

M365 Benefits Realisation

Final Internal Audit Report

2024/25

Cardiff & Vale University Health Board



Reasonable Assurance

Contents

Executive Summary	1
Findings & Agreed Action Plan	3
Appendix A	14

Review Reference

CVU-2425-22

Fieldwork

February – May 2025

Executive Sign Off

June 2025

Audit Committee

September 2025

Executive Lead

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Audit Team

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Executive Summary

Purpose

To review the current roll-out and utilisation of Office 365 functions within the Health Board to determine if maximum benefit is being received from the investment. The review will specifically focus on Co-Pilot.

Overview

The NHS in Wales has entered into a contract to provide access to Office 365 to staff in order to access benefits including improvements in cyber security and enable digital transformation. Microsoft Office 365 (M365) is a cloud-based service that brings together a set of business tools in a suite of integrated applications. It includes apps like Excel, Outlook, Teams and Forms, along with BI and Automation tools.

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

- There is no deployment plan or structured plan to work with departments to enable them to understand the capabilities of M365, including Copilot and identify cases for use and so increase uptake. We also note a lack of awareness of the platform’s capabilities and strategic value.
- The role, responsibilities and boundaries of the M365 team are not formally set out, the team is expected to manage any issue related to M365 and have been asked to undertake additional tasks such as troubleshooting applications, providing guidance on use and aiding in developments.
- M365 support for staff is available, with all requests going via the helpdesk. We note that the M365 team provided training to helpdesk staff to better enable them to understand how to assign tickets to the correct group, however in many cases calls for M365 are assigned to the M365 team even if another group is better placed for help.
- Guidance and governance over the use of M365 applications, including for the use of Co-Pilot or other AI tools is largely absent.
- There is no benefits plan or tracker developed solely for delivery of benefits within the Health Board. We also note that there are no defined success metrics for measuring successful roll out such as user adoption rates or productivity improvements.
- Responsibility for tracking and ensuring benefits is not specifically noted within the Terms of Reference of the M365 Steering Group.

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

- Consideration should be given to using administrator mails and communications to raise awareness of the M365 Programme page and the value of the available tools.

Scope & Assurance Summary

Objectives	The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.	Related Findings	Assurance
1	Office 365 has been rolled out to staff within the Health Board and there is appropriate resource in place to enable this and support users.	1, 2, 3	Limited
2	Processes are in place to raise awareness of Microsoft 365 and training is available to staff over its potential and use.	-	Substantial
3	Guidance and controls are in place to ensure that use of Office 365 is coordinated, protects information and enables digital transformation.	4	Reasonable
4	The anticipated benefits of Office 365 are defined and a process is in place for tracking benefits to ensure realisation.	5, 6	Limited

Management Actions

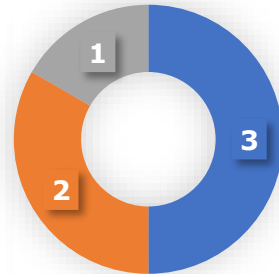


High Priority



Medium Priority

Themes



■ Planning, Delivery & Deadline Management

■ Resourcing

Risk Types

Public Perception & Reputational Risk

Legal & Regulatory Non-Compliance

Choose an item.

Choose an item.

Findings & Agreed Action Plan

Objective 1: Office 365 has been rolled out to staff within the Health Board and there is appropriate resource in place to enable this and support users.

Limited

Overview / Summary of Observations

The decision to roll out M365 was a national decision based on the national contract with Microsoft. Within Cardiff & Vale the M365 implementation started with the migration of mail from on-premises Outlook to the cloud. This provided a partial licenced position with everyone with an email address moved onto M365. Subsequent to that all staff were issued with M365 licences with the specific type of licence being role dependant (clinical v office based). We also note that for Copilot there are currently only approximately 60 pro licences across the whole organisation.

An M365 Steering group has been established in order to direct the increased use of M365 products with a formal terms of reference that make clear the purpose of the group is to provide steering for improved use, and we note ongoing work to validate the licencing and ensure products are used.

However, as initial implementation was licence activation there was no required deployment plan. Given the size and complexity of the Health Board, without a structured approach to working with departments to ensure uptake and use in M365 products, including Copilot, the organisation may not gain full value.

The Health Board currently spends over £4.5m on the M365 licencing, and has provided access to staff, however without sufficient resource and focus on enabling exploitation of the tools then value will not be fully received.

The current 365 team was established for the M365 Programme, however the role, responsibilities and boundaries are not formally set out. We were informed that the team was originally intended to be 7 people, however only 3 are in place and so resource is constrained. The M365 Programme Manager noted that the aim of the team is to manage the configuration and back end of M365, and also takes on the responsibility of user support and education.

However, the team is expected to manage any issue related to M365 and have been asked to undertake additional tasks such as troubleshooting applications, providing guidance on use and aiding in developments. In order to clarify the role of the M365 and the wider Digital Directorate the Programme lead has proposed a framework for M365 support which clearly splits out supports tasks and link to the relevant Digital team in order to enable better cooperation between technical teams, development teams, and governance teams to ensure the platform is utilised correctly.

The M365 programme lead noted challenges with the current project, including the resource required for licence confirmation, the movers and leavers process and related impact on the licence pool cost and the siloed nature of the organisation. We also note that there is a lack of awareness and understanding about the platform's capabilities and strategic value, and limits within the broader organisation which feed into additional requests for support.

M365 support for staff is available, with all requests going via the helpdesk. We note that the M365 team provided training to helpdesk staff to better enable them to understand how to assign tickets to the correct group, however in many cases calls for M365 are assigned to the M365 team even if another group is better placed for help.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Deployment Plan</p> <p>There is no deployment plan or structured plan to work with departments to enable them to understand the capabilities of M365, including Copilot and identify cases for use and so increase uptake.</p> <p>We also note that the M365 Programme Lead stated that there is a lack of awareness of the platforms capabilities and strategic value which may also impact on the ability of the health board to gain full value, together with a lack of awareness and understanding about the platforms limits within the broader organisation which feed into additional requests for support.</p>	<p>The organisation may not gain full value from M365 investment.</p>	<p>Agreed Action:</p> <p>Mitigating Actions for Addressing M365 Awareness and Uptake Issues</p> <ol style="list-style-type: none"> <p>1. Development of a Deployment and Awareness Plan</p> <p>We will develop an appropriate deployment plan that aligns with departmental needs and focuses on M365's full range of capabilities, including Copilot. This plan will incorporate training sessions, and internal communications, to ensure that staff are equipped to effectively use the platform. The focus of the plan will be to target the portion of M365 that delivers high value to the Health Board and not aim at covering everything within M365. Online generic and bespoke training material can be developed to demonstrate real-life use cases, highlighting the strategic value M365 can bring to their daily operations. The plan will include clear messaging on the platform's benefits and how it can improve productivity and collaboration, aiming to drive higher engagement and adoption.</p> <p>The M365 team will not be the only resource for this initiative.</p> <p>2. Utilisation of the Established Steering Group, Including Updated Terms of Reference</p> <p>We will utilise the established steering group to provide oversight and drive the successful adoption of M365 across departments. The group's Terms of Reference (ToR) will be updated to include responsibility for tracking and assurance of benefits. The Steering Group will identify departmental champions, who will be responsible for providing key value areas within their departments. This information will guide the deliverables of the deployment plan.</p> <p>Regular steering group meetings will continue to be held and will be used to assess progress, address any challenges, and ensure the plan remains on track.</p> <p>Furthermore, as part of the plan we can engage with the Clinical Boards at their management team meetings and ascertain their M365 requirements and areas they will benefit from. E.g SharePoint, Teams training and such like.</p> <p>3. Clear Communication on Platform Limits and Resource Constraints</p> <p>Develop a detailed Communication Plan aimed at effectively informing the Health Board about existing resources and</p>

		<p>updates. Clearly state resource limitations and highlight the importance of documentation and training materials. Take the focus from the Steering Group champions and drive towards the value-add areas that they will identify.</p> <p>4. By implementing these actions, we aim to increase the health board’s understanding of M365’s capabilities, drive adoption, and ultimately enhance the effectiveness and efficiency of the platform across the Health Board. Some work will also need to be conducted to establish Key Performance Indicators (KPIs) as these have yet to be clearly identified. Then approved by newly established Governance Group.</p> <p>Expected Evidence of Implementation:</p> <ol style="list-style-type: none"> 1. Deployment & Awareness Plan 2. Steering Group: Updated Terms of Reference 3. Communication Plan 4. Develop a set of KPI for approval
	Medium Priority	<p>Officer: Leigh Richardson</p> <p>Target Implementation Date:</p> <ol style="list-style-type: none"> 1. 26 September 2025 2. 1 August 2025 3. 26 September 2025 4. 26 September 2025
<p>Theme: Planning, Delivery & Deadline Management</p>	Control Operation	
<p>2 Roles and Responsibilities</p> <p>The role, responsibilities and boundaries of the M365 team are not formally set out. We were informed that the team was originally intended to be 7 people, however only 3 are in place and so resource is constrained.</p> <p>The M365 Programme Manager noted that the aim of the team is to manage the configuration and back end of M365, and also takes on the responsibility of user support and education. However the team is expected to manage any issue related to M365 and have been asked to undertake additional tasks such as troubleshooting applications, providing guidance on use and aiding in developments.</p> <p>The M365 programme lead noted challenges with the current project, including the resource required for licence confirmation,</p>	<p>The resources for M365 may not be sufficient to deliver effective uptake</p>	<p>Agreed Action:</p> <p>Mitigating Actions to Address M365 Team Role Clarity and Resource Constraints</p> <p>1. Introduction of the M365 Framework to Define Roles and Responsibilities</p> <p>We will introduce the M365 Framework, which will start to outline the responsibilities of the M365 Platform and its components across the M365 team and the relevant Digital Teams within the health board. This framework will help delineate the scope of support and services provided, ensuring that responsibilities are clearly defined and understood, reducing the pressure on the M365 team by clarifying which tasks fall under their remit and which should be managed by other teams. For example, the</p>

the movers and leavers process and related impact on the licence pool cost and the siloed nature of the organisation.

framework will include specific responsibilities for license management and the JML process, ensuring these responsibilities are assigned to the appropriate Digital Teams to reduce unnecessary costs and streamline coordination. Use the Audit findings as a method to drive and initiate the M365 Framework workshop into Digital.

2. Resource Assessment and Streamlining Responsibilities

Given the current resource constraints, we will conduct an assessment to evaluate the staffing needs of the M365 team to ensure it can effectively manage core responsibilities such as backend configuration, *user education*, and support. Additionally, we will streamline the team’s tasks, focusing on key areas to prevent overburdening the team with non-core activities, such as troubleshooting applications and providing extensive development support, which will be redirected to appropriate teams within the Digital function.

3. ‘OD and T’ Training Functions.

Another initiative to ensure a lower requirement of assistance from the Digital Teams in terms of support and usage of the platform is to consider M365 PaaS as a Core Competency required by all staff. As such the OD and T training function of the Health Board should be engaged and asked to provide core training for all staff.

Expected Evidence of Implementation:

1. M365 Framework SOP
2. M365 Team Responsibilities Report
3. Initiate an Engagement with OD & T to produce Core Competency staff training for M365 usage

Medium Priority

Officer: Leigh Richardson

Target Implementation Date:

1. 1 August 2025
2. 1 August 2025
3. 1 August 2025

Theme: Resourcing

Control Operation

3	<p>Help Desk</p> <p>Help desk support for staff is available, with all requests going via the helpdesk. We note that the M365 team provided training to helpdesk staff to better enable them to understand how to assign tickets to the correct group, however in many cases calls for 365 are assigned to the 365 team even if another group is better placed for help.</p>	<p>Support requests may not be channelled to the most appropriate team.</p>	<p>Agreed Action:</p> <p>The M365 Framework should account for the mitigations required to address this point. See above</p>
		<p>Medium Priority</p>	<p>Expected Evidence of Implementation:</p> <p>1. M365 Framework SOP</p> <p>Officer: Leigh Richardson</p> <p>Target Implementation Date:</p> <p>1. 1st August 2025</p>
	<p>Theme: Resourcing</p>	<p>Control Operation</p>	

Objective 2: Processes are in place to raise awareness of Microsoft 365 and training is available to staff over its potential and use.

Substantial

Overview / Summary of Observations

The Health Board SharePoint intranet site includes a page for the M365 Programme Hub, which includes a regularly updated News section. We also note the existence of a M365 Viva Community. The Steering Group has been established, in part to link to the Clinical Boards in order to assess their needs, raise awareness and share examples of use. We also note that Teams Channels for specific aspects of M365 are being created in order for leads / champions to share information.

As such a framework is in place to raise the awareness of M365, although we note that awareness could be improved via the use of admin mails, and clinical boards should be encouraged to ensure champions are identified and included within the relevant fora.

The M365 Programme Hub page has a wide variety of training information available for all aspects of M365. This includes quick tips, cheat sheets and links to both Microsoft training videos and to the Wales Centre of Excellence training information. We also note a dedicated page for Co-Pilot information which includes a cheat sheet and guidance on how to use to gain best value.

Due to the costs associated with M365 licences it is important to track use in order to ensure that the Health Board is gaining value, the monitoring will also enable identification of leavers and enable those licences to be revoked and added back to the pool in order to avoid unnecessary expenditure.

There is a process for tracking the adoption and use of M365, with a set of dashboards in place which are reported to the Steering Group. We do note however that there are concerns over their reliability, with errors identified in some figures.

The dashboards show enabled v active users as totals and for products. The February 2025 position was 75% active users for office products, however was 58% for OneDrive 55% for teams and 47% for engage which shows clear scope for growth.

Overview / Summary of Observations

The M365 programme fits within the governance structure within Digital and for the Digital Roadmap, and we note reporting and discussion at Digital and Infrastructure Committee on M365 issues.

There is a framework for provision of M365 guidance. An M365 Steering group has been established, with the first meeting in October 2024 and the terms of reference (ToR) make clear that the group is to provide steering and assurance that the M365 Platform is aligned to the UHB digital, data, technology, and operational needs and that it conforms to the existing, planned, and future standards and strategies of the Health Board to allow it to meet its agreed aims and objectives. The ToR also include ensuring regulatory compliance, designing usage safeguards and ensuring data security measures are in place.

The steering group includes representation from clinical boards across the organisation, and so provides a forum to enable ownership sharing of learning and development of consistent guidance.

The use of M365 products and any data held within M365 is generally covered by the overarching Information Governance and security requirements of the Health Board, and we note that a national data protection impact assessment (DPIA) for M365 has been produced.

Within the Health Board, there is a focus on the nature and type of data being processed by M365 and services are required to complete a DPIA if the processing poses a risk. We also note that the webpage for power platform information is clear about the requirement for an environment which enables policy enforcement.

However, the use of controlled environments is not enforced and guidance and governance on the use of M365 applications is largely absent which may result in a lack of control and the creation of 'clinical systems' which creates both clinical, IG and cyber risks. We also note that there is no guidance in place for the use of Co-Pilot or other AI tools.

The proposed framework for M365 support identifies the need for provision of guidance over the use of M365 products, and suggests that these be produced by the digital team who operates the function in the wider sense and who have the appropriate knowledge of key requirements and standards. e.g. Development team for PowerApps and Informatics for Power BI.

Key Findings	Risk & Impact	Agreed Management Action
<p>4 Guardrails</p> <p>Guidance and governance over the use of M365 applications, including for the use of Co-Pilot or other AI tools is largely absent. We also note that the use of controlled environments for the power platform is not enforced which may result in a lack of control and the creation of 'clinical systems' creating clinical, IG and cyber risks.</p>	<p>Inappropriate use or sharing of data</p>	<p>Agreed Action:</p> <p>Mitigating Actions to Address M365 Governance and Risk Management Concerns</p> <p>1. TrustMarque Consultancy Engagement</p> <p>TrustMarque has been commissioned to provide consultancy services focused on establishing governance for key elements of the M365 Platform as a Service (PaaS), including Co-Pilot, AI, and the Power Platform. Progress so far includes identifying key owners, and the consultancy work is expected to conclude by the end of July 2025. Once complete, the outputs from this</p>

engagement will directly inform the M365 Standard Operating Procedures (SOP), supporting the clear assignment of roles and responsibilities within the Digital Teams. This process will ensure that each M365 component is guided and governed by the appropriate subject matter experts. Additionally, it will set out best practices for utilising M365 tools and establish policies regarding the use of controlled environments for the Power Platform, helping to guarantee compliance with regulatory, information governance (IG), and cybersecurity requirements.

2. Governance Group around implementing the M365

To support the successful implementation and ongoing optimisation of the Microsoft 365 (M365) platform, it is essential to establish a formal Governance Group that reports directly to the Digital & Infrastructure Committee and Directors of Digital Peers. This group will provide the necessary oversight, strategic direction, and accountability to ensure that the deployment of M365 aligns with organisational priorities, information governance standards, and digital transformation goals. It will also serve as a central forum for decision-making, risk management, and the coordination of resources, helping to maximise the value of the platform while ensuring compliance and user adoption across the Health Board.

Expected Evidence of Implementation:

1. Consultancy engagement completed with report of outputs
2. Governance Group established

Medium Priority

Officer: Leigh Richardson

Target Implementation Date:

1. 31 August 2025
2. 31 October 2025

Theme: Policies & Procedures

Control Operation

Overview / Summary of Observations

The anticipated benefits of M365 were defined at the national level by Welsh Government and via DHCW. Cardiff and Vale UHB's role was primarily focused on implementation and change management for the roll out of the M365 products. We note there was no local business case to implement M365 and no benefits plan or tracker developed solely by the Health Board. We also note that there are no defined success metrics for measuring successful roll out such as user adoption rates or productivity improvements.

Governance over the implementation of M365 is managed by the Digital Directorate and includes reporting on progress and managing finances, with regular reporting to the previous Digital Health and Intelligence Committee (DHIC) and new Digital & Infrastructure Committee. We also note that there is detailed discussion on M365 at the Directors of Digital Peer group, and updates from this were provided to DHIC previously and are now provided to the Digital & Infrastructure Committee.

As there was no defined benefits plan for M365 within the Health Board, there is no defined, delegated responsibility for ensuring the benefits accrue, and there is a perceived lack of governance around value exploitation given the expenditure on M365.

We note the recent establishment of an M365 Steering Group with an aim to provide a forum for customer led deployment of M365 to better enable value. As such this group provides a mechanism for accountability for tracking and realising the benefits of M365, although benefits are not specifically noted within the Terms of Reference.






Key Findings	Risk & Impact	Agreed Management Action
<p>5 Benefits Tracking</p> <p>There is no benefits plan or tracker developed solely for delivery of benefits within the Health Board. We also note that there are no defined success metrics for measuring successful roll out such as user adoption rates or productivity improvements.</p>	<p>The health board cannot be assured that it gains full value from the investment in M365.</p>	<p>Agreed Action:</p> <p>Mitigating Actions to address assurance of Value from M365 Investment</p> <ol style="list-style-type: none"> 1. Development of a Benefits Realisation Plan We will create a local benefits realisation plan tailored to Cardiff and Vale UHB, aligned with national goals. This plan will clearly outline expected benefits, including user adoption, productivity improvements, and operational efficiencies. We will also define measurable success metrics, such as adoption rates and system utilisation, to track and demonstrate value. 2. Tracking and Monitoring through the M365 Steering Group The newly established M365 Steering Group will be key in tracking the realisation of benefits. Furthermore, through the Steering Group M365 Champions, we will identify value add areas within each clinical board and use these areas as metrics to demonstrate benefits realisations. We will update the group's Terms of Reference (ToR) to include specific accountability for monitoring progress against the benefits

		<p>plan, reviewing success metrics, and ensuring actions are taken to realise value.</p> <p>3. Integration of Success Metrics into Governance and Reporting We will integrate the benefits tracking and success metrics into the existing governance structure, <i>suggesting</i> that we establish reporting regularly into the Digital & Infrastructure Committee and Directors of Digital Peer group. This ensures continuous oversight of M365’s effectiveness, with clear updates on user adoption, system engagement, and productivity improvements.</p> <p>4. Case Studies In a similar manner to other Health Boards in England (Link), we can write Case Studies demonstrating the benefits realised within CaV Initially, starting out by reaching out to identified Health Boards that have already authored some case studies.</p>
		<p>Expected Evidence of Implementation:</p> <ol style="list-style-type: none"> 1. Benefits Realisation Plan 2. Update Steering Group Terms of Reference to document accountability of identified benefits and their owners 3. Establish a reporting component to the Governance Group that reports against M365 Benefits Metrics 4. Produce the first Case Study demonstrating Business Benefits of M365 to CaV
	<p>High Priority</p>	<p>Officer: Leigh Richardson</p> <p>Target Implementation Date:</p> <ol style="list-style-type: none"> 1. 31 October 2025 2. 31 October 2025 3. 31 October 2025 4. 28 November 2025
<p>Theme: Planning, Delivery & Deadline Management</p>	<p>Control Design</p>	

6	<p>Benefits Responsibility</p> <p>Responsibility for tracking and ensuring benefits is not specifically noted within the Terms of Reference of the M365 Steering Group.</p>	<p>The health board cannot be assured that it gains full value from the investment in M365</p>	<p>Agreed Action:</p> <p>See above</p>
			<p>Expected Evidence of Implementation:</p> <p>See above</p>
	<p>Theme: Planning, Delivery & Deadline Management</p>	<p>Medium Priority</p>	<p>Officer: Leigh Richardson</p> <p>Target Implementation Date: As above</p>
		<p>Control Operation</p>	

Appendix A

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

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