarations, but more assurance is needed to confirm compliance with these new rules.
- 14 About 40% of the Health Board's policies are still out of date, with little improvement since last year. The Health Board now reports progress in its performance report. We have previously recommended stronger review processes, and further action is needed - especially where outdated policies create unnecessary risk.

Assurance on Joint Commissioning Committee effectiveness

- 15 The Joint Commissioning Committee (JCC) was set up in April 2024 as a joint committee of the seven health boards in Wales. The JCC plans and commissions a range of specialised services and other healthcare services, including emergency medical services, on behalf of the seven health boards.

16 As part of this year's structured assessment, we reviewed whether the Board is receiving the right level of assurance on JCC business, as well as the Health Board's involvement in JCC meetings and activities. Our work shows that both the Board and the Patient Quality, Safety and Outcomes Committee receive routine assurance on the work of the JCC. This assurance is appropriately supported by the Chief Executive who as a member of JCC, highlights any notable issues through the Chief Executive's Board briefing.

Board and committee meeting effectiveness

17 The Board and its committees work effectively. Their terms of reference, business cycles and work plans are all up to date. Board and committee chairs are actively involved in the meeting agenda setting process.

18 The Health Board appropriately considers how its committees operate and makes changes if needed. In April 2025, it established a Mental Health and Learning Disabilities Committee to provide greater oversight and scrutiny of this area following concerns around its performance. In addition, it has:

- appointed a new chair of the Partnerships, Population Health, and Planning Committee; and
- increased the frequency of the Finance and Performance Committee which provides greater opportunity for scrutiny and depth of challenge.

19 Board and committee meetings continue to be well chaired, and most run to time. Independent Members participate fully in meetings, providing reasonable scrutiny on the information presented. However, on occasion we see some members focus too much on operational detail.

20 There is a reasonable process for committees to provide assurance to the Board and share information with each other. However, these assurance reports are placed in the consent agenda and are not usually discussed. As we recommended last year, the Board should make sure there is enough opportunity to not only raise but discuss escalated issues.

- 21 In September 2025, Internal Audit gave limited assurance on the Health Board's management of health and safety risks. They found insufficient escalation of risks and recommended the Health Board improve monitoring at committee and Board level by December 2025.
- 22 Board and committee papers are generally timely, well-structured, and highlight key risks and decisions. The Health Board has arranged training on report writing and presentation from an external provider. The Corporate Governance team now reviews all papers before they go to committees, which has improved their quality.

Hearing from staff and service users

- 23 The Health Board continues to engage staff well, using methods including Chief Executive open meetings, Executive drop-ins, and newsletters. Board and committee sessions also include regular patient stories. However, the Health Board could make more use of staff stories at public Board meetings to give the Board valuable feedback on staff views.
- 24 The Health Board uses a range of approaches to hear from patients and service users from diverse backgrounds, including good community engagement with hard-to-reach groups and consideration of service user diversity. Board members also visit frontline services, and patient safety leadership walk rounds take place. The Patient, Quality, Safety Outcomes Committee receives high-level updates on these activities, but there is no reporting on actions taken in response to issues identified.

Board cohesion and continuous improvement

- 25 The Health Board has a stable Executive, with all roles filled. Over the last year, the Health Board has appointed:
 - a new Medical Director; and
 - appointed the existing Director of Nursing as the Deputy Chief Executive.

- 26 The Health Board has good processes for inducting new Independent Members and has recently appointed two, representing Trade Unions and the Third Sector. As of October 2025, there are two vacancies: the Director of Social Services (local authority partner) and the Local Government Independent Member. These gaps are being managed but both the Chair and the Vice Chair will also come to the end of their terms in 2026. The Health Board will need to manage this overall position carefully.
- 27 The Health Board's arrangements for Board and committee self-assessments continue to be effective. These considered their composition and effectiveness of how they work. The outcomes informed the review of each committee's terms of reference, and the programme of board development. In 2024-25, these board development sessions covered topics including:
 - estates strategy;
 - long-term strategy and plan development, prior to approval;
 - health pathways; and
 - cyber security.
- 28 There is a comprehensive Board development plan in place for 2025-26, with support from the Good Governance Institute. This included work to improve how the Board works, building effective relationships, scrutiny and governance, and strategic risk-based assurance.

Providing board assurance

The Health Board has reasonable arrangements to provide assurance on risks and performance, but it needs to strengthen quality assurances

Managing strategic and corporate risks

- 29 The Health Board has a comprehensive Strategic Risk Register reviewed at every Board meeting, forming part of its Board Assurance Framework. The Health Board aligned its key strategic risks to its Integrated Medium-Term plan and allocated Executive Director responsibility for individual strategic risks. It has completed assurance mapping for each strategic risk, building on work started last year and continues to score risks in line with its risk appetite. The Health Board assigns each risk to a committee for assurance who also use this to inform Board and committee agenda setting.
- 30 The Health Board's Corporate Risk Register was still in draft during our review, with the Executive Team working with operational teams to complete it. The Health Board plans to implement the register in November 2025. Once it is in place, the Health Board must ensure the Strategic Risk Register reflects any new risks identified on the Corporate Risk Register.

Managing performance

- 31 The Health Board implemented its Performance Management Framework in September 2023. The framework based on three domains aligns with the Welsh Government Escalation and Intervention arrangements¹. Internal Audit gave reasonable assurance in its review earlier this year. In September 2025, the Board subsequently approved an update to its Performance Management Framework.

¹ There are five levels of monitoring in use, routine arrangements, area of concern, enhanced monitoring, targeted intervention, and special measures.

- 32 This revision has strengthened the framework with increased focus on leadership and corporate governance, in addition to routine performance and quality review. These additional aspects include for example, ensuring policies are up to date, staff training, compliance and response to audit recommendations.
- 33 The Health Board has continued to improve its organisational performance reporting. The report now has four sections, each presented by the relevant Executive Director. Following last year's Structured Assessment, the report includes details on key areas for improvement and actions to address underperformance, as well as targets and comparisons where available. The Health Board has also strengthened its focus on primary and community services by adding more measures.
- 34 Over the past two years, we have seen escalation and de-escalation where required and improving reporting to committee and Board. Nonetheless, there have remained significant performance and financial challenges. The Health Board now needs to fully implement and embed the new framework, ensure that it operates effectively and achieves the desired impact.

Monitoring quality and safety

- 35 The Health Board has a quality strategy that commits to delivering safe, effective, and compassionate care. This strategy is underpinned by statutory duties from the Health and Social Care (Quality and Engagement) (Wales) Act 2020. It is mapped to the six pillars of quality² and includes delivery milestones to drive progress. Our 2025 Quality Governance Follow Up Review found the Health Board is making progress on recommendations, including implementing the Duties of Quality and Candour. However, more time is needed to embed changes and improve training compliance and monitoring.

² The six domains of quality are defined by NHS Wales and are embedded in legislation through the Health and Social Care (Quality and Engagement) (Wales) Act 2022. They are; safe, timely, effective, efficient, equitable and person centred.

- 36 Since our review, the Health Board has set out clear and sound governance arrangements and accountability for clinical and quality governance within its Quality Management System Framework 2025-28. The framework is operating well with evidence of operational teams escalating quality issues effectively. The new Quality Management Group reports to the Executive Committee and provides assurance to the Patient Quality, Safety Outcomes Committee.
- 37 The Patient, Quality, Safety Outcomes Committee oversees quality and monitors performance. It receives a regular Quality Outcomes Framework report, which is comprehensive but very long³. In some areas, we found the presentation confusing, with significant opportunity to better identify areas of concern. The report needs to be drafted in a way that clearly highlights areas of concern to committee members. The report also does not identify learning effectively. In July 2025, the Health Board had four Duty of Candour events, but the report did not include lessons learned.
- 38 The Patient, Quality, Safety Outcomes Committee receives regular updates on the Health Board's 2025–26 Clinical Audit Plan, which is on track for delivery. However, the plan only covers the mandatory national clinical audit programme. There is no local clinical audit programme or oversight of audit activity within divisions, which could mean missed opportunities for learning and providing targeted assurance to the Committee.

Tracking and monitoring recommendations

- 39 The Health Board has reasonable processes for monitoring and tracking audit recommendations. It keeps an audit tracker for both Audit Wales and Internal Audit recommendations, which Executive Directors update and review, especially for open actions.
- 40 The Health Board is now making good progress in addressing our previous recommendations:

³ In June 2025, the report was 113 pages

- 12 out of 18 recommendations from past structured assessment reports are now complete. Two are in progress, with three not started and one has been superseded; and
- eight out of 11 of our 2024 Review of Cost Savings recommendations have been completed. We discuss this more in **paragraph 64**.

41 The Health Board is continuing to strengthen its approach to following up and implementing outstanding audit recommendations. Recently the Health Board has included a regular focus on progress of audit actions in its Performance Management Framework to strengthen accountability for delivery.

42 The Health Board does not track quality focused recommendations, such as those made by Healthcare Inspectorate Wales and the Public Services Ombudsman for Wales.

Preparing strategies and plans

The Health Board has a new clear long-term strategy and medium-term plan, and is looking to address assurance gaps on plan delivery

Producing key strategies and plans

43 The Health Board approved its new ten-year strategy “Gwent 2025- Better Health, Better Care, Better Lives” in May 2025. This replaced the previous Clinical Futures Strategy which had been in place for more than a decade. The Health Board developed the strategy following comprehensive engagement with stakeholders and partners. The strategy has clear aims, a focus on population health, aligns with national frameworks, and reflects the Wellbeing of Future Generations Act. The Health Board will formally launch the strategy in October 2025 with planned local roadshows and videos.

- 44 The Health Board is working on its clinical services plan. A number of services in the enhanced Local General Hospitals are now under consideration as part of the development of a Business Case for Nevill Hall Hospital. The Health Board is currently undertaking a gap analysis to inform its new clinical services plan. This work is vital to tackle current performance and financial pressures and to create sustainable services that meet people's needs.
- 45 The Partnerships, Population Health and Planning Committee oversees strategy and plan development prior to Board approval. The Health Board also shares draft strategies and plans with Independent Members during development sessions before they are formally approved at public Board meetings.
- 46 Following committee oversight, the Health Board submitted an approvable, financially balanced Integrated Medium-Term Plan (IMTP) for 2025-28. It developed the plan with input from its divisions and a wide range of internal and external stakeholders. The Health Board's IMTP aligns with the long-term strategy and sets out clear priorities. It translates these ambitions into operational priorities and measurable actions over three years. The plan clearly identifies key actions for the first year, with milestones and outcome measures, although the detail for years two and three is less clear.
- 47 Welsh Government approved the plan, but it came with 14 accountability conditions that the Health Board is tracking and reporting on throughout the year. The Health Board is making satisfactory progress against these conditions; however, its financial position has worsened, with a forecast deficit of £19.9 million at month five. As a result, the Health Board is unlikely to meet the requirement to deliver a financially balanced plan. We discuss this further later in the report.
- 48 The Committee also oversees the development of corporate plans. Recently, it reviewed work on the People Plan, Estates Plan, and Digital Strategy. The People Plan has now been approved, while the Digital Strategy is still being developed. In October 2025, the Committee also looked at lessons from the previous IMTP and discussed plans for developing the 2026–29 IMTP. This shows a positive approach to learning and reflection.

Board assurance on partnership working

- 49 In April 2025, Welsh Government instructed the Chairs of Aneurin Bevan, Cwm Taf Morgannwg and Cardiff and Vale University Health Boards to establish a South-East Wales Regional Joint Committee. In September 2025, the Board approved the establishment and terms of reference of the Committee.
- 50 The Partnerships, Population Health and Planning Committee provides assurance to the Board on partnership work. This includes regional partnership boards, public services boards, and collaboration with other Health Boards, including Cwm Taf Morgannwg University Health Board and Cardiff and Vale University Health Board. The Board also receives regular updates on wider partnership activity, including joint working across Wales.
- 51 There are several risks related to partnership working. Our recent work on eye care services highlighted concerns with the complexity of partnership decision making and reporting. While regional solutions are expected to support long-term service sustainability, the capacity to develop and deliver these programmes whilst also managing immediate operational pressures is challenging.

Monitoring delivery of strategies / plans

- 52 The Health Board's arrangements for overseeing its corporate strategy and plans are effective, but plans are not yet delivering the scale of change needed. The Health Board's IMTP includes clear delivery milestones, outcomes, and performance measures. In September 2025, the Board received an update on quarter one delivery for 2025–26, which showed the Health Board was on track. To support delivery, the Health Board has developed a range of enabling plans and strategies, most of which include clear milestones.
- 53 The Health Board recognised the need to improve oversight of priority programmes. To address this, it has strengthened its reporting approach to provide specific oversight of the following areas:
 - place-based care and population health;

- planned care;
- mental health and learning disabilities; and
- clinical redesign.

54 The Board appropriately delegates strategy and plan oversight to its committees. While officers provide updates on key strategies and programmes, these are often narrative summaries, making it difficult to assess whether plans are on track, what actions are being taken, and whether timelines have changed.

Managing finances

The Health Board oversees finances well, but faces increasing challenges in the future

Meeting financial objectives and duties

55 The Health Board did not meet all its financial duties in 2024-25. Of the three duties, it met its capital resource limit, reporting a small underspend of £0.066 million. However, it did not:

- spend within its revenue resource limit for the three-year period 2022-23 to 2024-25; and
- have an agreed three-year IMTP for 2024-27.

56 Because a balanced financial position was unlikely, Welsh Government set the Health Board a target deficit of £7.3 million. The Health Board met this, reporting a year-end deficit of £7.1 million. Welsh Government also gave extra support in 2024-25, including a recurring £9.5 million allocation in December 2024 and a conditional recurring £31 million.

57 The Health Board submitted a balanced financial plan for 2025-26, based on achieving £40.4 million in savings. At submission, this was split as £15.7 million confirmed savings, £10.3m opportunities, and £14.4 million yet to be identified.

- 58 In July 2025, Welsh Government reduced the Health Board's escalation status from Level 4 to Level 3. This reflected progress against its financial improvement plan, including meeting the agreed control total for 2024–25 and having an approved three-year plan for 2025–28.
- 59 By month five of 2025–26, the Health Board changed its forecast from breaking even to a £19.9 million deficit. This means it is unlikely to meet its financial duties for the year. It also raises doubts about whether the original balanced plan was sufficiently realistic.

Financial planning arrangements

- 60 The Health Board identifies major financial risks, such as higher prescribing, Continuing Healthcare, delayed discharge, ward pressures and mental health service costs. It also has a strong record of making savings. In 2024–25, it saved £45.5 million against a target of £40.5 million, with £32 million being recurring savings. This strong planning and past success gave confidence that the 2025–26 financial plan, part of the IMTP approval process, could be delivered. However, as noted earlier, the plan is proving difficult to achieve, and the Health Board is now forecasting a deficit.
- 61 The Health Board is engaging its divisions and directorates to identify savings. This includes savings identified in its 'Opportunities Compendium', division plans and savings ideas from staff. The Health Board has continued to have a strong approach to value and sustainability, with several of its workstreams developing schemes to support this year's required financial savings⁴.
- 62 The Board is appropriately informed of the required savings to achieve financial balance, the savings approach and the risk of non-delivery. Savings updates to the Board indicate schemes that are off-track (no plan in place and not expected to achieve). However, we have not seen any learning reported on failed or under-delivering schemes.

⁴ The Health Board has five areas within its value and sustainability approach, Continuing Healthcare (CHC), medicines management, Procurement and non Pay, service redesign and workforce.

- 63 The Health Board's financial plan for 2025–26 was predicated on £40.4 million in savings, which it subsequently increased to £42.5 million. By month six, £15.1 million had been delivered, in line with the phasing and recognising the split between confirmed savings, opportunities, and areas yet to be identified.
- 64 In 2024, Audit Wales reviewed the [Health Board's approach to Cost Savings](#). Of the 11 recommendations in that report, the Health Board has made good progress: nine are complete, one is in progress, and one has not yet started. Areas which require further progress are set out in **Appendix 2**.

Financial management arrangements

- 65 The Health Board has a good approach to financial controls oversight. The Board reviews its Standing Orders and Standing Financial Instructions frequently, most recently in September 2025. It proactively assesses compliance with them. The Health Board completed a self-assessment against its Standing Financial Instructions this year, providing assurance to the Audit, Risk and Assurance Committee. This highlighted good compliance and some areas to improve, including meeting the break-even duty, clarity in workforce budgets for divisions, guidance on prepayments and policies on grant funding. Internal Audit will also undertake a compliance review of both Standing Orders and Standing Financial Instructions in 2025-26.
- 66 The Board delegates financial oversight to the Audit, Risk and Assurance Committee and the Finance and Performance Committee. These committees discharge their responsibilities appropriately. This includes overseeing reports on compliance with financial processes and controls, and assurances from internal audit and counter fraud work. The Health Board reports on high-value purchases and single tender actions, although there remains a lack of analysis of trends of single tender actions. This makes it hard to see if the Health Board is improving its approach to procurement.

67 The Health Board prepared and reviewed its financial accounts properly before and after the audit. It submitted its draft financial statements for external audit on time. For 2024-25, the Auditor General gave an unqualified opinion on the accounts, meaning they were true and fair. However, the regularity opinion was qualified because the Health Board did not meet its revenue resource allocation over the three-year period.

Monitoring financial performance

68 There are good arrangements for overseeing financial performance, but they mainly focus on the current year and give less assurance about how this will affect future years.

69 Both the Board and the Finance and Performance Committee receive regular financial performance reports. These show the current position against statutory revenue and capital limits, as well as progress on savings and the underlying financial position.

70 The Finance and Performance Committee continually looks in depth at key financial issues. This year the frequency of these meetings has increased. These areas include savings plans as well as reports from the Value Based Healthcare Programme and efficiency reports. The papers clearly explain financial risks and help support open and useful discussions.

71 The Health Boards' reports continue to provide a good overview of the current year performance, but do not give detail on how the Health Board will recover its position in the medium to longer term. Reports should be more focused on the Health Boards progress in delivering financially sustainable service models linked to service productivity, value, and efficiency.

Recommendations

72 The following table details the recommendations arising from our work.

Recommendations

- R1** The Health Board should report every six months to the Audit, Risk and Assurance Committee compliance with declarations of interest by staff cohort, identifying actions the Health Board is taking to address non-compliance (**paragraph 13**).
- R2** To ensure that the staff voice is heard at Board, the Health Board should ensure that staff stories are routinely used at both Board and committee meetings (**paragraph 23**).
- R3** The Health Board should ensure that reports to the Patient, Quality, Safety Outcomes Committee highlight issues raised through patient safety leadership walk rounds and the actions to address them (**paragraph 24**).
- R4** The Health Board should redevelop its Quality Outcomes Framework report to better highlight issues and provide assurance. This should include improving the report format, presentation of data, trends, targets and actions (**paragraph 37**).
- R5** To provide targeted assurance on local quality issues, the Health Board should ensure its clinical audit plan includes local clinical audit activity, which is determined through a risk-based assessment and appropriately resourced (**paragraph 38**).
- R6** The Health Board should introduce a Patient, Quality, Safety Outcomes Committee audit tracker for recommendations from other review bodies, including Healthcare Inspectorate Wales and Public Services Ombudsman for Wales (**paragraph 42**).

Appendices

1 About our work

Scope of the audit

We looked at the following areas for the period July 2025 to October 2025:

- How well the board works.
- How well the board oversees risks, performance, and the quality and safety of services and tracks recommendations.
- How well the body prepares key strategies and plans.
- How well the body manages its finances.

We did not look at the body's operational arrangements.

Audit questions and criteria

Questions

Our audit addressed the following questions:

- Does the Board conduct its business appropriately, effectively, and transparently?
- Is there a sound corporate approach to managing risks, performance, and the quality and safety of services?
- Is there a sound corporate approach to producing strategic plans and overseeing their delivery?
- Is there a sound corporate approach to financial planning, management, and performance?

Criteria

Our audit questions were shaped 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).

Methods

We reviewed a range of documents, including:

- Board and committee papers and minutes;
- Key governance documents, including Standing Orders and Standing Financial Instructions;
- Key strategies and plans, including the IMTP;
- Key risk management documents, including the Board Assurance Framework;
- Annual Report, including the Annual Governance Statement;
- Relevant policies and procedures; and
- Reports prepared by other relevant external bodies.

We interviewed the following key stakeholders:

- Chair;
- Chief Executive;
- Director of Strategy, Planning and Partnerships;
- Director of Finance and Procurement;
- Director of Public Health and Strategic Partnerships;
- Director of Corporate Governance;
- Director of Workforce and Organisational Development;
- Chair of Finance and Performance Committee;

- Chair of Audit, Risk and Assurance Committee; and
- Chair of the Patient Quality, Safety Outcomes Committee.

We observed Board meetings as well as meetings of the following committees:

- Patient, Quality, Safety Outcomes Committee;
- Audit, Risk and Assurance Committee;
- People and Culture Committee; and
- Partnerships, Population Health, and Planning Committee.

2 Previous audit recommendations

Outstanding recommendations from previous structured assessment reports

The table below sets out the progress made by the Health Board in implementing outstanding recommendations from previous structured assessment reports.

2022 Recommendation 2

Information presented to Board and committees does not always provide the required assurance. Some papers are too long, detailed, and technical. Cover reports continue to follow an SBAR format, but there is variation in their use. The Health Board, therefore, should develop training and guidance for Health Board staff around the reporting expectations and quality of information presented to the Board and its committees (**Superseded by recommendation 2, 2023**).

2022 Recommendation 7

The Health Board's deteriorating financial position and deterioration in savings deliver indicates that stronger accountability for financial performance and delivery is required. The Health Board, therefore, should review its Scheme of Delegation to ensure it more strongly outlines delegated accountability for the budgetary position and achievement of financial efficiencies at and below executive levels (**In progress, paragraph 63**).

2023 Recommendation 1

The Health Board should provide more timely access to records of committee meetings. It could do this either by ensuring that it livestreams or publishes recording of its committee meetings, or alternatively it could publish unconfirmed committee meeting minutes shortly after the meeting (**Complete, paragraph 10**).

2023 Recommendation 2

The Health Board should develop training and guidance for Health Board staff around the reporting expectations and quality of information presented to the Board and its committees (**Complete, paragraph 22**).

2023 Recommendation 3

The Health Board should establish a robust quality assurance mechanism to review the quality of reports for its Board and committees (**Complete, paragraph 22**).

2023 Recommendation 6

In the Integrated Performance Dashboard, the Health Board should provide more information on the actions required to address underperformance, the impact of past actions taken and where appropriate include benchmarking with other health bodies (**Complete, paragraph 33**).

2024 Recommendation 1

As part of its ongoing long-term strategy and clinical services plan development, the Health Board should:

- 1.1 Ensure the organisation's new long-term strategy and clinical services plan clearly defines the required sustainable service solutions and decisions for the medium to longer term. This should include a strong focus on population health and prevention (**Complete, paragraph 43**);
- 1.2 Ensure there is comprehensive engagement with clinical and other staff across all domains of the organisations service provision to feed into the development of the clinical services plan (**Complete, paragraph 43**); and
- 1.3 Publish well-being objectives either alongside or within its new long-term strategy and ensure Well-being of Future Generations (2015) Act requirements are an integral part of the strategy (**Complete, paragraph 43**).

2024 Recommendation 2

To enable more effective scrutiny of delivery of corporate plans and strategies, the Health Board should ensure that progress reports are clear and contain performance targets and comparative benchmarks, where possible. Reports should also contain clear progress against established milestones to aid scrutiny of progress (**In progress, paragraph 52**).

2024 Recommendation 3

To become financially sustainable in the longer-term, the Health Board should develop a detailed longer-term financial plan that is linked to the new long-term strategy currently in development and three-year route-map and ensure progress against delivery is monitored appropriately (**Not yet started, paragraph 59**).

2024 Recommendation 4

The Health Board should strengthen its oversight of Standing Financial Instruction and Single Tender Actions by:

- 4.1 introducing a self-assessment on Standing Financial Instruction compliance (**Complete, paragraph 65**); and
- 4.2 ensuring Single Tender Action reports include total contract values, setting out whether Board or Welsh Government approval was needed, and provide trend analysis of numbers and total values of Single Tender Actions for comparative periods in previous years (**Not yet started, paragraph 66**).

2024 Recommendation 5

To enable deeper scrutiny of operational finance and performance, the Health Board should increase the frequency of the finance and performance committee meetings (**Complete, paragraph 70**).

2024 Recommendation 6

The Health Board should ensure there is effective separation of responsibilities between the role of the Health Board Chair and the Chair of the Partnerships, Population Health, and Planning Committee. The Health Board should seek to appoint a separate committee chair from the wider cohort of independent members (**Complete, paragraph 18**).

2024 Recommendation 7

The Health Board needs to allow sufficient time on Board meeting agendas for the committee chairs to report assurance to the Board and escalate any concerns (**Not yet started, paragraph 20**).

2024 Recommendation 8

The Health Board should ensure there is a clear approach that links the strategic risks in its risk register to the strategic objectives in its annual plan (**Complete, paragraph 29**).

2024 Recommendation 9

The Health Board should ensure there is a stronger focus on primary and community care performance within its Integrated Performance reports (**Complete, paragraph 33**).

Recommendations from our 2024 Review of Cost Savings Arrangements

The table below sets out the progress made by the Health Board in implementing recommendations from our 2024 Review of Cost Savings Arrangements.

Recommendation 1

The Health Board needs to work quickly with its divisions and directorates to develop and implement a more consistent approach to the adoption of savings opportunities within its compendium, which will also need to include a greater level of transformative, cross service efficiencies and recurrent savings, to ensure its savings are put on a more sustainable footing (**Complete, paragraph 61**).

Recommendation 2

- 2.1 The Health Board should clearly demonstrate how the savings and efficiency ideas that it canvasses from its staff are then used to inform and shape deliverable savings schemes (**Complete, paragraph 61**).
- 2.2 The Health board should put clear arrangements in place to canvass savings and efficiency ideas from service users and other stakeholders (**Complete, paragraph 61**).

Recommendation 3

The Health Board should ensure that all relevant staff are applying its quality impact assessment approach on savings schemes in a consistent manner (**Complete**).

Recommendation 4

The Health Board should strengthen its approach to the reporting of cost savings by ensuring that future savings reports to Board and committees articulate all the savings the organisation needs to deliver each year to meet its Welsh Government control total deficit (**Complete, paragraph 69**).

Recommendation 5

The Health Board should continue to refine and update its medium-term financial plan (route map) to 2026-27 based on internal and external delivery risks and quickly take corrective action where there is slippage in its planned financial trajectory (**Complete**).

Recommendation 6

The Health Board should ensure that its current financial training and capacity building for its budget holders is sufficiently fit for purpose (**Complete**).

Recommendation 7

The Health Board should ensure its accountabilities framework is working as intended and acting as an appropriate lever to manage divisional and directorate underperformance against savings targets (**Complete, paragraph 32**).

Recommendation 8

The Health Board and its committees need to ensure that its identified controls and mitigating action for its strategic financial risks are fit for purpose and that their ongoing scrutiny clearly identifies remedial action where these controls are not having the desired impact (In progress, paragraph 31).

Recommendation 9

The Health Board should continue to strengthen its approach to identifying and developing saving schemes with a view to reducing the number of schemes that are rated as red, and to maintain a focus on moving its red and amber schemes to green (**Complete, paragraph 61**).

Recommendation 10

The Health Board should strengthen its current mechanisms for sharing learning on savings schemes to ensure that it gathers and then disseminates learning from schemes that have failed or underdelivered (Not started, paragraph 61).

3 Management response

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R1	The Health Board should report every six months to the Audit, Risk and Assurance Committee compliance with declarations of interest by staff cohort, identifying actions the Health Board are taking to address non-compliance (paragraph 13).	<p>The Health Board has an established implementation plan for embedding the Standards of Business Conduct Policy. This plan includes monitoring compliance across staff cohorts and identifying areas of non-compliance.</p> <p>Findings from this monitoring will inform twice-yearly reports to the Audit, Risk and Assurance Committee, which will include details of actions being taken to address any non-compliance.</p>	April 2026	Director of Corporate Governance / Head of corporate Governance

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R2	To ensure that the staff voice is heard at Board, the Health Board should ensure that staff stories are routinely used at both Board and committee meetings (paragraph 23).	The Board's Forward Workplan for 2026/27 will include a specific commitment to routinely incorporate staff stories at both Board and committee meetings to ensure the staff voice is heard. In addition, the Health Board is exploring informal mechanisms to further enhance staff engagement at Board level.	April 2026	Director of Corporate Governance / Board Business Manager
R3	The Health Board should ensure that reports to the Patient, Quality, Safety Outcomes Committee highlight issues raised through patient safety leadership walk rounds and the actions to address them (paragraph 24).	Reporting of issues identified during Patient Safety Leadership Walk Rounds, along with the actions taken to address them, is now embedded within the Health Board's governance framework. These issues and corresponding actions are captured in the Performance Report, which is formally submitted to the Quality Management Group (QMG) and subsequently to the Patient, Quality, Safety Outcomes Committee (PQSOC).	December 2025	Medical Director/ Assistant Director for Quality and Patient Safety

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		<p>The first update was presented to QMG in November and will be reported to PQSOC on 2nd December, with ongoing updates provided every two months thereafter.</p> <p>Each report will include a summary of issues identified, actions taken, and progress against those actions to ensure transparency and assurance.</p> <p>In addition, the Performance Report will also be presented to the Executive Committee, providing comprehensive oversight. Responsibility for maintaining this reporting process rests with the Director of Nursing, ensuring that this approach remains a standard part of the Health Board's governance arrangements.</p>		

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R4	<p>The Health Board should redevelop its Quality Outcomes Framework report to better highlight issues and provide assurance. This should include improving the report format, presentation of data, trends, targets and actions (paragraph 37).</p>	<p>Phase 1 – Report Redesign</p> <p>Improvements to the Quality Outcomes Framework (QOF) report format will be evident in the Q2 report presented to PQSOC in December 2025. Key enhancements include:</p> <ul style="list-style-type: none"> • A redesigned layout that is shorter, more concise, and standardised for consistency. • Enhanced visual presentation of data using run charts to show variation and trends over time. • Clear definitions accompanying each metric to explain what is being measured and why it matters. • Inclusion of performance against agreed targets alongside actual results to strengthen assurance. 	<p>Phase 1 31 December 2025</p>	<p>Executive Director of Nursing / Deputy Director of Nursing</p>

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		<ul style="list-style-type: none"> A dedicated section outlining implications and associated improvement actions to address areas of concern and improve patient outcomes. <p>Phase 2 – Enhanced Statistical Analysis The QOF report will transition to Statistical Process Control Charts (SPCC), enabling statistically significant variations to be visually highlighted and tracked over time.</p> <p>This enhancement will improve assurance by clearly distinguishing normal variation from signals that require action. In addition, work is underway with the Health Board's Data and Digital team to migrate QOF metrics into a live digital application (Qlik), beginning with RL Datix information for Quarter 3 reporting.</p>	Phase 2 28 February 2026	Executive Director of Nursing / Deputy Director of Nursing

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		<p>Phase 3 – Full Integration</p> <p>All remaining QOF metrics will be transitioned to SPCC within the digital platform, ensuring consistent, real-time monitoring of trends, targets, and improvement actions across the framework.</p>	Phase 3 31 May 2026	Executive Director of Nursing / Deputy Director of Nursing
R5	<p>To provide targeted assurance on local quality issues, the Health Board should ensure its clinical audit plan includes local clinical audit activity, which is determined through a risk-based assessment and appropriately resourced (paragraph 38)</p>	<p>The Health Board has adopted a phased approach to strengthening local clinical audit arrangements.</p> <p>Phase one has focused on establishing the Corporate Local Audit Plan, which provides a structured method for developing audit activity aligned to Health Board level risks, national and local standards, and strategic priorities. This ensures our corporate audit activity is driven by a clear, risk-based assessment of organisational need.</p>	31 March 2027	Medical Director/ Assistant Director for Quality and Patient Safety

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		<p>Phase two will involve working closely with Directorates and Divisions to support them in developing their own local clinical audit plans. These plans will be grounded in:</p> <ul style="list-style-type: none"> • risks identified on directorate risk registers, • themes and issues arising from quality and safety processes; and • opportunities to use audit as a structured method for learning, assurance and improvement. <p>We recognise that the absence of fully established directorate level plans remains a current gap. However, the work underway demonstrates clear progress toward a sustainable model of audit governance.</p> <p>To ensure this activity is appropriately resourced, we are</p>		

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		<p>providing dedicated support through the Clinical Audit and Quality Improvement teams, who will work alongside Directorates to prioritise activity, build local audit capability, and ensure alignment with the Health Board's audit governance framework.</p> <p>This phased approach will ensure the development of embedded, risk-based, directorate-owned local audit programmes that provide targeted assurance on local quality issues and drive continuous improvement across services.</p>		
R6	<p>The Health Board should introduce a Patient, Quality, Safety Outcomes Committee audit tracker for recommendations from other review bodies, including Healthcare Inspectorate</p>	<p>The Health Board will record and monitor recommendations and actions from Healthcare Inspectorate Wales and the Public Services Ombudsman for Wales through the Audit Management and Tracking (AMaT) system.</p>	28 February 2026	Executive Director of Nursing / Deputy Director of Nursing

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
	Wales and Public Services Ombudsman for Wales (paragraph 42).	AMaT reporting will be integrated into the Patient, Quality, Safety Outcomes Committee's assurance process to ensure oversight of progress and completion.		

4 Key terms in this report

Term	Description
Board Assurance Framework	A Board Assurance Framework sets out the risks linked to the organisation's strategic objectives, and the controls and assurances in place to manage those risks.
Clinical Strategy	A Clinical Strategy is a long-term plan that helps shape how healthcare services are designed and delivered to meet the needs of patients and communities.
Corporate Risk Register	A Corporate Risk Register sets out the organisation's significant risks (either those with high scores or organisation-wide impact) and the actions in place to manage them.
Counter Fraud	Counter fraud refers to the activity undertaken by the organisation to prevent, detect, and investigate fraud, bribery, and corruption. This work is led by the NHS Counter Fraud Service (CFS) Wales, which operates under the NHS Wales Shared Services Partnership.
Integrated Medium Term Plan	An Integrated Medium Term Plan is a three-year plan that sets out how the organisation will deliver its services, manage its workforce, and meet its financial duties to break even. The organisation submits its plan to the Welsh Government for approval.
Quality Governance	Quality governance is the combination of structures, processes, and behaviours used by an organisation, particularly its board, to lead on and ensure high-quality performance, including safety, effectiveness, and patient experience.
Register of Interests	The Register of Interests helps ensure transparency by recording any personal or business interests of Board members and staff that could influence decisions.

Term	Description
Scheme of Reservation and Delegation	The Scheme of Reservation and Delegation sets out which responsibilities stay with the Board and which are passed to committees and executives, along with reporting arrangements to ensure proper oversight.
Single Tender Action	A Single Tender Action is when an organisation buys goods or services from one supplier without going through a competitive process, usually because there is only one suitable option or urgent need.
Standing Financial Instructions	Standing Financial Instructions set out the financial responsibilities, policies, and procedures adopted by the organisation.
Standing Orders	Standing orders set out the rules and procedures by which the organisation operates and make decisions.
Well-being of Future Generations Act (2015)	This Act requires public bodies in Wales to work sustainably and collaboratively to improve well-being across social, economic, environmental, and cultural areas, by setting long-term goals (called well-being objectives), involving citizens, and making decisions that consider the impact on future generations.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.



Audit Wales

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.

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