

Surgery CB Governance Arrangements

Final Internal Audit Report

2024/25

Cardiff & Vale University Health Board



Reasonable Assurance

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Review Reference

CVU 2425.27

Fieldwork

January - May 2025

Executive Sign Off

August 2025

Audit Committee

September 2025

Executive Lead

Paul Bostock, Chief Operating Officer

Audit Team

Ian Virgil, Head of Internal Audit
Lucy Jugessur, Deputy Head of Internal Audit



Executive Summary

Purpose

Our review of the Surgery Clinical Board Governance and Financial Management Arrangements was undertaken and completed in line with the 2024/25 Internal Audit Plan for Cardiff and Vale University Health Board (the 'Health Board').

Overview

Governance structures and their applications are fundamental to ensuring the success of the Health Board in delivering its statutory obligations.

Good corporate governance plays a vital role in underpinning the integrity and efficiency of the Health Board and the wider community in which it operates. Robust properly developed and embedded governance structures are fundamental to ensuring the achievement of the Health Board's strategic objectives and in delivering its statutory, regulatory and legal requirements.

Each Clinical Board is led by a director and is required to have effective governance arrangements in place for the services they are accountable for in order to provide assurance to the Board and its Committees on the quality and effectiveness of the services provided to its users, coupled with ensuring the aims and objectives set by the Board are delivered. Clinical Boards have delegated responsibility to manage their financial budgets, with support from designated Finance Business Partners.

The Surgery Clinical Board has 12 directorates covering Trauma and Orthopaedics, Spines, General Surgery, Vascular Surgery, Pain Management, Urology, Ear Nose and Throat (ENT), Ophthalmology, Audiology, Dental, Perioperative Care and Breast Surgery. These provide a significant number of emergency and elective services to Cardiff and Vale residents. In addition to direct service provision for the local community of Cardiff and Vale, the Surgery Clinical Board provides a number of services beyond the local population at both University Hospital of Wales and University Hospital Llandough.

The scope of the review considered the governance arrangements in place and reviewed the processes operating within the Clinical Board around financial management, budgetary control and delivery of savings. We covered the processes at the Clinical Board level and within 5 sampled Directorates; General Surgery; Urology; Trauma & Orthopaedics; Spines and Breast Surgery. Our findings are therefore restricted to the arrangements operating within these areas.

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

- The requirement to hold a minimum of 10 Clinical Board meetings per year is not currently being met.
- Not all Directorate meetings had a Terms of Reference and many of the meetings were not adequately documented.
- The value of savings plans developed were significantly lower than the savings targets set by the Health Board, and the shortfall has been carried forward throughout the financial year.

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

- Two directorates were not represented at any of the three Clinical Board meetings reviewed.

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	An appropriate governance structure is in place within the Clinical Board including all required groups, aligned to the Health Board's committee structures and directed by Terms of Reference (ToR)	-	Substantial
2	Adequate governance arrangements are in place with meetings being conducted in line with TOR and notes or minutes being maintained that provide a record of the key discussions and decisions made during the meetings	1, 2	Reasonable
3	The Clinical Boards work collaboratively with their Finance Business Partners to manage their financial budgets, and the financial position is presented and discussed at appropriate meetings and actions are taken to address identified issues	-	Substantial
4	Implementation of agreed savings plans are monitored, reported and acted upon at Clinical Board level, and risks to achievement of savings targets are identified	3	Limited

Management Actions

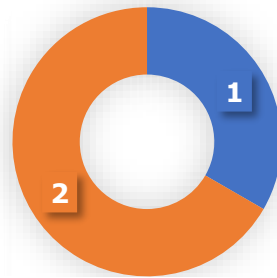


High Priority



Medium Priority

Themes



- Finance Management & Control
- Governance

Risk Types

Quality or Safety Issues

Financial Loss

Findings & Agreed Action Plan

Objective 1: An appropriate governance structure is in place within the Clinical Board including all required groups, aligned to the Health Board's committee structures and directed by Terms of Reference (ToR).

Substantial

Overview / Summary of Observations

The Clinical Board has an approved Terms of Reference and Operating Arrangements document which was up to date at the time of our audit. As part of these arrangements the Clinical Board is required to uphold the Health Board's governance and accountability framework, and this guides the way the Surgery Clinical Board conducts its business.

Financial governance is achieved through the Health Board's Standing Orders, Standing Financial Instructions and Scheme of Delegation. Clinical governance is achieved through the Health Board's Quality and Safety framework. The Surgery Clinical Board is a corporate decision-making body that is made up of Officer Members and is led by the Clinical Board Director who is Chair of the Board. The Director of Operations and Director of Nursing manage the business of the Clinical Board on a day-to-day basis.

A meeting's structure has been established by the Clinical Board, and this requires formal Clinical Board meetings to be held monthly, with a minimum of 10 meetings held each year. In addition, Senior Management Team (SMT) meetings are held weekly. The following groups have also been established that report to the Clinical Board:

- Quality, Safety & Experience Group;
- Health & Safety;
- Directorate Operational Performance Group;
- CD Forum;
- Partnership Forum; and
- Workforce Panels.

The Clinical Board reports upwards to the Health Board via the Chief Operating Officer through the Business Assurance Framework and monthly Executive Performance Reviews. Each Directorate also has its own set of meetings and groups to carry out its business which mirrors the Clinical Board meetings.

Objective 2: Adequate governance arrangements are in place with meetings being conducted in line with TOR and notes or minutes being maintained that provide a record of the key discussions and decisions made during the meetings.

Reasonable

Overview / Summary of Observations

The Terms of Reference and Operating Arrangements sets out the membership of the Clinical Board, the quorum, frequency of meetings and the arrangements for preparing agendas, submitting papers and recording meetings including any decisions made. The minutes from three Clinical Board meetings were reviewed to confirm meetings were being held in accordance with the Terms of Reference and Operating Arrangements. We also reviewed the Terms of Reference (ToR) and minutes for a sample of directorate meetings within the Urology, Trauma & Orthopaedics, Spine and Breast Surgery Directorates, and the following working groups set up by the Clinical Board:

- Clinical Board Senior Team Meeting (weekly);
- Quality, Safety & Experience Group; and
- Partnership Forum.

Our testing identified several issues. The requirement to hold a minimum of 10 Clinical Board meetings per year is not currently being met. One of the three Clinical Board meetings reviewed was not quorate.

A ToR was not available for the key meetings such as the monthly directorate meetings and clinical governance meetings. Whilst many of the meetings were summarised in e-mails, meeting notes / minutes and action logs were not generally being produced.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Clinical Board Meetings</p> <p>The Terms of Reference and Operating Arrangements require the Clinical Board to hold a minimum of 10 meetings per year. Only seven meetings were held between April 2024 and February 2025. It is therefore unlikely that the minimum requirement of 10 meetings per year has been met in 2024/25.</p> <p>The minutes of the meeting held on the 1st November 2024 show there were only seven members present whereas the quorum is eight members.</p>	<p>A lack of clear, consistent direction, accountability and leadership with governance arrangements not properly discharged.</p>	<p>Agreed Action:</p> <p>Monthly Clinical Board Meetings are scheduled for 2025/26.</p> <p>To try and increase and sustain levels of attendance, a decision has been made to move the dates of meetings to alternating Mondays and Thursdays going forward. The rationale being that this should provide the opportunity for more people to attend on a regular basis.</p> <p>The Chair will confirm that meetings are quorate prior to the start of each meeting.</p> <p>Expected Evidence of Implementation:</p> <p>Documented timetable of Clinical Board meetings. Action Log. Confirmation that meetings are quorate recorded in minutes.</p>
<p>Theme: Governance</p>	<p>Control Operation</p>	<p>Officer: Director of Operations/Head of Planning</p> <p>Target Implementation Date: July 2025</p>

<p>2 Directorate Meetings</p> <p>Directorate meetings generally mirror those set up at Clinical Board level. We reviewed the meetings' structure and supporting documentation for four Directorates. The General Surgery Directorate failed to respond to our requests for information, despite the request being escalated to the Director of Operational Planning & Performance.</p> <p>A ToR was not available for the key meetings such as the monthly directorate meetings and clinical governance meetings. Whilst many of the meetings were summarised in e-mails, meeting notes / minutes and action logs were not generally being produced. We note that some Directorates have started using Co-Pilot software to produce meeting notes, but these did not include the names of the attendees.</p>	<p>A lack of clear, consistent direction, accountability and leadership with governance arrangements not properly discharged.</p>	<p>Agreed Action:</p> <p>Directorates are currently being provided with details of revised governance arrangements for all meetings in Surgery, with up-to-date TOR, so as to clarify the requirements for attendance and purpose of meetings at both Directorate and Clinical Board Level. This will also include the requirement for noting actions and managing action logs going forward. Meeting notes will contain details of attendees too.</p>
<p>Theme: Governance</p>	<p>Medium Priority</p> <p>Control Design</p>	<p>Expected Evidence of Implementation:</p> <p>Documented ToR and meeting notes and Action Logs.</p> <p>Officer: Director of Operations/Head of Planning</p> <p>Target Implementation Date: July 2025</p>

Objective 3: The Clinical Boards work collaboratively with their Finance Business Partners to manage their financial budgets and the financial position is presented and discussed at appropriate meetings and actions are taken to address identified issues.

Substantial

Overview / Summary of Observations

A weekly Senior Management Team (SMT) meeting takes place every Monday. This is attended by all the senior management team including the Assistant Director of Finance, Head of Operations and Clinical Board Director. This meeting discusses the financial position and key issues affecting the finances, for example vacancies. A Clinical Board summary finance report is prepared by finance each month and shared with the SMT and Directorates.

The Clinical Board governance meetings take place at the end of the month, and Finance is a standing agenda item. This was confirmed through review of the minutes from three Clinical Board meetings provided, which also confirmed that the finance summary report and appendices are presented at each meeting, and the financial position is discussed in depth. As at month 11 the Clinical Board was forecasting an overspend in line with its forecast. There is also a bi-monthly Surgery Clinical Board Partnership Forum meeting attended by various staff groups from the Clinical Board, and Finance is a standing agenda item at this meeting.

At Directorate level, each Directorate has regular meetings on a weekly basis where finance is a standing agenda item. These meetings include the Accountant, General Manager, Service Manager, Nurse Lead and Clinical Director. These meetings are where the teams will review their financial position. Each Directorate also has a monthly performance review meeting with the SMT to discuss performance, Quality and Safety, Workforce issues and Finance.

Objective 4: Implementation of agreed savings plans are monitored, reported and acted upon at Clinical Board level, and risks to achievement of savings targets are identified.

Limited

Overview / Summary of Observations

There is a savings tracker for the Clinical Board, and this replicates the Health Board’s savings tracker. The tracker is saved on SharePoint and is readily available to the SMT and all general managers within the Clinical Board. Savings feature as part of ongoing conversations with Directorate teams in their monthly meetings, and these discussions cover opportunities for further savings ideas and the tracking of progress against identified schemes. The monthly financial position summary report provides an update on the progress of savings plans. Each directorate is given a savings target for the year. Savings schemes are then identified and given a RAG rating based on the timescale and likelihood of delivering the identified savings:

Green = Complete/appropriate to complexity project plan in place, brief available reflecting timescales. Milestones, enablers and risk considered;

Amber = Clear components of project plan in place with elements not fully confirmed and addressed; and

Red = Evidence of an opportunity that requires work up of a full project plan.

The Clinical Board was given a savings target of £6.861m at the start of the 2024/25 financial year. This was split by recurrent and non-recurrent savings. A recurrent savings target of £4.626m was shared between Directorates with the remaining £2.235m of non-recurrent savings held centrally.

Key Findings	Risk & Impact	Agreed Management Action
<p>3 Savings Schemes</p> <p>From the savings tracker, it can be seen that savings have only been identified for £1.52m against the recurrent savings target of £4.626m, leaving a shortfall of £3.106m. As at month 11 the reported shortfall was £3.882m. Almost a third of the savings identified (£425k) had a Red RAG rating so are unlikely to be achieved this financial year.</p> <p>Theme: Finance Management & Control</p>	<p>Savings targets not met compounding the Health Board’s precarious financial position.</p> <p>High Priority</p> <p>Control Operation</p>	<p>Agreed Action:</p> <p>The identification of savings schemes will be prioritised to try and ensure that savings plans are in place to achieve the full savings target set by the Health Board.</p> <p>Expected Evidence of Implementation:</p> <p>Savings schemes identified on the tracker demonstrate efforts to ensure delivery of savings targets set by the HB.</p> <p>Officer: Director of Operations</p> <p>Target Implementation Date: November 2025</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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Public Sector Internal Audit Standards

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