

Performance Management

Final Internal Audit Report

2024/25

Hywel Dda University Health Board



Substantial Assurance

Contents

Executive Summary	1
Findings & Agreed Action Plan	2
Appendix A	5

Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

HDU-2425-07

December 2024 - January 2025

11 February 2025

April 2025

Huw Thomas, Director of Finance

James Johns, Head of Internal Audit

Sophie Corbett, Deputy Head of Internal Audit

Executive Summary

Purpose

The NHS Wales Performance Framework 2024-25, issued by the Welsh Government in February 2024, sets out the performance measures for NHS Wales organisations, aligned to the 'A Healthier Wales's quadruple aims. Organisations are also required to complete Policy Assurance Assessments, to provide assurance on key areas of focus, strategies and pathways that cannot be monitored via traditional quantitative measurement. The Health Board's Improving Together Framework sets out the approach to embedding performance improvement within the organisation's governance structure, and is supported by four key dashboards, Board Assurance Framework, Integrated Performance Assurance Report, Our Performance and Our Safety.

This audit has reviewed the Health Board's performance management arrangements including the Directorate Improving Together Process, alignment with the NHS Wales Performance Framework and mechanisms for data collation.

Overview

We have concluded **Substantial** assurance on this area. The audit highlighted that Hywel Dda has in place a good strong Performance Management team who not only curate and collate the performance reporting but also chase, advise and support departments where necessary. Data is reported at Board, Committee and Executive level through the Board Assurance Framework and Integrated Performance Assurance Reports. Directorate Improving Together Sessions are held at a service directorate level, to review priorities and goals, current challenges.

Two medium priority findings have been identified requiring management action:

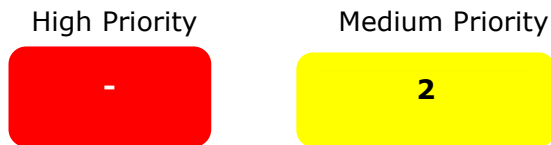
- No formal system exists within the performance management team or Information Quality Assurance Team (IQA) to ensure that data received from the directorates has been quality assured.
- Whilst performance management processes are working well, a number of Directorates have not made the required progress over a period of months and remain on level three escalation for a number of domains.

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

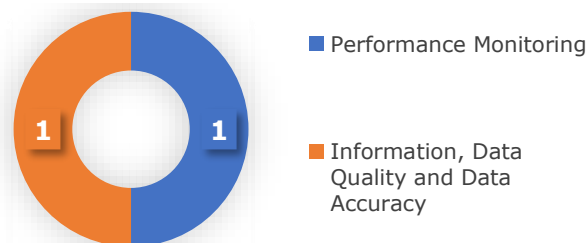
Scope & Assurance Summary

Objectives	Related Findings	Assurance
1 Performance measures are aligned to the NHS Wales Performance Framework 2024-25 and the requirements of the Health Board	-	Substantial
2 Mechanisms for data collation and validation are robust to ensure complete, timely and accurate performance reporting	1	Reasonable
3 Directorate Improving Together and internal escalation processes are operating in line with the respective frameworks, with actions identified and implemented to address any areas of concern.	2	Reasonable

Management Actions



Themes



Risk Types

- Quality or Safety Issues
- Financial Loss
- Public Perception & Reputational Risk

Findings & Agreed Action Plan

Objective 1: Performance measures are aligned to the NHS Wales Performance Framework 2024-25 and the requirements of the Health Board.

Substantial

Overview / Summary of Observations

Hywel Dda has in place a good strong Performance Management team who not only curate and collate the performance reporting but also chase, advise and support departments where necessary. The structure and roles and responsibilities of the team are documented so external departments know who their main point of contact is.

The HB uses the WG framework itself rather than publishing its own and therefore HB reporting complies by default with WG stipulations.

Information is supplied bimonthly to the Board (Board assurance framework and Integrated performance assurance report) and to the Strategic Development and Operational Delivery Committee (Integrated performance assurance report and details for deep dives) alternately thus performance is critically examined every month.

Audit work showed evidence of strong systems that are good and resilient and delivers the reporting structure required by the WG framework.

Objective 2: Mechanisms for data collation and validation are robust to ensure complete, timely and accurate performance reporting.

Reasonable

Overview / Summary of Observations

Significant amounts of qualitative and quantitative, both strategic and operational data is made available monthly to Board, appointed Committee and managers and staff.

Data is quality assured by the providers with enquiries from the Performance Team should data look as if it is not following trend. No formal system exists within the performance management team or Information Quality Assurance Team (IQA) to ensure that data received from the directorates for performance reporting has been quality assured. The recent Data Quality audit (report HDU-2425-28 refers) includes an agreed action which will address data quality for clinical systems, separate assurance arrangements will be required for other data sources feeding into performance reporting. **[Finding 1]**

Data is scrutinised and queried by those responsible at Board level (strategic) and Committee (operational) with assurance constantly being sought over goal achievement.

Within the number of reports produced RAG (Red (NO assurance) Amber (Limited assurance) and Green (sufficient assurance)) tables are used to good effect as well as graphs to show trends.

Audit testing and review revealed the mechanisms of Performance Management to be good and fit for purpose with the need to strengthen quality assurance.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Data Quality Assurance</p> <p>No formal system exists within the performance management team or Information Quality Assurance Team (IQA) to ensure that data received from the directorates for performance reporting has been quality assured.</p> <p>The Data Quality audit (HDU-2425-28) includes the following agreed action:</p> <p><i>The Information Quality Assurance (IQA) Team along with the Performance Team will design specific metrics for data quality and these will be used in directorate escalation meetings to provide a greater focus on data quality. The IQA will continue to conduct regular audits and reviews of data quality practices at both the centralised and service levels.</i></p> <p>Whilst this will address data quality for clinical systems, assurance will need to be sought separately for other data sources that do not fall within the remit of the IQA Team.</p>	<p>Decisions made on incomplete or inaccurate data</p>	<p>Agreed Action:</p> <p>A procedure will be developed detailing how the performance team will assess the quality of the data that has not been derived from clinical / core operational systems.</p>
<p>Theme: Information, Data Quality & Data Accuracy</p>	<p>Medium Priority</p> <p>Control Design</p>	<p>Expected Evidence of Implementation:</p> <p>Procedure developed and operationalised</p> <p>Officer: Head of Performance</p> <p>Date: 30 April 2025</p>

Objective 3: Directorate Improving Together and internal escalation processes are operating in line with the respective frameworks, with actions identified and implemented to address any areas of concern

Reasonable

Overview / Summary of Observations

Data is reported at Board, Committee and Executive level through the Board Assurance Framework and Integrated Performance Assurance Reports. Data is compiled by the relevant department and verified by them internally, then sent at agreed intervals to the performance team who compile the reports for the Board and Committee meetings.






Directorate Improving Together Sessions are held at a service directorate level, to review priorities and goals, current challenges. Directorates are allocated an escalation level status of one to three, based on their current situation, against the six escalation domains.

The audit noted that whilst it can be seen that the current process is working well, there are a number of Directorates that have not made the required progress over a period of months and are still on Level three escalation for a number of domains.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 Service Improvement</p> <p>The audit noted that whilst it can be seen that the current process is working well, there are a number of Directorates that have not made the required progress over a period of months and are still on Level three escalation for a number of domains.</p>	<p>Lack of progress on actual improvements will lead to further financial loss and loss of reputation with WG</p>	<p>Agreed Action:</p> <p>The already established escalation process for directorates will be used and an exception report will be developed to provide the additional context of the rationale to the Executive Team to determine whether further intervention is required and what form this would take.</p>
	<p>Medium Priority</p>	<p>Expected Evidence of Implementation:</p> <p>A reporting template is developed providing the necessary escalation to the Executive Team for consideration</p>
<p>Theme: Performance Monitoring</p>	<p>Control Design</p>	<p>Officer: Head of Performance</p> <p>Date: 28 February 2025</p>

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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Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

