



Structured Assessment 2025

Cwm Taf Morgannwg University Health Board

December 2025

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Audit snapshot

What we looked at

- 1 We looked at how well Cwm Taf Morgannwg University Health Board (the Health Board) 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 recommendations;
 - how it produces key plans and strategies; and
 - how it manages its finances.
- 2 We also looked at the Health Board's progress in implementing recommendations from:
 - previous structured assessment reports; and
 - our 2024 report on cost savings.

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 The Board operates well, supported by good governance arrangements. The new committee structure is embedding well. The Board engages with staff, patients, and service users but must improve how it monitors and tracks actions arising from listening and learning stories. While risk management is generally effective, there is a need to strengthen performance management to address persistent challenges in meeting key targets, particularly in urgent and planned care, cancer, and diagnostics. The Health Board needs to focus on maintaining improvements to service quality. It also needs to respond to some longstanding overdue audit recommendations.
- 5 The Health Board has a clear long-term strategy, and a financially balanced Integrated Medium Term Plan that has been approved by the Welsh Government. Work is also underway to develop the Strategic Clinical Services Plan, supported by the appropriate financial modelling. However, the Health Board is slow in progressing this work, impacting on the Board's ability to drive forward service transformation at pace. Financial planning is strong, and the Health Board has a good track record of delivering against its financial plan. But gaps in savings plans, along with other financial risks, will still make achievement of financial targets challenging.

What we recommend

- 6 We have made six recommendations to the Health Board which focus on:
 - clearly reporting the impact of actions taken to mitigate organisational risks within its organisational risk register;
 - taking urgent and sustained action to reduce risks identified by the Welsh Risk Pool;
 - ensuring that implementation of audit recommendations is a key part of its new accountability framework;
 - developing and implementing a strategy deployment framework to coordinate all strategic programs and ensure successful delivery of its long-term strategy;
 - standardising the IMTP 'Plans on a Page' to ensure consistency, clarity, and enable easier comparison of priorities and progress; and

- strengthening quarterly IMTP reporting by clearly demonstrating the impact of plan delivery across all required domains.

Key facts and figures

Within the Welsh Government's Escalation and Intervention framework, the Health Board is currently at level 4 (targeted intervention) for Urgent and Emergency Care, and level 3 (enhanced monitoring) for Planned Care.

The Health Board has an approved three year Integrated Medium Term plan (IMTP) for 2025-2028.

In 2024-25, the Health Board met its financial targets by breaking even on both revenue and capital spending. However, it did not meet its duty to break even over the last three years because of a £24.2 million deficit reported in 2022-23.

In 2024-25, the Health Board aimed to achieve £26.3 million in savings but achieved £13.1 million.

The Health Board is forecasting a break-even position for 2025–26 but faces £1.3 million in risks. Of its £31.3 million planned savings, £26.5 million (85%) are recurrent.

The Health Board has fully implemented 11 outstanding recommendations from previous structured assessment reviews. 12 remain in progress, 2 are overdue and one has been replaced by a new recommendation made this year.

Our findings

Board effectiveness and openness

The Board conducts its business effectively, with an ongoing commitment to continuous improvement

Public openness of board business

- 7 The Health Board continues to demonstrate that it is being open and transparent about Board and committee activities:
 - it continues to publish recordings of all public Board meetings;
 - the public can observe any public Board meeting;
 - usually publishes Board and committee papers on its website a week before each meeting¹;
 - live Welsh translation and British Sign Language (BSL) are available for Board meetings on request;
 - private sessions are used only for sensitive or confidential matters, with clear agenda references; and
 - discussions in Board and committee meetings remain open and transparent, especially when discussing challenges.

- 8 The Health Board does not advertise or issue public notices for committee meetings, but it considers any attendance requests with the Chair when they arise.

¹ The Health Board does not publish papers for its Clinical Advisory Groups, Local Partnership Forum and Remuneration and Terms of Service Committee due to their confidential nature.

- 9 The Health Board publishes Board and committee minutes on its website after confirming them at the next meeting. As part of the Health Board's assurance process, they include committee reports in the papers for all routine public Board meetings which clearly articulate any areas requiring escalation.

Supporting effective board conduct

- 10 The Health Board has clear and up-to-date governance arrangements that help the Board and its committees run effectively. It maintains a formal Reservation and Delegation of Powers and a Scheme of Delegation which sets out accountabilities, with dedicated webpages for Standing Orders and Standing Financial Instructions.
- 11 The Audit, Risk and Assurance Committee oversees compliance with Standing Orders, Standing Financial Instructions, and the Scheme of Delegation, and monitors breaches through regular reports.
- 12 The Health Board has good arrangements to promote probity and propriety. It maintains comprehensive policies and procedures. It reviewed the Standards of Good Governance and Probity policy in May 2025 and routinely reports declarations of interest and gifts to the Audit, Risk and Assurance Committee. It is improving policy tracking through the Policy Review which commenced in January 2025, all identified policies on its public facing policy page on the external website are now up to date.

Assurance on Joint Commissioning Committee effectiveness

- 13 The Joint Commissioning Committee (JCC) was set up in April 2024 as a joint committee of the seven health boards in Wales. The JCC plans and commissions a range of specialised services and other healthcare services, including emergency medical services, on behalf of the seven health boards.
- 14 As part of this year's structured assessment, we reviewed whether the Board is receiving the right level of assurance on JCC business, as well as the Health Board's involvement in JCC meetings and activities.

- 15 As the host body for the JCC, the Health Board applies its own governance arrangements to support and oversee the committees that form part of the hosting model. The hosted body Audit, Risk and Assurance Committee is not a standalone entity but forms part of the CTM governance structure. It operates using the Health Board's resources, including the same Committee Chair, Independent Members and governance support, and one JCC lay member is invited to attend. In addition, the JCC utilises the Health Board's Remuneration and Terms of Service Committee and has adopted the Health Board's risk management processes. The Chief Commissioner has quarterly meetings with the Chief Executive of the Health Board. These arrangements enable the Health Board in its role as the host body to seek necessary assurance from the JCC, where required.
- 16 Separately, in its commissioning role, the Chief Executive of the Health Board is a member of the JCC and participates in its decision-making process. The Board receives appropriate assurance and information on the work of the JCC. Board papers include JCC-related items such as approval of the updated Scheme of Delegation, highlight reports with RAG ratings, and updates from the Chief Commissioner. These provide the Board with visibility of JCC activity that is distinct from the additional governance responsibilities it undertakes as the host body.

Board and committee meeting effectiveness

- 17 In January 2025, the Health Board introduced a new committee structure to provide more efficient and effective management of Board and committee business and provide greater strategic and operational oversight of the organisation. It reduced the number of previous Board committees from nine to seven and has created a new Strategic Development and Operational Delivery Committees. The revised arrangements are embedding and maturing, although there were some initial challenges. At times, large agendas for the newly created committees have caused some items to be rushed, potentially limiting scrutiny and oversight. Each committee effectively maintains an annual business cycle and forward work plan.
- 18 In October 2025, the Board reviewed the new arrangements, identifying strengths and areas for improvement in agenda setting, scheduling, and business flow. The Corporate Governance Team is now implementing a range of agreed actions to address the issues identified.

- 19 Board and committee meetings are in general operating well. There are clear work plans and committee chairs help set the agenda using the Board Assurance Framework. Routine business is effectively managed through a consent agenda. Meetings are well chaired, with all members able to contribute to key issues, and there is a good balance of challenge and support. Issues are effectively shared and escalated between committees and the Board, with clear actions identified in response.

Quality and timeliness of Board information

- 20 Board and committee papers are generally timely, well-structured, and highlight key risks and decisions. Cover reports follow a standard format, and impact assessments are routinely completed. We previously recommended that the Health Board updates its presentation cover sheets to show key points and risks. It has now addressed this issue, and the Corporate Governance team provides training to staff on report writing upon request and reviews all papers before meetings to ensure quality and compliance. Members value the quality, but some reports could be better summarised to focus on key issues and reduce overall length of papers. While most reports are issued on time, late papers occasionally limit members' ability to review them fully, prior to the meeting².

² The papers for the Extra Ordinary Operational Delivery Committee meeting that took place on 19 May 2025 were published three calendar days in advance of the meeting.

Hearing from staff and service users

21 The Health Board engages staff, patients, and service users through listening and learning stories, spotlight presentations, staff surveys, roadshows, and Board walkarounds. With consent, it publishes patient story videos on its website. These stories inform service improvements which were reported to the Board at its meeting in November 2025 showing learning and improvement arising from patient and service user feedback. However, the Health Board must strengthen how it monitors and tracks the impact of improvement actions.

Board cohesion and continuous improvement

- 22 The Health Board has a stable, cohesive Board. Over the last year, it appointed a new Executive Director of Strategy and Transformation, an Executive Director of Nursing, Midwifery and Patient Care, and split Deputy Chief Executive responsibilities between the Chief Operating Officer and Executive Director for People.
- 23 The Health Board effectively inducts and supports its new Board members. During the year, it has appointed two Independent Members representing Digital and Local Government. It has also appointed an associate Board Member for Primary Care. Further changes will follow in 2026 when one further Independent Member completes her term.
- 24 The Board and its committees conduct annual self-assessments to review how well they are working. The results from these were generally positive, requiring no major changes. However, some committees' self-assessment response rates were low, so there is an opportunity to understand and address the reasons for this.
- 25 The Health Board has a comprehensive Board development programme. This year's sessions covered strategic risk, board assurance, board business, and team building. These sessions strengthen relationships, strategic insight, and networking. Member feedback and Board priorities effectively shape the forward board development programme.

Providing board assurance

The Health Board manages risk well but must show clearer impact from mitigating actions and deliver measurable improvements in performance and quality, especially in high-risk areas

Managing strategic risks

- 26 The Health Board maintains a comprehensive Board Assurance Framework (BAF) that the Board reviews at every meeting. It captures and monitors key strategic risks aligned to the Health Board's long-term strategy. Each risk clearly identifies a lead director, an assurance committee, a score, a trajectory, and a defined treatment approach.
- 27 The BAF sets out controls, assurance sources, gaps, and mitigating actions. It is updated regularly, escalating or closing risks in response to emerging issues and Board decisions. However, while actions specify intended impacts, the BAF should also track actual impacts to demonstrate effectiveness and support learning.

Managing corporate risks

- 28 The Health Board operates a clear risk management system, updating and reviewing policies and procedures annually. The Corporate Governance Team delivers risk training across the organisation. Committees regularly review the organisational risk register in both public and private meetings, where members routinely examine and discuss risks. The Audit, Risk & Assurance Committee reviews the full register, including new, closed, and emerging risks, and uses a heat map to highlight the highest risks. While the register is detailed and up to date, the Health Board can do more to clearly show and explain how its actions are actually reducing risks.

Managing performance

- 29 The Health Board has reasonable arrangements for managing performance. It is currently developing its accountability framework and will shortly be running a Board development session aimed at improving performance reporting.
- 30 The Integrated Performance Report aligns to national priorities and includes dashboards with trend data, benchmarking, and quality measures. It highlights key risks, such as emergency care pressures, delays in elective recovery, workforce shortages, and financial challenges. The Board reviews the report closely asking for extra assurance when needed. Although actions for underperforming areas are in place, the Integrated Performance Report still does not clearly demonstrate whether these actions are achieving their intended impact.
- 31 During the year, the Health Board made progress by improving performance in Child and Adolescent Services, aspects of Planned Care, and Cancer Services. However, major challenges remain. Long waits for planned care and diagnostics continue, and outpatient backlogs still need addressing. Cancer performance at the Health Board remains mixed. While some services are achieving the Single Cancer Pathway target, significant challenges persist in Urology, Breast, and Colorectal cancer services. Urgent and emergency care remains a significant challenge because ambulance handover delays, long waits in emergency departments, and patient flow problems persist. Staff shortages and high demand add to these issues.

Monitoring quality and safety

- 32 The Health Board has built a strong foundation for quality although there is a need for further action in a number of areas. The Quality Strategy and Framework set clear goals for safe, compassionate care, and the Board and the Quality, Safety and Experience (QSE) Committee oversee progress. They use dashboards and reports to track key quality measures, incidents, and improvements, including maternity services and annual quality reports.

- 33 The Health Board has made improvements to help reduce quality risks. These include better complaint handling and new quality improvement projects, but risks remain. However, staff shortages, infection control, and service pressures all present ongoing challenges. End-of-life care services remain a serious concern. Internal audit found major gaps in leadership, staff training, public information, and oversight. A recent Board story also showed that this area needs urgent improvement.
- 34 The Health Board is not always meeting the requirements of the national Welsh Risk Pool service when they identify quality issues that need addressing. Even though the Board has quality policies and frameworks, the Welsh Risk Pool Concerns Assessment report found that they are not consistently applied across the organisation. Delays in submitting Learning from Events Reports have led to financial penalties and the Health Board is slow to demonstrate that it has learnt from mistakes. The Health Board needs to clear the overdue reports, learn from incidents, and make sure all staff understand and follow quality processes.
- 35 The Board is putting the Duties of Quality and Candour into practice and has redesigned the Duty of Quality report as an interactive digital resource. This new report brings together dashboards, patient stories, and feedback from stakeholders. As previously recommended, the Health Board needs to highlight the challenges it is facing in meeting the requirements of the duties and set clear milestones and targets to track improvement.

Tracking and monitoring recommendations

- 36 The Health Board has reasonable arrangements for tracking and acting on audit recommendations, although there are instances where progress is slow. It uses the AMaT³ system to monitor actions from Internal Audit, Audit Wales, and Healthcare Inspectorate Wales. The system provides live updates, clear ownership, and executive sign-off. Regular reminders and escalation help keep progress on track, and overdue actions have reduced, especially for Internal Audit. Reports to Audit Risk and Assurance and Quality, Safety and Experience Committees give structured updates, and further improvements are planned to enhance the system.
- 37 An Internal Audit review of the Audit Recommendations Tracker gave a reasonable assurance rating but did identify that some actions are still late or have very long deadlines, and the process for closing actions is not fully consistent.
- 38 The Health Board is making slow progress in addressing our previous recommendations:
- 11 out of 26 recommendations from past structured assessment reports are now complete. Of the 15 remaining recommendations, currently 12 are in progress, two are past their planned completion date, and one has been replaced by a new recommendation made this year.
 - Four out of eight of our 2024 Review of Cost Savings recommendations have been completed. We discuss this more in **paragraph 62**.
- 39 The Health Board recognises it needs to strengthen ownership and accountability for actions arising from audit work. To strengthen accountability for improvement, progress on audit recommendations should feature within in the new Accountability Framework.

³ AMaT is an audit management and tracking tool, which utilises dashboards to give intelligence, and enables staff to update progress in real time, reducing the burden on governance teams as it automates many of the processes, such as asking for progress updates.

- 40 The Executive Team must take stronger collective ownership and support for audit activity. Throughout the year, the Audit Risk and Assurance Committee received repeated notifications from internal and external auditors about delays in management providing information and responding to some audit reports, particularly about the intended action in response to recommendations. These delays have significantly slowed audit delivery. These issues did not relate to the statutory audit of the financial accounts, where no delays were reported. While recognising senior management face significant service pressures, the Health Board should take all reasonable steps to support timely delivery of audit work and responses to recommendations arising from that work.

Preparing strategies and plans

The Health Board has a clear strategic vision and an approved medium-term plan, although it needs to strengthen some aspects of the way it monitors delivery of its plans

Producing key strategies and plans

- 41 The Health Board is progressing its long-term strategy, CTM2030: Building Healthier Communities Together, which sets out an ambitious vision to transform health and care. Its four goals, Creating Health, Improving Care, Sustaining Our Future, and Inspiring People, focus on prevention, equity, and sustainability. The strategy aligns with national priorities and is supported by key programmes, such as, the Strategic Clinical Services Plan, Primary and Community Care transformation, and digital programme.

- 42 While the Health Board is demonstrating progress on key strategic projects including Llantrisant Health Park⁴ and Maesteg Community Hospital⁵, progress on developing its Strategic Clinical Services Plan is slow. It is now developing a refreshed plan for 2026-2036 to integrate acute, community, and primary care, supported by digital, workforce, and finance. Engagement has started, but the plan must set out a clear case for change, define milestones, and detail resource requirements. The Health Board is currently creating a strategy deployment framework. The aim of this framework is to coordinate all strategic programmes and deliver service change with greater pace and manage any capacity and sustainability risks.
- 43 The Health Board operates a robust process to develop, approve, and submit a financially balanced Integrated Medium Term Plan (IMTP). This includes using population health data, needs assessments, and engagement with staff, partners, and the public to inform development. Board members actively contribute to plan development through Board development sessions.
- 44 The 2025-28 IMTP sets out how the Health Board will deliver its strategic goals and aligns with national priorities. The Board approved the IMTP in March 2025, meeting the timeframe for submission to the Welsh Government. The Welsh Government subsequently approved the plan, indicating that for a second year, there continues to be confidence in the Health Board's ability to deliver improvements. We note that the Health Board was the only health board in Wales to submit a balanced IMTP for 2025-28 that was subsequently approved by the Welsh Government.

Board assurance on partnership working

- 45 The Board has good arrangements for receiving assurance on partnership working at local, regional, and partnership levels. Board agendas include a standing item on 'Population/Working with Others', covering topics, such as, the Well-being of Future Generations Act, regional partnership agreements, and joint committee updates.

⁴ The Llantrisant Health Park Programme aims to deliver a cutting-edge diagnostics and treatment centre.

⁵ The Health Board is progressing a case for the development of a health and wellbeing centre for Maesteg.

- 46 At its July 2025 meeting, the Board approved a Regional Partnership Agreement with the three local authorities within the Cwm Taf Morgannwg footprint. The agreement aims to bring health and social care services together under shared governance and joint accountability. It focuses on prevention, early help, and better outcomes for people across the region. Partners will work jointly to plan services, share resources, and reduce duplication to make care more efficient and easier to access.
- 47 In April 2025, the Welsh Government instructed the Chairs of Aneurin Bevan, Cwm Taf Morgannwg, and Cardiff and Vale University Health Boards to establish a South-East Wales Regional Joint Committee. In September 2025, the Board approved the establishment of the Committee and approved its terms of reference. The committee's purpose is to drive regional planning and service transformation, improve health outcomes and equity, foster collaboration between organisations, and provide coordinated support to health boards in priority areas. The first meeting took place in November 2025, meaning that it is too early to judge its impact.
- 48 Our recent eye care review across each of the health boards in the south-east Wales region shows that whilst some progress is being made, the intended benefits of regional working are yet to be fully achieved and complex governance structures can make decision-making slow and cumbersome. The South-East Wales Regional Joint Committee presents an opportunity to consider how delegated authority and decision-making processes are streamlined.

Monitoring delivery of strategies/plans

- 49 The Health Board has adequate arrangements for overseeing its IMTP. The IMTP 2025-2028 aligns with CTM2030 and is delivered through five 'life-course strategy groups'⁶. Each group produces a 'plan on a page' that sets out vision, priorities, actions, outcomes, timelines, and performance indicators. However, the level of detail and structure in these plans varies across groups. For example, the Starting and Growing Well 'plan on a page' shows priorities, enablers, success measures, and outcomes. In contrast, the Adulthood/Living Well version only lists priorities and actions.

⁶ The 'life course' strategy groups are: starting well, growing well, living well, ageing well, and dying well.

- 50 Quarterly IMTP updates go to the Operational Delivery Committee and Board. They show the last quarter's progress and delivery against IMTP actions. Cover reports set out key points and challenges and include detailed appendices. While progress against acute services targets is clear and reported through the Integrated Performance Dashboard, further work is required to show impact of plan delivery in other areas, such as primary and community services. Population health outcome measures are still in development.
- 51 While the Health Board has adequate arrangements for overseeing its IMTP, its oversight of wider corporate strategies and plans⁷ needs strengthening. Although these plans set out clear priorities, they need clearer milestones, outcomes, and accountability for delivery. Reports on these plans also fail to clearly show delivery progress, risks, actions to reduce risks, and updated timelines.

Managing finances

The Health Board's financial planning and oversight are robust, but significant risks and savings shortfalls continue to present challenges to the financial position

Meeting financial objectives and duties

- 52 The Health Board met its financial targets for 2024-25, achieving a breakeven position for revenue and capital. However, it did not meet its duty to break even over the last three years because of a £24.2 million deficit reported in 2022-23. If the Health Board can achieve break even in 2025-26, it would achieve the three-year financial duty for the period 2023-2026.

⁷ Integrated Community Services – Primary Care Strategy, Creating Health Delivery Plan, People Plan 2025-2028, and Safeguarding Strategy.

53 The Health Board is reporting a £1.4 million deficit in February 2026 and is forecasting a breakeven position by the end of the 2025-26 financial year. However, it is managing some financial risks which may impact on its forecast position. This is caused by a £5.6 million gap in meeting savings targets, along with £1.3 million in additional financial risks.

Financial planning arrangements

54 The Health Board has strong financial planning approaches that align to its wider priorities. The Board approved its 2025-26 financial plan as part of the IMTP approval process in March. The plan outlines the underlying deficit faced at the beginning of the year, inflationary pressures, and a £31.3 million savings target. As it has done over the last two years, the 2025-28 plan aims to continue to break even over the next three years. This demonstrates good financial planning, prioritisation and control.

55 The Health Board understands what drives its costs. Its IMTP sets out risks and opportunities. Main risks include workforce, service delivery and transformation, and capital and estates. Opportunities include saving money through energy and decarbonisation projects, better medicines management, and digital transformation.

56 The Health Board continues to maintain a strong focus on achieving financial balance. While this approach can limit spending and additional investment in services, it has still identified discretionary service investments within its IMTP, supported by a strengthened quality impact assessment process. The Health Board has committed £2.9 million in investments⁸, with an additional £3.4 million⁹, dependent on an improved financial position.

57 CTM2030 aims to secure financially sustainable services. The Board is currently developing its Strategic Clinical Services Plan and appropriate financial modelling to support this priority.

⁸ The Health Board has committed £2.9 million in investments into Health Protection, Prince Charles Hospital Intensive Care Unit, Fracture Liaison Service, Consultant Recruitment, Speak Out Guardians, Digital Investment, Velindre Business Cases and Strategies Support.

⁹ The additional £3.4 million in investments relate to NICE Diabetes (CLPS), PMVA Training, Children's Weight Management, and Digital Investment.

- 58 The Health Board has increased the scale of its savings programme for 2025-26, aiming to save 3% of its total expenditure. This equates to £31.3 million, which is £8.1 million more than last year. The plan focuses on Care Groups achieving a savings target of £21.7 million through a range of locally driven initiatives.
- 59 In addition, the Health Board has also introduced a centrally driven savings programme focussing on improving medical and nursing workforce productivity, service changes, and patient-centred contact¹⁰. Each savings area has an Executive Team lead, with the Executive Director for People leading the coordination and assurance processes for the programme. This shared leadership ensures that it is not only finance teams driving savings, and there is a broader focus on value and improvement. Regular meetings, fortnightly progress checks, and monthly reviews by the Executive Management Board keep the programme on track, manage risks, and align financial, workforce, and service goals.
- 60 Progress against savings plan delivery is slower than anticipated. By Month 7, the Health Board has saved £10.8 million, which is £7.5 million less than the £18.3 million target for that point in the year. As a result, the Health Board is now expecting to save £25.3 million by the end of this year – £6 million below the original £31.3 million target.
- 61 Internal Audit followed up their review of cost savings arrangements in May 2025 and gave a reasonable assurance rating. It confirmed the Health Board is making good progress on their previous audit recommendations but also audit found gaps in savings project plans and risk assessment documentation. In 2024, Audit Wales reviewed the Health Board's approach to cost savings. Of the eight recommendations, the Health Board has made some progress with three completed and five in progress. Areas which require further work are set out in **Appendix 2**.

¹⁰ Patient-centred contact savings are cost reductions achieved by re-designing how patients interact with health services, making contact more efficient, digital and focussed on patient needs.

Financial management arrangements

- 62 The Health Board has strong financial management arrangements. The Board and the Audit, Risk and Assurance Committee regularly review reports on changes and breaches of Standing Orders and Financial Instructions. The Committee monitors losses, special payments, post payment verification, scheme of delegation, single tender actions, and high-value purchases. The latest updates in November 2025 do not identify any significant issues.
- 63 We previously recommended that the Health Board update its financial control procedures. Recent reports to the Audit, Risk and Assurance Committee demonstrate that procedures have been updated in response to our recommendation. Counter Fraud plans include both proactive and reactive work. Recent counter fraud updates confirm progress in key risk areas and report no major risks. A recent internal audit of petty cash and special payments gave substantial assurance, finding only minor compliance issues.
- 64 The Health Board submitted its draft unaudited 2024-25 Annual Report and Accounts by the Welsh Government's deadline. The Auditor General issued an unqualified true and fair audit opinion, and a qualified regularity opinion based on the Health Board's inability to achieve financial balance over the last three years.

Monitoring financial performance

- 65 Officers give clear financial reports to the Operational Delivery Committee and Board. These reports show key risks to financial targets and explain funding and delivery challenges. This openness helps inform Board decision making, particularly in relation to prioritising investment and understanding the consequences of decisions.
- 66 Board members continue to provide a strong focus on the Health Board's financial performance. Finance officers give clear and detailed answers to Board member questions. Their reports, along with active involvement from both officers and Board members, help support good decisions and financial accountability.

Recommendations

The following table details the recommendations arising from our work.

Recommendations

R1 The Health Board should clearly report the impact of actions taken to mitigate organisational risks within its organisational risk register. **(See paragraph 28)**

R2 The Health Board should take urgent and sustained action to reduce risks linked to the Welsh Risk Pool by:

- 1.1 completing outstanding actions identified in the Welsh Risk Pool Concerns Assessment report;
- 1.2 rectifying weaknesses highlighted by internal audit in its review of the Welsh Risk Pool; and
- 1.3 improving timeliness in submitting Learning from Events Reports (LFERs). **(See paragraph 34)**

R3 The Health Board should ensure that accountability for progressing audit recommendations is a key part of its new Accountability Framework. **(See paragraph 39)**

R4 By April 2026, the Health Board should develop and implement a strategy deployment framework to coordinate all strategic programmes and ensure successful delivery of its long-term strategy. **(See paragraph 42)**

R5 The Health Board should standardise the content of its IMTP 'Plans on a Page' to ensure consistency, clarity, and enable easier comparison of priorities and progress. **(See paragraph 49)**

R6 The Health Board should strengthen quarterly IMTP reporting by clearly demonstrating the impact of plan delivery across all required domains so that progress and challenges are visible. **(See paragraph 50)**

Appendices

1 About our work

Scope of the audit

We looked at the following areas for the period September 2025 to November 2025:

- How well the board works.
- How well the board oversees risks, performance, and the quality and safety of services and tracks 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.

- 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 the Board
- Chair of the Strategic Development Committee
- Chair of the Operational Delivery Committee
- Chair of the Audit, Risk and Assurance Committee
- Chair of the Quality, Safety and Experience Committee
- Chief Executive
- Executive Director of Finance
- Chief Operating Officer
- Executive Director of Nursing, Midwifery and Patient Care
- Executive Director of Allied Health Professions and Health Science
- Executive Director of Strategy and Transformation
- Director of Governance/Board Secretary
- Assistant Director of Governance and Risk

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

- Public Board
- Audit, Risk and Assurance Committee
- Strategic Development Committee
- Operational Delivery Committee
- Quality, Safety and Experience Committee

2 Previous audit recommendations

Outstanding recommendations from previous structured assessment reports

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

2022 Recommendations

- R1** We found opportunities for the Health Board to improve its administrative governance arrangements to enhance public transparency and support Board and committee effectiveness. The Health Board, therefore, should:
- b) publish the papers for all public Board, committee, and advisory meetings on its website in a timely manner; **(Complete, paragraph 7)**
 - d) update presentation cover sheets to enable authors to summarise the information sufficiently and capture the relevant risks and issues. **(Complete, paragraphs 20)**

2022 Recommendations

R4 Whilst the Health Board has made positive progress in developing a long-term vision, strategic goals, and strategic priorities for the organisation, the new strategy (CTM 2030) lacks clear and measurable outcomes. The Health Board, therefore, should seek to articulate outcomes for each strategic priority, what success would look like, and how it will measure and report progress. In doing so, it should consider the relationship between the goals of the Population Health Strategy and the wider strategic goals and public health 'life course' approach set out in CTM 2030. **(Complete, paragraph 49)**

R5 We found opportunities for the Health Board to enhance its arrangements for monitoring the delivery of corporate plans and strategies, and reporting progress to the Board. The Health Board, therefore, should enhance its arrangements by ensuring:

- a) plans and strategies contain clear summaries of key actions/deliverables, timescales, and measures to support effective monitoring and reporting; **(Overdue, paragraph 51)**
- b) plans and strategies provide greater detail on which Executive Directors are responsible for the delivery of key actions/deliverables to enable appropriate accountability; **(Overdue, paragraph 51)**
- c) reports are aligned to performance reports to enable the Board to assess the extent to which the implementation of key actions/deliverables is having a positive impact on Health Board performance. **(Superseded, 2025 Recommendation 6)**

2022 Recommendations

R7 Whilst the Health Board's financial control procedures are generally effective, we identified opportunities to strengthen some controls and update the information available on the Health Board's website. The Health Board should:

- c) ensure out-of-date financial control procedures are removed from its website and replaced with the current versions. **(Complete, paragraph 63)**

R9 There is limited capacity within the Health Board to fully deliver its digital transformation agenda. The Health Board, therefore, should seek to set out in its refreshed Digital Strategy how it intends to overcome staffing and funding challenges to fully exploit the benefits offered by digital technologies and solutions. **(Complete, assessed as part of our digital transformation review)**

2023 Recommendations

R2 The Health Board makes good use of videos in committee meetings to present patient and staff stories. However, they are not subsequently made available on the Health Board's website. The Health Board, therefore, should ensure that any videos shown during committee meetings are made available on its website for completeness with agreement of the contributors. **(Complete, paragraph 21)**

2023 Recommendations

- R3** Draft committee meeting minutes are produced quickly and reviewed by the relevant chair; however, they are not made publicly available until the papers of the subsequent meeting are published. Furthermore, committee meetings are not livestreamed or recorded for public use. The Health Board, therefore, should consider putting appropriate arrangements in place to ensure the public have timelier access to records of committee meetings as part of its wider efforts to enhance transparency of Board business. **(Complete, paragraph 9)**
- R4** Whilst the Board and committees review and confirm the minutes of previous meetings, they are not always uploaded to the Health Board's website in a timely manner. The Health Board, therefore, should ensure that all confirmed minutes are uploaded to the relevant section of its website in a timely manner to ensure the public have full access to the approved records of meetings. **(Complete, paragraph 9)**
- R5** Whilst the Health Board has a dedicated area on its website for policies and procedures, some of them are out of date. The Health Board, therefore, should ensure that all policies and procedures on its website are up-to-date and, if not, put a clear plan in place to revise and approve them. **(Complete, paragraph 12)**

2023 Recommendations

- R6** The Health Board has appropriate arrangements in place to manage operational performance; however, it lacks a documented performance management framework. In order to enhance its arrangements further, the Health Board should prepare a written framework that clearly sets out roles, responsibilities, and frequency for reviewing performance at service, management, committee, and Board levels. **(In progress, paragraph 29)**

2024 Recommendations

- R1** The Health Board should strengthen arrangements for monitoring, reviewing and updating Health Board policies and routinely report progress to the relevant Committee of the Board. **(In progress, paragraph 12)**

- R2** The Health Board should introduce arrangements for identifying and monitoring actions arising from its listening and learning stories. **(In progress, paragraph 21)**

2024 Recommendations

R3 The Health Board should strengthen the Board Assurance Framework (BAF) by clearly reporting the impact of actions that the Health Board is taking to mitigate its strategic risks. **(In progress, paragraph 27)**

R4 The Health Board should strengthen its Integrated Performance Dashboard by clearly articulating whether actions to improve underperformance are achieving their intended impact. **(In progress, paragraph 30)**

R5 The Health Board should strengthen its reporting on the Duty of Quality and Candour by:

R5.1 ensuring that future annual reports are clearer around the challenges it is experiencing in embedding the requirements; **(In progress, paragraph 35)**

R5.2 including appropriate milestones and targets to help the reader understand when it is aiming to achieve priorities. **(In progress, paragraph 35)**

R6 The Health Board should:

R6.1 ensure that it rapidly completes its work to strengthen the audit recommendations tracker; **(Complete, paragraphs 36)**

R6.2 strengthen ownership and accountability for delivery of audit recommendations. **(In progress, paragraphs 39)**

2024 Recommendations

R7 The Health Board should set out how each individual well-being objective aligns to the national well-being objectives and well-being objectives of its partners. **(In progress)**

R8 The Health Board should develop and report on population outcome measures to demonstrate the impact of its strategy delivery. **(In progress, paragraph 50)**

R9 The Health Board should strengthen Board and committee corporate strategy and plan reporting by clearly articulating where delivery is off-track, mitigating actions, and revised delivery timescales. **(In progress, paragraph 51)**

R10 The Health Board should:

R10.1 monitor and manage any immediate quality and performance risks that may arise as a result of limited or no investment in services as it seeks to achieve financial balance in the short-term; **(Complete, paragraph 56)**

R10.2 develop a long-term financial plan, beyond its 2024-27 Integrated Medium Term Plan, aligned to its organisational strategy in order to achieve financial sustainability. **(In progress, paragraph 57)**

Recommendations from our 2024 Review of Cost Savings Arrangements

The table below sets out the progress made by the Health Board in implementing recommendations from our 2024 Review of Cost Savings Arrangements

Recommendations

R1 The Health Board should assess operational savings delivery potential and risks within each Care Group and Clinical Service Group on an ongoing basis. **(Complete)**

R2 The Health Board should ensure that its service transformation plans more explicitly set out how they will help the organisation achieve financial sustainability in terms of the savings that will be generated and the timescale for achieving them. **(In progress)**

R3 The Health Board should make improvements to how it uses data and intelligence to inform its savings identifications and selections arrangements by:

R3.1 extending its use of data and intelligence across a wider range of services; **(In progress)**

R3.2 rapidly progressing work on its local data repository to facilitate the systematic capture of benchmarking data. **(In progress)**

R4 Where 'invest to save' opportunities are identified and taken forward through the Value and Sustainability Programme the Health Board should confirm that it is able to provide sufficient upfront funding to support them and able to demonstrate a clear return on investment. **(Complete)**

Recommendations

- R5** Plans for service transformation (five years plus) need to be developed as the Care Groups continue to mature and increasingly focus on public health, prevention, community-based care and regional working. **(In progress)**
- R6** The Health Board should ensure stronger operational accountability for savings delivery and manage risks to its underlying position more effectively. **(Complete)**
- R7** The Health Board should ensure that there are sufficient skills, capacity and capability across its corporate and operational teams to effectively deliver its longer-term service transformation. **(In progress)**
- R8** The Health Board should identify the key lessons from its approach to identifying and delivering savings during 2023-24 and apply the learning to its future approach. **(In progress)**

3 Management Response Form

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R1 The Health Board should clearly report the impact of actions taken to mitigate organisational risks within its organisational risk register.	We will work with risk owners to be clearer on the quality/quantity of assurances that actions have positively impacted the risk score. However, due to resourcing constraints for the forthcoming year, we suggest that we defer the full implementation of this recommendation until the 2027-28 financial year.	30 June 2027	Director of Governance / Board Secretary

Recommendation	Commentary on planned actions	Completion date	Responsible officer
<p>R2 The Health Board should take urgent and sustained action to reduce risks linked to the Welsh Risk Pool by:</p> <p>2.1 completing outstanding actions identified in the Welsh Risk Pool Concerns Assessment report;</p> <p>2.2 rectifying weaknesses highlighted by internal audit in its review of the Welsh Risk Pool; and</p> <p>2.3 improving timeliness in submitting Learning from Events Reports (LFERs).</p>	<p>Recommendation agreed. We will look to make progress in all these areas during 2026-27.</p>	<p>31 December 2026</p>	<p>Executive Director of Nursing</p>

Recommendation	Commentary on planned actions	Completion date	Responsible officer
R3 The Health Board should ensure that accountability for progressing audit recommendations is a key part of its new Accountability Framework.	Recommendation agreed – we will discharge our performance management responsibilities through the new Accountability Framework. This framework will become part of routine meeting arrangements and provide an integrated escalation route which can include audit recommendations.	30 September 2026	Executive Director of Strategy and Transformation

Recommendation	Commentary on planned actions	Completion date	Responsible officer
<p>R4 By April 2026, the Health Board should develop and implement a strategy deployment framework to coordinate all strategic programs and ensure successful delivery of its long-term strategy.</p>	<p>Recommendation agreed – the development of the framework is in progress with an implementation date of April 2026.</p>	<p>30 April 2026</p>	<p>Executive Director of Strategy and Transformation</p>
<p>R5 The Health Board should standardise the content of its IMTP ‘Plans on a Page’ to ensure consistency, clarity, and enable easier comparison of priorities and progress.</p>	<p>Agreed – we will put this in place for 2027-28.</p>	<p>31 March 2027</p>	<p>Executive Director of Strategy and Transformation</p>

Recommendation	Commentary on planned actions	Completion date	Responsible officer
<p>R6 The Health Board should strengthen quarterly IMTP reporting by clearly demonstrating the impact of plan delivery across all required domains, so that progress and challenges are visible.</p>	<p>The Health Board is now providing both some metrics and reference to other areas of key delivery, including digital and data plan, people plan etc. We have focused the IMTP report on the Ministerial requirements as the Integrated Performance Report sets out all key measures, we have endeavoured not to replicate this.</p> <p>We initially had a focus on several care group updates at</p>	<p>30 September 2026</p>	<p>Executive Director of Strategy and Transformation</p>

Recommendation	Commentary on planned actions	Completion date	Responsible officer
	<p>each ODC which provided the detail on their progress, so we referred to these updates which occurred at the same meetings.</p> <p>We agree to review our reporting again and intend to do so alongside the changes to the Integrated Performance Report.</p>		

4 Key terms in this report

Term	Description
Board Assurance Framework	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.
Strategic Clinical Services Plan	The Strategic Clinical Services plan is a long-term plan that helps shape how healthcare services are designed and delivered to meet the needs of patients and communities.
Corporate Risk Register	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.
Counter Fraud	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.
Integrated Medium Term Plan	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.
Losses	Losses include things like theft, fraud, overpayments, or damage to property.

Term	Description
Quality Governance	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.
Register of Interests	The Register of Interests helps ensure transparency by recording any personal or business interests of Board members and staff that could influence decisions.
Scheme of Reservation and Delegation	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.
Single Tender Action	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.
Special Payments	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.
Standing Financial Instructions	Standing Financial Instructions set out the financial responsibilities, policies, and procedures adopted by the organisation.
Standing Orders	Standing orders set out the rules and procedures by which the organisation operates and make decisions.

Term	Description
Well-being of Future Generations Act (2015)	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.

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.

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