

Executive Team Governance

Final Internal Audit Report

2024/25

Hywel Dda University Health Board



Substantial Assurance

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Review Reference

Fieldwork

Executive Sign Off

Audit Committee

Executive Lead

Audit Team

HDU-2425-01

March - April 2025

2 May 2025

May 2025

Phil Kloer, Chief Executive

James Johns, Head of Internal Audit

Sophie Corbett, Deputy Head of Internal Audit

Executive Summary

Purpose

To review the revised Executive Team governance structure. This is a high-level review focusing on the working arrangements of the Executive Team and its supporting groups.

Overview

We have concluded **substantial** assurance on this area. The matters requiring management attention include:

- The distinction between Formal and Business Executive Team meetings and what is reported/discussed at each is not clear.
- There are no workplans in place for two of the three groups supporting Executive Team

Full details of matters arising are detailed within the Findings & Agreed Action Plan. The following opportunity for enhancement / consideration has been identified that does not impact the overall opinion and is highlighted for management information:

- Whilst terms of reference for supporting groups do not require an annual self-assessment of performance/effectiveness, management may wish to consider whether there would be any benefit in undertaking a self-assessment, even if only for the first year of the new working arrangements, to ensure that they are operating and delivering in line with expectations.

Scope & Assurance Summary

Objectives <small>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.</small>	Related Findings	Assurance
1 Executive Team and supporting groups are operating in line with agreed terms of reference, with effective discharge of roles and responsibilities	1, 2	Substantial

Management Actions



High Priority



Medium Priority

Themes

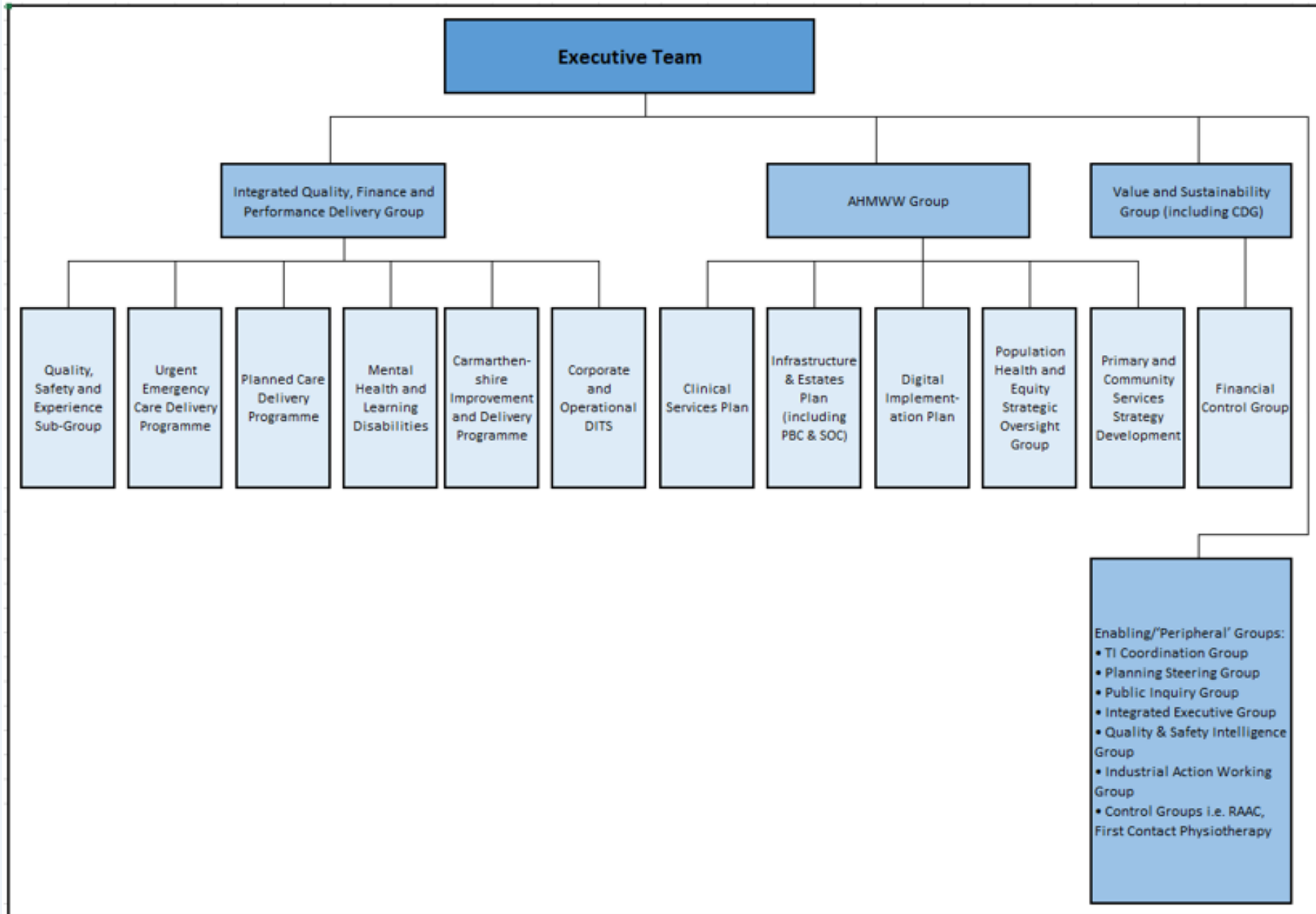


■ Governance

Risk Types

Quality or Safety Issues

Executive Team Structure [2024/25]



Findings & Agreed Action Plan

Objective 1: Executive Team and supporting groups are operating in line with agreed terms of reference with effective discharge of roles and responsibilities Substantial

Overview / Summary of Observations

Terms of reference have been approved for the Executive Team and the three supporting groups, setting out the purpose roles and responsibilities of each.

Executive Team (ET): primary executive decision-making body in relation to the delivery of strategic goals. Supports the Chief Executive in overseeing operational management and performance, including governance, risk management and internal controls.

Integrated Quality, Finance & Performance Delivery (IQFPD) Group: focuses on planning and delivery elements of the Health Board’s Annual Plan, oversees delivery and performance across the organisation.

A Healthier Mid & West Wales (AHMWW) Group: focuses on delivery of the Health Board’s strategy.

Value & Sustainability (V&S) Group: focuses on financial improvement and delivery of sustainable health care.

Whilst the key areas of focus for each group are closely aligned, we did not identify any areas of duplication. Executive Director membership of the supporting groups supports collaborative working to align strategy, performance and financial sustainability. Meeting frequency and attendance were reviewed with no issues identified.

ET meetings are split into alternate Formal Executive Team (FET) and Business Executive Team (BET). FET is the decision-making body with meetings formally minuted, whilst action notes are maintained for the less formal BET meetings. Terms of reference do not distinguish between the two meetings and some areas such as planning, TI and finance are regularly reported/discussed at both. **[Finding 1]**

Workplans are in place for the FET and IQFPD – these are aligned to the terms of reference and meeting agendas demonstrate delivery. There are no workplans in place for the AHMWW or V&S groups. **[Finding 2]**

The supporting groups regularly report into the FET, although in some cases this is verbal, possibly due to the close proximity of meetings. There is also evidence of regular reporting of groups/programmes into the IQFPD / AHMWW / V&S groups.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Distinction Between FET & BET</p> <p>Terms of reference do not distinguish between the FET and BET meetings. Whilst there is a workplan for FET, there is no workplan for BET so it is not clear what should be reported / discussed there.</p> <p>Some areas such as risk, supporting and peripheral group updates and items for approval are consistently reported to FET only. Other areas such as TI, finance, planning, operational updates and committee agendas are frequently covered at FET and BET meetings.</p>	<p>The purpose of BET is not clear.</p> <p>Items for decision/formal discussion may be discussed at BET instead of FET and not formally documented.</p>	<p>Agreed Action:</p> <p>Review and redefine the purpose of BET meetings, which are intended to be a space for informal discussion amongst Executives.</p> <hr/> <p>Expected Evidence of Implementation:</p> <p>BET will not have the characteristics of a formal group in terms of administration and operation e.g. no formal agenda, actions etc.</p>

		Medium Priority	Officer: Jo Wilson, Director of Corporate Governance/Board Secretary
	Theme: Governance	Control Design	Target Implementation Date: 31 July 2025
2	<p>AHMWW and V&S Group Workplans</p> <p>There is a workplan in place for the FET and IQFPD but not for the AHMWW and V&S groups.</p>	In the absence of a workplan, groups may lack direction, not operate efficiently or fail to discharge roles and responsibilities as defined within the Terms of Reference.	<p>Agreed Action:</p> <p>Workplans will be developed for AHMWW and V&S groups to provide clarity of what they will achieve over the forthcoming year.</p>
		Medium Priority	Officer: Lisa Gostling, Director of WOD (V&S Group)/ Lee Davies, Director of Strategy & Planning (AHMWW)
	Theme: Governance	Control Operation	Target Implementation Date: 31 July 2025

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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