

Internal Escalation: Level 3 & 4 Functions

Final Internal Audit Report 2025/26

Hywel Dda University Health Board



Limited Assurance

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Review Reference

HDU-2526-03

Fieldwork

October - November 2025

Executive Sign Off

21 March 2026

Audit Committee

April 2026

Executive Lead

Huw Thomas, Executive Director of Finance

Audit Team

James Johns, Head of Internal Audit

Sophie Corbett, Deputy Head of Internal Audit



Executive Summary

Purpose

The overall objective of the review was to assess the actions undertaken by CCGs / Executive Directorates (“functions”) to facilitate improvement in their internal escalation levels.

Overview

The *Our Improving Together Framework* is a structured, data-driven approach to driving performance improvement across the organisation, focusing on seven key domains to enhance outcomes for patients, staff, and the wider population. Whilst the design of this process is generally robust some gaps were identified, it is resource intense and over-reliant on the Performance Team, and there is little evidence to demonstrate that the process is operating as intended or driving performance improvement.

We have concluded **Limited** assurance overall with seven findings requiring management action – these are summarised below with full details provided in the Findings & Agreed Action Plan on page 5:

1. Actions to address reasons for escalation and achieve de-escalation are not formally documented in a single, central (per function) repository which impedes oversight, traceability and monitoring. We are unable to confirm that sufficient and appropriate actions have been identified for all areas in L3 escalation.
2. Actions for L3 domains assessed as ‘Alert’ (and therefore discussed at Executive Recovery meetings) are documented within the meeting slide packs. Sample review confirmed that these were generally SMART in nature, although instances were identified where actions had either not been identified or did not sufficiently address the stated reasons for escalation.
3. Internal Recovery meetings (function level) are not taking place. Whilst operational governance structures cover all seven domains, links with escalation were not clear - there was little evidence of monitoring of escalation levels, the reasons for escalation, actions and trajectories to address issues and achieve de-escalation.
4. The Executive Improving Together Sessions for Community & Integrated Medicine do not include the Quality & Safety domain. The reason for this was unclear.
5. Executive Recovery meetings are not taking place every month where functions have assessed L3 domains as Alert, with officers citing difficulty in scheduling meetings due to availability of senior leadership and the impact of service pressures.
6. The 3A assessment is replicated at Executive Recovery meetings, but the escalation route for areas assessed as Alert was not clear.
7. A significant proportion of actions arising from EITS and Executive Recovery meetings remain open/ongoing with some dating back to late 2024/early 2025.

The findings of this review and corrective actions need to be considered the context of the Health Board’s operational governance arrangements, which are subject to an ongoing, separate internal audit review to be reported in due course.

There is opportunity to better integrate and streamline the Our Improving Together escalation process with existing operational governance arrangements. The structure of the Integrated Governance Group (IGG) meetings could be more domain-focused and escalation levels assessed and determined by the function directors and subsequently agreed with the domain lead, which may improve engagement and ownership within the function.

A consolidated (per function) repository of key actions to improve performance (at all levels of escalation) clearly aligned to domains, escalation status and reasons for escalation (where applicable), would allow greater oversight of the issues to be addressed, and assurance that actions have been identified by the function to resolve them and are being progressed. This could be monitored via the IGG with onward assurance/escalation via 3A assessment arrangements.

The 3A assessment could be undertaken at a 'reason for escalation' or action (rather than domain) level, which would spotlight the specific areas requiring Executive support. There may also be merit in exploring whether the role of the EITS and Executive Recovery meetings could also be incorporated into the existing operational governance structure (noting overlap of domain coverage and group membership). Streamlining would reduce the administrative/governance burden on functions, many of which are already dealing with significant service pressures, allowing them to focus on operational priorities.

Scope & Assurance Summary

Objectives	The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.	Related Findings	Assurance
1	Functions at escalation level 3 / 4 have identified sufficient and appropriate actions to deliver sustained improvement in performance and achieve de-escalation, and there are appropriate governance arrangements in at service level to monitor this.	1, 2, 3	Limited
2	Functions at level 3 / 4 are subject to regular review, oversight and support to drive continuous improvement.	4, 5, 6	Limited

Management Actions

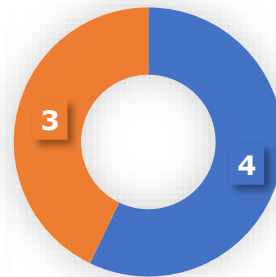


High Priority



Medium Priority

Themes



■ Governance

■ Performance Monitoring

Risk Types

Public Perception & Reputational Risk

At a Glance

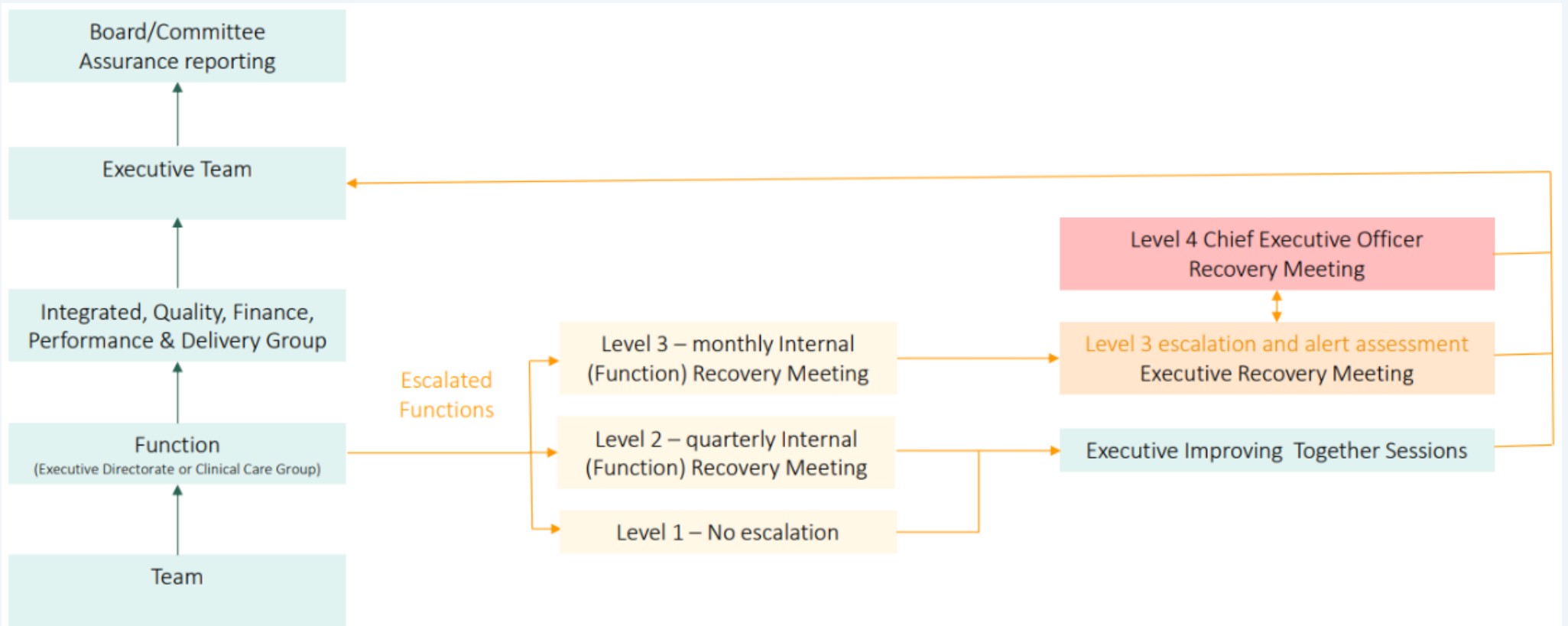
Escalation Status by Function and Domain [December 25]

Function	Quality & Safety	Governance	Workforce	Finance	Strategy, Planning and Fragile Services	Population Health	Performance
Chief Operating Officer Management	1	2	2	2	1	3	n/a
Community and Integrated Medicine	3	3	2	3	3	3	3
Estates and Facilities	2	1	2	3	1	3	3
Executive Director of Allied Health Professions and Health Sciences	1	1	n/a	1	1	2	n/a
Executive Director of Finance	1	2	1	1	1	2	n/a
Executive Director of Nursing, Quality and Patient Experience	1	2	2	1	1	3	3
Executive Director of Public Health	1	1	2	1	1	2	2
Executive Director of Strategy and Planning	1	1	1	1	1	3	n/a
Executive Director of Workforce and Organisational Development	1	1	1	1	1	2	n/a
Governance and Communication	1	1	1	1	1	2	n/a
Long Term Agreements (LTAs)	n/a	n/a	n/a	2	n/a	n/a	n/a
Medical	1	1	2	1	1	3	n/a
Mental Health and Learning Disabilities	3	1	2	3	2	3	3
Operational Allied Health and Health Sciences	2	1	2	3	3	3	3
Pharmacy and Medicines Management	1	1	2	2	2	3	n/a
Planned and Specialist Care	2	2	2	3	3	3	3
Primary Care	2	2	1	2	2	3	3

Escalation Levels



Escalation Governance Arrangements



Findings & Agreed Action Plan

The following five functions were sampled based on the number of domains in L3 escalation (there were no domains in level 4 at the time of audit fieldwork):

- Community & Integrated Medicine (CIM)
- Allied Health & Health Sciences (AH&HS)
- Mental Health & Learning Disabilities (MHLDD)
- Planned & Specialist Care (P&SC)
- Estates & Facilities (E&F)

Objective 1: Functions at escalation level 3 / 4 have identified sufficient and appropriate actions to deliver sustained improvement in performance and achieve de-escalation, and there are appropriate governance arrangements in at service level to monitor this	Limited
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Adequacy of Actions

Escalation status, reasons for escalation and criteria for de-escalation for each function are set out within the Our Performance dashboard. The functions reviewed do not maintain a single record of actions to achieve de-escalation. We were directed to the Executive Recovery meeting slide packs as the primary source of actions for L3 domains, although these focus only on areas assessed as 'Alert' by the service director, so do not cover all areas in L3 escalation. For the areas sampled, 70% of the domains in L3 escalation (as at September 2025) were assessed as Alert and escalated to ER meetings. Actions for other areas not assessed as Alert are captured at source (e.g. function governance meetings) and not identifiable as internal escalation actions. Consequently, whilst we observed actions for most domains, we are unable to confirm that sufficient and appropriate actions have been identified for *all* areas in L3 escalation. **[Finding 1]**

The actions within the Executive Recovery slide packs for the sampled functions were generally considered sufficient and appropriate to achieve the stated de-escalation criteria and were SMART in nature, although some gaps were identified. Furthermore, the absence of single records of escalation actions coupled with variability in the format of actions in earlier slide packs and gaps in meetings impedes traceability of actions. **[Finding 2]**

We identified good practice in the stipulation of expected impact for formal actions within the slide packs, which supports SMART principles and encourages focus on the outcome and effectiveness of actions.

Internal Recovery Meetings

The *Our Improving Together Framework* requires monthly Internal Recovery meetings to be held within the function for all L3 domains. These can be held as separate meetings or integrated into the existing governance arrangements. None of the five functions reviewed hold separate meetings. Guidance states that the Function Director is expected to ensure that service leads are aware of their escalation levels, reasons for escalation, have actions in place to address the issue(s) and trajectories for resolving. The Integrated Governance Group meeting documentation for the sampled functions did not clearly demonstrate that this is taking place. **[Finding 3]**

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Central Record of Actions</p> <p>The functions reviewed do not maintain central records of actions to achieve de-escalation. Whilst actions for many L3 domains are captured in the Executive Recovery meeting slide packs, we are unable to confirm that sufficient and</p>	<p>Insufficient actions identified to achieve de-escalation.</p>	<p>Agreed Action: We have created "Our Actions" dashboard to ensure that actions are consistently captured and tracked across the organisation.</p>

<p>appropriate actions have been identified for all areas in L3 escalation.</p> <p>The absence of a central record impedes oversight, traceability and monitoring. There is a risk that gaps or duplication may not be identified and addressed.</p>		<p>Expected Evidence of Implementation: Our Actions dashboard</p>
<p>Theme: Performance Monitoring</p>	<p>High Priority</p>	<p>Officer: Head of Performance</p> <p>Target Implementation Date: Completed</p>
<p>2 Sufficient & Appropriate Actions</p> <p>The five functions sampled collectively had 17 domains in in L3 escalation as at September 2025. Review of the Executive Recovery meeting slide packs confirmed that all 12 domains assessed as Alert were included for discussion at the October 2025 meetings.</p> <p>We identified four instances where actions had either not been identified within the slide pack or did not sufficiently address the stated reasons for escalation.</p> <p>Actions were generally considered to be SMART in nature although some exceptions were identified.</p>	<p>Insufficient actions identified to achieve de-escalation.</p>	<p>Agreed Action: Following a review of activity, we have agreed to move to monthly touchpoints with escalated CCGs and build into the Improving Together Executive Collaboration approach. The Terms of Reference will include this requirement.</p>
<p>Theme: Performance Monitoring</p>	<p>Medium Priority</p>	<p>Expected Evidence of Implementation: Terms of Reference for ITEC</p> <p>Officer: Director of Finance</p> <p>Target Implementation Date: 31 March 2026</p>
<p>3 Internal Recovery Meetings</p> <p>We were advised that the internal recovery meetings form part of the function's Integrated Governance Group (IGG) meetings, although this was not explicitly evident from the IGG agendas and action notes.</p> <p>The IGG model agendas cover all seven domains and there was evidence of general review and performance monitoring in relation to these domains. However, links with escalation were not clear - there was little evidence of monitoring of escalation levels, reasons for escalation, actions and trajectories to address issues and achieve de-escalation.</p>	<p>Actions are not monitored through to implementation potentially resulting in de-escalation criteria not being achieved.</p>	<p>Agreed Action: As for Recommendation 1.</p>
<p>Theme: Performance Monitoring</p>	<p>High Priority</p>	<p>Expected Evidence of Implementation: Our actions dashboard.</p> <p>Officer: Head of Performance</p> <p>Target Implementation Date: Completed</p>

Objective 2: CCGs/Executive Directorates at level 3 / 4 are subject to regular review, oversight and support to drive continuous improvement

Limited

Performance review and escalation arrangements are set out within the *Our Improving Together Framework* - see organogram on page 4.

Escalation Level Review

On a monthly basis the lead Executive Director (or nominated deputy) for each domain reviews the progress of each CCH/Executive Directorate against the key improvement metrics for that domain and assign the appropriate escalation level. These are submitted to the Performance Team for collaborative review with the Director of Delivery and Deputy Director of Finance and once agreed, the escalation levels are updated in the *Our Performance Dashboard*.

Executive Improving Together Sessions [EITS]

EITS are held bi-annually and provide a structured forum for CCGs and executive directorates to review progress against all domains, key priorities, identify challenges, and agree on support required. These sessions are intended to ensure alignment with the annual plan, promote collaborative problem-solving, and use data insights to monitor performance. EITS meetings were held in June and November 2025 for all sampled functions. Review of EITS slide packs noted that for Community & Integrated Medicine the Quality & Safety domain is excluded – the reason for this was unclear. **[Finding 4]**

Executive Recovery Meetings

These meetings are intended for functions at L3 escalation and assigned an Alert assessment as notified by the Function Director to the Performance Team. The 3A assessments had been completed and submitted for the sampled functions for five sampled months (June – December). However, we identified gaps with Executive Recovery meetings not always taking place where domains had been assessed as Alert. Furthermore, at the time of reporting no meetings had been held since October 2025. **[Finding 5]**

The Chair of the meeting is required to complete a 3A assessment for each area reviewed, this is captured on the Escalation Meetings Action Tracker. However, it is not clear and we were unable to determine the escalation route for domains assessed as Alert. **[Finding 6]**

Actions arising from EITS and Executive Recovery Meetings

Actions arising from Executive Recovery meetings are comprehensively captured on a tracker with actions assigned a unique ID for traceability. These actions are generally administrative or supplementary in nature rather than formal actions to directly address reasons for escalation, but nonetheless contribute to the escalation governance and performance improvement process. As of 25 November 2025, a large number of open actions remain in both the Executive Recovery (level 3&4 actions) and EITS (level 1&2 actions) trackers, with some dating back to late 2024/early 2025. Furthermore, observation of an EITS meeting noted that actions on the EITS tracker were not reviewed or discussed during the meeting. **[Finding 7]**

An *Our Actions* tracker and dashboard are currently in development and will bring together actions from Board, Committees, EITS, Executive Recovery, Integrated Quality, Finance, Performance & Delivery (IQFPD) and other related groups. This is expected to be implemented in February 2026.

Key Findings	Risk & Impact	Agreed Management Action
<p>4 Gap in Domain Review at EITS</p> <p>Review of EITS slide packs noted that for Community & Integrated Medicine the Quality & Safety domain is excluded – we were advised that this is being managed via the CCG Integrated Governance Group meetings (which by design cover</p>	<p>Poor performance is not managed effectively or addressed, potentially impacting on the quality and safety of</p>	<p>Agreed Action: As for Recommendation 2.</p> <hr/> <p>Expected Evidence of Implementation: Terms of Reference for ITEC</p>

	all seven domains regardless). The reason for this variation was not clear.	services to patients or the financial position.	
	Theme: Governance	Control Operation	Medium Priority Officer: Director of Finance Target Implementation Date: 31 March 2026
5	Gaps in Executive Recovery Meetings Executive Recovery meetings should take place monthly where the function has assessed one or more domains as Alert. Across the five functions reviewed, 23 Executive Recovery meetings should have been held during the period July – December 2025*. Only 12 meetings actually took place. The Performance Team, responsible for facilitating the meetings, cited difficulty in scheduling meetings due to availability of senior leadership at both Executive at function level. Furthermore, no meetings had been held since October 2025 (reviewing August/September data) due to EITS in November and service pressures in December, although meetings are scheduled for January/February 2026. <i>*excluding June & November where EITS took place instead</i>	Poor performance is not managed effectively or addressed, potentially impacting on the quality and safety of services to patients or the financial position.	Agreed Action: As for Recommendation 2. Expected Evidence of Implementation: Terms of Reference for ITEC
	Theme: Governance	Control Operation	High Priority Officer: Director of Finance Target Implementation Date: 31 March 2026
6	Escalation Route for Alerts The Chair of the meeting is required to complete a 3A assessment for each area reviewed, this is captured on the Escalation Meetings Action Tracker. However, it is not clear and we were unable to determine the escalation route for domains assessed as Alert.	Poor performance is not managed effectively or addressed, potentially impacting on the quality and safety of services to patients or the financial position.	Agreed Action: As for Recommendation 2. Expected Evidence of Implementation: Terms of Reference for ITEC
	Theme: Governance	Control Operation	Medium Priority Officer: Director of Finance Target Implementation Date: 31 March 2026

7 **ERM and EITS Escalation Action Trackers**

As at 25 November 2025, 149 actions were open on the ERM tracker (125 overdue, 7 with no due date), and 251 actions are open on the EITS tracker (140 overdue, 51 with no due date). The high volume of overdue and undated actions— some dating back to late 2024/early 2025 —reduces assurance over progress and accountability, indicating gaps in action planning, deadline setting, and governance.

Poor performance is not managed effectively or addressed, potentially impacting on the quality and safety of services to patients or the financial position.

Agreed Action: As for Recommendation 1.

Expected Evidence of Implementation: Our Actions tracker.

Medium Priority

Officer: Head of Performance

Theme: Governance

Control Operation

Target Implementation Date: Completed.

Appendix A

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

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