

**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

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| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 12 August 2025 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Structured Assessment 2022, 2023 and 2024 – Management Response Updates |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Professor Phil Kloer, Chief Executive Officer |
| SWYDDOG ADRODD: REPORTING OFFICER: | Joanne Wilson, Director of Corporate Governance/Board Secretary |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report provides the Audit and Risk Assurance Committee with an update on progress against the recommendations made by Audit Wales (AW) in:

- Structured Assessment 2022
- Structured Assessment 2023
- Structured Assessment 2024

Cefndir / Background

The structured assessment work undertaken by Audit Wales enables the Auditor General to discharge his statutory requirement under section 61 of the Public Audit (Wales) Act 2014 to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

Asesiad / Assessment

As part of the Structured Assessment process in 2024 Audit Wales made three new recommendations and assessed the Health Board's response to the recommendations made in previous reports. Two recommendations from the 2022 Structured Assessment, and one recommendation from the 2023 Structured Assessment, were assessed as in progress, and reopened on AMaT (Audit Management and Tracking).

This report provides progress in response to these recommendations. For further detail on progress, please see Appendix 1, which has been extracted from AMaT.

Progress against these recommendations has been shared with AW as part of Structured Assessment 2025, which is now underway.

Structured Assessment 2022

| Recommendation | Executive Lead | Revised Date for implementation | RAG status as at 31/07/2025 |
|------------------------------------|-------------------------------|----------------------------------------|-----------------------------|
| R2 (Operational structure) | Chief Operating Officer | 31/12/2023 30/09/2024 30/06/2025 | |
| R6 (Financial sustainability plan) | Executive Director of Finance | 31/03/2023 31/03/2024 31/03/2025 | |

Structured Assessment 2023

| Recommendation | Executive Lead | Revised Date for implementation | RAG status as at 31/07/2025 |
|---------------------------------------------------|-------------------------------|---------------------------------|-----------------------------|
| R3 (Performance management arrangement assurance) | Executive Director of Finance | 30/06/2024 | |

Structured Assessment 2024

| Recommendation | Executive Lead | Date for implementation | RAG status as at 31/07/2025 |
|-------------------------------------------------|---------------------------------------------------------------|-------------------------|-----------------------------|
| R1 (Improving Together Framework) | Executive Director of Finance | 31/03/2025 | |
| R2 (Quality Improvement Strategic Framework) | Executive Director of Nursing, Quality and Patient Experience | 30/04/2025 | |
| R3 (Well-being objectives and strategy refresh) | Executive Director of Public Health | 31/03/2026 | |

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to discuss and consider progress made in respect of the recommendations from the Structured Assessments 2022, 2023 and 2024.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y Pwyllgor:

3.3 In carrying out this work, the Committee will primarily utilise the work of Internal Audit, Clinical Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.

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| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not applicable |
| Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com) | Not Applicable |
| Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com) | Not Applicable |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Positive futures |
| Amcanion Cynllunio Planning Objectives | Not Applicable |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022 | 10. Not Applicable |

Gwybodaeth Ychwanegol: Further Information:

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| Ar sail tystiolaeth: Evidence Base: | Structured Assessment 2022, 2023 and 2024 reports |
| Rhestr Termau: Glossary of Terms: | Included in report |
| Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee: | All relevant Executive Directors have been asked to provide progress updates to the management response. |

Effaith: (rhaid cwblhau) Impact: (must be completed)

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| Ariannol / Gwerth am Arian: Financial / Service: | No direct impacts from this report. |
| Ansawdd / Gofal Claf: Quality / Patient Care: | No direct impacts from this report. |
| Gweithlu: Workforce: | No direct impacts from this report. |
| Risg: Risk: | No direct impacts from this report. |

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| Cyfreithiol: Legal: | No direct impacts from this report. |
| Enw Da: Reputational: | No direct impacts from this report. |
| Gyfrinachedd: Privacy: | No direct impacts from this report. |
| Cydraddoldeb: Equality: | No direct impacts from this report. |

| Inspection Code | Inspection Title | Recommendation | Reference Number | Action | Lead Person | Original Due Date | Current Due Date | Progress Status | Comments/Updates |
|----------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Wales/2022/245 | Audit Wales - Structured Assessment 2022 | R2. While some changes have been made, the operational structure still poses risks to confused and inconsistent governance structures. Given the scale and complexity of the challenges and risks facing the Health Board, it is important that planned work to revise the operational structures and associated governance arrangements progresses as a matter of urgency | Audit Wales/2022/245/MD2/1 | Work begun to review the operational structure in September 2022. A series of workshops have been held with the senior operational leadership team, and discussions with the executive Team. Sessions with the senior clinical leaders are planned for Q1 2023. The intention is to develop a proposal by Q2 2023 that can be agreed and implemented across the Health Board, that addresses the inconsistency identified. Ahead of this, the operational governance meeting structure will be revised in Q1 2023, which will support the actions being taken around R3. | Mr Andrew Carruthers | 31/12/2023 | 31/12/2023 | Fully complete (Approved) | 07/07/25 Update: CCG Triumvirates now fully in place and governance arrangements implemented. Supporting OD programme launched on the 1st July 2025. Final Stage of Phase 1 is the appointment/reappointment of Clinical Directors - the OCP process for this is in progress. |
| Audit Wales/2022/245 | Audit Wales - Structured Assessment 2022 | R6. The Health Board's longer-term financial recovery plan has not been updated to reflect the financial challenges being experienced in 2022-23. The Health Board needs to update its longer-term financial recovery plan for 2023 onwards, ensuring that its improvement opportunities are reflected. | Audit Wales/2022/245/MD6/1 | The 2023/24 planning cycle is underway which will, with Board approval, reflect the challenges that have been experienced during 2022/23. Opportunities have been clearly articulated, and the planning cycle will be the vehicle for teams across the Health Board to deliver sustainable plans in the areas highlighted as opportunities, as well as undertaking their delegated financial responsibilities to review and deliver all efficiency and benchmarking opportunities. With the unprecedented demand challenges that have been experienced, the financial overspends have resulted in a significant deterioration to our deficit. The recovery plan will need to be cognisant of the impact which these demand challenges are having across our system. | Mr Huw Thomas | 31/03/2024 | 31/03/2024 | Fully complete (Approved) | 01/07/2025: A further updated Financial Roadmap has been collated over quarter 1, 2025/26 to lead into the 2026/27 Three Year Planning Cycle. Milestones have been set with Executive Team for reviewing (10/07/25), and agreeing to embed the recovery plan into the planning cycle for 2026/29. Latest version uploaded as evidence of progress and completion of action/recommendation, with the 2026/27 planning cycle facilitating the next update. |
| Audit Wales/2023/246 | Audit Wales- Structured Assessment 2023- Hywel Dda University Health Board | R3. Performance Management Arrangement Assurance Given the Health Board is under Welsh Government's Enhanced Monitoring arrangements for some service areas, there is scope to demonstrate the effectiveness of the Improving Together Framework. The Health Board should develop a mechanism for periodically providing assurance that its performance management arrangements are working as intended. | Audit Wales/2023/246/MD3/1 | We will commission an annual review of the effectiveness of the Improving Together Framework from Internal Audit. We will ask for the first review to be undertaken during Q1 2024/25. | Mr Huw Thomas | 30/06/2024 | 30/06/2024 | Fully complete (Approved) | 09/07/2025:The final report was presented to ARAC in April 2025. |
| Audit Wales/2024/440 | Audit Wales - Structured Assessment 2024 – Hywel Dda University Health Board | R1. The Health Board should update its Improving Together Framework documentation, ensuring it adequately reflects current performance management and internal escalation arrangements. In updating the framework, the Health Board should also ensure documentation includes arrangements: •Escalating and supporting directorates at the highest level of escalation for extended periods; and •Coordinating support for directorates escalated over several domains (see paragraph 53). | Audit Wales/2024/440/MD1/1 | The Improving Together Framework will be updated to address the points raised in this recommendation. Timeline for completion: •February 2025 - full draft submitted to Strategic Development and Operational Delivery Committee for consideration •March 2025 – final draft submitted to Board for approval | Mr Huw Thomas | 31/03/2025 | 31/03/2025 | Fully complete (Approved) | 16/05/25 - The Improving Together Framework has been now been updated. The process was agreed by Board in March 2025. |
| Audit Wales/2024/440 | Audit Wales - Structured Assessment 2024 – Hywel Dda University Health Board | R2. The Quality, Safety and Experience Committee should receive, at least annual, a standalone update on Quality Improvement activities, including the Health Board's progress in implementing the Quality Improvement Strategic Framework (2023-2026), a roundup of improvement initiatives and the impact they are having to date (see paragraph 60). | Audit Wales/2024/440/MD2/1 | A standalone annual report on Quality Improvement Activities will be added to the work plan for the Quality Safety and Experience Committee for 2025/26 | Ms Sharon Daniel | 30/04/2025 | 30/04/2025 | Fully complete (Approved) | 16/05/25 - The standalone annual report on Quality Improvement Activities was reported to Quality Safety and Experience Committee in April 2025. |
| Audit Wales/2024/440 | Audit Wales - Structured Assessment 2024 – Hywel Dda University Health Board | R3. To ensure the sustainable development principle is central to its long-term vision, the Health Board should review its well-being objectives as part of its planned long-term strategy refresh (see paragraph 69). | Audit Wales/2024/440/MD3/1 | The well-being objectives will be reviewed as part of the long-term strategy refresh | Ardiana Gjini | 31/03/2026 | 31/03/2026 | In progress | Work is being progressed alongside the A Healthier Mid and West Wales Strategy Refresh |