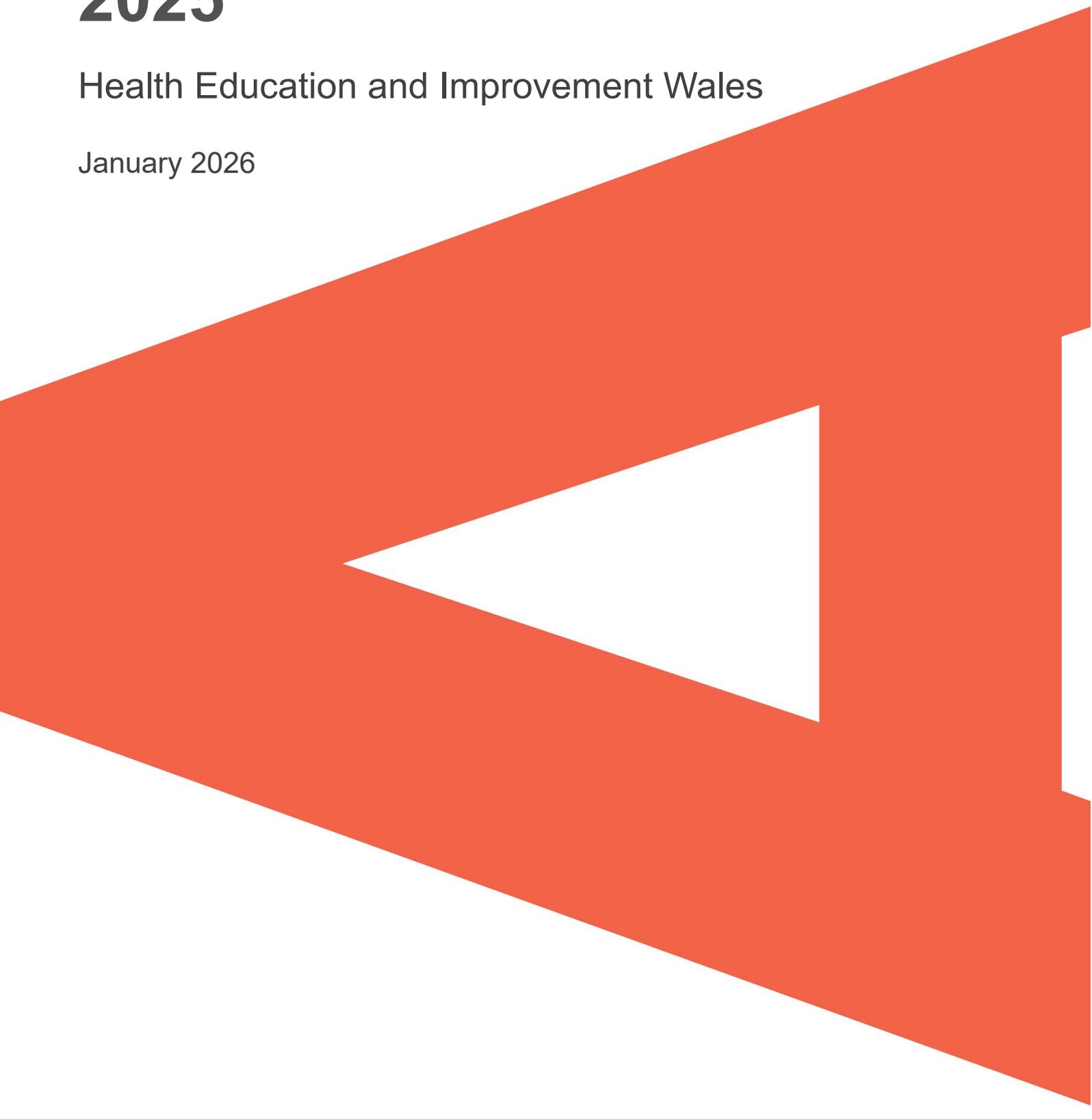


# **Structured Assessment**

## **2025**

Health Education and Improvement Wales

January 2026



# About us

---

We have prepared and published this report under section 61(3) (b) of the Public Audit Wales Act 2004.

## © Auditor General for Wales 2026

You may re-use this publication (not including logos except as an integral part of the document) free of charge in any format or medium.

If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright, and you must give the title of this publication. Where we have identified any third-party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

## If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at [info@audit.wales](mailto:info@audit.wales)

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

# Contents

---

Audit snapshot	4
Key facts and figures	6
Our findings	7
Recommendations	24
1 About our work	26
2 Previous audit recommendations	28
3 Key terms in this report	35
4 Management response to audit recommendations	38
About us	40

# Audit snapshot

---

## What we looked at

- 1 We looked at how well Health Education and Improvement Wales is governed and whether it makes the best use of its resources. We looked at four areas in particular:
  - how well its board works;
  - how it keeps track of risks, performance, service quality, and audit recommendations;
  - how it produces key plans and strategies; and
  - how it manages its finances.
- 2 We also looked at the SHA's progress in implementing recommendations from:
  - previous structured assessment reports;
  - our [2023 report on workforce planning](#).

## Why this is important

- 3 NHS bodies continue to face a wide range of challenges associated with the need to modernise and transform services to deal with constrained finances, growing demand, treatment backlogs, workforce shortages, and an ageing estate. It is therefore more important than ever for the boards of NHS bodies to have strong corporate and financial governance arrangements in place. This helps provide assurance to themselves, the public, and key stakeholders that they are taking the right steps to deliver safe, high-quality services and to use public money wisely.

## What we have found

- 4 HEIW understands the challenging environment it operates in and its current and future challenges. This includes increasing financial pressure which may have a wider impact on the NHS workforce in Wales.
- 5 It has a good focus on both the medium and the long-term workforce needs which inform its priorities expressed in its plans. HEIW has robust governance, planning, and financial arrangements. Members and officers are engaged, and scrutiny and oversight remain strong. HEIW should now focus on reporting the benefits and impact from its activities and design Board Development Sessions to continuously improve.

## What we recommend

- 6 We have made three recommendations to HEIW on:
  - being clearer about what stories at Board are there to achieve and whether the agenda item has achieved it;
  - improving the impact of board development sessions; and
  - strengthening messaging around how current financial risks could impact the health sector in the future.

# Key facts and figures

---

Within the Welsh Government's Escalation and Intervention framework, HEIW is currently at Level 1 escalation.

HEIW met the three key financial objectives and duties for 2024-25.

The Integrated Medium Term Plan (IMTP) 2025-2028 was approved by the Welsh Government in March 2025.

HEIW has fully implemented all four of our previous recommendations since our last Structured Assessment Report.

# Our findings

---

## Board effectiveness and openness

**Board and committees remain cohesive and continue to operate transparently. It is improving the use of learner experience and staff stories but could make better use of Board Development Sessions**

### Public openness of board business

- 7 HEIW has a transparent culture and considers business in public wherever possible. This includes openly discussing current issues and emerging risks in open sessions and including them on the Corporate Risk Register. HEIW publishes agendas and papers publicly on its website. We also found:
  - the HEIW website makes it clear the public are welcome to attend public Board and committee meetings in person and watch the session either livestreamed or through published recordings;
  - public Board and committee papers are available five days before each meeting on its website,
- 8 HEIW only takes agenda items to closed committee sessions when they are confidential in nature. This includes commercially sensitive issues, personal issues or discussing plans in their initial stages.

## Supporting effective board conduct

- 9 HEIW's arrangements effectively support Board and Committee business. This includes up-to-date Standing Orders, Standing Financial Instructions, schemes of delegation, and policies and procedures on probity and propriety.
- 10 The Audit and Assurance Committee (AAC) continue to review Standing Orders and Standing Financial Instructions annually prior to approval by the Board. These continue to be publicly available on the website. HEIW clearly presents changes in Standing Orders via tracked changes making them easy to review.
- 11 The AAC review an update of the Declarations of Interest Register annually. This is publicly available in the committee papers on the HEIW website. This is also the case for the Gifts, Hospitality and Sponsorship Register.
- 12 The Board reviewed its delegated financial limits in July 2025 to better reflect the current financial environment. HEIW had not updated these since they were set in 2018. When HEIW benchmarked its delegated financial limits, it found these were lower than its peers. As a result, it has increased the limits which should reduce the volume of approvals necessary at senior management level. The AAC appropriately reviewed and approved these changes, which are now being implemented.
- 13 HEIW updates organisational policies in line with their review date and is making good progress since our report last year. In February 2025, AAC included an update report on HEIW policies requiring review. In our last Structured Assessment, we noted 12 policies were out of date. As at January 2025, only four policies needed updating and another update is due in October 2025.

## Board and committee meeting effectiveness

- 14 HEIW has not made any changes to its committee structure. There continue to be ongoing discussions to check and ensure that the current structure remains fit for purpose. AAC provides governance and accounts oversight, and the Education, Commissioning and Quality Committee (ECQC) ensures effective arrangements to plan, commission and oversee the quality of education systems. However, our audit of arrangements for securing value for money of commissioned education places found ECQC needs to strengthen the focus in its agenda on the value and impact of HEIW's commissioning approach – in line with its terms of reference. We intend to make a recommendation about this in that audit report at the end of 2025.
- 15 Committees review and approve their terms of reference annually. HEIW present updates with tracked changes for ease and transparency. Both AAC and ECQC updated their terms of reference in July 2025. Both updates appropriately now include reference to the Wellbeing of Future Generations Act 2015, and act in accordance with it.
- 16 Board and committees regularly review their agendas and work programmes. HEIW has split agendas into three broad areas of 'consent agendas', 'matters for consideration' and 'matters for noting'. Board members have generally welcomed the new 'consent agenda' approach and some attendees feel it allows more time to challenge and scrutinise other more urgent items. As in previous years, AAC agendas include standing items, but with flexibility to bring items forward or moved to a later meeting if required.
- 17 Board and committee meetings continue to be well chaired, and timings are punctual. There is an effective range of scrutiny and challenge. Over the last year, HEIW has changed committee membership to maintain an appropriate skill mix. For example, HEIW adjusted membership of the AAC to include more finance experience. Chairs encourage attendees to ask questions and challenge in a polite and persistent manner. Independent Members bring a broad range of experience and provide a good mix of styles and approaches when asking questions. This has benefited newer committee members, improving constructive challenge.

- 18 Since May 2025, HEIW has introduced a new template structure for reports – Assure, Advise, Alert. The change aims to keep readers and writers focussed on key issues and actions and encourage authors to further consider what they want committees to do with information included in reports. Both Independent and Executive Board members told us this format makes report writing and reading clearer.
- 19 Our observations indicate that Board and committee members thoroughly read papers in advance of meetings and attendees are well prepared when asking questions. Responses to requests for information at Board and committee meetings are timely and appropriate.
- 20 We heard how Independent Members want an increased focus on the difference actions are making. As committees develop, Independent Members need to ensure they are satisfied reports have an appropriate lens on evaluation, impact, and benchmarking to satisfy their requirements.

### **Hearing from staff and service users**

- 21 The Board remains committed to hearing from students and staff. HEIW uses a range of approaches to hear from a diverse range of staff and students. Its staff survey continues to get good levels of engagement with a response rate of 86.6%. Officers demonstrate that they use the survey to drive continuous improvement. They highlight strengths and areas for improvement alongside actions at both organisational and departmental levels.
- 22 HEIW has broadened its range of tools to engage with students and stakeholders. These include meetings with students, online chat facilities, meetings with practice assessors and education facilitators. There are multiple informal meetings with education providers throughout the year. Officers report feedback and themes from stakeholder reference groups, the independently run National Student Survey, student forums, and the General Medical Council survey into the ECQC.

- 23 HEIW can also show escalation processes are in place for students who raise concerns. We have seen instances where students have raised concerns and HEIW has effectively responded to these with partners. Progress on this has been fed back to ECQC. This helps the committee to demonstrate listening and learning and a drive to continuously improve these arrangements.
- 24 HEIW has increased the number of Learner Experience presentations which come to Board. Learners include those undertaking a range of education programmes eg undergraduate, postgraduate, leadership, internship, management trainee etc. These experiences cover a range of the student experience. These include an example of a learner receiving additional support through the Healthcare Connect Scheme to gain access to a professional nursing programme, and the experience of a learner who undertook all course assignments through the medium of Welsh. These provide a useful insight into an individual's experience. HEIW also aligns the learner experiences with agenda items.
- 25 At Board in July 2025, a YouTube video showcased a learner experience on the Healthcare Connect Scheme on the same agenda as an update on the Digital and Data Strategy. Another learner experience explained how one student undertook all assignments and assessments through the medium of Welsh. Later in the same agenda HEIW presented the Welsh Language Scheme Annual Report 2025-26. However, HEIW could be clearer about what stories at Board are there to achieve and whether the agenda item has achieved it. HEIW should also ensure it does not compromise timings for other items.

### **Board cohesion and continuous improvement**

- 26 We continue to see good levels of Board capability and engagement. While there have been several key Independent Member changes over the last year, Board engagement remains particularly good. Board and committees include members with significant expertise and experience in key areas such as finance and education. Senior officers told us they feel that their Independent Members adopt a critical friend role rather than being adversarial.

- 27 HEIW has effectively managed changes to Board membership over the last 12 months. It has appointed a new Medical Director, had a change of Vice Chair and appointed a new Chair for the ECQC. Reflections from the team are all positive. HEIW continues to manage changes to Board membership well and sufficiently invest in induction for new colleagues.
- 28 HEIW continues to use 'Board briefing' sessions to inform Board members on specific technical areas, for example, genomics and workforce planning. Members indicate that they find these sessions useful. However, there is some appetite to use the full board development sessions more effectively. Current board development session items include 'Progress on the Integrated Medium Term Plan (IMTP)' and 'Annual Review of Risk Appetite.' HEIW runs the risk that its board development sessions either become longer briefing sessions or alternatively run as informal Board meetings, rather than development for the Board. The organisation should clarify the purpose and impact of board development sessions and design a programme accordingly.
- 29 Board and committees have robust arrangements to undertake annual self-assessments. HEIW reports the outcomes of self-assessments to the relevant committee with detailed results analysis. HEIW also presents an action plan to Board linked to the findings in the self-assessments. This includes actions, owners, and implementation dates. It was the result of learning from self-assessments that led to the introduction of Assure, Advise, Alert reporting formats. This shows self-reflection and an aim to drive continuous improvement in the coming year.

## Providing board assurance

### **HEIW has effective arrangements to provide assurances to Board and committees, making improvements as needed**

#### **Managing strategic risks**

- 30 The Board and AAC appropriately and regularly review the Board Assurance Framework (BAF) and as part of this, the strategic control framework. The BAF outlines how the Board identifies the main risks to achieving its strategic objectives. The strategic risk control framework clearly focusses on strategic risks which may threaten the achievement of the organisation's priorities and is based on a three-lines of assurance model.
- 31 The strategic risk control framework clearly sets out the risk owner, forms/sources of assurance, and any gaps in assurance. Each risk now includes the role and purpose of the 'assuring committee' for each strategic risk. It also includes an agreed action plan with RAG (Red, Amber, Green) statuses. It is an effective approach that is helping HEIW tackle some of the challenging risks that it faces.
- 32 Findings from our wider audit programme, not just in HEIW, but across Wales suggest that financial pressures are resulting in short-term decision making. This may mean that education contracting with universities may become more complex. Health bodies may also reduce recruitment of newly trained staff or that Welsh Government may not commit to increases to education training plan funding.
- 33 While HEIW has a good understanding of these risks, it should more formally communicate the consequences to its stakeholders should the risks materialise. For example, if the Welsh Government issue a 'flat cash' education training plan budget, this will likely have a detrimental effect on the wider NHS capacity in years to come. It could also have a compound effect, becoming greater, year after year. Whilst this does not have a direct impact on HEIW and its function, it could have a significant impact on future NHS Wales workforce resilience and sustainability. HEIW is in a unique position to explicitly express the risk to the wider NHS.

## Managing corporate risks

- 34 HEIW has a strong approach to corporate risk management. Internal Audit completed its audit of risk management in February 2025 and gave a substantial assurance score, only suggesting minor changes. HEIW updated its risk management policy in April 2025 and made the changes in line with Internal Audit findings.
- 35 HEIW has a clear risk management policy and a live corporate risk register (CRR). Escalation processes are clear within the policy. It includes useful templates and guides to help the reader complete a risk register and understand what is meant by risk impact and risk appetite levels creating consistency. In our previous Structured Assessment, we recommended corporate risks would benefit from having consistent risk titles to make it easier for the reader to identify the risk. HEIW have addressed this.
- 36 HEIW demonstrates a compassionate improvement-focussed approach to risk management. The policy reminds the reader that not being able to manage a risk is not a reflection on the lack of capability, but that the organisation may need to manage the risk at a higher level.
- 37 The CRR remains a live document and now includes consistent risk titles for each risk. HEIW adds and removes risks appropriately, as part of its review arrangements. HEIW uses cover papers that accompany the CRR which clearly present any additions or updates which committees need to be aware of. For example, in July 2025, HEIW removed the risk relating to the new digital CODI system, because its actions had lowered the level of risk.
- 38 The Board continues to discuss and use the CRR to identify actions to mitigate risks. As in previous years, during Board meetings, the Chair asks attendees to reflect on the CRR to determine if any discussions which have taken place necessitate change to it. This is a useful way of regularly considering how its meetings inform the assessment of risk.

## Managing performance

- 39 The Board approved a new Performance Management Framework in May 2025. The new framework, and accompanying performance management dashboard, is evolving to include SMARTER impact measures and a longer-term focus.<sup>1</sup> HEIW plans for these to be in place to inform 2026-2029 IMTP reporting.
- 40 The new Performance Management Framework and dashboard include progress on the IMTP objectives. They also include a significant amount of other data, such as commission and fill rates, student survey results, escalation, and short-term measures. HEIW is continuing to strengthen both the quality of these measures and IMTP milestone monitoring.
- 41 The changes to the Performance Management Framework are intended to give a greater focus on strategic metrics and remove some of the operational performance reporting. Operational performance monitoring will continue at the Joint Executive Team and the Deans and Deputies Group.
- 42 The new Integrated Performance Report and performance management dashboard went to the Joint Executive Team, the Deans and Deputies Group and the Board in July 2025. HEIW confirmed that while Independent Members can access the dashboard, actual access is low. As a result, there is more work to do to encourage use of the dashboard and reflect on any further improvements needed.
- 43 HEIW is engaging Board and senior officers in a refresh of its operating model. The aim is to ensure its governance, including performance monitoring is fit for purpose. This includes reviewing the responsibilities of the Executive Team, and Deans and Deputies Group, and the Education and Training Oversight Group. The aim of the refresh is to address any gaps in responsibility for strategy and plan delivery, remove duplication in roles, and provide greater clarity about their responsibilities.

---

<sup>1</sup> Specific, Measurable, Achievable, Relevant, Time-bound, Evaluate, Reward

## Monitoring quality and safety

- 44 There continues to be a clear and robust approach for monitoring and scrutinising the quality of commissioned education. This has strengthened with the introduction of the Quality Plan and development of the Annual Quality Report 2024-25.
- 45 The Quality Plan outlines HEIW's quality commitments and establishes a clear approach to engagement and feedback from students and trainees to triangulate feedback. HEIW has broadened its approaches to engage with stakeholders to support this. In line with the requirement in the Quality Plan, HEIW published its Annual Quality Report 2024-25 and reported it to Board in September 2025. This report includes a useful section on the areas for development HEIW had identified the previous year and what progress has been made against them.
- 46 Reporting to ECQC focusses on quality management, issues, and improvements in the different professions (medical, dental, pharmacy, nursing, and health professionals). Reports include recruitment and retention figures and feedback from trainee surveys with associated actions. However, HEIW could do more to show the impact these quality initiatives are having on trainees and the wider workforce.

## Tracking and monitoring recommendations

- 47 HEIW continues to have effective arrangements for tracking progress of audit recommendations. HEIW presents an audit tracker at each AAC meeting. A cover paper includes clear summaries on internal and external recommendation status. The committee effectively undertakes its role in approving the removal (or refusing to approve the removal) of recommendations which it considers to be complete. This creates an added layer of oversight and quality assurance.
- 48 HEIW has made good progress addressing the recommendations made in last year's Structured Assessment. HEIW has implemented all four of our recommendations.

## Preparing strategies and plans

**HEIW has a comprehensive and collaborative approach when developing its strategic plans and is starting to place greater emphasis on monitoring the impact of them**

### Producing key strategies and plans

- 49 HEIW has a robust arrangement for the development of its IMTP and its other core plan, the Education and Training Plan. HEIW continues to develop these plans collaboratively, routinely involving stakeholders, partners, and Board members. We also found better use of data and forecasting to inform development of these plans. The Board approved the IMTP 2025-2028 in March 2025 and the Education and Training Plan 2026-27 in August 2025. There is good oversight and scrutiny of HEIW's key strategic plans as they develop. The Board oversees and engages well in plan development and changes to plans.
- 50 In March 2025, HEIW set and approved a set of three well-being objectives in line with requirements under the Wellbeing of Future Generations (Wales) Act 2015. The wellbeing objectives are set until 2030 and differ from the strategic priorities, but both are included and aligned within the IMTP. HEIW engaged with a wide range of stakeholders, the trade unions, and the Board to develop these. It also received informal feedback from the Future Generations Commissioner prior to approval. The first Annual Report 2024-25 since the requirement of the Act came into force did not require progress updates against the wellbeing objectives. HEIW recognises this will be a requirement for annual reporting going forward.
- 51 HEIW is developing an education strategy over two phases from 2025-26 to 2026-27. It is intended that this new strategy will help focus the work required to support delivery of the wider all-Wales national workforce strategy. At the time of our work, the milestones for development of this strategy were on track.

- 52 HEIW collects and analyses a wide range of business intelligence to develop key plans. There is a good understanding of the future risks through horizon scanning and workforce modelling. The evolving Education Strategy will continue to use this information and to help develop the priorities in coming years.

### **Board assurance on partnership working**

- 53 HEIW has well established partnerships. HEIW has a Stakeholder Reference Group and direct and regular engagement with health bodies, education providers, the Welsh Government, Royal Colleges, and Unions. HEIW is aware that some professional partners have a stronger voice than others and is looking at ways of ensuring it hears all partners equally. HEIW has also developed a draft stakeholder and engagement plan for its new Education Strategy. Board has approved this draft plan which highlights HEIW's positive approach to engaging with its stakeholders.
- 54 HEIW approved its Communications and Engagement Strategic Framework 2025-2030 in March 2025. This framework recognises the relationships which have developed since the establishment of HEIW. However, HEIW feels some stakeholders still do not have a full understanding of the unique role and functions of the organisation. The framework aims to undertake a more structured and systematic approach to engagement and communication, increase awareness of the work and enhance collaboration and co-production.

### **Monitoring delivery of strategies/plans**

- 55 HEIW has strong arrangements to monitor the delivery of strategies and plans. The ECQC monitors progress on the Education and Training Plan on behalf of the Board. HEIW divides reporting into speciality areas, which helps to focus oversight on key aspects. The Board also appropriately monitors IMTP progress through the Integrated Performance Report.

- 56 The new Performance Management Framework outlines performance reporting requirements at each level. Board and committees will get reporting by exception to provide assurance against key objectives. They should also receive progress on key achievements and delivery of programmes. This includes strengthening the evidence of impact and value from the delivery of its key plans.
- 57 The Joint Executive Team and Deans and Deputies Group receive detailed operational performance information. We understand that this increasingly will include an assessment of impact and value of delivering objectives. This evaluation of impact and value should, in future, help the Board set future priorities and how it best allocates its resources.
- 58 The Board specifically asked to strengthen the new Performance Management Framework to better reflect impact. The Integrated Performance Report at Board in July 2025 includes some narrative on impact of actions, but this type of reporting is still developing. However, HEIW already captures a significant amount of data which would define aspects of impact, such as students who move from education to employment. This information is reported to the Joint Executive Team, but it is not evident if Board sees this data in the context of scrutinising overall performance.

## Managing finances

### **HEIW met its financial duties for 2024-25, has a good approach to financial management and reporting, and is strengthening the management of bursaries**

#### **Meeting financial objectives and duties**

- 59 HEIW met the three key financial objectives and duties for 2024-25. However, the Audit of Accounts identified an overspend on the capital resource limit due to misclassified invoices. Following this, HEIW fully resolved this issue with the Welsh Government.
- 60 Historically, HEIW has returned money to the Welsh Government each year if there were budgetary underspends. These underspends were in large a result of unfilled education places and attrition from courses (students exiting courses prematurely). For 2024-25, this position changed. The overall financial position became more challenging and HEIW faced greater financial risks. As a result, it used education commissioning underspends to make up for overspends in other areas. This included funding a greater than expected number of student bursaries due to a change in Welsh Government policy. The Board are fully sighted on these financial risks and opportunities. The Director of Finance presented a financial risks paper and Board discussed this approach at each meeting.
- 61 HEIW has received additional Welsh Government monies for 2025-26. This money is for increased uptake in the bursary and increased fees. The Welsh Government has committed to provide any additional costs around these areas if not met through unfilled places and attrition. Therefore, the risk of HEIW not achieving a break-even position for 2025-26 is low.

## Financial planning arrangements

- 62 HEIW has sound arrangements for identifying, delivering, and monitoring its cost improvement opportunities. We recognise HEIW's scope for cost improvements is largely determined by the volume of training places that it needs to commission on behalf of NHS Wales.
- 63 HEIW's IMTP for 2025-2028 continues to clearly outline the organisation's Financial Plan which they forecast over a five-year period. The plan highlights the increased level of financial risk for 2025-26, due to the increase in students who take up the bursary and the increase in tuition fees for undergraduate courses. As in previous years, the financial plan largely relates to financial commitments in the ETP and associated education contracts. The Financial Plan for 2025-26 assumes fill rates for courses and attrition will be like recent years. HEIW regularly reviews these assumptions.
- 64 HEIW has good level of oversight of the corporate financial planning arrangements, with clear scrutiny at Board and committee levels. This includes increased discussion about financial risk. Plans show HEIW recognises there will be limited ability to take on additional work, outside of their statutory function unless the Welsh Government identifies additional funding.
- 65 We undertook a [Review of Cost Improvement Arrangements](#) in 2024. In this audit, we found Board scrutinises financial plans and is fully engaged with in-year changes. We recognise the limited scope for specific cost improvements plans, because HEIW is a strategic training commissioner. But HEIW is looking to benchmark to identify any further cost improvements. We note this is difficult, as HEIW does not have a directly comparable organisation to undertake this type of work.

## Financial management arrangements

- 66 Audit Wales has issued an unqualified opinion for the 2024-25 accounts. This includes one significant issue raised around the failure to comply with the Standing Financial Instruction of spending within its capital resource limit. HEIW has resolved this issue, and Audit Wales raised a recommendation to ensure HEIW manages this issue going forward.

- 67 HEIW has effective arrangements in place to review and approve any changes required to its Standing Orders. AAC reviews Standing Orders before submitting to Board for final approval. There is also robust oversight and scrutiny of special procurements, such as single tender waivers. The AAC receives a regular update on procurement compliance activity, such as single quotation actions, single tender actions, and funding outside of contracted terms.
- 68 The AAC approved changes to its financial control procedures and revised its review process in October 2024. This approach intended to create a rolling review of Financial Control Procedures with an overall review taking place every three years. These new arrangements should ensure that the AAC can scrutinise and approve any changes in a timelier way and make the process more efficient.
- 69 HEIW's counter fraud approach, provided by Cardiff and Vale University Health Board's counter fraud team, fully meets the NHS Counter Fraud Authority requirements. The counter fraud manager presents a three-monthly counter fraud report and an annual counter fraud report to the AAC. The AAC Chair update also notes any key issues which need to be brought to the Board's attention. To date, the counter fraud team has also engaged well on potential risks identified through National Fraud Initiative data matching.
- 70 While there are good financial controls in general, Internal Audit gave a limited assurance on HEIW's Bursary Scheme. The audit focussed on processes to monitor students throughout the course and when they graduate, including how this impacts contractual arrangements regarding bursary funding. HEIW has developed an action plan in response to this audit which AAC monitors.

## Monitoring financial performance

- 71 The Board has strong oversight of financial performance. Finance reports clearly show and provide a transparent position on financial risks and opportunities. This includes progress meeting its financial duties, such as delivering a balanced budget. HEIW's approach to monitoring its financial position is leading to stronger discussions about its priorities. These discussions include the extent that the organisation can continue to take on additional initiatives at financial risk.
- 72 There is a useful narrative around financial risks and opportunities within financial reports. They also include some actions HEIW will take to reduce the likelihood and impact of financial risks. However, it could make financial reports clearer by highlighting these actions specifically in a separate section and reviewing the impact of them.

# Recommendations

---

73 The following table details the recommendations arising from our work.

## Recommendations

**R1** HEIW should have in place strong and consistent guidance to capture and triangulate the information from learner experience presentations. (**paragraph 25**).

**R2** HEIW should clarify the purpose and impact of Board Development Sessions and design a programme accordingly (**paragraph 28**).

**R3** HEIW should formally communicate to stakeholders how its financial pressures may risk the sustainability of the wider NHS workforce (paragraph 33).

# Appendices

---

# 1 About our work

---

## Scope of the audit

We looked at the following areas for the period July to September 2025.

- How well the board works.
- How well the board oversees risks, performance, the quality and safety of services and tracks audit recommendations.
- How well the body prepares key strategies and plans.
- How well the body manages its finances.

We did not look at the body's operational arrangements.

## Audit questions and criteria

### Questions

Our audit addressed the following questions:

- Does the Board conduct its business appropriately, effectively, and transparently?
- Is there a sound corporate approach to managing risks, performance, and the quality and safety of services?
- Is there a sound corporate approach to producing strategic plans and overseeing their delivery?
- Is there a sound corporate approach to financial planning, management, and performance?

### Criteria

Our audit questions were shaped by:

- Model Standing Orders, Reservation and Delegation of Powers;
- Model Standing Financial Instructions;
- Relevant Welsh Government health circulars and guidance; and
- The Good Governance Guide for NHS Wales Boards (Second Edition).

## Methods

We reviewed a range of documents, including:

- Board and committee papers and minutes.
- Key governance documents, including Standing Orders and Standing Financial Instructions.
- Key strategies and plans, including the IMTP.
- Key risk management documents, including the Board Assurance Framework.
- Annual Report, including the Annual Governance Statement.
- Relevant policies and procedures.
- Reports prepared by other relevant external bodies.

We interviewed the following key stakeholders:

- Chair of HEIW;
- Vice Chair of HEIW;
- Chair of Audit and Assurance Committee;
- Chair of Education Commissioning and Quality Committee;
- Chief Executive;
- Deputy Chief Executive/Director of Finance Planning and Performance; and
- Board Secretary.

We observed Board meetings as well as meetings of the following committees:

- Audit and Assurance Committee; and
- Education Commissioning and Quality Committee.

## 2 Previous audit recommendations

---

### Outstanding recommendations from previous structured assessment reports

The table below sets out the progress made by HEIW in implementing outstanding recommendations from previous structured assessment reports.

Recommendation	Status
<p><b>2024 Recommendation 1</b></p> <p>HEIW should aim to include a regular agenda item at its board meetings on student/trainee 'stories' to help members understand the learner experience.</p> <p><b>Target completion date:</b> February 2025</p>	<p><b>Complete (Paragraph 22)</b></p>
<p><b>2024 Recommendation 2</b></p> <p>While committees are allocated strategic risks in the Board Assurance Framework, HEIW should clarify the role of the 'assuring committee' to ensure they discharge their responsibilities.</p> <p><b>Target completion date:</b> May 2025</p>	<p><b>Complete (Paragraph 31)</b></p>

Recommendation	Status
<p data-bbox="124 371 507 409"><b>2024 Recommendation 3</b></p> <p data-bbox="124 461 632 645">HEIW should ensure that corporate risks have clear and consistent risk titles which allow the reader to immediately identify the risk being presented to them.</p> <p data-bbox="124 696 491 779"><b>Target completion date:</b> February 2025</p>	<p data-bbox="703 371 1086 409"><b>Complete (Paragraph 35)</b></p>
<p data-bbox="124 819 507 857"><b>2024 Recommendation 4</b></p> <p data-bbox="124 909 655 1059">HEIW should clearly identify and articulate the impact and benefits the actions are intended to have, in its plans.</p> <p data-bbox="124 1111 491 1193"><b>Target completion date:</b> May 2025</p>	<p data-bbox="703 819 1187 857"><b>Complete (Paragraphs 56 to 58)</b></p>

## Recommendations from our 2023 Review of Workforce Planning Arrangements

We made six recommendations for HEIW as part of this review. As of September 2025, our assessment shows all are complete.

Recommendation	Status
<p><b><u>2023 Recommendation 1</u></b></p> <p><b>Workforce Strategy programme governance arrangements</b></p> <p>We found good intent to develop cross-sector strategy programme governance arrangements for Phase 2 of the Strategy’s implementation. But with the introduction of a new national workforce plan implementation board, it is unclear how cross-sector elements of the national strategy will be overseen. In collaboration with Welsh Government and Social Care Wales, HEIW should formalise the programme management and governance arrangements for the Workforce Strategy for Health and Social Care. (Priority – High)</p> <p><b>Target completion date:</b> April 2024</p>	<p><b>Complete</b></p> <p>Formal landscape for working with Social Care Wales has changed since our original recommendation. However, despite this change there is evidence of an ongoing dialogue between Social Care Wales and HEIW, both through formal Boards for specific areas such as Strategic Mental Health Workforce Plan and more informally.</p>

Recommendation	Status
<p><b><u>2023 Recommendation 2</u></b></p> <p><b>NHS Planning Framework</b></p> <p>HEIW should work in collaboration with the Welsh Government to shape the workforce planning requirements within the annual Welsh Government planning framework. (Priority – High).</p> <p><b>Target completion date:</b> October 2023</p>	<p><b>Complete</b></p> <p>HEIW has completed a programme of work to develop a range of evidence-based, standard resources to support the development of workforce planning skills and knowledge across NHS Wales. This includes the development of online training and development, planning tools and guidance and workforce intelligence from both data and research.</p>
<p><b><u>2023 Recommendation 3</u></b></p> <p><b>Supporting quality improvements of wider NHS workforce plans (Priority – High)</b></p> <p>HEIW is not responsible for scrutinising workforce strategies and plans across NHS Wales. HEIW should explore options with the Welsh Government that result in it more explicitly adopting a role in the early support of the preparation of workforce and education elements of NHS bodies IMTPs. These discussions should also identify how HEIW could have a role in producing an overview of key themes from the IMTPs and convening national workforce planning conversations as part of the IMTP development process. (Priority – High).</p> <p><b>Target completion date:</b> December 2023 and April 2024</p>	<p><b>Complete</b></p> <p>The timeline of the Education and Training Plan 2025-26 development includes significant engagement with Health Boards and Trusts to understand their workforce planning requirements.</p> <p>A presentation on the development of the Education and Training Plan 2025-26 was used to engage with Health Boards and Trusts. This engagement was used to contribute to development of the Education and Training Plan 2025-26 and the Integrated Medium-Term Plan 2025-2028.</p> <p>The Education and Training Plan 2025-26 also includes analysis of Health Board and Trust Integrated Medium Term Plans. This includes their responses to nine high-level workforce planning questions.</p>

Recommendation	Status
<p data-bbox="124 365 507 400"><b><u>2023 Recommendation 4</u></b></p> <p data-bbox="124 439 675 512"><b>Maximising the impact of education funding</b></p> <p data-bbox="124 557 722 920">Health bodies indicated to us that it would be helpful to have a better indication of student attrition rates, those switching to part-time studies and the numbers of students that intend on working for the health body. As part of HEIWs workforce planning observatory developments, it should strengthen how it analyses and reports this type of information to relevant health bodies. (Priority – High).</p> <p data-bbox="124 958 703 1032"><b>Target completion date:</b> Launch March 2024</p>	<p data-bbox="751 439 903 474"><b>Complete</b></p> <p data-bbox="751 557 1425 808">Several dashboards are actively being used by NHS organisations. These dashboards are promoted through a wide range of approaches including Workforce and OD Director meetings, Welsh Government Stakeholder Reference Groups and various engagement events.</p> <p data-bbox="751 869 1417 1079">Some information is available to Health Boards and Trusts on request. But HEIW are still developing the ‘Attraction to Recruitment’ dashboard. This dashboard will include insight on student starters, active students and any interruption of study.</p>

Recommendation	Status
<p><b><u>2023 Recommendation 5</u></b></p> <p><b>Maximising the impact of education funding</b></p> <p>Our review found that not all funding for education and training places has been utilised due to Higher Education Institutes' inability to fill commissioned places and student attrition, resulting in a £22.1 million return of funding to the Welsh Government in 2022-23. The organisation has set up a task and finish group to work with key strategic partners to understand the reasons behind attrition on courses and take action to reduce attrition. In addition, HEIW should:</p> <ul style="list-style-type: none"> <li>a) review education promotional campaigns and strengthen approaches to fill education and training places;</li> <li>b) collect, analyse and report the numbers and proportion of students that graduated and ultimately end up working in NHS Wales;</li> <li>c) undertake work that aims to maximise the proportion of those who go on to work in NHS Wales after completing training courses commissioned by HEIW.</li> </ul> <p><b>Target completion date:</b> December 2023</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>a) Promotional campaigns include a 'Get into Nursing' group, stronger website messaging and a national radio campaign. An evaluation of the effectiveness of this is under review. HEIW has also developed a 12-point action plan to increase nurse recruitment.</li> <li>b) A presentation at a Board Development Session in October 2023 included commissioning and fill rates. Also, HEIW uses data from NHS digital systems to inform dashboards and understand the employment pipeline.</li> <li>c) Along with streamlining, HEIW undertook recruitment of international nurse students in September 2023 which quadruples the number of places for support workers on the Level 4 nursing programme.</li> </ul>

Recommendation	Status
<p data-bbox="124 365 507 400"><b><u>2023 Recommendation 6</u></b></p> <p data-bbox="124 436 405 472"><b>Measuring Impact</b></p> <p data-bbox="124 510 721 913">We found that the Board receives regular updates on HEIW’s part in delivering the Strategy, but these are task orientated reports with little information about what impact delivering the Strategy is having on NHS workforce challenges. To strengthen Board assurance, HEIW should develop a set of robust, measurable impact measures, aligned to the intended outcomes as described in its IMTP action plan. (Priority – High).</p> <p data-bbox="124 949 673 985"><b>Target completion date:</b> Spring 2024</p>	<p data-bbox="751 436 903 472"><b>Complete</b></p> <p data-bbox="751 510 1410 913">The Board asked to strengthen the new Performance Management Framework to better reflect impact. HEIW has included aspects of this within the new Performance Management Dashboard at the detail level with the development of short-term measures. However, HEIW is currently in the process of developing a suite of longer-term benefits which it intends to gather data on and this is intended to be available for the 2026-2029 IMTP.</p> <p data-bbox="751 949 1420 1348">HEIW already captures a significant amount of data which would define aspects of impact, such as the move from education to employment which is reported to the Joint Executive Team as part of the Welsh Government’s oversight and assurance framework. Some of this is also available in reports to ECQC and within the Performance Management Dashboard. However, there is still work to do to bring all this data together to tell the story of HEIW’s impact.</p>

### 3 Key terms in this report

---

Term	Description
<b>Board Assurance Framework</b>	A Board Assurance Framework sets out the risks linked to the organisation's strategic objectives, and the controls and assurances in place to manage those risks.
<b>Clinical Strategy</b>	A Clinical Strategy is a long-term plan that helps shape how healthcare services are designed and delivered to meet the needs of patients and communities.
<b>Corporate Risk Register</b>	A Corporate Risk Register sets out the organisation's significant risks (either those with high scores or organisation-wide impact) and the actions in place to manage them.
<b>Counter Fraud</b>	Counter fraud refers to the activity undertaken by the organisation to prevent, detect, and investigate fraud, bribery, and corruption. This work is led by the NHS Counter Fraud Service (CFS) Wales, which operates under the NHS Wales Shared Services Partnership.
<b>Integrated Medium Term Plan</b>	An Integrated Medium Term Plan is a three-year plan that sets out how the organisation will deliver its services, manage its workforce, and meet its financial duties to break even. The organisation submits its plan to the Welsh Government for approval.
<b>Losses</b>	Losses include things like theft, fraud, overpayments, or damage to property.

Term	Description
<b>Quality Governance</b>	Quality governance is the combination of structures, processes, and behaviours used by an organisation, particularly its board, to lead on and ensure high-quality performance, including safety, effectiveness, and patient experience.
<b>Register of Interests</b>	The Register of Interests helps ensure transparency by recording any personal or business interests of Board members and staff that could influence decisions.
<b>Scheme of Reservation and Delegation</b>	The Scheme of Reservation and Delegation sets out which responsibilities stay with the Board, and which are passed to committees and executives, along with reporting arrangements to ensure proper oversight.
<b>Single Tender Action</b>	A Single Tender Action is when an organisation buys goods or services from one supplier without going through a competitive process, usually because there is only one suitable option or urgent need.
<b>Special Payments</b>	Special payments are one-off payments made in unusual situations – like compensation or goodwill gestures – that fall outside of the organisation’s normal business activity.
<b>Standing Financial Instructions</b>	Standing Financial Instructions set out the financial responsibilities, policies, and procedures adopted by the organisation.
<b>Standing Orders</b>	Standing orders set out the rules and procedures by which the organisation operates and makes decisions.

Term	Description
<b>Well-being of Future Generations Act (2015)</b>	This Act requires public bodies in Wales to work sustainably and collaboratively to improve well-being across social, economic, environmental, and cultural areas, by setting long-term goals (called well-being objectives), involving citizens, and making decisions that consider the impact on future generations.

## 4 Management response to audit recommendations

Ref	Recommendation	Management response	Completion date	Responsible officer
R1	HEIW should have in place strong and consistent guidance to capture and triangulate the information from learner experience presentations.	At the centre of the HEIW Quality Management system is the learner voice. Local, regional and national surveys and learner for a enable planned feedback. There are multiple tools to enable responsive feedback anonymously or openly. The internal governance arrangements ensure that the learner feedback and any other intelligence is triangulated across professions and providers and appropriately escalated. The executive led oversight group has been established to ensure appropriate focus on this area.	Completed	Medical Director
R2	HEIW should clarify the purpose and impact of Board Development Sessions and design a programme accordingly.	At the Board Development Session meeting held on 26 June 2025, the Board discussed and considered the future approach, impact and purpose of HEIW Board Development Sessions. Actions have been implemented based on the feedback from the meeting and also from feedback obtained from Independent Member appraisals.	Completed	Board Secretary

Ref	Recommendation	Management response	Completion date	Responsible officer
R3	HEIW should formally communicate to stakeholders how its financial pressures may risk the sustainability of the wider NHS workforce.	<p>Financial performance reports – bi-monthly to board which will incorporate any actions or risks which may impact on the sustainability of the NHS workforce, particularly where these risks materialise. These reports would be presented in open board sessions and made available on HEIW website.</p> <p>Integrated Medium Term Plan (IMTP) – includes financial plan and associated financial risks to delivery of objectives which includes developing the NHS workforce. This would be presented to the open session of the Board meeting and made available on the HEIW website.</p> <p>Education and Training Plan (ETP) – includes financial plan and associated risks of not investing in education and training for the NHS workforce, based on the recommendations. This would be presented to open Board session and made available on the HEIW website.</p>	<p>Bi-monthly</p> <p>End March 2026</p> <p>End July 2026</p>	Director of Finance, Planning and Performance

## About us

---

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.