

# Audit Committee Extraordinary Public Meeting

Fri 12 January 2024, 15:30 - 16:30

Microsoft Teams

## Agenda

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### 1.0.0 STANDARD BUSINESS

*Led by Gareth Jones, Acting Chair of the Audit Committee*

#### 1.1.0 Apologies

*Led by Gareth Jones, Acting Chair of the Audit Committee*

#### 1.2.0 In Attendance

*Led by Gareth Jones, Acting Chair of the Audit Committee*

#### 1.3.0 Declarations of Interest

*Led by Gareth Jones, Acting Chair of the Audit Committee*

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### 2.0.0 VELINDRE UNIVERSITY NHS TRUST STRUCTURED ASSESSMENT REPORT 2023

*Led by Katrina Febry, Audit Wales*

 2.0.0a 3982A2023\_VUNHST SA Report 2023.pdf (36 pages)

 2.0.0b VUNHST 2023 Structured Assessment Organisational Response v3.pdf (4 pages)

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### 3.0.0 ANY OTHER BUSINESS

By prior approval of the Acting Chair of the Audit Committee

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### 4.0.0 DATE AND TIME OF THE NEXT MEETING

*Audit Committee: Tuesday 12 March 2024 at 10:00AM*

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### 5.0.0 CLOSE

## Structured Assessment 2023 – Velindre University NHS Trust

Audit year: 2023

Date issued: December 2023

Document reference: 3982A2023

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

# Contents

Summary report	
About this report	4
Key findings	5
Recommendations	7
Detailed report	
Board transparency, effectiveness, and cohesion	9
Corporate systems of assurance	16
Corporate approach to planning	21
Corporate approach to managing financial resources	24
Appendices	
Appendix 1 – Audit methods	28
Appendix 2 – Progress made on previous-year recommendations	30
Appendix 3 – Organisational response to audit recommendations	35

# Summary report

## About this report

- 1 This report sets out the findings from the Auditor General's 2023 structured assessment work at Velindre University NHS Trust (the Trust). Our structured assessment work is designed to help discharge the Auditor General's statutory requirement under section 61 of the Public Audit (Wales) Act 2004 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources. Our review of the Trust'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 2023 Structured Assessment work took place at a time when NHS bodies were still responding to the legacy of the COVID-19 pandemic as they look to recover and transform services and respond to the additional demand in the system that has built up during the pandemic. Furthermore, health bodies are also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. More than ever, therefore, NHS bodies and their Boards need to have sound corporate governance arrangements that can provide assurance to themselves, the public, and key stakeholders that the necessary action is being taken to deliver high-quality, safe and responsive services, and that public money is being spent wisely.
- 3 The key focus of the work has been on the Trust's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on;
  - Board transparency, cohesion, and effectiveness;
  - Corporate systems of assurance;
  - Corporate approach to planning; and
  - Corporate approach to financial management.We have not reviewed the Trust's operational arrangements as part of this work.
- 4 Our work has been informed by our previous structured assessment work, which has been developed and refined over several years. It has also been informed by:
  - Model Standing Orders, Reservation and Delegation of Powers
  - Model Standing Financial Instructions
  - Relevant Welsh Government health circulars and guidance
  - The Good Governance Guide for NHS Wales Boards (Second Edition)
  - Other relevant good practice guidesWe undertook our work between July 2023 and November 2023. The methods used to deliver our work are summarised in **Appendix 1**.

- 5 We also provide an update in this report on the Trust's progress in addressing outstanding recommendations identified in previous structured assessment reports in **Appendix 2**.

## Key findings

- 6 **We found that overall, the Trust continues to be generally well led and governed, with a clear strategic vision and priorities, improving systems of assurance, and effective arrangements for managing its finances. However, opportunities remain to further enhance public transparency of Board business, strengthen strategic risk management arrangements, and ensure corporate plans and strategies contain clear objectives and actions for all Trust functions.**

### Board transparency, effectiveness, and cohesion

- 7 We found that **the Board and its committees generally operate well, with an ongoing commitment to public transparency, continuous improvement and to hear from patients and donors. However, opportunities remain to further enhance certain arrangements further.**
- 8 The Board remains committed to conducting its business transparently. Board meetings are live-streamed, and papers made available in advance of meetings. However, opportunities remain to further enhance transparency of Board business. This includes promoting Board meetings via social media, publishing committee agenda papers in advance of meetings, giving the public a brief summary of decisions made in private sessions, and publishing unconfirmed Board and committee minutes shortly after meetings.
- 9 There are effective arrangements to support the conduct of Board business. Board and committee meetings are well managed, with good scrutiny, challenge, and debate. However, some committees are finding it difficult to run meetings to time. Board and Committee papers often contain too much detail and do not provide enough assurance on the impact of initiatives or actions taken.
- 10 The Board promotes and demonstrates a commitment to hear from patients and donors and is stepping up activities to enable Board members to hear from service users. The Board is stable and continues to demonstrate a positive commitment to continuous improvement. However, the Trust will need to ensure that appropriate arrangements are in place to ensure continued stability should there be changes to its Independent Member cohort.

### Corporate systems of assurance

- 11 We found that **positive improvements have been made to key corporate systems of assurance, particularly in relation to managing performance, tracking recommendations, and responding to the new duties of quality and**

**candour. However, progress in refreshing strategic risks has been slow, limiting the Board's ability to maintain effective oversight of them.**

- 12 The Trust has continued to develop its Board Assurance Framework, but progress to refresh strategic risks has been slow. Consequently, the Board Assurance Framework has not been reviewed by the Board for more than six months. The Trust anticipates that the new template will be populated with the revised risks and associated controls and assurance in time for the November 2023 Board meeting. Improvements to information included in the Corporate Risk Register are providing better clarity about operational risks. This has drawn attention to the long-standing nature of many of the risks, and the Board wants to give more attention to the longest open risks over the coming months.
- 13 The Trust is strengthening its corporate approach to reporting, overseeing, and scrutinising organisational performance. It is looking to develop a Business Intelligence solution to help automate the collection and reporting of performance measures. The Trust has taken appropriate steps to review its compliance with the new duties of quality and candour. The Trust has good arrangements to oversee and scrutinise progress to address audit and review recommendations.

### **Corporate approach to planning**

- 14 We found that **the Trust has effective arrangements for producing, overseeing, and scrutinising the development of strategies and corporate plans. However, the 2023-26 IMTP does not contain clear objectives and actions, supported by timescales for delivery and intended measurable outcomes for cross-cutting corporate functions.**
- 15 The Trust has set out a clear vision in its long-term strategy and its supporting enabling strategies. The Trust has effective corporate planning arrangements but needs to ensure that when it develops priorities for future Integrated Medium-Term Plans (IMTP), it considers the collective resources required to deliver them all rather than on an individual basis. There was good Board-level engagement throughout the development of the 2023-26 IMTP.
- 16 The 2023-26 IMTP contains clear objectives and actions, supported by timescales for delivery and intended measurable outcomes for blood and cancer services. However, the objectives for cross-cutting corporate functions are not underpinned by specific actions, and nor are they time-bound or measurable. Progress reporting against the 2023-26 IMTP has been limited to blood and cancer services only, and progress reports have not been received by the full Board. Going forward, the Trust recognises that IMTP progress reports need to provide better narrative to explain the resulting impact of both delivered and non-delivered actions on service quality and performance.

## Corporate approach to managing financial resources

- 17 We found that **the Trust continues to have good arrangements for financial planning and managing and monitoring its financial position.**
- 18 The Trust met its financial duties for 2022-2023 and is forecasting to break-even in 2023-24.
- 19 The Trust has a clear process for financial planning, with good involvement from the Board, although the development and the identification of recurrent savings plan has been a challenge. Its arrangements for controlling, overseeing, and scrutinising financial management are robust.

## Recommendations

- 20 **Exhibit 1** details the recommendations arising from our work. These include timescales and our assessment of priority. The Trust's response to our recommendations is summarised in **Appendix 3**. [Appendix 3 will be completed once the report and organisational response have been considered by the relevant committee].

### Exhibit 1: 2023 recommendations

#### Recommendations

##### Transparency of Board business

- R1** The Trust rarely publicises its Board meetings on its social media channels. The Trust should establish a process to ensure more frequent reminders about Board meetings are posted on social media (**Medium Priority**).

##### Transparency of Board business

- R2** The Trust does not publicise what is to be discussed in private Board or committee meetings or publish summaries of what is discussed. The Trust should:
- include a list of the items to be discussed in private sessions on public Board and committee meeting agendas (**Medium Priority**); and
  - provide (and publish) brief summaries of private Board and committee discussions (**Medium Priority**).

##### Transparency of Board business

## Recommendations

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- R3** Committee minutes are published on the Trust's website when included in papers for the next meeting, usually two months later. The Trust should publish unconfirmed minutes as soon as possible after committee meetings, following accuracy checking, whilst still retaining full confirmation of accuracy by committee members in the following meeting (**Medium Priority**).
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### Board and committee reports

- R4** In Board and committee cover papers, the summary of previous discussions undertaken in other fora, often do not make evident what the outcome was and whether any agreed actions have been implemented. The Trust should establish a process to ensure that summaries of previous discussions include the resulting agreed actions, and whether they have been implemented (**Medium Priority**).
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### Operational risk assurance

- R5** Recent cover papers on the Corporate Risk Register did not include the reasons why some risks no longer featured. This means that meeting members have no assurance that the reason for any omissions is a result of risk mitigation having a positive impact. In future Corporate Risk Register cover reports, the Trust should provide a summary on the reasons why risks have been removed from the Corporate Risk Register (**High Priority**).
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### Board and committee reports

- R6** Often, Board and committee cover reports, papers and presentations are operationally detailed, and activity focused but provide less clarity on the impacts of initiatives or actions taken. The Trust should establish a process to ensure that Executive Lead sponsors review to make sure that cover reports, papers and presentations are focused on key issues and impacts (**Medium Priority**).

# Detailed report

## Board transparency, effectiveness, and cohesion

- 21 We considered whether the Trust's Board conducts its business appropriately, effectively, and transparently.
- 22 We found that **the Board and its committees generally operate well, with an ongoing commitment to public transparency, continuous improvement, and hearing from patients and donors. However, opportunities remain to enhance certain arrangements further.**

## Public transparency of Board business

- 23 We considered whether the Board promotes and demonstrates a commitment to public transparency of board and committee business. We were specifically looking for evidence of Board and committee:
- meetings that are accessible to the public;
  - papers being made publicly available in advance of meetings;
  - business and decision-making being conducted transparently; and
  - meeting minutes being made publicly available in a timely manner.
- 24 We found that the **whilst the Board remains committed to conducting its business transparently, opportunities remain to increase public access to Board business.**
- 25 All public Board meetings continue to be live streamed to allow the public to observe virtually, with recordings made available on the Trust's website. The Trust's website sets out how members of the public can register to observe Board meetings; however, the Trust rarely publicises these meetings on its social media channels (**Recommendation 1**). The Trust, however, does not live-stream or record its public committee meetings (other than for the purpose of minute taking).
- 26 Board papers are published on the website in advance of meetings; however, committee papers are not. In our 2022 structured assessment report, we highlighted that papers for some committee meetings were missing from the Trust's website long after meetings had occurred (see **Appendix 2 R1 2022**). Whilst all meeting papers are now available on the website, during 2023 we found that some meeting papers were not available for many weeks after the meeting<sup>1</sup>. The Trust is currently refreshing its Corporate Governance Handbook. The Handbook now sets out a requirement for committee papers to be published one week in advance of meetings and the responsibilities for ensuring key

<sup>1</sup> We reviewed the website on the 18 July 2023, and found that the 4 May 2023 Strategic Development Committee meeting papers were missing from the website. We also reviewed the website on the 4 October 2023, and noted that the 26 July 2023 Audit Committee papers were missing. All committee papers are now available on the website.

documents are published on the website once approved by a committee or the Board.

- 27 We observed open and candid discussions in public Board and committee meetings. The Trust minimises the use of private Board and committee sessions, reserving these for confidential and sensitive matters only. However, the Trust does not publicise what is to be discussed in private Board or committee meetings or publish summaries of what is discussed (**Recommendation 2**).
- 28 The Trust continues to log urgent decisions taken by the Chair between scheduled Board meetings. All urgent decisions are subsequently presented to the Board in writing for scrutiny and ratification.
- 29 Board minutes are published on the Trust's website (unconfirmed) in the papers for the next meeting, and once confirmed at the meeting, the agenda papers are republished. Committee meeting minutes are not available on the Trust's website until they have been confirmed at the next meeting and published in that meeting's papers, which is usually at least two months later. The Trust should aim to publish unconfirmed committee minutes as soon as possible after committee meetings (allowing time for accuracy checking by the meeting chair and relevant executive lead), whilst still retain full confirmation of accuracy by committee members in the following meeting (**Recommendation 3**). This would help members of the public to have a timelier understanding of committee business, particularly as the public is unable to attend or observe committee meetings.

## Arrangements to support the conduct of Board business

- 30 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.
- 31 We found that **the Board has effective arrangements to support the conduct of its business**.
- 32 The Trust's governance arrangements continue to support the effective conduct of Board and committee business. The Trust reviews its Standing Orders, Scheme of Reservation and Delegation, and Standing Financial Instructions on a frequent basis. It last updated each of these documents in September 2023, with endorsement received from the Audit Committee in October. Board approval will be sought in November 2023. The current approved versions of the Standing Orders and Standing Financial Instructions are available on the Trust website.

- 33 Updates to the Standing Orders appropriately reflect necessary requirements relating to the Duties of Candour and Quality (Health and Social Care (Quality and Engagement) Act (2020).
- 34 The Audit Committee receives the Register of Declarations of Interest, Gifts, Sponsorship, Hospitality and Honoraria on a six-monthly basis. It last reviewed the register in October 2023. In our 2022 structured assessment report, we highlighted that whilst the register is available in Audit Committee papers, the Trust had not published it separately on its website. This has since been rectified (see **Appendix 2 R1, 2022**). We routinely observed declarations of interest taken at the start of Board and committee meetings as a standing item.
- 35 During 2022, the Trust undertook a comprehensive review of its arrangements for managing and updating Trust-wide policies. This work involved identifying policies that were either near to or past their review date, and risk assessing them to determine which should be reviewed as a priority. Consequently, there are revised procedures for the management of Trust policies in place, as well as a Control Register to record the status of these policies. There is a programme of work underway to update policies, and our sample review suggests that new policies are placed on the Trust website following approval.

## Effectiveness of Board and committee meetings

- 36 We considered whether Board and committee meetings are conducted appropriately and effectively. We were specifically looking for evidence of:
- an appropriate, integrated, and well-functioning committee structure in place, which is aligned to key strategic priorities and risks, reflects relevant guidance, and helps discharge statutory requirements;
  - Board and committee agendas and work programmes covering all aspects of their respective Terms of Reference as well being shaped on an ongoing basis by the Board Assurance Framework;
  - well-chaired Board and committee meetings that follow agreed processes, with members observing meeting etiquette and providing a good balance of scrutiny, support, and challenge; and
  - committees receiving and acting on required assurances and providing timely and appropriate assurances to the Board.
- 37 We found that **the Trust's Board and committee structure is operating effectively. Meetings are well-managed, with good scrutiny, challenge, and debate, but some committees are finding it difficult to run meetings to time.**
- 38 There is an appropriate and integrated committee structure in place, which is aligned to key strategic priorities and risks and meets statutory requirements. Terms of reference for all committees are up to date.
- 39 In previous years, we have focused our attention on the effectiveness of the Quality, Safety, and Performance Committee. In our 2022 structured assessment

report, we reported that committee meetings were running to time and there had been signs of more focused discussions on key matters.

- 40 The remit of the Quality, Safety, and Performance Committee is large. It covers quality, safety, and operational performance (including workforce and finance) with the aim of enabling better triangulation of information to identify 'cause and effect'. As a result, this necessitates many agenda items for the Committee to consider. However, the establishment of the Integrated Quality and Safety Group<sup>2</sup> has helped to reduce some of the information reported to the Quality, Safety and Performance Committee. Whilst Quality, Safety, and Performance Committee meetings generally run to time, this remains a challenge given the number of papers and detail provided within them (see **paragraph 49**). On occasions, it is difficult to achieve an appropriate balance of running committee meetings to time whilst allowing adequate time for scrutiny.
- 41 Helpfully, the agendas of Quality, Safety, and Performance Committee meetings have been reordered to ensure that key matters for discussion feature near the start of the meetings where energy levels are higher. Appropriate use is also made of consent agendas. In addition, the Committee's cycle of business has been aligned to the financial year. All annual reports are now prepared in time to support the Annual Governance Statement and received by the committee in its July meeting.
- 42 During 2023, we have also observed some Audit Committee meetings overrunning due to the large number of items on the agenda, the detail contained in papers, and the need to allow sufficient time for scrutiny.
- 43 Board and committee meetings are 'hybrid', with some members attending in person and others attending virtually. This approach generally works well. Board and committee meetings continue to be well chaired, and members observe good meeting etiquette. We have observed Independent Members offering robust scrutiny with a good balance of challenge and support.
- 44 There is good cross-referral of matters between committees and from committees to the Board. Committees produce good quality highlight papers that effectively draw attention to key matters for escalation and assurance for discussion at Board meetings. The Trust Chair and committee chairs meet regularly to triangulate information from across the committee structure and wider Trust matters.

<sup>2</sup> The Integrated Quality and Safety Group is a Trust-wide operational group which first met in October 2022 and now meets every month. Some items are now reported to the Integrated Quality and Safety Group, and by exception to the Quality, Safety, and Performance Committee.

## Quality and timeliness of Board and committee papers

- 45 We considered whether the Board and committees receive timely, high-quality information that supports effective scrutiny, assurance, and decision making. We were specifically looking for evidence of:
- clear and timely Board and committee papers that contain the necessary / appropriate level of information needed for effective decision making, scrutiny, and assurance.
- 46 We found that **Board and committee papers often contain too much detail and do not provide enough assurance on the impact of initiatives or actions taken.**
- 47 Cover reports clearly identify if papers have previously been scrutinised by executives or by a committee. However, the summary of previous discussions is sometimes too brief, and the outcome of those discussions is not evident. Therefore, summaries of previous discussions should include the resulting agreed actions, and whether they have been implemented or not to help avoid unnecessary repeat discussions (**Recommendation 4**).
- 48 The Trust has recently mandated the use of a standard cover report, which requires commentary under the following headings: Situation, Background, Assessment, and Summary of Matters for consideration. In addition, for assurance agenda items, papers now include an assessment of the level of assurance<sup>3</sup> provided. This is beginning to help paper authors assess the adequacy of the assurance provided, and whether further action may be necessary.
- 49 However, there are signs that Independent Members are becoming a little frustrated that some cover papers and presentations are too detailed and do not adequately focus on key messages, and impact. The Trust recognises the amount of detail in some cover papers and presentations is still too great and is taking action to address this. In recent committee meetings, a clear steer has been given that cover papers and presentations must focus on the key messages, and provide evidence that improvements are being made. There is a tendency for presentations and papers to provide detail about activity, but less clarity about whether the desired outcomes or impact achieved, for instance:
- delivery of the IMTP actions (see **paragraph 109**);
  - actions taken to reduce current/residual risk levels associated with strategic risks (see **paragraphs 69-70**); and
  - in our Review of Workforce Planning Arrangements (August 2023) we highlighted that the Trust needs to strengthen how it reports on the impact of key workforce initiatives in committee reports.

<sup>3</sup> The Trust has adopted the seven levels of assurance model, with a zero score meaning there are no actions agreed and no improvement evident, and a level seven score equating to actions which address the root causes are agreed and all implemented and there are evident signs of improvement.

- 50 The Trust recognises that there needs to be more focus on outcomes and impacts, and we are seeing signs of improvements. There is scope to further strengthen arrangements for ensuring information provided in Board and committee, cover reports, papers and presentations is pitched appropriately, focuses on what is new or different, and provides clarity on the intended impacts or outcomes of initiatives or actions taken (**Recommendation 5**).
- 51 The Trust circulates Board and committee papers to attendees in advance of meetings, although we have noted on occasions some papers are made available only a day or two before committee meetings.

## Board commitment to hearing from patients, donors and staff

- 52 We considered whether the Board promotes and demonstrates a commitment to hearing from patients, donors and staff. We were specifically looking for evidence of:
- the Board using a range of suitable approaches to hear from patients, donors and staff.
- 53 We found that **the Board promotes and demonstrates a positive commitment to hear from patients and donors**.
- 54 The Trust has continued to engage regularly with patient advocates via Llais<sup>4</sup>. Llais representatives also regularly attend Board and committee meetings and provide views on service changes and the public accessibility of Trust business.
- 55 Quality, Safety, and Performance Committee meetings commence with either a patient, donor, or staff story, which usefully sets the tone for the remainder of the meetings. From our observations, we note that Independent Members give robust scrutiny on the potential impact of decisions on patients and donors. The Quality, Safety, and Performance Committee also receives regular service user updates.
- 56 Since the pandemic, opportunities for Independent Members to take part in 15-Steps challenges<sup>5</sup> have been sporadic. We understand the Trust intends for each Independent Member to participate in at least two 15-Steps challenge visits a year.
- 57 We will comment on the Trust's arrangements for Board members to hear from staff as part of our follow-up review of quality governance arrangements in 2024.

<sup>4</sup> Llais is a patient representative body, which replaced the former Community Health Council.

<sup>5</sup> The 15-Steps Challenge is a toolkit to explore healthcare settings through the eyes of patients and relatives.

## Board cohesiveness and commitment to continuous improvement

- 58 We considered whether the Board is stable, 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.
- 59 We found that **the Board continues to demonstrate a positive commitment to ongoing improvement.**
- 60 The Trust has a stable Board. Independent Members have a diverse portfolio of skills and experiences, and there is a strong executive leadership team in place.
- 61 Terms of office for Independent Members are staggered, which minimises Board instability and helps reduce the risk of losing knowledge and experience when terms end. However, the current terms of office for both the Board Chair and the Audit Committee Chair are due to end in March 2024. Should new appointments be necessary, the Trust needs to take appropriate action soon, given the appointment process can be lengthy.
- 62 The Trust continues to provide a good range of Board training and development opportunities and seeks opportunities for further improvements. The Board will need to revisit and refresh its development programme if new Independent Members are appointed.
- 63 There is a commitment to review the effectiveness of Board and committee meetings and make necessary improvements, with committees undertaking annual reviews and putting appropriate action plans in place to address findings. Positively, the Trust continues to use a maturity assessment and in its Accountability Report 2022-23 the Board rated itself as level 4<sup>6</sup> out of a possible five levels. The Trust is one of only two NHS bodies in Wales that uses this maturity assessment.

<sup>6</sup> Defined as 'having well developed plans and processes and can demonstrate sustainable improvement throughout the organisation'.

## Corporate systems of assurance

- 64 We considered whether the Trust has a sound corporate approach to managing risks, performance, and the quality and safety of services.
- 65 We found that **positive improvements have been made to key corporate systems of assurance, particularly in relation to managing performance, tracking recommendations, and responding to the new duties of quality and candour. However, progress in refreshing strategic risks has been slow, limiting the Board's ability to maintain effective oversight of them.**

## Corporate approach to overseeing strategic risks

- 66 We considered whether the Trust has a sound corporate approach to identifying, overseeing, and scrutinising strategic risks. We were specifically looking for evidence of:
- an up-to-date and publicly available Board Assurance Framework (BAF) in place, which brings together all the relevant information on the risks to achieving the organisation's strategic priorities / objectives; and
  - the Board actively owning, reviewing, updating, and using the BAF to oversee, scrutinise, and address strategic risks.
- 67 We found that **the Trust has continued to develop its Board Assurance Framework, but its progress in refreshing strategic risks has been slow. Consequently, the Board Assurance Framework has not been reviewed by the Board for more than six months.**
- 68 We considered the Trust's Board Assurance Framework (Trust Assurance Framework) and risk management arrangements as part of our 2022 [review of the organisation's quality governance arrangements](#) and our 2022 structured assessment. At the time of our work in 2022, we found that scrutiny of the Trust Assurance Framework had concentrated on its development, rather than its content.
- 69 The Trust Assurance Framework was updated regularly in 2022 and the first quarter of 2023. However, conversations at Board and committee meetings continued to focus on format rather than content. In March 2023, a revised Trust Assurance Framework template was agreed. The template now includes the residual/current risk trend, signposting to relevant operational risks, more detailed SMART<sup>7</sup> action plans to address gaps in controls and assurances with implementation progress and resulting impacts.
- 70 At the end of 2022, the Trust began work to refresh its strategic risks with the aim of aligning them to the strategic priorities set out in its 2023-26 IMTP and the strategic objectives set out in its 10-year strategy, 'Destination 2033'. However,

<sup>7</sup> Specific, Measurable, Achievable, Relevant, Timebound.

work to finalise the strategic risks has taken significantly longer than originally anticipated. The proposed strategic risks have received scrutiny by the Strategic Development Committee but were not quite ready for approval at the September 2023 Board meeting. Instead, it was agreed that approval would be sought by the full Board at a later time. When developing the next IMTP, it would be prudent to dedicate a Board Development Session (or series of sessions, as appropriate) to enable the full Board time and space to discuss and agree strategic priorities and any required adjustments to strategic risks. Final approval should then occur in a public Board meeting.

- 71 The Trust told us the Trust Assurance Framework continued to be updated however, the Trust Assurance Framework has not featured at a Board or committee meeting since March 2023, and Independent Members have expressed their concerns about the omission. The Trust recognises it would have been prudent to continue to update and maintain the existing Trust Assurance Framework until the new strategic risks had been approved. The completed Trust Assurance Framework, in the new format, is due to be received at the November 2023 Board meeting (**Appendix 2 R1a 2019**).

## Corporate approach to overseeing corporate risks

- 72 We considered whether the Trust 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;
  - the Board providing effective oversight and scrutiny of the effectiveness of the risk management system; and
  - the Board providing effective oversight and scrutiny of corporate risks.
- 73 We found that **improvements to the Corporate Risk Register are providing better clarity about operational risks and supporting more effective scrutiny**.
- 74 In our 2022 quality governance review, we reported that whilst the Trust had made progress to develop and improve corporate risk management arrangements, there were some outstanding areas of work. We also found that the Corporate Risk Register did not always include enough information to support good scrutiny and challenge, and whilst the rollout of risk management training had commenced, significant numbers of staff still needed to be trained.
- 75 Since then, the Trust has reviewed, revised, and approved its Risk Appetite and Risk Management Framework (**Appendix 2 R2b 2019**). Risk management training has been rolled out to senior leaders and Board members have been kept updated on risk training compliance. The rollout of training to staff is making good progress since it began in April 2023. As of 25 October 2023, 73% of staff had received the training, against the aim of reaching 85% compliance by the end of October 2023 (see **Appendix 2 R1c 2019**).

- 76 Since March 2023, the Corporate Risk Register has also included the target risk score, a chart showing risk score trend data, and SMART action plans to achieve the target risk score. Initially, there was variable detail about proposed actions to reduce risk scores. However, there is now a requirement to be specific about which controls are in place and those that are proposed, and all proposed mitigating actions must be SMART. Our review of the Corporate Risk Register found that since July 2023, progress has been made to ensure each risk has included a SMART action plan.
- 77 Improvements to the information included in the Corporate Risk Register has resulted in more clarity about operational risks. In the May 2023 Quality, Safety, and Performance Committee, a clear signal was set out that going forward, scrutiny of the Corporate Risk Register should focus on content not format. In each of the May, July and September 2023 committee meetings, two or more risks were discussed in detail, with good scrutiny provided by Independent Members. Since the inclusion of the risk score trends, Board and committee scrutiny has given attention to the long-standing nature of many of the risks. The September 2023 Corporate Risk Register included nine risks, of which none had seen a reduction in their risk score for the period for which data is available<sup>8</sup>. Three risks had been open more than 19 months. The Board has agreed that papers and discussions on risk need to focus on ensuring that proposed actions to reduce risk are having a demonstrable impact. Independent Members have subsequently asked that from September 2023 onwards, a date by which the target risk score will be achieved must be specified. Strategic risks are broad and high-level in their nature, and consequently there may be limited movement possible in risk scores, particularly where actions to address risk are out of the control of the Trust.
- 78 The Quality, Safety and Performance Committee received the Corporate Risk Register in its November 2023 meeting. The number of risks had reduced from nine (in September 2023) to five. Whilst presumably this means that actions taken to reduce operational risks in respect of four risks are having a positive impact, there was no assurance provided to confirm this (**Recommendation 5**).

## Corporate approach to overseeing organisational performance

- 79 We considered whether the Trust has a sound corporate approach to identifying, overseeing, and scrutinising organisational performance. We were specifically looking for evidence of:
- an appropriate, comprehensive, and up-to-date performance management framework in place, underpinned by clear roles and responsibilities; and

<sup>8</sup> Of the nine risks, one had been on the corporate risk register since July 2023, two since June 2023, and one since May 2023, the remaining five had been on the register for longer, but the earliest available trend data is March 2023 for these risks.

- the Board and committees providing effective oversight and scrutiny of organisational performance.

80 We found that **the Trust continues to strengthen its approach to reporting, overseeing, and scrutinising organisational performance.**

81 In our previous structured assessment reports, we set out that the Trust had plans to enhance its Performance Management Framework. Following extensive engagement across the Trust, the new framework was launched in 2023. It adopts a 'balanced scorecard' approach aligned to the six domains of care – safe, effective, service user centred, timely, efficient, and equitable care. The Quality, Safety, and Performance Committee and Board received the new look Performance Management Framework report at their March 2023 meetings. The new report contains more nuanced data and narrative to explain performance, the immediate and longer-term actions planned to drive improvement, and the risks which may impact future performance.

82 The next steps include identifying a Business Intelligence solution to automate the collection, collation, and reporting of key measures, and approaching potential benchmarking partners. The Trust also intends to develop further measures in some areas, including patient outcome and experience, staff experience, diversity, and the Welsh language.

83 The accountability and frequency for reviewing performance at service, management, committee, and Board levels is appropriate. The Board effectively discusses and challenges where performance is off track. However, as there are 113 performance indicators in the Board report, the Board might wish to focus on fewer key performance risks and place greater assurance from the detailed review and scrutiny undertaken by the Quality, Safety, and Performance Committee. This would also create more time for the Board to discuss other matters requiring its attention.

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

84 We considered whether the Trust has a sound corporate approach to overseeing and scrutinising the quality and safety of services. We were specifically looking for evidence of:

- corporate arrangements in place that set out how the organisation will deliver its requirements under the new Health and Social Care (Quality and Engagement) Act (2020);
- a framework (or similar) in place that supports effective quality governance;
- clear organisational structures and lines of accountability in place for clinical/quality governance; and
- the Board and relevant committee providing effective oversight and scrutiny of the quality and safety of services.

- 85 We found that **the Trust is taking appropriate steps to comply with the new duties of quality and candour.**
- 86 Our 2022 quality governance review found that significant progress had been made to improve the Trust's quality governance arrangements but identified opportunities for improvement. At the time of our work, the new Quality and Safety Framework had just been approved, and there was work to do to implement and embed new arrangements. We intend to follow-up our review in 2024.
- 87 The Trust has made appropriate arrangements to ensure compliance with the Health and Social Care (Quality and Engagement) Act (2020). An implementation group, chaired by the Director of Nursing Allied Health Professionals and Health Science, oversaw the implementation. In July 2023, it was agreed that the implementation group could be stood down, with remaining actions to be overseen by the Integrated Quality and Safety Group. Implementation has been supported by a series of training and engagement events with staff to raise awareness. Work is still underway to develop a prioritised list of quality metrics, to be included in a Quality Dashboard, and to develop a quality management system. Regular updates on implementation of the Duty of Candour have been provided to the Quality, Safety, and Performance Committee.

## Corporate approach to tracking recommendations

- 88 We considered whether the Trust 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.
- 89 We found that **the Trust has good arrangements for overseeing and scrutinising progress in addressing audit and review recommendations.**
- 90 The Trust has an effective system for tracking recommendations. The recommendations tracker, which is reviewed at each Audit Committee meeting, contains the overdue and closed recommendations. The Audit Committee is asked to approve the closed recommendations once assured that action taken is appropriate. Twice a year, the Audit Committee receives the full tracker, which also includes recommendations that are not overdue. Options are being explored to automate the tracking system by providing wider access to update progress made.
- 91 There is a separate Legislative and Compliance Register to ensure compliance with legislative and regulatory requirements. It is appropriately reviewed by the Audit Committee twice a year.
- 92 In our structured assessment report last year, we recommended that the Quality, Safety, and Performance Committee reinstate its arrangements for tracking recommendations relating to the quality, safety, and performance of services made by other inspectorates and regulators. The committee received the new tracker in May 2023. A review was undertaken to ensure that all relevant recommendations

were included since the tracker was last updated in June 2020. The tracker contains the recommendation, the outcome required, proposed actions, oversight responsibilities, delivery date, and summary of progress. (**Appendix 2 R2 2022**).

## Corporate approach to planning

- 93 We considered whether the Trust has a sound corporate approach to producing strategies and corporate plans and overseeing their delivery.
- 94 We found that **the Trust has effective arrangements for producing, overseeing, and scrutinising the development of strategies and corporate plans. However, the 2023-26 IMTP does not contain clear objectives and actions, supported by timescales for delivery and intended measurable outcomes, for cross-cutting corporate functions.**

## Corporate approach to producing strategies and plans

- 95 We considered whether the Trust has a sound corporate approach to producing, overseeing, and scrutinising the development of strategies and corporate plans. We were specifically looking for evidence of:
- a clear Board approved vision and long-term strategy in place which are future-focussed, rooted in population health, and informed by a detailed and comprehensive analysis of needs, opportunities, challenges, and risks;
  - 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.
- 96 We found that **the Trust has effective arrangements for producing, overseeing, and scrutinising the development of strategies and corporate plans.**
- 97 In last year's structured assessment report, we noted that the Trust had set out a clear vision and strategic goals in its long-term strategy, 'Destination 2033', and suite of enabling strategies. The Trust has separate underpinning strategies for Velindre Cancer Services and the Welsh Blood Service, which are both framed in the context of 'Destination 2033'. Last year, we reported that whilst 'Destination 2033' and its enabling strategies were available in Board papers, they were not published separately on the Trust's website. 'Destination 2033' was subsequently published on the website in October 2023, although the enabling strategies were published at different points earlier in the year (**Appendix 2 R1 2022**).
- 98 The Trust has effective corporate planning arrangements. The planning process is coordinated by the Trust's Strategic Planning Team. They are supported by

Planning Managers in each division as well as the Finance Team and overseen by the Executive Management Board. The Trust also involves internal and external stakeholders in developing corporate strategies and plans. Central planning guidance supports the preparation of the IMTP development plans of divisions and enabling services.

- 99 The Trust's 2023-26 IMTP gave good consideration of the demand for blood and cancer services following engagement with key stakeholders and commissioners. It was also informed by service user feedback. There are numerous risks associated with the delivery of the IMTP and these are well understood by the Trust. Risks include balancing demand and capacity, ability to recruit workforce, staff well-being, increasing capacity and capability to deliver complex transformation programmes, and having sufficient finances.
- 100 There was good Board-level engagement throughout the development of the 2023-26 IMTP. We found that the Board and the Strategic Development Committee effectively scrutinised and challenged the draft version. The Board formally approved the IMTP in March 2023 and it was submitted to Welsh Government within the required timeframe. The IMTP was prepared in accordance with Welsh Government planning guidance and has appropriate coverage of the Trust's operations for the three-year period. It was approved by the Welsh Government in October 2023.
- 101 The Trust is undergoing a period of strategic, organisational, and operational change. Changes range from major capital programmes requiring operational changes to service delivery in both divisions; workforce redesign; and the development, enhancement, and implementation of key governance mechanisms. To ensure appropriate prioritisation and resource availability, during 2022 the Trust contracted an external consultant to help design a prioritisation framework to deliver against its strategies. An Internal Audit report on the Trust's priorities (July 2023) gave reasonable assurance on its prioritisation process. It found that the Trust had good governance mechanisms and arrangements for reporting and scrutiny. However, it also found that whilst necessary finances and resources (and associated risks) to deliver individual priorities were considered during the 2023-26 IMTP planning process, enhancements would be necessary in future to consider the deliverability of the priorities collectively.
- 102 The Trust recognises that in developing the 2024-27 IMTP and future IMTPs, it must ensure that it clearly identifies essential priorities and the collective required resources to deliver these. Following that exercise, a reality check is necessary to determine whether it is possible to deliver non-essential desirable priorities without comprising the essential ones.

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

- 103 We considered whether the Trust has a sound corporate approach to overseeing and scrutinising the implementation and delivery of corporate plans. We were specifically looking for evidence of:
- corporate plans, including the IMTP, containing clear strategic priorities/objectives and SMART milestones, targets, and outcomes that aid monitoring and reporting; and
  - the Board appropriately monitoring the implementation and delivery of corporate plans, including the IMTP.
- 104 We found that **whilst the IMTP contains clear objectives and actions, supported by timescales for delivery and intended measurable outcomes for blood and cancer services, this is not the case for cross-cutting corporate functions.**
- 105 In our structured assessment report last year, we reported that the Trust had translated its strategic priorities into specific objectives and supporting actions in the 2022-25 IMTP. Whilst timescales for delivery were set out, we found that the actions did not include supporting intended measurable outcomes. We recommended that in future IMTPs, the Trust should articulate intended outcomes for each strategic objective/action, and how success will be measured.
- 106 We reviewed the objectives/actions set out in the 2023-26 IMTP. Positively, in respect of Velindre Cancer Service and Welsh Blood and Transplant Services, we found that each objective/supporting action included appropriate measurable intended benefits, and in the main they were measurable. Benefits related to improving user experience and outcomes are not yet measurable because the Trust has not yet agreed performance measures in this area. However, whilst objectives for the corporate and cross-cutting functions (such as digital, workforce, estates, sustainability, and quality) were set out in the IMTP, they were not underpinned by specific actions, and nor were they time-bound or measurable. Whilst accepting that it is not always easy, underpinning objectives/actions with both the intended benefit and how it will be measured would help the Trust to judge whether the intended benefit has been achieved or whether further action is needed (**Appendix 2 R3 2022**).
- 107 Quarterly progress reports for the 2022-25 IMTP were presented to the Quality, Safety, and Performance Committee and the Board. Progress reports use Red, Amber, Green (RAG) ratings to highlight whether progress is on track, and against each action is a summary of progress to date. Where delivery was off track, in our view, the reports did not give enough detail about the associated impacts and whether remedial actions would bring delivery back on track or a new deadline had been established (**Appendix 2 R4 2022**).
- 108 The Quarter 1 2023-2026 IMTP progress report was shared with the Quality, Safety, and Performance Committee in July 2023. However, the report was limited

to reporting progress on objectives/and supporting actions for Velindre Cancer Service and Welsh Blood and Transplant Service. It did not include any of the objectives for the corporate and cross-cutting functions. Given that not all Independent Members attend Quality, Safety, and Performance Committee meetings, consideration needs to be given as to ensuring IMTP progress reports continue to be received by the full Board (as was the case for 2022-25 IMTP progress reports).

- 109 The Trust recognises that IMTP progress reports need to provide better narrative to explain the resulting impact of both delivered and non-delivered actions on service quality and performance. As the year progresses, the Trust will consider how it provides clarity on whether the intended impacts have been achieved or not (**Appendix 2 R4 2022**).

## Corporate approach to managing financial resources

- 110 We considered whether the Trust has a sound corporate approach to managing its financial resources.
- 111 We found that **the Trust continues to have good arrangements for financial planning and managing and monitoring its financial position.**

## Financial objectives

- 112 We considered whether the Trust has a sound corporate approach to meeting its key financial objectives. We were specifically looking for evidence of the organisation:
- meeting its financial objectives and duties for 2022-23, and the rolling three-year period of 2020-21 to 2022-23; and
  - being on course to meet its objectives and duties in 2023-24.
- 113 We found that **the Trust met its financial duties for 2022-2023 and is forecasting to break-even in 2023-24.**
- 114 The Trust met its financial duties in 2022-23, reporting a small surplus of £76,000 at the end of the financial year. The Trust also achieved its statutory financial duty to achieve break-even over the three-year rolling period 2020-23, reporting an overall three-year surplus of £155,000<sup>9</sup>. The Trust spending on capital programmes was in line with the capital allocation.
- 115 As of Month 6 2023-24 (end of September 2023), the Trust was forecasting a year end breakeven position. However, this assumes that all planned income is

<sup>9</sup> Of the £76,000 surplus, £64,000 relates to the core Trust, and the remainder to NHS Wales Shared Services Partnership.

received, saving plan targets are achieved, and all financial risks are mitigated during 2023-24.

## Corporate approach to financial planning

- 116 We considered whether the Trust has a sound corporate approach to overseeing and scrutinising financial planning. We were specifically looking for evidence of:
- clear and robust corporate financial planning arrangements in place;
  - the Board appropriately scrutinising financial plans prior to their approval;
  - sustainable, realistic, and accurately costed savings and cost improvement plans in place which are designed to support financial sustainability and service transformation; and
  - the Board appropriately scrutinising savings and cost improvement plans prior to their approval.
- 117 We found that **the Trust has a sound approach to financial planning.**
- 118 The Trust's core business Financial Plan for 2023-24 was scrutinised by the Strategic Development Committee in February 2023 and approved by Board in March 2023. The plan acknowledges the financial challenge within its internal and external operating environment. The plan is based on a clear series of assumptions regarding the Trust's expected income from its commissioners, and Welsh Government funding in respect of pension contributions, pay inflation and personal protective equipment. Financial risks to the successful delivery of the plan are clearly set out, as well as the actions the Trust is taking to manage and mitigate against them.
- 119 For 2023-24, the Trust set a savings requirement of £1.8 million, of which £1 million was recurrent and £800,000 non-recurrent. Of the £1.8 million, £1.28 were categorised as savings schemes and the balance (£530,000) income generating schemes.
- 120 At the end of Month 4 2023-24, the Trust reported that following an in-depth assessment of savings schemes, several workforce and supply chain schemes had been assessed as non-deliverable. The Trust said that whilst remaining committed to redesigning services to find efficiencies, the ability to enact change is challenging due to the high levels of vacancies and sickness. The ability to find procurement supply chain savings has been affected by both procurement team capacity and market conditions which have seen a significant increase in costs for materials and services.
- 121 Consequently, replacement non-recurrent schemes have been identified to ensure the overall savings target is achieved, and so the proportion relating to non-recurrent schemes will be larger than originally planned.
- 122 The Auditor General will be commenting further on the Health Board's approach to identifying, delivering, and monitoring financial savings in a separate piece of work that we will report in the early part of 2024.

## Corporate approach to financial management

- 123 We considered whether the Trust has a sound corporate approach to overseeing and scrutinising financial management. We were specifically looking for evidence of:
- effective controls in place that ensure compliance with Standing Financial Instructions and Schemes of Reservation and Delegation;
  - the Board maintaining appropriate oversight of arrangements and performance relating to single tender actions, special payments, losses, and counter-fraud;
  - effective financial management arrangements in place which enable the Board to understand cost drivers and how they impact on the delivery of strategic objectives; and
  - the organisation's financial statements for 2022-23 were submitted on time, contained no material misstatements, and received a clean audit opinion.
- 124 We found that **the Trust continues to have good controls for managing the use of its financial resources.**
- 125 The Trust continues to have effective controls in place to ensure compliance with its Standing Financial Instructions and Scheme of Reservation and Delegation. Work is underway to tighten controls relating to income from private patients. We did not identify any significant control weaknesses from our review of the Trust's 2022-23 financial statements.
- 126 The Trust continues to report regularly to the Audit Committee on procurement, losses, special payments, and counter-fraud matters to support effective oversight, scrutiny, and challenge. Procurement reports continue to clearly set out the number of Single Tender Actions and Single Quotation Authorisations and the reasons why standard procurement procedures have not been followed.
- 127 Financial management arrangements are effective. The Trust has set clear budgets and savings targets for each of the divisions and corporate cross-cutting functions. The Trust has a good understanding of its cost pressures which are clearly set out in its Financial Plan. These include issues with ensuring that activity data is fully captured and reimbursed<sup>10</sup>, and operational cost pressures that may be greater than could normally be managed through budgetary control pressures or through utilisation of the Trust's reserve. In addition, whilst the Trust has received assurance from the Welsh Government that it will fund the implementation of same day emergency care pathways across Velindre Cancer Services during 2023-24, there has not been confirmation that this funding will be recurrent.

<sup>10</sup> The Digital Health Care Record system was implemented in the Trust in 2022-23, but there have been some issues relating to the accurate recording of all activity data, any activity not captured will not be charged to the Trust's commissioners. At the time of reporting, plans were being put in place to address the issue.

- 128 In the private extraordinary Board meeting in August 2023, the Trust set out enhanced monitoring arrangements to strengthen internal cost controls in response to the financial challenges faces by NHS Wales.
- 129 The Trust submitted good quality draft financial statements for audit by the Welsh Government deadline. The Audit Committee considered these on 26 July 2023. Our audit identified no material misstatements, and we issued an unqualified audit opinion.

## Board oversight of financial performance

- 130 We considered whether the Board appropriately oversees and scrutinises financial performance. We were specifically looking for evidence of:
- the Board receiving accurate, transparent, and timely reports on financial performance, as well as the key financial challenges, risks, and mitigating actions; and
  - the Board appropriately scrutinising the ongoing assessments of the organisation's financial position.
- 131 We found that **the Trust continues to produce clear and accessible financial reports that support effective monitoring and scrutiny.**
- 132 The Trust continues to report financial performance at every public Board meeting and Quality, Safety, and Performance Committee meeting. The Trust publishes this information on its website alongside its Board and committee papers. Finance reports provide timely and high-quality information and contain a good mixture of text and exhibits to convey key messages. The reports set out the revenue, capital, and savings position of the Trust, and clearly highlights key financial risks with their associated mitigating actions and cost implications. We have observed good scrutiny and challenge around the organisation's financial position at both Board and Quality, Safety, and Performance Committee meetings.

# Appendix 1

## Audit methods

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

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

Element of audit approach	Description
Interviews	<p>We interviewed the following Senior Officers and Independent Members:</p> <ul style="list-style-type: none"><li>• Chair of the Board;</li><li>• Chair of the Quality, Safety, and Performance Committee;</li><li>• Chief Executive; and</li><li>• Director of Corporate Governance and Chief of Staff.</li></ul>

# Appendix 2

## Progress made on previous year recommendations

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

Recommendation	Description of progress
<p><b>Improving administrative governance arrangements</b></p> <p>R1 We found that opportunities remain for the Trust to improve the public availability of key papers and documents on its website. This includes publishing:</p> <ul style="list-style-type: none"><li>• missing committee meeting papers;</li><li>• the Register for Gifts, Hospitality and Sponsorship and the Declarations of Interest Register; and</li><li>• the ten-year strategy and enabling strategies.</li></ul> <p>The Trust should establish a clear and robust process to ensure it publishes key papers and documents on its website in a timely and ongoing basis (<b>2022 Structured Assessment</b>).</p>	<p><b>Completed</b> - See paragraphs 26, 34 and 97.</p>
<p><b>Reinstating arrangements for tracking recommendations made by external inspection and regulatory bodies</b></p> <p>R2 The Quality, Safety, and Performance Committee has not received the log which tracks recommendations relating to the quality and safety of services</p>	<p><b>Completed</b> - See paragraph 92.</p>

Recommendation	Description of progress
<p>made by external inspection and regulatory bodies since early in 2020. The Trust should immediately reinstate the tracker to enable the committee to oversee, scrutinise, and challenge the progress it is making in addressing both quality and safety recommendations and any relating to performance (2022).</p>	
<p><b>Establishing measurable outcomes for strategic priorities</b></p> <p>R3 The Trust has translated its strategic priorities into specific objectives and actions in the 2022-25 IMTP (including timescales for delivery). The Trust should seek to articulate the intended outcomes for each strategic objective/action in future IMTPs, including what success would look like (2022).</p>	<p><b>Ongoing</b> - See paragraph 106.</p>
<p><b>Enhancing reporting on IMTP delivery</b></p> <p>R4 The Trust's arrangements for reporting delivery of the IMTP are reasonable, but it needs to better describe the impact the actions are making. The Trust should report on the impact of actions delivered to date to allow the Board to better understand the extent that delivery of the IMTP is making a difference and determine any actions that need to be rolled forward to the next IMTP (2022).</p>	<p><b>Ongoing</b> - See paragraph 107 and 109.</p>
<p><b>Improving reporting on the benefits arising from digital investments</b></p> <p>R5 Whilst there is good reporting on progress in delivering key digital projects and programmes, the reports do not provide an assessment of what difference they are making, whether they are sufficiently resourced, and if digital is enabling wider service improvement as intended. The Trust should consider how best to monitor and report the benefits of its digital investment</p>	<p><b>Completed</b> - Business cases now provide better clarity of the intended benefits. Digital Reports now show the intended benefits for each digital activity. The Trust is developing a range of digital performance indicators to help measure the</p>

Recommendation	Description of progress
<p>to demonstrate the extent that it is delivering the intended impacts and outcomes (2022).</p>	<p>benefits of digital investment and demonstrate their impact on quality, experience, and outcomes.</p>
<p><b>Board assurance and risk management</b></p> <p><b>R1</b> The Trust should complete the development of its Board Assurance Framework with pace, ensuring that it is appropriately underpinned by up-to-date risk management arrangements. Specifically, the Trust should:</p> <ul style="list-style-type: none"> <li>a) review the principal risks to achieving strategic priorities and ensure the necessary assurances have been mapped and reflected in the new Board Assurance Framework;</li> <li>b) update the Risk Management Framework, ensuring clear expression of risk appetite and arrangements for escalating strategic and operational risks; and</li> <li>c) provide risk management training to staff and Board members on resulting changes to the risk management framework (2019).</li> </ul>	<p><b>Ongoing</b> - See paragraph 69 to 71.</p> <p><b>Completed</b> - See paragraph 75.</p> <p><b>Completed</b> - See paragraph 75.</p>
<p><b>Clinical audit scrutiny</b></p> <p><b>R5a</b> The Quality, Safety and Performance Committee should review and approve clinical audit plans, ensuring that clinical audit plans address any risks to achieving strategic priorities and organisational risks (2018).</p>	<p><b>Completed</b> - The Clinical Audit Plan, covering both Velindre Cancer Service and Welsh Blood and Transplant Service, is received and approved annually by the Quality, Safety, and Performance Committee. The 2023-24 Clinical Audit Plan was approved at its May 2023 meeting.</p> <p>Internal Audit's Velindre Cancer Service Clinical Audit Review (January 2023) gave reasonable assurance, and identified instances where clinical audit was used to mitigate risks.</p> <p>There are appropriate arrangements to identify and approve audits for inclusion in the plan.</p>

Recommendation	Description of progress
<p><b>Clinical audit scrutiny</b></p> <p><b>R5b</b> Improvements should be made to the content of clinical audit reports from both VCC and WBS to clearly identify the audit findings, any associated risks and actions for improvement and follow-up (2018).</p>	<p><b>Completed</b> - The annual Clinical Audit Report provides an overview of clinical audit activity undertaken at Velindre Cancer Service and the Welsh Blood and Transport Service Centre. The Quality, Safety, and Performance Committee received the most recent Clinical Audit Report in July 2023. The report includes a summary of each audit, the results/progress made, areas of good practice or improvement identified and recommendations.</p>
<p><b>Clinical audit scrutiny</b></p> <p>R5c The Quality and Safety Committee should assure itself that clinical audit findings are addressed (2018).</p>	<p><b>Ongoing</b> - Internal Audit's Velindre Cancer Service Clinical Audit Review (January 2023) found that whilst mechanisms for monitoring action implementation / benefit realisation existed, there were opportunities to enhance scrutiny and oversight at committee level. It is currently unclear how the Quality, Safety, and Performance Committee receives assurance that audit findings are addressed and learning shared. We understand that the Integrated Quality and Safety Group will seek to enhance the triangulation of clinical audit outcomes findings across the Trust and ensure there are appropriate assurance mechanisms and escalation arrangements to the Quality, Safety, and Performance Committee.</p>
<p><b>Clinical audit scrutiny</b></p> <p>R5d The Audit Committee should clarify how it assures itself that the clinical audit function is effective (2018).</p>	<p><b>Completed</b> - The Audit Committee received the Clinical Audit Plan and Clinical Audit Report, most recently in April 2023 and July 2023 respectively. Clinical audit arrangements and responsibilities were set out in the Clinical Audit report.</p>

<b>Recommendation</b>	<b>Description of progress</b>
	In January 2023, the Audit Committee also received Internal Audit's Velindre Cancer Service Clinical Audit review.

# Appendix 3

## Organisational response to audit recommendations

To be completed once the report and organisational response have been considered by the relevant committee.

Exhibit 4 sets out Velindre University NHS Trust’s response to our audit recommendations

Ref	Recommendation	Organisational 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)



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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

## Organisation response

**Report title:** Structured Assessment 2023 – Velindre University NHS Trust

**Completion date:** December 2023

**Document reference:** 3982A2023

Ref	Recommendation	Priority	Accepted yes/no	Management response	Completion date	Responsible officer
R1	<p><b>Transparency of Board business</b>            The Trust rarely publicises its Board meetings on its social media channels. The Trust should establish a process to ensure more frequent reminders about Board meetings are posted on social media.</p>	Medium	Yes	<p>The Governance and Communications teams have a pre-Trust board meeting process to confirm the communications plan for promoting the meetings which will include messaging via the Trust's external and internal digital channels. Messages will be promoted 2 weeks in advance and in the lead up the meeting.</p>	Completed	Director of Corporate Governance & Chief of Staff
R2	<p><b>Transparency of Board business</b>            The Trust does not publicise what is to be discussed in private Board or committee meetings or publish summaries of what is discussed. The Trust should:</p> <ul style="list-style-type: none"> <li>include a list of the items to be discussed in private sessions on public Board and committee meeting agendas; and</li> </ul>	Medium	No	<p>The refresh of the Corporate Governance Manual includes revisions to the meeting secretariat documentation.</p> <p>The revised agenda template includes an agenda item, 'Summary</p>	End of March 2024	Director of Corporate Governance & Chief of Staff

Ref	Recommendation	Priority	Accepted yes/no	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> <li>provide (and publish) brief summaries of private Board and committee discussions.</li> </ul>	Medium	Yes	<p>from the PRIVATE / PART B Board or Committee meeting held on DD/MM/YYYY'.</p> <p>Brief summary to be included in Chair Report (for Trust Board) or Committee Highlight reports</p>	End of March 2024	Director of Corporate Governance & Chief of Staff
R3	<p><b>Transparency of Board business</b> Committee minutes are published on the Trust's website when included in papers for the next meeting, usually two months later. The Trust should publish unconfirmed minutes as soon as possible after committee meetings, following accuracy checking, whilst still retaining full confirmation of accuracy by committee members in the following meeting.</p>	Medium	Yes	<p>The refresh of the Corporate Governance Manual has a timescale for completion of the DRAFT UNCONFIRMED minutes of the previous meeting is 16 working days and then 5 working days to allow for Welsh translation to be able to upload the English and Welsh versions at the same time.</p> <p>DRAFT UNCONFIRMED minutes will be published within 22 working days of the Board or Committee.</p>	End of March 2024	Director of Corporate Governance & Chief of Staff
R4	<p><b>Board and committee reports</b> In Board and committee cover papers, the summary of previous discussions undertaken in other fora, often do not make evident what the outcome was and whether any</p>	Medium	Yes	<p>The revised Board/Committee Report Template has a section 'Governance Route' which lists the names of the previous Fora and dates together with a summary and outcome of previous governance discussions.</p>	End of March 2024	Corporate Governance Manager

Ref	Recommendation	Priority	Accepted yes/no	Management response	Completion date	Responsible officer
	agreed actions have been implemented. The Trust should establish a process to ensure that summaries of previous discussions include the resulting agreed actions, and whether they have been implemented.			The revised Corporate Governance Manual will be updated to ensure that that the Governance Route section of the Board/Committee Report template is updated to reflect the summary and outcome of any previous discussions by the report author and signed off by the Executive Sponsor/Lead.		
R5	<b>Operational risk assurance</b> Recent cover papers on the Corporate Risk Register did not include the reasons why some risks no longer featured. This means that meeting members have no assurance that the reason for any omissions is a result of risk mitigation having a positive impact. In future Corporate Risk Register cover reports, the Trust should provide a summary on the reasons why risks have been removed from the Corporate Risk Register.	High		The Risk Register cover paper will include additional tracking information of risks i.e.: <ul style="list-style-type: none"> <li>• New with reason for inclusion;</li> <li>• Removed with justification for removal;</li> <li>• Revised with reason for revision.</li> </ul>	End of January 2024	Director Corporate Governance & Chief of Staff
R6	<b>Board and committee reports</b> Often, Board and committee cover reports, papers and presentations are operationally detailed, and activity focused but provide less clarity on the impacts of initiatives or actions taken.	Medium		The refresh of the Corporate Governance Manual is explicit in relation to the responsibilities of the report author and Executive Lead regarding the report content and focus.	End of March 2024	All Executive Directors

Ref	Recommendation	Priority	Accepted yes/no	Management response	Completion date	Responsible officer
	The Trust should establish a process to ensure that Executive Lead sponsors review to make sure that cover reports, papers and presentations are focused on key issues and impacts.					