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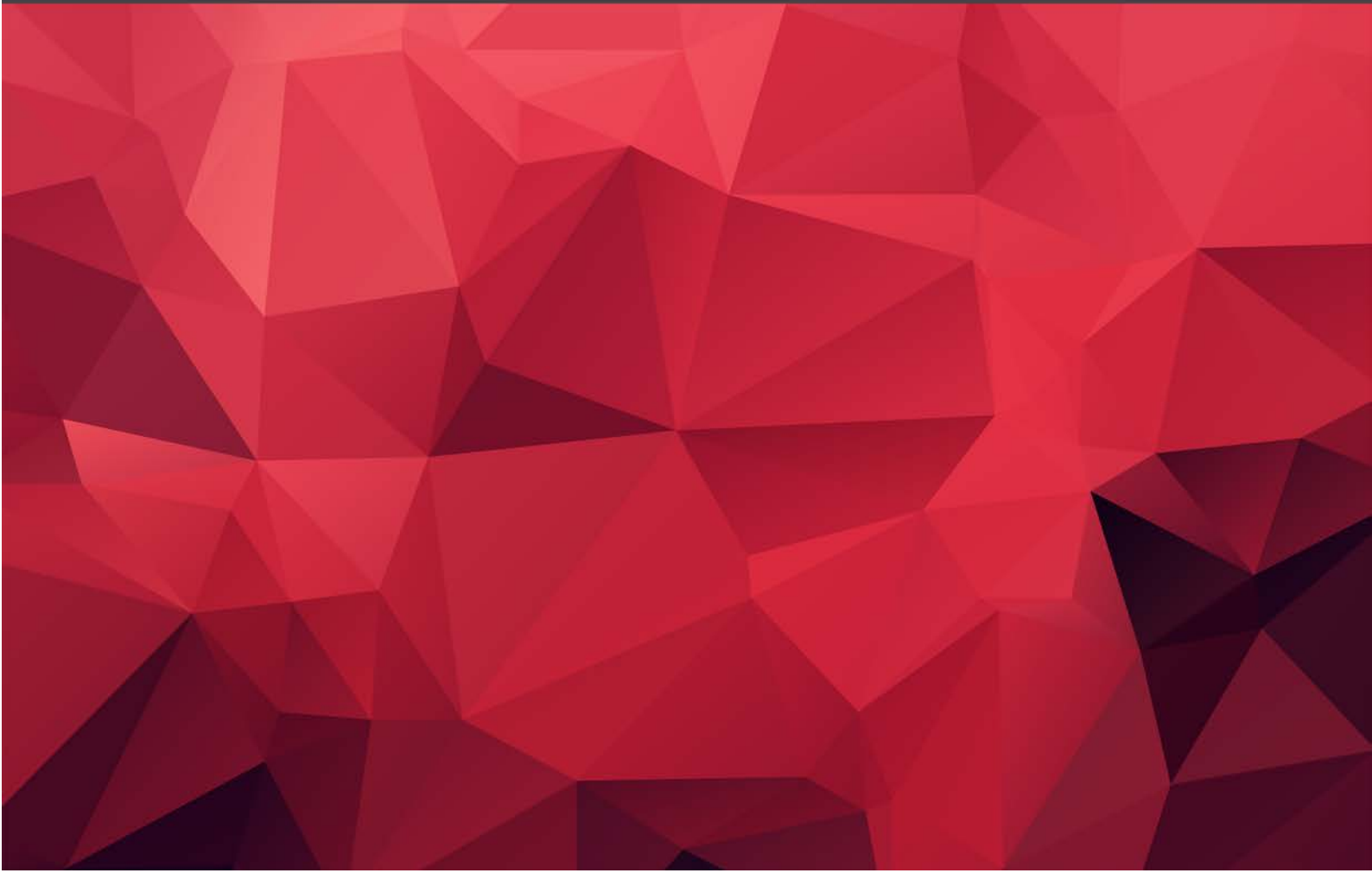
Archwilydd Cyffredinol Cymru
Auditor General for Wales

Structured Assessment 2018 – **Welsh Ambulance Services NHS Trust**

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The team who delivered the work comprised Fflur Jones, Anthony Veale, Michelle Phoenix, Sharon Jeffries and Melanie Williams under the direction of Dave Thomas.

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Report

About this report

- 1 This report sets out the findings from the Auditor General's 2018 Structured Assessment work at the Welsh Ambulance Services NHS Trust (the Trust). The work has been undertaken to help discharge the Auditor General's 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.
- 2 Our 2018 Structured Assessment work has included interviews with officers and Independent Members, observations at board, committee and management meetings and reviews of relevant documents, performance and financial data. We also conducted a survey of board members across all health boards and NHS trusts. Sixteen regular attenders of the Trust Board were invited to take part and 12 (75%) responded.
- 3 This year's Structured Assessment work follows similar themes to previous years' work, although we have broadened the scope to include commentary on arrangements relating to procurement, asset management and improving efficiency and productivity. The report groups our findings under three themes – the Trust's governance arrangements, its approach to strategic planning and the wider arrangements that support the efficient, effective and economical use of resources. The report concludes with our recommendations.
- 4 [Appendix 1](#) summarises the action that has been taken to address previous year's Structured Assessment recommendations. [Appendix 2](#) sets out the Trust's response to the recommendations arising from our 2018 work.

Background

- 5 Our 2017 Structured Assessment work found that the Trust had continued to take forward the corporate arrangements that support the efficient, effective and economical use of its resources. We also highlighted several areas for improvement. In terms of finance we noted a need for a greater focus on transformational approaches to financial efficiencies and more explicit scrutiny on under-performing saving schemes. While we noted that governance and assurance arrangements were continuing to develop there was a need for further action in several areas, with scope to increase the pace of change and improvement. We also highlighted that asset management and sickness absence continued to present challenges and the Trust needed to ensure that it had sufficient ICT capacity to support on-going service modernisation.
- 6 During 2017-18, the Trust remained on routine monitoring under the NHS Wales Escalation and Intervention Framework. It once again achieved a break-even financial position, reporting a £70,000 surplus at year-end, and secured an approved Integrated Medium-Term Plan for 2018-21 within the timeframe required by the Welsh Government. Since our last Structured Assessment report the Trust has seen a significant turnover at the Executive level, and an interim Chair has been in place since April 2018.

- 7 During winter 2017-18, the Trust was escalated to Level Four on the Resource Escalation Action Plan (REAP)¹ escalation framework for the first time in its history. The escalation reflected the unprecedented increase in demand, which had a significant impact on its resource capability, and its performance with regard to amber 95th percentile waits.² This led to the review of amber performance by the office of the Chief Ambulance Services Commissioner, who published his findings in November 2018.³ There was also a significant change to the Trust's paramedic workforce during 2017 with most of the Trust's paramedics opting to progress from band five to band six posts. This change will continue to require careful management in the years ahead.

Main conclusions

- 8 This year's Structured Assessment work has demonstrated that **the Trust continues to develop its strategic planning agenda and is committed to operating more efficiently and effectively, but could improve its grip and pace of change in some areas**. In reaching this conclusion we found:
- whilst there have been notable improvements to some aspects of the Trust's governance arrangements, there is scope to further strengthen arrangements in some important areas;
 - the Trust has set a clear strategic vision, continues to develop a long-term strategy and has plans to ensure alignment of and improve underpinning plans; and
 - there is a strong commitment to be more efficient but there is a need to strengthen its strategic approach to assets and to address long-standing issues with sickness absence.
- 9 The findings which underpin these conclusions are considered in more detail in the following sections.

¹ This is the Trust's plan for managing when demand outweighs capacity

² The Clinical Response Model categorises emergency calls according to the severity of clinical need: Red (life threatening emergencies), Amber (serious but not life-threatening) and Green (not serious or life threatening). Amber 95th percentile waits is an indicator to monitor the waiting times for the 5% of amber calls where callers waited the longest time for an ambulance to arrive.

³ 'Amber Review: A Review of Calls to the Welsh Ambulance Service Categorised as Amber', November 2018. The findings and recommendations from the review have been accepted in full by Cabinet Secretary for Health and Social Care and agreed by EASC and WAST.

Governance

- 10 As in previous years, our Structured Assessment work has examined the Trust's governance arrangements. We comment on the way in which the Board and its sub-committees conduct their business, and the extent to which organisational structures are supporting good governance and clear accountabilities. We also looked at the information that the Board and its sub-committees receive to help it oversee and challenge performance and monitor the achievement of organisational objectives. We have drawn upon results from our survey of board members to help understand where things are working well, and where there is scope to strengthen arrangements.
- 11 We found that **whilst there have been notable improvements to some aspects of the Trust's governance arrangements, there is scope to further strengthen arrangements in some important areas.**

Conducting business effectively

- 12 We looked at how the Board organises itself to support the effective conduct of business. We found that **there are plans to address weaknesses in information to the Board and its committees and the Trust's business cycle.**
- 13 There have been some changes to the cadre of Non-Executive Members during 2018 with the appointment of an existing member to the role of Interim Chair and the recruitment of an interim Non-Executive Member. The recruitment process for a new Chair will take place in early 2019. The Interim Non-Executive Director will cover the resulting Board vacancy until the new Chair is appointed. In addition, the role of Vice-chair will need to be assigned after one of the Non-Executive Directors vacated the role recently.
- 14 There has been an on-going programme of work by the Board to ensure it is operating effectively. Board members take part in a comprehensive programme of board development. The Board Development Programme contains several planned activities for identifying training needs and developing the skills and knowledge of board members. It includes: a workshop on the role of Non-Executive Directors; continuing work with Academi Wales⁴; and work with Aston Team Performance Inventory.⁵ The Trust paused the Board Development Programme during summer 2018 to await the arrival of the new Trust Chief Executive in September 2018. The development needs of all board members are identified through annual performance and development reviews (PADRs) and regular board development sessions are used to discuss and explore issues in depth. During 2017-18, board development sessions covered issues such as the General Data Protection Regulation (GDPR).
- 15 While the conduct of the Board is generally effective, the management of the agenda, the volume of information for board and committee meetings and the frequency of meetings means members feel

⁴ The Trust has been working with Academi Wales on their three stage 'Maturity Model for Boards' programme. During 2017-18 the Trust worked on stage three of the model, with modules on high performing boards and a maturing board profile.

⁵ The Aston Team Performance Inventory is an online assessment tool which identifies strengths and development needs in teams; targets team development where the team requires most support to achieve high performance and benchmarks against other comparable teams.

pushed for time. Our review of board and committee papers found that papers are often between 400 and 600 pages in length and cover a broad range of items. Our board member survey found that:

- 4 of the 12 (33%) members responding felt that there is always or mostly sufficient time to consider all agenda items compared with 71% of board members across Wales;
- 3 of the 12 (25%) members responding felt that the agenda is always or mostly a manageable length compared with 74% of board members across Wales; and
- 6 of the 12 (50%) members responding felt that the agenda is always or mostly organised so that the most important items appear first compared with 58% of board members across Wales.

- 16 These survey findings suggest that the manageability of the Board agenda could improve. Comments provided by board members further emphasized this need. Comments included: the need for 'smaller agendas'; more frequent board meetings as '...four a year not enough'; and adequate time for key agenda items given 'sometimes there is time to give topics proper consideration but mostly it's against the clock, so I feel there is lack of understanding of the detail.'
- 17 The Trust's Standing Orders require Board and Committee papers to be circulated seven days in advance of meetings. Whilst the Trust is largely achieving this, there have been instances where these Standing Orders requirements have not been met, and in some cases we have noted papers being issued the day before, or the morning of the meeting. There are going to be occasions when business needs make it difficult to meet the seven-day rule, however, these should be exceptional, and ideally agreed in advance with the respective Chair. The overall aim here is that Board and Committee members have sufficient time to read papers in advance of meetings to support effective discussion and scrutiny. In addition, the Trust has recently introduced new software for board and committee papers (known as iBabs). There have been some initial challenges as members adapt to and become familiar with this new software, although we understand that the system is now bedded in successfully.
- 18 In last year's Structured Assessment, we made a recommendation to improve the quality of board and committee papers. We raised the need for greater consistency in completing reporting checklists, consistently capturing the discussion points from committee minutes and presenting routinely the Emergency Ambulance Services Committee (EASC)⁶ minutes to the Board. According to the September audit recommendation tracker the Chair's Working Group approved the protocol for board and committee minutes in March 2018, but the Trust has paused a review of the reporting checklist until December 2018 due to a wider review of committee structures. While the tracker log notes that the Board routinely receives EASC minutes, our review shows the Board has not received any of the four sets of approved 2018 EASC minutes during its meetings since March 2018. Whilst there are other mechanisms by which the Board are made aware of the work of EASC, including the Commissioner's attendance at some board meetings and Trust officials attending EASC meetings, the Trust has acknowledged that making EASC minutes routinely available is a useful and necessary thing to do.
- 19 The Board currently has three main committees: the Audit Committee; the Finance and Resources Committee; and the Quality, Patient Experience and Safety Committee (also known as QuEst).⁷ Each

⁶ The Emergency Ambulance Services Committee is a Committee of the seven Welsh Health Boards that commission services from the Trust and the Chief Ambulance Services Commissioner

⁷ The Trust also has a Charitable Funds Committee and a Remuneration Committee, though these meet less frequently and have smaller memberships.

committee engaged in some form of evaluation during 2017-18, where members and frequent attenders were invited to give their opinion on the effectiveness of the committees they attended. Common issues raised across the three committees included the timing of meetings and a need to rationalise the papers received. In addition, our board member survey found that 7 of the 12 members (58%) were confident or really confident that the Board receives an appropriate balance between strategic and operational information compared with 63% of board members across Wales.

- 20 During 2017-18, the Trust continued to develop a governance mapping exercise, which looks at the hierarchy between various group and committee meetings, reporting arrangements and flows of information between the groups, committees and the Board. The mapping work is ongoing and should support improvements in arrangements for reporting and oversight. The Trust is using the governance map to review the Terms of Reference for each committee during 2018-19.
- 21 In addition, during summer 2018 a small number of the Trust's Non-Executive Directors (NEDs) formed a working group to review committee workloads. Based in part on committee benchmarking exercises undertaken by the Board during 2017-18, the working group concluded that the Finance and Resources Committee was overburdened. The working group developed a set of recommendations for the Board which included establishing a new Workforce (also known as People) Committee; and rationalising the information received by each committee.
- 22 The NED-led work has led to revisions in the duration and frequency of Board meetings. Historically, board and committee meetings take place quarterly, with the exception of two short additional board meetings each year to review and approve the Integrated Medium-Term Plan (IMTP) and the annual accounts. Given the volume of information received, several members reported that they find it difficult to get through the required business in a small number of meetings lasting between three and four hours. During autumn 2018, the Trust explored the options available to address this issue and as a result, board meetings, including the two additional meetings, will now be full-day rather than half-day. This change, coupled with a review of the papers received by committees and the establishment of a new committee should address the pressures members face and further improve the conduct of board business.
- 23 Between December 2017 and September 2018 Chair's actions were taken ten times by the Trust. The Trust's Standing Orders make provision for necessary decisions to be taken through this means. However, between these dates we note that Chair's actions were either noted or approved within board papers rather than considered and ratified by the Board as set out in the Trust's Standing Orders. The revisions to the Board meeting schedule should help reduce the need for Chair's actions going forward. Inevitably, Chair's actions are still going to be needed on occasions, and where they are taken, it is important that they are sufficiently described within Board papers, even if the item has already been discussed and agreed at one of the Board's committees. The Board has chosen to report Chair's actions during its open session. However, in some instances, board papers lacked detail on the decisions taken to support ratification where potentially important and high-value decisions are made. For example, an item of business approved in December 2017 was simply described in board papers as 'Barry Ambulance Station'.
- 24 The Trust approved a revised version of its Scheme of Reservation and Delegation in March 2018, however, it is not clear what powers are delegated by the Board to its committees. The document states that 'the scope of the powers delegated, together with the requirements set by the Board in relation to the exercise of those powers are as set out in i) committee terms of reference, and ii) formal

arrangements for the delegation of powers to others. Collectively, these documents form the Trust's Scheme of Delegation.' When asked during interviews, the Chairs of each committee were unsure about the powers delegated by the Board. As previously stated, the terms of reference for each committee will be reviewed during 2018-19, which provides an opportunity to clarify these arrangements.

Identifying risks to achieving strategic priorities

- 25 We looked at the Board's approach to assuring itself that risks to achieving priorities are well managed. We found that **the Board Assurance Framework continues to develop, and while risk procedures are cohesive practice is inconsistent.**
- 26 The Board formally approved its Board Assurance Framework (the Framework) in September 2017, although it was expected that the Framework would continue to evolve. During 2018, the Trust completed work to align the Framework to strategic objectives as set out in its IMTP 2018-21.
- 27 In our 2017 Structured Assessment, we reported that the Framework could be strengthened by including greater detail on the threats to achieving strategic objectives, improving information on the controls and assurances and assigning oversight of each identified risk and the associated controls to a designated committee. Our assessment of progress shows that the description of threats to achieving strategic aims and controls and assurances has improved and identifies local, corporate and external assurances. The Framework also assigns oversight of each strategic aim and its associated risks and controls to a designated committee for scrutiny. The Framework was not presented to one Board meeting and two Audit Committee meetings during 2018 due to discussions on the corporate risk register. From December 2018, the Trust has decided that the Board and each of its three main committees will receive the Framework at each meeting to strengthen oversight and scrutiny.
- 28 Board assurance arrangements should be a logical extension of an organisation's existing risk management arrangements.⁸ However, some board members told us that they feel the Board does not yet use the Framework effectively because of weaknesses in risk management practice.
- 29 During 2017 and 2018, the Trust has continued to work on its Risk Management procedures. It established a Risk Management Development Group and a Risk Register Advisory group to better collate, challenge and moderate risks.⁹ The Trust is currently developing guidance for its Risk Management Framework and Strategy to ensure that it scores risks consistently across the organisation. Work is also underway to develop an e-risk tool, which will enable departments to note and update its risks live. The e-risk tool will become live during 2019-20.
- 30 Despite ongoing work to improve risk management, risk practice remains inconsistent. In January 2018, the Trust adjusted its ambition for risk, aiming to become 'risk managed' in 2018-19 rather than in 2017-18 and to become 'risk enabled' in 2019-20, recognising that the Trust has not yet fully

⁸ Academi Wales' [Good Governance Guide for NHS Wales Boards, 2017](#)

⁹ The Risk Register Advisory Group advises Directorates across the Trust on the processes and risk assessments that inform the development of local and corporate risk registers and supports the building of confidence and competence of staff to achieve a consistent approach to risk management practice across the Trust. The Risk Management Development Group supports Directorate risk leads by creating a platform that provides support, direction and consistency with implementing the Risk Management Strategy.

embedded risk management.¹⁰ The Risk Management Framework and Strategy requires departments to identify and flag risks and to be involved in discussions to score, moderate and escalate relevant risks to the Corporate Risk Register. However, board and committee members raised concerns about the process for scoring risks on the corporate risk register and the Board Assurance Framework in September 2018. At its September 2018 meeting, the Audit Committee reviewed the Corporate Risk Register. Committee members noted that the risk relating to 'trade union relations' had been escalated, although no detail was given for escalating the risk. Furthermore, committee members and trade union representatives attending the meeting were unsighted of the reasons for escalation. This raises concerns about how risks are measured and monitored, whether the necessary people are involved and whether the Corporate Risk Register provides sufficient detail. Meanwhile, at the September 2018 board meeting a Non-Executive Director raised a query as to why the risk score on the Board Assurance Framework in relation to handover delays¹¹ (which are increasingly a problem for the Trust during times of seasonal pressures) had been downgraded. The explanation given for this was that the scoring of risks is retrospective, and that handover delays had decreased in quarter one of 2018-19. However, this contradicted information contained within the Integrated Quality and Performance Report (IQPR) which stated that handover delays had increased 32% in the first quarter of 2018-19 compared to 2017-18. It also causes concerns given that the Framework should be a living document. Scoring the risk based on past performance suggests that the Trust is not using its risk management practices to enable it to anticipate the biggest upcoming risks (ie winter pressures in quarter three) and to mitigate them as effectively as possible, as its focus is on the risks and activity of the past.

- 31 Several board members also told us that the current risk management process does not always identify the obvious risks to the organisation and its ability to achieve strategic aims. Board members recently took part in a 'sense-check' session where they identified gaps on the risk register by noting the risks they were aware of on a blank piece of paper. This suggests the Board is receiving insufficient assurance that the risk management system is effectively escalating risks when required, which undermines the confidence of board members in the risk register, and subsequently the Board Assurance Framework. While the Trust can demonstrate a continued commitment to improving its risk management, it should prioritise this work to ensure it considers, articulates and scores its risks effectively and has confidence that procedures are robustly embedded.

Embedding a sound system of assurance

- 32 We also examined whether the Trust has an effective system of internal control to support board assurance. We found that **further work is required to strengthen the Trust's system of assurance, particularly in relation to the use of clinical audit.**

¹⁰ The Trust's Risk Management Strategy defines 'risk managed' as 'Trust-wide approach to risk management developed and communicated'; it defines 'risk enabled' as 'Risk management and internal control fully embedded Trust wide'

¹¹ Handover delays refers to the delay in handing over patients from an ambulance crew to a Health Board department, typically an Accident and Emergency Department. The handover is considered as delayed if it is any longer than 15 minutes.

- 33 The Trust's performance management framework is robust and comprehensive. However, despite action to streamline the IQPR during 2017, the number of indicators regularly monitored and reported to the Board and committees remains challenging. The Trust report on a vast range of performance measures, including Welsh Government targets, Ambulance Quality Indicators (AQIs) and internal performance indicators and ambitions. Through the IQPR, the Trust routinely reports the following indicators to the Finance and Resources Committee, the QuEST Committee and the Board:
- three indicators reported to the Welsh Government each month;
 - 78 AQIs - 39 for Emergency Services and 39 for non-emergency patient transport services (NEPTS); and
 - 40 dashboard indicators against the Trust's six strategic aims.
- 34 Comments provided within the board member survey and during interviews described how some members feel unable to scrutinize performance effectively given the volume of information and the limited time available during committee and board meetings. At the September 2018 board meeting for example, the cover paper introducing the IQPR was 27 pages in length while IQPR was 45 pages in length. In addition, the number of AQIs are being reviewed and may increase in future as the Chief Ambulance Services Commissioner's Amber Review¹² recommended the development of clinical and outcome measures that span patients' entire episode of care and enable UK and international benchmarking.
- 35 In 2016, the Trust established a Quality Steering Group (QSG) which collates information from several sub-groups, such as for Serious Adverse Incidents and Research and Development. The QSG produces a Quarterly Assurance Report to highlight key quality issues of interest to the Trust. The Executive Management Team (EMT) and the QuEST Committee consider these reports. Collectively this constitutes a broadly sound set of quality governance arrangements, noting the concerns highlighted above about the difficulties posed by the volume of information and limited committee and board time.
- 36 A team of the Non-Executive Directors undertook a review of Serious Adverse Incidents (SAIs) received by the Trust during the winter of 2017-18. The team had an oversight of all the SAIs raised, and conducted a deep dive into a selected number of SAIs and their root causes. The team produced a number of recommendations and actions from the review, and the Trust has agreed to develop an ongoing process for NEDs to review SAIs and provide detailed scrutiny that adds to the ongoing work of the Investigating Team.
- 37 In March 2018, Internal Audit presented a limited assurance report on the Trust's Clinical Audit and Effectiveness Programme to Audit Committee. It highlighted weaknesses in several aspects of clinical audit, including the absence of a clinical audit strategy, lack of scrutiny of clinical audit findings and little prioritisation for actions arising from some clinical audits. According to the September audit recommendation tracker, the Trust has implemented five of the six recommendations from the Internal Audit review. In relation to governance and monitoring of clinical audit, the tracker states that the QuEST Committee is the primary committee in terms of accountability for clinical audit with clinical audit findings reported to QuEST in two ways:
- clinical indicators reported through the IQPR; and

¹² See Footnote 3

- reports of significant individual audit findings.

- 38 However, it is very difficult for committee members to distinguish the impact of clinical audit on clinical indicators in the IQPR. QuEST receive quarterly updates against clinical audit and effectiveness, though the Quarter One report for 2018-19 was not reported. QuEST also received an audit report on Patient Clinical Records in February 2018. However, there appears scope to further increase the reporting of the findings and recommendations of the clinical audit and effectiveness programme. The lack of regular reports on the findings and recommendations of clinical audit to QuEST raises questions about how the Trust compiles its programme of clinical audit and provides assurance that it uses clinical audit effectively to improve quality, service delivery and patient experience. Some Non-Executive Directors have recognised the need to determine whether the findings and recommendations of clinical audit should be considered in private or public, depending on whether the audit contains sensitive information.
- 39 Eleven out of 12 (92%) board members reported that they always or mostly received assurances on preparation for and compliance with legal requirements, which is broadly comparable with board members across Wales (95%). Section 25a of the Nurse Staffing Levels (Wales) Act¹³ places a duty on health boards and NHS Trusts to ensure there are sufficient nurses to care for patients sensitively in both provided and commissioned services. The Trust, which employs approximately 200 nursing staff, has developed a Nursing Career Framework, which was presented to Executive Management Team in March 2018 and is referenced within the Trust's IMTP 2018-19. The Act and the implications it has for the Trust were also discussed at QuEST in May 2018. However, our interviews with board members indicate that there may be scope to further increase their understanding of how the Act applies to the Trust.
- 40 The Trust introduced a comprehensive process for reviewing and updating its policies in July 2017 including identifying the Trust's policies and their review due dates, as well as identifying the policies that are high-priority. The Trust also agreed a fast track system for policies which are urgent. The Board Assurance Framework provides an update against progress and states that a quarterly report on policies is presented to the Trust's Executive Management Team. The September 2018 iteration of the Board Assurance Framework stated that the Trust had updated 43 of its 130 policies stating that the majority of policies remained out of date. The Trust plans for a further 54 to be reviewed and approved by December 2018. Of the 57 policies originally identified as high priority for review, 20 had been reviewed as of October 2018, and an additional five policies were waiting approval. In addition, in January 2018 the Finance and Resources Committee received a paper on the development of three revised workforce NHS Wales Policies that all Health Boards and Trusts in Wales received in March 2016. The paper acknowledged that, due to an oversight, the policies had not been adopted by the Trust prior to the January 2018 meeting.
- 41 Last year, we identified the need for key Information Governance policies to be updated as part of the preparations for implementing the General Data Protection Regulation in May 2018. The Information Governance Policy was approved in October 2018. Policies including the Information Security Policy, the Disposal Policy and the Patching Policy were out of date at the time of fieldwork, though we note plans to approve the Information Security and Access Control policy in December 2018. Weaknesses in policy, as well as the presence of some outdated software means the Trust is not currently Cyber

¹³ The Nurse Staffing Levels (Wales) Act (the Act) came into force in April 2017

Essentials compliant. The Stratia report published in February 2018 emphasised the need for the Trust to update key policies as a matter of urgency. The Trust monitors progress against actions in response to this report to the Executive Management Team. We are also aware that the Wales Information Governance Board approved and circulated several all-Wales policies related to information and security in September 2018 with NHS bodies expected to adopt these national policies. While the Trust works its way through revising and approving its remaining policies, it should ensure that it progresses this work with appropriate pace and maintains oversight of any new national policies with which it must comply.

- 42 The Information Governance Steering Group oversees the Trust's Information Governance and Security strategy, policies, systems, processes and provides assurance that the organisation is compliant with and managing any risk to that compliance. The Information Governance Steering Group's Terms of Reference states that four of the Group's six core members must be present for the Group to conduct its business which has not always been the case in 2018. While the Trust has recently separated the Information Governance and ICT Steering Group into two separate groups, its not currently clear how these two groups will work together to provide the Trust with collective oversight on its digital projects.
- 43 The Trust has made good progress in improving the format and sign-off arrangements for its audit committee tracker during 2018. In May, the Audit Committee Chair raised a query related to the Trust's audit recommendation tracker, identifying where management had not accurately recorded an action and a recommendation had been closed and removed as a result. In response, the Trust has spoken to managers to increase their awareness of the need to record actions accurately. By the September 2018 meeting of the Audit Committee, the Trust had also revised the audit tracking log. Multiple sign-off for actions against recommendations should ensure greater accuracy and support members in scrutinizing progress. The new format also makes it easier to analyse recommendations by year, priority and progress.
- 44 In our 2017 Structured Assessment work, we recommended that the Trust clearly detail how actions within management responses on the audit recommendation tracker address the recommendation they relate to (for example, where the action is to review an area or function, provide a description of the outcome of that review and how it addresses the initial recommendation). The Trust has responded to this recommendation and management responses are now clearer. However, the progress captured on the tracker log is not wholly consistent with our review of progress during this year's Structured Assessment. For example, in relation to the recommendation for improving board and committee papers, we note that papers are still sent out late, and the Board does not regularly receive EASC minutes. Full detail of our assessment of progress against last year's recommendations is included in [Appendix 2](#).
- 45 The NFI is a biennial data-matching exercise that helps detect fraud and overpayments by matching data across organisations and systems to help public bodies identify potentially fraudulent or erroneous claims and transactions. It is a highly effective tool in detecting and preventing fraud and overpayments and helping organisations to strengthen their anti-fraud and corruption arrangements.
- 46 In January 2017, the Trust received 1,791 data-matches as part of the most recent biennial exercise. The data-matches highlight anomalies which when reviewed can help to identify fraud and error. Whilst we would not expect participants to review all data-matches, some of the matches are categorised as 'recommended matches'. These are matches considered to be of high risk and

therefore recommended to be prioritised for early review. The Trust received 105 recommended matches. We reported in the Trust's 2016-17 Annual Audit Report that the Trust had made as at 20 November 2017 has made very limited progress in reviewing the data-matches and had not made effective use of NFI as part of its arrangements to prevent and detect fraud. This has since been addressed following the appointment of the Trust's counter fraud officer. The Trust has made significant progress, completing the review of 243 matches, focusing on the recommended matches. We consider the work undertaken to be reasonable and proportionate. We note that the NFI web application shows that the review of 31 matches is still in progress. In view of the fact that the next release of NFI matches is due in January 2019, the Trust needs to ensure that the reviews currently in progress are completed soon and the findings reported within the NFI web application.

Ensuring organisational design supports effective governance

- 47 We looked at how the Trust organises itself to deliver strategic objectives collectively while ensuring clear lines of accountability for delivery. We found that **there will be a need to manage the impact of the significant turnover at executive officer level and to ensure that there is sufficient capacity in the Trust's corporate functions to support key business processes.**
- 48 During 2018, there have been significant changes within the Executive Management Team. A new Chief Executive Officer took up post in September 2018, the previous Director of Finance (and interim Chief Executive) together with the Director of Planning and Performance and Deputy Director of Non-Emergency Patient Transport left the organisation and the Director of Operations will be leaving the organisation before the end of the year. These changes have required interim working arrangements which are still in place for some posts. They have also required the rebalancing of Executive portfolios both temporarily and permanently to ensure sufficient oversight and management of the organisation's functions. The Trust's Remuneration Committee has overseen the interim arrangements, and the changes have not had a negative on the delivery of the Trust's business.
- 49 Last year we reported that the Trust had restructured its operations and clinical departments with the changes intended to support better regional working, greater clinical focus and clearer accountabilities. The Executive Management Team deferred a paper on the benefits realisation of changing the two structures from September to a later meeting during autumn 2018. Some board members told us it is too soon to demonstrate how well these changes are working and their impact.
- 50 Over the last two years, we have commented on how capacity within the Trust's corporate functions was stretched. This appears to be the case again in 2018. For example, staff that we met told us that the Information Governance team's activity is largely limited to dealing with high priority issues and essential legal requirements; the ICT department is largely limited to reacting to immediate needs and essential work;¹⁴ and due to the size of the planning team project management capacity is very limited which has an impact on project delivery (see [paragraph 73](#)). The pressure on corporate capacity may be worsened as one of the Trust's annual savings schemes relates to management of non-operational vacancies. This scheme achieved over £1 million in savings during 2017-18. It's target for 2018-19 is £300,000 and as of month six was over-achieving by nearly double its target for the year (£233,000). This is likely to further exacerbate capacity constraints within non-operational departments.

¹⁴ During 2017 this work included implementing the new CAD system for the Trust

Strategic planning

- 51 Our work examined how the Board sets strategic objectives for the organisation and how it plans for the short, medium and long-term. We assessed how well the Trust plans how it will achieve its objectives, using its financial planning, workforce planning and other underpinning plans. We also asked if plans are sufficiently joined up, both externally and internally and if they are well informed, drawing on demand and capacity data. Finally, we wanted to know if the Trust is delivering against its strategic plans, and how robustly it monitors progress.
- 52 We found that **the Trust has set a clear strategic vision, continues to develop a long-term strategy and has plans to ensure alignment of and improve underpinning plans.**

Setting the strategic direction

- 53 We looked at how the Board goes about setting its priorities in engagement with key stakeholders and setting them out in a clear IMTP or AOP. We found that **the Trust has set a clear strategic vision and continues to develop a long-term strategy.**
- 54 The Trust has six strategic aims which are set out in its IMTP 2018-21. The strategic aims are clearly defined and align to its vision, priorities, behaviours and purpose. The IMTP 2018-21 covers the final year of the Trust's first three year-rolling plan, published in 2016. The Board were very involved in setting the Trust's strategic direction during the development of the first IMTP (2016-19) and since then the direction has remained consistent with the IMTP refreshed annually rather than subject to a wholesale revision. All board members responding to our survey reported that they were always or mostly involved in setting the vision for the organisation compared with 96% of board members across Wales.
- 55 Last year, we reported that the Trust was developing a long-term strategy (the Strategy) for 2018-2030, aimed to support it to achieve its long-term vision of becoming a truly clinical service. However, the development of the Strategy was paused while the Trust awaited publication of the Welsh Government 'A Healthier Wales' Plan.¹⁵ The Welsh Government Plan was published in May 2018 and the Trust has now resumed its work with an intention to publish the Strategy in early 2019.
- 56 The Board is heavily involved in developing the Strategy 2019-30. The Trust has also engaged extensively with the public, staff and stakeholders to inform development of the Strategy. The Strategy will act as a major driver for the Trust's planning with future iterations of its IMTP setting out the actions necessary to achieve its long-term aims. The Trust is also working to ensure that other relevant plans that will sit beneath Strategy align to its overarching vision.
- 57 While the Trust has engaged with partners in developing its high-level vision, due to the nature of the Trust as a commissioned-service provider, the actions of its commissioners limit its ability to plan for the long-term.¹⁶ Future service changes introduced by the commissioners can have significant

¹⁵ [A Healthier Wales](#) is the Welsh Government Plan for Health and Social Care 2018, published in May 2018

¹⁶ The Trust is commissioned by the seven Health Board in Wales, as well as the Chief Ambulance Services Commissioner.

implications for the Trust and the service it provides.¹⁷ As such, the Strategy will need to be sufficiently flexible and the Trust will need to maintain regular and effective dialogue with its commissioners to ensure it can achieve the aims set out in the Strategy.

Planning effectively

- 58 We looked at the Trust's approach to developing the strategic plan and whether it is underpinned by appropriate strategies and plans that are based on cost, resource and savings analysis. We found that **the Trust developed an approved IMTP for 2018-21 and has plans to improve the clarity and rigour of underpinning plans.**
- 59 The Trust successfully developed an IMTP for 2018-21, within the required timeline. The IMTP 2018-21 is the third consecutive Plan approved by Welsh Government Ministers. The Trust's approach to developing its IMTP continues to be largely informed by underpinning plans at a directorate and regional level, known as Local Delivery Plans (LDPs). The Trust issues updated guidance to each directorate and region every year. The planning process begins in September each year, and by October the Trust has an 'inter-dependency day' exercise to align its LDPs and ensure they are supportive of each other with LDPs signed-off in December. The process to develop IMTPs runs concurrently to the LDP process. In 2018 the Board approved the draft IMTP in January, having reviewed and influenced the emerging draft through board development sessions and public board meetings in autumn 2017.
- 60 The Trust continues to draw upon the findings of the demand and capacity review undertaken in 2017.¹⁸ The review examined the use of the Trust's resources (workforce, estates and assets), population trends and service demands. The review identified several future challenges for the Trust in relation to operational capacity, demand projection, performance and the impact of system wide pressures. According to the IMTP 2018-21, during 2017-18 the Trust further refined the Operational Research in Health (ORH) projections and used them to inform its workforce planning. The Trust has plans to keep its data up-to-date by developing an in-house demand and capacity modelling capability through software called Optima Predict.
- 61 In developing its IMTP, the Trust must respond to commissioning intentions, which EASC provide to the Trust. To inform the intentions, the Trust and its commissioning Health Boards are each required to complete commissioning templates. Commissioning intentions should therefore enable the Trust to understand any service changes planned by commissioning Health Boards that can impact its service, such as moving services from one hospital to another. However, in 2017 and 2018 EASC provided commissioning intentions to the Trust in November, with timescales making it challenging to use them to shape the Trust's IMTP plan, given that much of the IMTP is in draft by this point and it must be submitted to the Welsh Government in January.
- 62 The IMTP 2018-21 includes strategic actions and performance ambitions. There are 44 strategic actions within the IMTP across a wide range of areas and each of these has a 'plan on a page' for its achievement. The IMTP also includes a set of 45 performance ambitions, detailed within an Annex of

¹⁷ For example, the current Transforming Clinical Services changes planned by Hywel Dda University Health Board

¹⁸ The Trust commissioned this review from Operational Research in Health (ORH) in 2016

the IMTP. Some of the performance ambitions are ambitious and will stretch the organisation, such as continuing to reduce demand from frequent callers by 75% year-on-year. However, we note that some performance ambitions targets are below the level of performance achieved during 2017-18, rather than aiming to maintain or to improve performance further. For example, the target for red performance in 2018-19 is 65-75% despite achieving 76% performance in 2017-18.

- 63 During 2018, the Auditor General published a report, titled 'Embedding the sustainable development principle into ways of working'¹⁹ on how the Trust has responded to the Wellbeing of Future Generations Act. We concluded that while the Trust is not a named body under the legislation, it recognises the benefits of engaging with the sustainable development agenda and is beginning to embed the sustainable development principle in the way it works and interacts with its partners. The IMTP 2018-21 commits the Trust to further embed the sustainable development principle as one of its 44 strategic actions.
- 64 The process for developing LDPs continues to mature and the Trust seeks to improve the guidance it issues each year, for example, recognising the need to provide a specific resource envelope. In terms of the IMTP, the Trust has reduced the number of actions year-on-year from 154 in its 2016-19 IMTP to 44 in its 2018-21 plan. In addition, the Board received a paper in July 2018 on the ways the Trust needed to adapt its approach to IMTP development due to anticipated new guidance from the Welsh Government for IMTP development in 2019-20. However, while the Trust provides a workshop to introduce revised LDP guidance each year it does not provide any training to help those responsible for their development. In addition, due to stretched capacity within the planning department there are only three planning business partners available to support those developing the LDPs that inform a large part of the Trust IMTP.
- 65 The Trust's approach to developing its IMTP since 2016 has largely involved refreshing the content of that first plan and using LDPs in a bottom-up approach. However, following the development of its long-term strategy for 2019 the Trust will largely use its future IMTPs as a mechanism to deliver the high-level long-term vision through medium-term actions and milestones. Therefore, the next IMTP 2019-22 will be a complete revision, rather than a refresh, of the Trust's plans.
- 66 Since 2016, the Trust's clinical strategy has been an integral part of the IMTP. However, the Trust states that during recent months the clinical agenda has changed considerably, and due to new structures within the Trust's Clinical directorate it has decided to develop a new Clinical Strategy to communicate the Trust's ambition. The Board is due to review the new Clinical Strategy by March 2019. However, the Trust is yet to determine whether the Clinical Strategy will from that point be a separate document to the IMTP.
- 67 The IMTP 2018-21 contains the Trust's Financial Plan. The Finance and Resources Committee and the Board considered and approved the Financial Plan before the Welsh Government approved it as part of the Trust's IMTP. However, the Financial Plan identifies the savings plan within it as one of the key risks to the delivery of the IMTP 2018-21, particularly due to the risk of unforeseen or unknown internal and/or national pressures. The Trust is actively managing this risk through the Executive Finance Group (EFG) which regularly tracks and monitors the delivery of the savings plan.
- 68 The Trust has a Quality Strategy with a stated life of 2016-2019. However, the Strategy appears out-of-date as it only includes actions for 2016-17 and does not reference key service changes since

¹⁹ Wales Audit Office report, '[Embedding the sustainable development principle into ways of working](#)' 2018

2016, including the 111 service. The Quality Strategy states a review date of March 2017, but the Trust paused this review while it waited for the Welsh Government to publish a national quality delivery plan. However, the Welsh Government is now developing a Quality and Governance Bill. As a result, the Trust plans to review its Quality Strategy during autumn 2018, and to present a new version to QuEST in May 2019.

- 69 Last year, we noted that the Trust's workforce planning was improving due to the business partner model within Human Resources covering workforce planning for departments, such as the Clinical Contact Centre and the 111 service. Workforce planning continues to evolve. This year the Trust intends to introduce a new workforce planning toolkit across its directorates to inform its plans from April 2019. The toolkit appears very rigorous and detailed. Each directorate must complete the toolkit which will inform central plans but will continue to be locally owned and updated. The Trust also plans to review its People Strategy later in 2018-19 with the aim of informing the IMTP 2019-22.
- 70 The Trust's Digital Strategic Outline Programme is currently in draft and not yet costed. However, the Trust is demonstrating a more strategic approach to individual bids, with more detailed costing information and benefits realisation required for bids. This should support the Trust going forward to become more proactive in managing the digital agenda, though capacity issues in the Trust's ICT team will continue to make this challenging.

Monitoring delivery of the strategic plan

- 71 Finally, we looked at whether progress with implementing strategic plans and supporting strategic change programmes is effectively monitored. We found that **the Trust has a thorough process for monitoring the delivery of its IMTP and continues to improve its project management approach, but the pace of change is affecting the current delivery of its strategic actions.**
- 72 The Trust monitors three aspects of the IMTP to ensure delivery: the strategic actions; the performance ambitions; and the financial plan. The IMTP Delivery Assurance Group (iDAG) and the Executive Finance Group are responsible for monitoring delivery of the IMTP. During 2017-18, the Trust altered the role of the iDAG, making the group responsible for monitoring each strategic action, regardless of whether it relates to a project or a programme, and for tracking performance ambitions. In addition, the meetings of the iDAG now occur directly before or after the Trust's EFG meetings to enable a more seamless understanding of both service and financial delivery.
- 73 Progress against the Trust's performance ambitions is set out in the monthly IQPR, presented to monthly Directorate Quarterly Performance Reviews and to the QuEST and the Finance and Resources Committee. The Finance and Resources Committee also plays a key role in regularly monitoring the success of the financial plan as it receives regular financial performance and savings delivery reports. The Board also receives reports on progress against the IMTP in its each quarter, and an annual summary is in the next subsequent IMTP. While the process for monitoring and reporting IMTP progress is robust, delivery during 2017-18 was inconsistent. Of the 43 actions detailed within the IMTP 2017-20 for delivery in 2017-18, the Trust completed just over half (28) of the actions, closed two and rolled the remaining 13 actions into subsequent years. Delivery against performance ambitions in 2017-18 was also variable. Board members again stated concerns about the volume of information and stated that exception reporting would allow them to better focus on actions that need greater support and intervention.

- 74 The IMTP 2018-21 requires several important programmes and projects of work for successful delivery of its aims. During its January 2018 meeting, the Board noted that the capacity of the organisation to deliver the change detailed within the IMTP is a potential risk. The Trust has recognised that, in the past, it has been poor at dedicating the required resources to manage projects effectively. The Trust has consciously decided not to establish a separate Programme Management Office due to capacity limitations within the organisation, and a wish to see Trust staff with current project management experience managing and rolling out projects across the organisation. The Trust are currently developing a project management framework to encourage better visibility of projects and greater consistency of project management approaches. At this time, the Trust intends to develop staff training on the principles of project management aligned to the project management framework. While it is positive to note the Trust's intentions, it needs to ensure it uses the project management skills available to deliver the IMTP projects.

Wider arrangements that support the efficient, effective and economical use of resources

- 75 Efficient, effective and economical use of resources largely depends on the arrangements the organisation has for managing its workforce, its finances and other physical assets. In this section we comment on those arrangements, and on the action that the Trust is taking to maximise efficiency and productivity. We examine if the Trust is procuring goods and services well.
- 76 We found that **there is a strong commitment to be more efficient but there is a need to strengthen its strategic approach to use of assets and to address long-standing issues with sickness absence.**

Managing the workforce

- 77 The workforce is the Trust's biggest asset, not least because pay represents such a significant proportion of expenditure. It is important that the workforce is well managed and productive because staff are critical for day-to-day service delivery and for delivering efficiency savings and quality improvements. We found that **the Trust has made substantial progress in terms of recruitment to its paramedic workforce and is becoming more strategic in terms of learning and development, and workforce planning, however, it has not made planned progress in terms of annual appraisals and reducing levels of sickness absence.**
- 78 The following table shows how the Trust is performing in relation to some key measures compared with the Wales average. **Exhibit 1** shows that the Trust's performance compares more favourably against the Wales average across three measures and less favourably with the Wales average across two measures.

Exhibit 1: performance against key workforce measures²⁰

Workforce measures	Trust	Wales average
Sickness absence	7%	5.2%
Turnover	8.5%	6.9%
Vacancy	1.3%	2.1%
Appraisals	68.1%	66%
Statutory and mandatory training	90.6%	69%

Source: NHS Wales Workforce Dashboard, Health Education and Improvement Wales, July 2018

- 79 The Trust has made positive steps in the use of its workforce, particularly around workforce re-design and planning. During our 2017 Structured Assessment, we commented that the Trust had been preparing to upskill its paramedic workforce and offer a move to band six of the Agenda for Change pay framework. The Trust gave its paramedics the choice to either work towards and demonstrate higher levels of competence for band six, or to opt out of the scheme and become an Emergency Medical Technician (EMT) remaining at band five. Approximately 6% of the paramedic workforce chose to opt out and become an EMT with the clear majority moving over to band six. While this demand was fully costed within the business case, it has placed pressure on the Trust to support such a transition within two years.
- 80 The business case for band six set out the benefits expected by 2021, including:
- development of paramedics in the community as decision makers and case managers thus helping to reduce the burden on secondary care resources;
 - greater integration of paramedics into community teams and primary care teams; and
 - the development of frameworks to support new entrants to the profession and for WAST to become the employer of choice for paramedics.
- 81 During 2018, the Chief Ambulance Services Commissioner and the Trust have begun to enhance existing clinical indicators, develop new ones and track the impact of the change, which EASC will include within the next set of commissioning intentions for the Trust. An independent formal evaluation is expected in 2018-19.
- 82 During 2018, the Trust has been working to improve its workforce planning and it recruited a workforce planning lead to progress this work. This year the Trust is introducing a workforce planning toolkit based on the 6-stage workforce planning guidance developed by the Workforce Education and Development Service. The toolkit requires directorates to detail their baseline workforce, their vision for their future workforce and to think about what success in implementing their workforce plan would look like. It then develops into a workforce action plan, including the need to identify specific

²⁰ Sickness: rolling 12-month average at February 2018; Turnover: 12-month period February 2017 to January 2018; Vacancy: advertised during July 2018; Appraisal: preceding 12 months; Statutory and mandatory training: at February 2018

recruitment and training actions and outlines the monitoring process for the action plan. Each directorate must complete the toolkit by March 2019.

- 83 During 2018, the Trust updated its recruitment policy and indicates that it has reduced the average time to recruit from 169 days in January 2015 to 68 days in January 2018. The Trust has also committed to link in with the work to develop an 'NHS Wales Recruitment Brand' led by the NHS Wales Directors of Workforce and Organisational Development during 2018-19.
- 84 During 2018, the Trust continued to engage prospective staff by holding Big Bang recruitment events. A Big Bang event held in Swansea during summer 2018 led to the offer of Newly Qualified Paramedic posts at locations across the Trust to 84 candidates. As of August 2018, the Trust had 15 FTE paramedic vacancies, with a total of 53 FTE vacancies across its Emergency Medical Service (EMS) service. Successful paramedic recruitment has enabled the Trust to over-recruit and negate the impact of recruitment and turnover curves in advance of the 2018 seasonal pressures. The Trust is also investing in future paramedics by commissioning between 50 and 55 three-year paramedic courses. In addition to its recruitment success, the Trust is beginning to use data from the demand and capacity review to improve rosters and address the relief gap in its EMS. These steps should further support the Trust in matching its resource to demand.
- 85 However, the Trust has issues in terms of recruitment in other areas of its business. The number of volunteer car drivers has fallen in recent years. This reduction places pressure on the Trust's Non-Emergency Patient Transport Service and leads to an increase in taxi use, which has a cost implication. The Trust has stated that during 2018-19 it intends to conduct a full review of the recruitment and use of volunteers across the service and to develop a volunteer strategy to look at solving the difficulties experienced in attracting new volunteers.
- 86 During 2017-18, the Trust has sought to use the findings of the staff survey 2016 to address issues that affect the satisfaction and wellbeing of its staff. The Trust addressed several actions through individual LDPs and through central activity. It is also of developing a 'you said, we did' document to demonstrate the actions it has taken, which include:
- educating team leaders through the team leader programme;
 - improving the PADR process; and
 - establishing the staff awards.
- At the time of our audit work, the 2018 NHS staff survey has recently closed with 42% of staff responding. The Trust have not yet received the detailed findings.
- 87 In January 2018, the Trust received the Gold Corporate Health Standard for its commitment to improving the health and wellbeing of its staff. It established a Wellbeing Support Service, offering confidential information and advice on matters causing staff concern or leading to absences, providing access to free counselling, eye tests and flu jabs. In April 2018, the Trust also launched a Trauma Risk Management (TRiM) Programme to strengthen the support it provides to paramedic staff that have experienced a traumatic work event.
- 88 Last year, we recommended that the Trust address the high level of sickness absence. The Trust's rolling 12-month sickness absence rate at July 2018 was 7.3% against a target of 5.09%. and rates across December 2017 and January 2018 were among the highest it has experienced since 2013. The Trust continues to have the worst sickness absence rate across Welsh NHS bodies. According to the NHS staff survey 2016, 43% of the Trust's staff reported that they had been injured or felt unwell

because of work-related stress compared with the NHS Wales average (28%). This suggests that achievement of the Gold Corporate Health Standard and of implementing TRiM is not yet having an impact on staff sickness rates.

- 89 The top reasons for absence in 2017-18 remained consistent with those of 2016-17 and include anxiety/stress/depression and other psychiatric illnesses, and musculoskeletal problems. Long-term sickness absence also remains a bigger issue for the Trust than short-term sickness. The Trust has introduced a nine-point plan to address sickness absence in 2018-19. It has also established two new task and finish groups, specifically formed to refresh both the industrial injury process and long-term sickness absence termination of employment process. Planned actions include:
- proactive management of individual long-term sickness cases;
 - working with Swansea University to pilot initiatives for addressing sickness absence;
 - review and refresh of the sickness absence audit toolkit; and
 - developing a redeployment policy.
- 90 Sickness absence receives a lot of attention at board and committee meetings. However, some Non-Executive Directors told us that they do not feel assured that the Trust is managing sickness absence effectively given the high rate, with these concerns raised at recent board meetings. Our board member survey found that only three of the 11 (27%) members responding agreed or strongly agreed that they receive information that provides a good understanding about performance in relation to workforce productivity. This compares with 40% of board members across Wales.
- 91 There is an ambitious plan for transforming training and education for staff. The (Draft) Education and Training Strategy 2019-24 states that the current workforce model was established in 1998 prior to the development of paramedics as an increasingly clinical workforce. It suggests that the current model is outdated and reactive. The Trust plans to establish Ambulance Service Academies and Local Learning Communities across Wales to enable staff to learn and complete induction/Continuing Professional Development activities within their local areas. However, progress against the education and training strategy is dependent on the Trust's estates improvement programme.
- 92 To support the paramedic workforce transitioning to band six, the Trust has established a comprehensive training programme to develop new clinical competencies. March 2019 will be the end of the first full year of band six training. The workforce team plans to evaluate the training programme before the end of March 2019 as it has become aware that some paramedics are struggling.
- 93 In response to feedback from all grades of staff, the Trust conducted a review of statutory and mandatory training in 2017, which led to a targeted communication campaign to increase uptake. It also made training available in the evening for the first time. As a result, compliance with training increased from 65% in April 2017 to 91% in July 2018, exceeding the national target (85%). However, there is more work to do to achieve the Trust's own target of 100%.
- 94 Last year we reported that the rate of completed performance and development reviews (PADRs) was improving and stood at 70% in September 2017. In July 2018, 77% of eligible Trust staff had taken part in a PADR review but performance remains below the national target of 85%. The Trust is reviewing PADR guidance to improve the quality. Staff make a lot of requests for training and Continuous Professional Development opportunities through the PADR process. However, the link between the PADRs and the Trust's training and education plan is not robust, which means it can take a long time to recognise and address staff training needs.

Managing the finances

- 95 We considered financial and budget management, financial controls, and operational support and processes. We found that **the Trust continues to maintain a financial balance and achieve financial savings, but procurement needs to be better owned.**
- 96 The Trust continues to maintain a financial balance and achieve planned savings. The Trust met its financial duties for 2017-18 and for the 3-year period 2015-18. At month six of 2018-19, the Trust's year to date financial position was a small overspend of £31,000 against its budget strategy. The Trust plans to meet its financial balance by year-end with corrective actions, plans to recover and deliver additional savings progressed and monitored through the Executive Finance Group and Executive Management Team.
- 97 During 2017-18 the Trust delivered a savings programme totalling £4.9 million which it achieved at a generally even rate throughout the year. Last year, we reported how the Trust met planned savings in 2016-17 due to several schemes over-achieving (along with the selling of some assets) which offset underachievement of other savings schemes. In 2017-18, four schemes underachieved against their planned savings target, which were compensated by two savings schemes that overachieved by £1 million. These schemes were:
- the management of non-operational vacancies achieved savings totalling £1 million, £600,000 more than planned; and
 - local schemes, some of which attracted additional income rather than reducing costs, achieved savings totalling £800,000, £423,000 more than planned.
- 98 The Trust's financial plan for 2018-19 includes a £4.2 million savings plan along with cost containment measures for it to achieve financial balance. Individual savings are set within several savings themes, which include workforce efficiency, containing cost pressures, income generation and continued management of non-operational efficiencies. The IMTP 2018-21 acknowledges the risk of failing to achieve planned financial savings and the Trust is confident that it is effectively mitigating the risk. As of month six of 2018-19, the Trust had over-achieved against its savings target to date by £11,000. However, this success was again achieved by some schemes over achieving and offsetting the underachievement of others, including the over-achievement of non-operational vacancies by £191,000.
- 99 Since 2015-16, the Trust can demonstrate it is reducing reliance on non-recurring savings. However, its reliance on the management of non-operational vacancies year on year is a cause for concern, particularly given the capacity issues discussed in [paragraph 50](#). The Trust also offsets a significant amount of savings through cost avoidance, in addition to savings. For example, by avoiding increasing costs such as inflation, expenses, procurement, swipe cards for fuel and work of the fleet more generally.
- 100 Based on its current financial performance, the Trust is likely to continue to meet its financial duty between 2018-21. However, this depends on whether the Trust can continue to secure recurring savings and manage the impact of increasing demand on its services. During interviews, Trust staff flagged holiday pay for overtime (with an element of backdating) as an upcoming significant risk for the Trust. The Trust undertook a detailed risk assessment of this and it has been included on the Corporate Risk Register for Quarter Two of 2018-19 and reported to the Welsh Government.

- 101 The Trust has well-established monthly financial monitoring arrangements. The financial position, financial risks and delivery of savings are regularly scrutinised by the Executive Finance Group (EFG) and Executive Management Team (EMT), as well as by the Welsh Government. The Finance and Resources Committee and the Board also scrutinize financial and savings delivery reports on a quarterly basis.
- 102 Last year, we made recommendations relating to finance reports and the scrutiny of financial savings. The Trust has made several improvements in response to our recommendations. The finance report presented to Finance and Resources Committee in October 2018 showed greater detail of underperforming savings schemes. Review of EFG minutes shows more consistent attendance by members of the Executive Management Team, with less than three apologies noted for two-thirds of the meetings held during 2017-18. In addition, minutes show clear focus by the EFG on the reasons behind the under-delivery of specific saving schemes. The Trust's savings highlight report now includes a specific element in relation to risks to savings schemes and their mitigating actions. A RAG rating is also provided in each of the individual theme highlight reports. However, the Trust recognises that it could be more explicit in highlighting quality and service risks, as currently there is limited reference to risks beyond risks to the achievement of the savings target. The Trust has plans to reference each type of risk and benefit during future reports.
- 103 NHS Wales Shared Services Partnership (NWSSP) undertakes much procurement activity on behalf of the Trust. The Trust does not have a procurement strategy or plan setting out how it sees the role of procurement within the organisation. There is a Service Level Agreement between the Trust and NWSSP, but it is incomplete. For example, the name of the Trust was blank, and Trust officers told us it has not been reviewed recently. This suggests the Trust has not documented its expectations for procurement, except for procurement savings targets.
- 104 Procurement produces significant savings for the Trust and NWSSP provide a quarterly performance report to the Trust. However, we noted errors in the document which suggest there is lack of scrutiny of procurement activities undertaken by NWSSP. For example, the document references another Health Board, as opposed to the Trust. It is therefore not clear whether the information contained is accurate and if the Trust uses the information to maximise value for money.
- 105 While the Trust works with NWSSP on procurement activities, there are no procurement risks featured on the finance risk register or the Trust's corporate risk. The Trust does not have dedicated resources for procurement activities, with the exception that this forms part of the remit of one of its senior finance managers. In addition, while the Director of Finance has quarterly meetings with colleagues from NWSSP to discuss procurement, the geographical distance between the NWSSP procurement team responsible for the Trust and the Director of Finance can make dialogue challenging.²¹
- 106 In terms of procurement activities that the Trust undertakes itself, the Trust demonstrates better ownership. The Trust has acknowledged that its SFIs could be clearer on procurement limits and has committed to provide training on this for budget holders and the Board during 2018-19. The Trust has a vehicle procurement programme board to manage and oversee its procurement of vehicles such as ambulances. The Terms of Reference for this board clearly identifies the roles and expectations of this group, whose members consist of Executive Directors, staff representatives, NWSSP and others.

²¹ The NWSSP procurement team responsible for the Trust are based in north Wales, while the Director of Finance is based in the Trust offices in Cwmbran.

- 107 In July 2017 the Auditor General for Wales published a report on Governance and Recruitment at Cardiff and Vale University Health Board²² which had wider learning for NHS Wales bodies. The Audit Committee received this report in March 2018 and the Trust developed an action plan to ensure it implemented learning from the report. The Trust has also undertaken activity in relation to its procurement approaches, including implementing the national No Purchase Order (PO), No Pay policy and providing guidance and information on No PO No Pay and counter fraud procurement guidance to staff.
- 108 Business cases received by the Finance and Resources Committee and the Board consider procurement issues. In January 2018 for example, the Finance and Resources Committee received a paper on re-procurement options for the existing NEPTS Computer Aided Dispatch system. Our board member survey reflected that Non-Executive Directors do not have any specific concerns relating to procurement, with all board members stating they were confident or really confident that procurement arrangements achieve value for money. This compares with 59% across Wales. Board members acknowledged during our interviews that this confidence is based on the information received from NWSSP, along with oversight of business cases which discuss procurement issues. Despite the confidence shown by board members, our Structured Assessment work has found some areas where the Trust needs to improve its oversight and ownership of procurement performance to ensure it achieves value for money.
- 109 In accordance with the Trust's Standing Financial Instructions (SFIs), the Audit Committee also regularly receives reports on losses and special payments and tender update reports and single tender waive requests. Between February and July 2018, the Trust issued eight tenders and requested to waive six SFIs. While members have not voiced any concerns, our observations at the Audit Committee indicate that the Trust could improve the level of detail provided for such requests within Audit Committee papers.

Improving performance, efficiency and productivity

- 110 We looked at what the organisation is doing to improve performance, efficiency and productivity. We found that **the Trust is committed to managing demand in line with the ambulance care pathway and there are encouraging signs of improvement.**
- 111 The Trust's IMTP states that prudent and values-based healthcare is a central and consistent theme throughout its planning. The Trust established an Improvement and Innovation Network (WIIN) in 2017 to embed prudent and values-based healthcare principles and to improve consistency and quality in planning and service delivery. Examples of services that have prudent and values-based healthcare embedded include:
- in 2017, the Clinical Response Model became permanent and subsequently received the 'Outstanding Contribution to Prudent Healthcare' award at the NHS Wales Awards 2017 in recognition that it enables the Trust to reach the patients with the greatest clinical need first; and

²² [Audit of Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner published July 2017](#)

- reducing demand from frequent callers²³ whereby the Trust works with partners to identify and address the needs of the 5% of calls it receives each month from the same individuals. The Trust reports that this work saved more than 1,200 unnecessary ambulance callouts during 2017.
- 112 The Trust is engaging in benchmarking to improve the efficiency and quality of its service. To improve its 'Hear and Treat'²⁴ performance, the Trust undertook benchmarking with the NHS England Ambulance Response Programme (ARP) to establish the good practice rate of Hear and Treat performance at around 12%, with the Trust's performance between 6-9% between August 2017 and August 2018. There is ongoing work to develop the Chief Ambulance Service Commissioner's benchmarking toolkit, in conjunction with the NHS Benchmarking Network as part of the enhancement of the data linking work established and created by the Amber Review.
- 113 During 2017-18, the Trust developed and piloted several service initiatives aimed at improving patient flow by treating patients earlier in the five-step ambulance care pathway.²⁵ The pilot projects included Advanced Paramedic Practitioners in the Betsi Cadwaladr University Health Board footprint; Community Paramedics in the Aneurin Bevan University Health Board footprint; and the Falls Improvement Framework. Each pilot project aimed to treat patients closer to home, to reduce conveyance by ambulance crews to emergency departments and to improve patient experience. The Trust's EFG ensures prudent and values-based healthcare principles are considered when setting expected outcomes for pilot schemes to enable subsequent evaluation.
- 114 The Trust recognises that it has more to do in terms of Step One (Help Me Choose) of the five-step ambulance care pathway and that it must work with partners if it is to inform the public and influence public behaviour to achieve this. Data suggests that work to improve service efficiency in line with the ambulance care pathway is having an impact. Between August 2017 and August 2018, the Trust conveyed 10% fewer patients to major emergency departments even though the number of calls increased by 6%. The Trust states this is due to the impact of the Clinical Desk (Hear and Treat) However, handover delays increased by 32% for quarter one of 2018-19 compared with the same period in 2017-18. This suggests that winter pressures during 2018-19 are likely to be very challenging for the Trust and the wider unscheduled care system.
- 115 The Trust reports on pilot project results and evaluations to its commissioners through EASC. While minutes show Commissioners recognise the benefits and impact, the financial climate means they often feel unable to provide additional funding to roll them out further. The Trust would like the Health Boards to explore opportunities for using the Transformation Fund introduced by the Welsh Government in 2018 to increase the capacity and roll-out of these pilots. In addition, the Amber

²³ Frequent callers are people who dial an emergency service more than five times in a month or 12 times in three months.

²⁴ Hear and Treat refers to patients being treated over the phone by trained clinicians that are situated in the Trust's Clinical Contact Centres, where appropriate. This then reduces the need to dispatch an ambulance and for the patient to be conveyed to hospital.

²⁵ The five-step Ambulance Patient Care Pathway is a citizen-centred pathway which describes the five-step process that supports the delivery of emergency ambulance services within Wales, ranging from step one: help me to choose, to step five: take me to hospital.

Review recommends the Trust reviews whether it is targeting the additional resources it has received on front line services and that it has sufficient resources to meet future demand.

- 116 During 2017-18, the Trust's performance for red calls (for life threatening emergencies) was consistent at an all-Wales level, conveyance rates decreased slightly while Hear and Treat rates increased. However, amber 95th waits²⁶ were worryingly long, having increased from 1 hour 30 minutes in August 2017 to 2 hours 39 minutes in August 2018. Unscheduled care pressures across the NHS system and handover delays during winter 2017-18 created significant pressures on the resources available to respond to calls. Consequently, during winter 2017-18 the Trust reached REAP status four for the first time in its history due to difficulties in responding to calls.
- 117 During summer 2018 the Chief Ambulance Services Commissioner undertook a review to understand the outcomes and experience of patients whose calls are categorised as amber, particularly those that wait a long time for a response. In contrast to red calls, there is no time-based target for calls categorised as amber. The review looked at what influences the Trust's resource availability, including staff operational capacity, staff sickness and handover delays. The review made several recommendations, including:
- providing information to the public on the role of the ambulance service and the prioritisation and categorisation of calls;
 - the Trust needing to ensure that planned resources are sufficient to meet expected demand; and
 - reducing the longest waits for patients in the community.

The review did not recommend introducing time-based targets for amber calls, though it recommends publication of quality and response time that reflect the patient's whole episode of care.

Managing the estate and other physical assets

- 118 Finally, we considered how the estate and physical assets are managed. We found that **there is scope to strengthen the Trust's strategic approach to asset management.**
- 119 The Trust does not currently have an asset management strategy or plan, though it does have plans for specific types of assets. For example, the Welsh Government approved the Trust's Estates Strategic Outline Plan in early 2018. The Trust also has a Fleet Strategic Outline Plan. These plans detail the strategic approach the Trust intends to take to modernise and further develop its service. In addition, business cases reported to the Board clearly detail how the Trust intends to support its sustainability and efficiency aims by including whole life costs of assets and the environmental benefits of options. The Trust also reports information including annual expenditure, asset numbers and condition as part of its EFPMS data submission.
- 120 The Trust's asset management approach is currently managed through specific groups and boards, such as the Internal Capital Planning Group, the ICT Steering Group, the Estates Programme Board and the Vehicle Procurement Programme Board. There appear to be local risk management arrangements for these groups, with risks reported to the Trust's Executive Management Team.

²⁶ See footnote 2

However, there currently appears to be limited alignment between the various strands of asset management in place at the Trust.

- 121 The lack of clarity around the Trust's approach to asset management may be contributing to the lack of confidence that assets are managed efficiently. Under half (5 out of 12 or 41%) of board members responding to our survey were either confident or really confident that the way in which assets are managed achieved value for money compared with 55% across Wales.
- 122 The Trust's Executive Management Team has recently agreed to further align its asset management by using capital planning structures, and has created an Internal Capital Management Board. The Trust feels this should support alignment between the various strands of its asset management.
- 123 The Trust is currently focused on developing a new asset register called Real Asset Management (RAM). The Trust's current asset register does not provide the data the Trust needs to ensure assets are fit for purpose and that areas such as backlog maintenance are identified. The Trust has decided to take a measured and phased approach to the implementation of RAM by testing the system with existing data from its current register and comparing the outputs from both registers to identify errors or weaknesses. If the testing is successful, the Trust will use the RAM register exclusively from April 2019 onwards.
- 124 The Trust has no current plans to develop an asset management strategy. Developing an overarching asset management strategy may have several benefits for the Trust. Such benefits may include:
- ensuring alignment of underpinning plans for specific types of assets;
 - supporting the Trust to prioritise its use of discretionary capital; and
 - provide assurance to board members of its strategic approach and approach to securing value for money.
- 125 The Trust should explore the potential benefits that developing an overarching asset management strategy could hold for the organisation.

Recommendations

126 Our assessment of the Trust's progress in addressing last year's recommendations is set out in [Appendix 1](#). The Trust needs to maintain focus on ensuring that our previous recommendations are fully implemented during the next 12 months. We also make seven new recommendations from our 2018 work which are set out in [Exhibit 2](#).

Exhibit 2: 2018 recommendations

2018 recommendations	
Review, clarify and reduce need for Chair's actions	
R1	The Trust should review the process for Chair's actions and seek opportunities to reduce these where possible. Where Chair's actions are necessary, the Trust should ensure there is sufficient description of Chair's actions within Board papers.
Strengthen governance arrangements for Information Governance and ICT	
R2	Take steps to strengthen the governance arrangements for Information Governance and ICT by: <ul style="list-style-type: none"> a) increasing regular attendance by core members of the Information Governance Steering Group; and b) clarifying and articulating links between information governance and ICT to strengthen the oversight and scrutiny of the Trust's digital business.
Improve risk practice and assurance	
R3	To improve risk practice and provide assurance to the Board and its Committees from the Corporate Risk Register and Board Assurance Framework (BAF), the Trust should: <ul style="list-style-type: none"> a) provide sufficient detail on the CRR and BAF to describe why risks have been escalated/de-escalated; and b) ensure risks on the BAF are live and anticipate future risks as well as reflecting on the success of mitigating actions.
Ensure effective oversight and compliance with new legislation	
R4	The Trust should consider ways in which it can provide assurance that it is aware of and complying with new legislation and communicate this to the Board either through the Board Assurance Framework or as an item to be considered within the work programme of the Board and/or its committees.
Explore the impact of ongoing vacancy management on the Trust's corporate capacity	
R5	We commented on pressures on the Trust's corporate capacity during our 2016 and 2017 Structured Assessment. It is likely that this pressure will worsen because of its annual savings scheme related to non-operational vacancies. The Trust should evaluate the impact of this saving scheme on its corporate capacity.

2018 recommendations

Ensure greater ownership over all procurement activities

- R6 While the Trust has some local procurement processes and oversight of some procurement activity eg vehicle procurement, the Trust should improve its oversight and ownership of the procurement activity undertaken on its behalf by NWSSP, including:
- a) reviewing the Service Level Agreement between the Trust and NWSSP in relation to procurement to ensure it clearly sets out the Trust's expectations; and
 - b) provide greater scrutiny of quarterly performance reports.

Develop an asset management strategy

- R7 The Trust should explore the potential benefits of developing an overarching asset management strategy, including whether an overarching strategy helpfully brings together the individual strands of its current asset management arrangements to ensure value for money and provide clarity to board members.

Appendix 1

Progress implementing previous recommendations

Exhibit 3: actions in response to 2017 and outstanding previous recommendations

Recommendation	Action taken in response	Completed
<p>R1 While there is good scrutiny of overall savings plan delivery, the Trust should strengthen its current arrangements to include:</p> <ul style="list-style-type: none"> a) greater focus by the Executive Finance Group (EFG) on the reasons behind the under-delivery of specific saving schemes; b) improving attendance at the EFG by Executive Directors; and c) strengthening scrutiny of savings schemes that are underperforming by Finance and Resources Committee. 	<p>Minutes of the EFG show a clear focus by the Group on the reasons behind the under-delivery of specific saving schemes.</p> <p>Review of EFG minutes shows more consistent attendance by members of the Executive Management Team, with less than three apologies noted for two thirds of the meetings held during 2017-18.</p> <p>The finance report presented to Finance and Resources Committee in October 2018 showed greater detail on underperforming savings schemes.</p>	<p>Yes</p>
<p>R2 Risks to service performance and quality are considered in planning savings but reporting risks in-year is limited. The Trust should take steps to ensure its Savings Delivery Reports highlight any risks that savings schemes may present for service performance or quality.</p>	<p>The Trust's savings highlight report now includes a specific element in relation to risks to savings schemes and their mitigating actions. A RAG rating is also provided in each of the individual theme highlight reports. However, the Trust recognises that it could be more explicit in highlighting quality and service risks, as currently there is limited reference to risks beyond those of achieving the savings target. The Trust has plans to reference each type of risk and benefit during future reports.</p>	<p>Partly</p>

Recommendation	Action taken in response	Completed
<p>R3 The Trust needs to address the further improvements to asset management controls identified in the Auditor General's accounts report and Final Accounts Audit Memorandum for 2016-17.</p>	<p>During 2018, the Trust focused attention and capacity towards developing a new asset register, called Real Asset Management (RAM). The Trust has decided to take a measured and phased approach to the implementation of RAM by testing the system with existing data from its current asset register and comparing the outputs from both registers to identify any errors or weaknesses. While initial plans were for the system to be fully commissioned by 31 July 2018, this was delayed pending further testing of the system.</p>	<p>Partly</p>
<p>R4 We found that some key items were not easily accessible on the Trust's website in accordance with the requirements of the Welsh Health Circular (2016) 033 in 2016 and have found a similar position in 2017. The Trust should take steps to ensure it complies with the requirements of WHC 033.</p>	<p>A review of the website at October 2018 shows a similar position to our review in 2017. However, the Trust is committed to implementing this action by March 2019.</p> <p>According to the audit recommendation tracker, a full review of the Trust's website was undertaken to identify navigation issues. The Trust is also working closely with NHS colleagues both internally and externally given the current consultation on a new content management system for NHS Wales to ensure any refreshed site is fully compliant with the requirements of the WHC.</p>	<p>No</p>

Recommendation	Action taken in response	Completed
<p>R5 Assessment against our review of Board Assurance Frameworks in place across NHS bodies in Wales, shows that the Trust's BAF covers a range of information, but identified it could be strengthened in several areas. The Trust should:</p> <ul style="list-style-type: none"> • provide greater detail in describing the threats to achieving strategic objectives and their outcomes; • identify and clearly state the specific controls and assurances for the Framework, for example, detailing which clinical audit will provide assurance as opposed to assigning assurance to 'clinical audit' in a general sense; and • assign oversight of each identified risk to corporate objectives and the associated controls to a designated committee for scrutiny. 	<p>In May 2018, the Trust's audit recommendation tracker stated that actions against this recommendation were complete and it was therefore removed from subsequent iterations of the tracker. Our assessment of progress shows that:</p> <ul style="list-style-type: none"> • the description of threats to achieving strategic objectives has improved; • the description of controls and assurances for the Framework has improved; and • the Trust has assigned oversight of each strategic aim and associated risks and controls, to a designated committee for scrutiny. 	<p>Yes</p>

Recommendation	Action taken in response	Completed
<p>R6 Improve the audit recommendation tracker further by consistently recording the outcomes of specific actions and how they relate to a recommendation. For example, where the action is to review a particular area or function of the organisation, provide a description of the outcome of that review and how it addresses the initial recommendation.</p>	<p>The Trust introduced a revised audit tracking tool at its September 2018 Audit Committee. The revised version allows Audit Committee members and managers to undertake greater interrogation of recommendations. It makes it easier to analyse recommendations by year, priority and progress, which should support managers to record activity and members to scrutinize progress more effectively in future.</p>	<p>Yes</p>
<p>R7 The Trust's sickness rates during 2016-17 have not decreased in line with planned targets. Given the ongoing impact sickness absence has on the Trust's operational capacity on a day-to-day basis, as well as its financial performance, the Trust should prioritise action to reduce sickness levels.</p>	<p>The Trust's sickness absence target for 2017-18 was 5.9%, the Trust achieved a sickness rate of 7.6% and its rates across December 2017 and January 2018 were among the highest it has experienced since 2013, due to winter pressures. The Trust continues to have the worst sickness absence across Welsh health bodies.</p>	<p>No</p>
<p>R8 Trust should improve the pace of updating its policies and make prompt progress against the wider General Data Protection Regulation (GDPR) requirements to ensure they comply with GDPR by May 2018.</p>	<p>The Trust began a process to review and update its policies in July 2017. At September 2018, the Trust reported that it had updated 43 of its 130 policies. Several key policies related to information governance had passed their review date at the time of fieldwork; these include the Information Governance Policy, the Information Security Policy, the Disposal Policy and the Patching Policy, though we note plans to approve the updated Information Security and Access Control Policy in December 2018.</p> <p>The report from Stratia prepared for the Trust in February 2018 emphasised the need for key policies to be updated as a matter of</p>	<p>Partly</p>

Recommendation	Action taken in response	Completed
	urgency. The Trust reports progress against this in response to Stratia through a Security Improvement Plan to the Executive Management Team.	
<p>R9 Improve the timeliness of Board and Committee papers, and make further improvements to their quality by:</p> <ul style="list-style-type: none"> • being more ‘assurance focused’, highlighting to members any particular risks they should consider, or the level of assurance that risks are being mitigated: the reporting checklist is a helpful tool for capturing this information, but it is not always included or completed consistently; • being more consistent in capturing the important discussion points in minutes: currently some minutes only capture actions, not recommendations and do not consistently evidence scrutiny or discussion; and • ensuring the Board regularly receives the minutes of the Emergency Ambulance Services Committee (EASC). 	<p>According to the September 2018 audit recommendation tracker:</p> <ul style="list-style-type: none"> • a review of the reporting checklist has been paused due to a wider review of committee structures and is due to take place in December 2018; • the protocol for minutes was approved by the Chair’s Working Group in March 2018; and • since March 2018, the Board expected to routinely receive EASC minutes. However, our review of Board papers shows the Board has not received any of the four sets of approved 2018 EASC minutes during its meetings since March 2018. 	Partly

Appendix 2

Trust's response to this year's recommendations

When the relevant committee has considered this report, we will insert a shortened version of the Trust's response in the report before we publish it on the Wales Audit Office website.

Exhibit 4: management response to 2018 recommendations

Recommendation	Management response	Completion date	Responsible officer
<p>R1 Review, clarify and reduce need for Chair's actions</p> <p>The Trust should review the process for Chair's actions and seek opportunities to reduce these where possible. Where Chair's actions are necessary, the Trust should ensure there is sufficient description of Chair's actions within Board papers.</p>	<p>Accepted. The number and frequency of Board meetings has increased recently which may mitigate the need for some Chair's Actions. All Chair's Actions are properly recorded and reported to the Board, in accordance with the practice adopted by the Board.</p> <p>Nevertheless, we will review the current process and seek the Board's view on future arrangements, including justifications for Chair's Actions.</p>	May 2019	Board Secretary
<p>R2 Strengthen governance arrangements for Information Governance and ICT</p> <p>Take steps to strengthen the governance arrangements for Information Governance and ICT by:</p>	<p>Accepted.</p> <p>a) There has been a commitment from directorates to ensure that attendance at both the Information Governance and ICT Steering Groups is representative of the organisation. Recent meetings have seen a significant improvement. The</p>	March 2019	Head of HI/ Head of ICT

Recommendation	Management response	Completion date	Responsible officer
<ul style="list-style-type: none"> a) Increasing regular attendance by core members of the Information Governance Committee; and b) Clarifying and articulating links between information governance and ICT to strengthen the oversight and scrutiny of the Trust's digital business. 	<ul style="list-style-type: none"> Executive responsible for ICT has also further reminded members of the need and importance of attending. b) Closer links have been made with the appointment of the Senior ICT Security Specialist who works closely with the IG Team in respect of Information Security. There is also cross attendance at the ICT and IG Steering Group to ensure joined up working. The Board has also approved the appointment of a Director of Digital. Recruitment is underway and a digital strategy will be further developed once appointed. 	<p>December 2018 Complete</p> <p>September 2019</p>	<p>Interim Director of Finance & ICT</p>
<p>R3 Improve risk practice and assurance</p> <p>To improve risk practice and provide assurance to the Board and its Committees from the Corporate Risk Register and Board Assurance Framework (BAF), the Trust should:</p> <ul style="list-style-type: none"> a) Provide sufficient detail on the CRR and BAF to describe why risks have been escalated/de-escalated; and b) Ensure risks on the BAF are live and anticipate future risks as well as reflecting on the success of mitigating actions. 	<p>Accepted. Progressing the Datix module design for e-risk and e-registers will enable this, with the supporting review of the risk management process. The Risk Strategy was reviewed and approved by Board in July 2018. The Risk Register provides explanation of which risks have been escalated/de-escalated and the Trust is focussing on improving the content of mitigation narrative in the Directorate risk registers and the Corporate Risk Register.</p>	<p>March 2019</p>	<p>Director of Nursing and Quality</p>

Recommendation	Management response	Completion date	Responsible officer
<p>R4 Ensure effective oversight and compliance with new legislation</p> <p>The Trust should consider ways in which it can provide assurance that it is aware of and complying with new legislation and communicate this to the Board either through the Board Assurance Framework or as an item within the annual work programme of the Board and/or its committees.</p>	<p>Accepted. Whilst it is recognised full implementation will require a considerable amount of work, the Trust can learn from other NHS bodies who have already undertaken similar work. The Trust will initially focus on and complete key areas of legislation by the target date with the view to fully completing the work by the end of the 2019-20 financial year.</p>	<p>November 2019</p>	<p>Board Secretary</p>
<p>R5 Explore the impact of ongoing vacancy management on the Trust's corporate capacity</p> <p>We commented on pressures on the Trust's corporate capacity during our 2016 and 2017 Structured Assessment. It is likely that this pressure will worsen because of its annual savings scheme related to non-operational vacancies. The Trust should evaluate the impact of this saving scheme on its corporate capacity.</p>	<p>Accepted. The impact of this savings target will be evaluated as part of the savings planning process as the recurring financial plan is further developed to support the 2019-20 IMTP.</p>	<p>January 2019</p>	<p>Deputy Director of Finance</p>
<p>R6 Ensure greater ownership over all procurement activities</p> <p>While the Trust has some local procurement processes and oversight of some procurement activity eg vehicle procurement, the Trust should improve its oversight and ownership of the</p>	<p>Both of these recommendations are accepted as per the recommendation.</p>		

Recommendation	Management response	Completion date	Responsible officer
<p>procurement activity undertaken on its behalf by NWSSP, including:</p> <ul style="list-style-type: none"> a) reviewing the Service Level Agreement between the Trust and NWSSP in relation to procurement to ensure it clearly sets out the Trust's expectations; and b) provide greater scrutiny of quarterly performance reports. 	<ul style="list-style-type: none"> a) The SLA between the Trust and Shared Services will be reviewed in relation to procurement. b) The Trust will improve its scrutiny of the quarterly performance reports received from Shared Services. Exec to Exec performance meetings will also be initiated. Any significant variations in performance or concerns will be reported to Finance and Performance Committee. 	<ul style="list-style-type: none"> a) March 2019 b) April 2019 	<p>Deputy Director of Finance</p> <p>Directors of Finance and WoD</p>
<p>R7 Develop an asset management strategy</p> <p>The Trust should explore the potential benefits of developing an overarching asset management strategy, including whether an overarching strategy helpfully brings together the individual strands of its current asset management arrangements to ensure value for money and provide clarity to board members.</p>	<p>Accepted. The Trust will consider what additional benefits such an approach could achieve. There are specific strategic plans in place for all of our key and material areas of assets (eg estates, fleet and equipment). Other areas, such as ICT, also have an active asset management procedure in place following previous work with the Wales Audit Office.</p> <p>We will also complete the further alignment of our capital planning structures to support the work on asset management, as well as reviewing how assurances on VFM, from an asset perspective, is provided to Board and Committee.</p>	<p>March 2020</p> <p>September 2019</p>	<p>Director of Planning & Performance</p> <p>Director of Planning & Performance</p>

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru