

# Children and Women Clinical Board Governance and Financial Arrangements Final Internal Audit Report 2025/26

Cardiff and Vale University Health Board



Reasonable Assurance

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**Fieldwork**

**Executive Sign Off**

**Audit Committee**

**Executive Lead**

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CVU-2526-25  
September – November 2025  
December 2025  
February 2026  
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# Executive Summary

## Purpose

Our audit of Children and Women (C&W) Clinical Board Governance and Financial Management Arrangements was undertaken and completed in line with the 2025/26 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.

Children and Women Clinical Board is responsible for a wide range of health services for children, young people and women. These services include specialist hospital and community clinic-based services as well as universal and targeted ones. The three constituent Directorates of the Clinical Board are Children's Hospital for Wales, Children, Young People and Family Health Services and Obstetrics & Gynaecology.

We have concluded **reasonable** assurance on this area. Matters requiring management attention include:

- There was an absence of Terms of Reference documents for core/key Clinical Board and Directorate governance meetings.
- It was evidenced that core/key Clinical Board and Directorate governance meetings were cancelled and there was an absence of minutes for some meetings.

Full details of matters arising are detailed within the Findings & Agreed Action Plan.

The following opportunities for enhancement have also been identified that do not impact upon the overall opinion, and are highlighted for management information:

- Training should be undertaken in financial and budgetary management principles to provide new and existing budget holders with the necessary skill set to effectively understand and manage their budgets.
- Future annual costs savings scheme planning processes and outcomes should be documented and signed off at Directorate Management level to provide a formal record of the decision making undertaken.

## 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

Objectives	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 a Terms of Reference (ToR)	1	<b>Reasonable</b>
2 Adequate governance arrangements are in place with meetings being conducted in line with ToRs and notes or minutes being maintained that provide a record of the key discussions and decisions made during the meetings	2	<b>Reasonable</b>
3 The Clinical Board works 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	-	<b>Substantial</b>
4 Appropriate savings plans are developed as part of the Clinical Board's Quality Improvement & Efficiency Plan (QIEP) and implementation of agreed savings plans are monitored, reported and acted upon at Clinical Board level, and risks to achievement of savings targets are identified.	-	<b>Reasonable</b>

### Management Actions

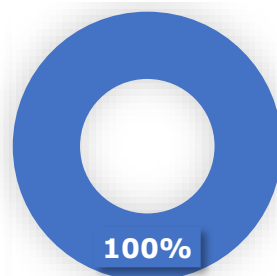


High Priority



Medium Priority

### Themes



100%

■ Governance

### Risk Types

Quality or Safety Issues

# 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).**

**Reasonable**

## Overview / Summary of Observations

The Children and Women Clinical Board has a formal governance structure in place which outlines the Clinical Board senior management reporting lines and is supported by documented Directorate reporting structures.

The Clinical Board has the Clinical Board Formal / Combined Formal Board and the Quality, Performance and Experience Group and these report directly into an appropriate Health Board Committee on a regular basis. The Clinical Board Formal Board meets monthly and consists of the Clinical Board Triumvirate alongside the Business Partners of Finance and People & Culture. Whilst the Clinical Board Combines Formal Board includes the above and the Directorate Management Leads and meets on a quarterly basis.

Additionally, the three Directorates; namely Children's Hospital for Wales (CHfW), Children, Young People and Family Health Services (CYPFHS) and Obstetrics and Gynaecology (O&G), have their own respective core senior management team and supporting governance groups that regularly report into the Clinical Board Groups.

The majority of Clinical Board, Directorate and departmental governance groups are supported by an appropriately constituted and current Terms of Reference (ToR) but there are a number of groups that do not have ToRs, or those in place are out of date or incomplete with no stated review and version control.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 <u>Core and Key Governance Meeting Terms of Reference documentation</u></p> <p>We reviewed key Clinical Board and Directorate governance meetings identified through discussions with Clinical Board senior management and the three Directorate Management teams. Copies of Terms of Reference (ToR) were requested to confirm they were current, clearly defined each group's purpose and objectives, and aligned with the strategic aims of the Directorates, Clinical Board and Health Board.</p> <p>The following groups have appropriate ToRs in place:</p> <ul style="list-style-type: none"> <li>• Children and Women's Clinical Board Formal/Combined Formal Board.</li> <li>• Children and Women's Clinical Board Quality, Safety &amp; Patient Experience Group.</li> <li>• Children and Women's Clinical Board Directorate Performance Reviews.</li> <li>• Children and Women's Clinical Board Board Vacancy Scrutiny Panel.</li> </ul>	<p>Objectives may not be delivered if governance arrangements are not effectively identifying and escalating concerns and if arrangements are not properly discharged.</p>	<p><b>Agreed Action:</b></p> <p>All key Clinical Board, Directorate and departmental governance groups will be supported by a Terms of Reference that is regularly reviewed and updated, includes version control, clearly states the group's purpose and objectives and demonstrates alignment with the strategic aims of their Directorate, the Clinical Board and the Health Board.</p>

- CYPFHS Directorate Quality Safety and Patient Experience (QSPE) group; and,
- All three CYPFHS Directorate Care Groups (Complex Needs & Disability, Emotional Wellbeing & Mental Health and Early Intervention & Prevention) management groups.

However, we noted that a number of the groups had no ToR or they were out of date:

- Clinical Board Directorate's Finance Meeting - There is currently no ToR in place.
- CHfW Directorate – There is no ToR in place for the monthly Directorate Quality & Safety Meeting.
- CHfW Directorate - The monthly Specialty Senior Team meetings for Neonatal Intensive Care Unit (NICU), Paediatric Intensive Care Unit (PICU), Paediatric Oncology, Paediatric Cardiology, Paediatric Surgery departments are not supported by a ToR.
- CYPFHS Directorate - The Core Management Team (CMT) ToR outlines its purpose and objectives and aligns with the Clinical Board and Health Board strategic aims but has not been reviewed and updated since 2022.
- CYPFHS Directorate - The Complex Needs & Disability Care Group management meeting ToR does not state a review date.
- O&G Directorate – The monthly Directorate Management Team (DMT) meeting is only supported by a draft ToR, which is scheduled for review/approval October 2025.
- O&G Directorate - The Midwifery Professional Forum ToR has not been reviewed and updated since June 2019.
- O&G Directorate - No ToR exists for the Obstetrics & Gynaecology Clinical Governance and Safety Group.

We also identified a number of the groups whereby version control was not recorded on the ToRs:

- Children and Women's Clinical Board Formal/Combined Formal Board - The ToR does not state version control or details of updates from previous iterations.
- CHfW Directorate - ToR exists for the weekly Core DMT meetings; however, it lacks version control and approval history.
- CYPFHS Directorate - The Early Intervention & Prevention Care Group ToR was recently reviewed but lacks historical version control.

**Expected Evidence of Implementation:**

Reviewed and updated ToRs.

		<b>High Priority</b>	<b>Officers: Directorate Managers</b>
	Theme: Governance	Control Operation	<b>Target Implementation Date: January 2026</b>

**Objective 2: Adequate governance arrangements are in place with meetings being conducted in line with ToRs 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**

In accordance with the prescribed ToRs, the majority of governance meetings held by the Clinical Board and its constituent three Directorates for the period April to October 2025 were regularly held, quorate and well attended in accordance with membership requirements and supported by agendas, minutes/notes that provided a formal record of actions, issues raised and progress on implementation/resolution where applicable.

We can also confirm that Clinical Board Performance Review submissions were presented to prescribed Executive Performance Review meetings for May, June and July of 2025/26 as part of the upward governance oversight reporting process. The Executive reviews with all Clinical Boards ceased but have recently restarted in October 2025.

However, our review identified inconsistencies across the Clinical Board in respect of the application of ToR requirements, in some cases an absence of meeting minutes, and also cancellation of meetings where quoracy would not be achieved. These gaps present a lack of consistency of governance and oversight.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 <b><u>Compliance with Terms of Reference requirements and documenting of meetings</u></b></p> <p>We reviewed agendas and minutes for the following key Clinical Board and Directorate governance meetings and confirm that they are operationally compliant with their respective Terms of Reference documents:</p> <ul style="list-style-type: none"> <li>• Children and Women's Clinical Board Quality, Safety &amp; Patient Experience Group.</li> <li>• Children and Women's Clinical Board Directorate Performance Review.</li> <li>• CYPFHS Directorate Quality Safety and Patient Experience (QSPE) Group; and,</li> <li>• All three CYPFHS Directorate Care Groups (Complex Needs &amp; Disability, Emotional Wellbeing &amp; Mental Health and Early Intervention &amp; Prevention) management groups.</li> </ul> <p>From our testing, we found that not all meetings were minuted or action plans were produced:</p> <ul style="list-style-type: none"> <li>• Formal and Combined Clinical Board meeting – Action points were noted in the minutes, but no formal action log was maintained.</li> <li>• CHfW Directorate Management Team (DMT) meeting - No minutes have been recorded for this group during 2025/26 to</li> </ul>	<p>A lack of clear, consistent direction, accountability and leadership with governance arrangements not properly discharged.</p>	<p><b>Agreed Action:</b></p> <p>All Clinical Board governance groups will be supported by minutes to formally record and outline their key/core governance issues and decision making. In addition, action logs should be maintained to ensure that actions are reviewed at each meeting with clearly recorded progress on the actions recorded.</p> <p>Additionally, all minutes will state membership attendees so as to formally record and confirm quoracy.</p>

date. Additionally, the fortnightly Leadership meeting held with the Clinical Board is not supported by any minutes or action log to formalise and support any strategic decision making.

- CHfW Quality & Safety Directorate meeting - Membership attendance is not consistently recorded but given the absence of a ToR we could not determine required regularity of attendance and compliance with any quoracy levels.
- CHfW Directorate Paediatric Haematology Oncology meeting - The membership attendance is not stated and given the absence of a ToR we could not determine required regularity of attendance and compliance with any quoracy levels.
- CHfW Directorate NICU meeting - Minutes for April and June 2025 did not record attendance. The absence of a ToR means regularity of attendance and compliance with quoracy could not be confirmed. Additionally, the minutes do not document actions or follow up on issues raised in previous meetings.
- O&G Directorate Management Team (DMT) meeting - No minutes were record for any DMT meetings held between April and September 2025.

**Expected Evidence of Implementation:**

All Clinical Board governance groups will have formal minutes that record key governance issues and decisions. Action logs will be maintained and reviewed at each meeting, with progress clearly documented. Minutes will also include membership and attendees to confirm quoracy.

**Medium Priority**

**Officers: Directorate Managers**

**Target Implementation Date: January 2026**

**Theme:** Governance

Control Operation

**Objective 3: The Clinical Board works 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**

There are arrangements in place that allow for the provision of regular and up to date financial information at both Clinical Board and Directorate Management level, and this is supported by formal monthly Directorate Finance meetings, as well as regular informal liaison between the Senior Finance Business Partner and Clinical Board Triumvirate and also between Finance Business Partners, Management Accountants and Directorate Management Teams.

The Senior Finance Business Partner as a core member of the Clinical Board's Formal and Combined Formal meetings provides a presentation and update report of the monthly Clinical Board financial position as well as that of the Health Board as a standard agenda item.

A revised formal monthly Directorate Finance Meeting has been implemented within the Clinical Board in April 2025 providing a consistent approach to be undertaken by all Directorate Management Teams in respect of financial monitoring and oversight of budgetary and cost savings performance. The Deputy Director of Operations and Senior Finance Business Partner also attend these meetings.

A new Finance Reporting pack template was introduced in this financial year to support the annual budget setting process and is updated monthly as activity increases which is reported at each monthly meeting.

Our review of the action notes for the three respective Directorate Finance Meetings (O&G, CYPFHS and CHfW), between April to September 2025 confirmed regularity of monitoring at both Clinical Board level and within all three Directorates.

The CYPFHS Directorate is the only Clinical Board Directorate that devolves its budgets to nominated budget holders and there is regular liaison in place that ensures regular oversight and monitoring of these budgets.

We were advised by the Directorate Management that their Finance Business Partners and Management Accountants are readily accessible at all times to discuss any issues or queries as they arise. However, we were advised that refresher training in the 'fundamentals' of financial and budgetary management principals would be welcomed, and very useful for new staff, especially those in CYPFHS where budgets are devolved into Care Groups.

**Objective 4: Appropriate savings plans are developed as part of the Clinical Board's Quality Improvement & Efficiency Plan (QIEP) and implementation of agreed savings plans are monitored, reported and acted upon at Clinical Board level, and risks to achievement of savings targets are identified.**

**Reasonable**

**Overview / Summary of Observations**

The compilation of the cost savings plans for the Children and Women's Clinical Board QIEP was completed in March 2025, following the agreement of the QIEP savings target of £3.2m for 2025/26.

In early June 2025, the Clinical Board Strategic Leadership Team presented a detailed spreadsheet to the Health Boards Strategic Leadership Team (SLT) outlining the finalised QIEP savings schemes and their implementation approach. All cost savings schemes recorded on Directorate Cost Savings Trackers included supporting justifications for inclusion and were profiled appropriately to reflect their assigned RAG ratings. However, we note that costs savings scheme planning outcomes are not documented and signed off at Directorate Management level to provide a formal record of the decision making justifications undertaken.

High level reporting of cost savings schemes is undertaken at each Clinical Board meeting through a verbal update on the monthly position as set out in the Finance Reporting Packs. This reporting is based on data from the Clinical Board Cost Savings Tracker.

Additionally, each monthly Directorate Finance meeting focuses specifically on reviewing Directorate cost savings schemes undertaken via their respective Cost Savings Trackers. Both Clinical Board and Directorate Management Teams regularly review these Cost Savings Trackers to identify and mitigate any risks that could prevent achievement of year-end savings targets.

Although no specific guidance was issued at the start of the financial year for the monitoring of cost savings schemes; this process is embedded within monthly financial reporting and is a standing agenda item at each monthly Directorate Finance Meeting. We can confirm that monitoring and reporting are being undertaken accordingly.

Processes are also in place to ensure that the Clinical Board's QIEP reports are produced in accordance with the QIEP initiative requirements and incorporating information from cost-saving planning activities.

Further scrutiny is provided through Clinical Board Finance 'Deep Dive' meetings with the Executive Leadership Team in September and October 2025, reviewing QIEP progress and cost savings positions for August (Month 5) and September (Month 6) 2025.

As at Month 6, the Clinical Board forecast recorded on the Health Board Clinical Board Cost Savings Tracker shows total cost savings of £3,146,776 against the total year-end target of £3,239,067. Based on current performance activity and forecasts, it appears possible that the Clinical Board and its constituent Directorates may meet their prescribed cost savings targets. However, gaps in delivery of cost savings schemes were noted at the Finance and Performance Committee meeting in September 2025 meeting and also at the Clinical Board Formal Board meeting in October 2025.

# Appendix A

## Assurance Opinion

	<b>Substantial</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Advisory</b>	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
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	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

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

