

Implementation of the People & Culture Plan

Final Internal Audit Report

July 2024

Cardiff & Vale University Health Board



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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement

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Executive Summary

Purpose


To provide assurance that there are effective processes in place for ensuring appropriate implementation of the People and Culture Plan, with a specific focus on how the plan is being embedded within the Clinical Boards.

Overview

We have issued substantial assurance on this area. We only identified one low finding that requires management attention:

- Reporting is not currently taking place against all the 2024 key performance indicators.

Report Opinion

		Trend
 <p>Substantial</p>	Few matters require attention and are compliance or advisory in nature.	N/A
<p>Low impact on residual risk exposure.</p>		No previous audits in this area

Assurance summary¹

Objectives	Assurance
1 Plan Milestones and Objectives	Substantial
2 Governance Arrangements	Substantial
3 Delivery of Themes	Substantial
4 Embedding within Clinical Boards	Substantial

¹The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

Key Matters Arising

	Objective	Control Design or Operation	Recommendation Priority
1	Performance Monitoring	1 Operation	Low

1. Introduction

- 1.1 Our audit review of the Implementation of the People and Culture Plan was completed in line with the 2023/24 internal audit plan for Cardiff and Vale University Health Board (the 'Health Board').
- 1.2 The Health Board produced a People and Culture Plan (the 'Plan') for 2022-25 detailing the actions for the three years, focusing on improving the wellbeing, inclusion, capability and engagement of the workforce. The Plan is built around seven themes which are set out in the Workforce Strategy for Health and Social Care and these are:
- Seamless workforce models;
 - Engaged, motivated and healthy workforce;
 - Attract, recruit and retain;
 - Building a digitally ready workforce;
 - Excellent education and learning;
 - Leadership and succession; and
 - Workforce supply and shape.
- 1.3 The Head of People Assurance and Experience has undertaken an exercise to map how the objectives from the previous Workforce audits undertaken by Internal Audit since the launch of the Plan in January 2022, align with the seven themes within the Plan.
- 1.4 Where possible, we utilised the assurance provided through our previous audit work to help inform the outcome of the current audit.
- 1.5 The risks associated with the review were as follows:
- The Health Board fails to deliver the goals and objectives detailed within the People and Culture Plan.
 - The People and Culture Plan is not embedded within the Health Board.
- 1.1 The Executive Director People and Culture is the lead for this review.

2. Detailed Audit Findings

Objective 1: The People and Culture Plan sets out clear milestones and objectives with specific actions to achieve them.

- 2.1 The People and Culture Plan was initially developed around the seven themes set out in the Workforce Strategy for Health and Social Care, and detailed objectives were developed for each theme setting out how they would be achieved.
- 2.2 Milestones and performance indicators were also set to monitor progress against the achievement of the objectives. An end of year review of both year 1 (2022) and year 2 (2023) was also carried out. The year 2 review was presented to the People and Culture Committee in January 2024. This set out in detail the progress made to date against the plan objectives.

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- 2.3 The quarterly performance report for 2023 listed 18 performance indicators. These indicators measured performance against a January 2022 baseline, January 2023 actual performance data and 2023 targets. The data provided covered the period from January up to October 2023 and shows that whilst the narrative in the year 2 review document was very positive, only 2 of the 18 measures had actually been achieved. Whilst many of the targets had not been achieved, the trend analysis shows that performance is actually improving.
- 2.4 For 2024, a refreshed set of KPIs have been drawn up and the seven themes have been merged into three objectives. An update to the People and Culture Plan has been prepared for 2024 setting out the strategic objective and priorities for 2024, together with a People and Culture Team Workplan. This sets out the 'Deliverables' for each objective and quarterly milestones for each of the three new objectives.
- 2.5 Many of the refreshed KPIs are the same as, or similar to the 2023 measures. There are still 18 performance measures in total, and these have been aligned to the three new objectives from the plan (ten against Obj.1, three against Obj.2 and five against Obj.3).
- 2.6 Reporting of performance against KPIs is undertaken to the People and Culture Committee, Board and the Executive Team at monthly Clinical Board reviews. However, the performance reports we reviewed did not currently contain all the 2024 performance measures. **(Matter Arising 1)**

Conclusion:

- 2.7 The People and Culture Plan clearly sets out its objectives together with the actions to be taken to achieve them and milestones and a refreshed set of performance indicators for 2024 to monitor progress. However, currently performance has not been reported against all the 2024 KPIs. We have provided **Substantial Assurance** for this objective.

Objective 2: There are appropriate governance arrangements in place, which provide effective oversight of the Plan and regular review to ensure that it is being delivered.

- 2.8 The People and Culture Plan for the period 2022 - 2025 was approved by the Board in February 2022. The governance structure for the People and Culture Plan requires reports to be submitted by the Executive Director of People and Culture to the People and Culture Committee (P & C) and the Board.
- 2.9 The People & Culture Committee has a Terms of Reference (ToR) that is reviewed and updated annually and approved by the Board. The ToR for 2023/24 was reviewed by the People and Culture Committee on the 16th May 2023 and approved by the Board on the 25th May 2023.
- 2.10 The stated role and purpose of the People and Culture Committee includes the provision of assurance to the Board in relation to the direction and delivery of the milestones and key performance indicators identified within the People and Culture

Plan. The ToR also set out the committee's membership, attendees, frequency of meetings, quorum and reporting lines.

- 2.11 The People and Culture Committee was formed in 2023/24 and their initial meeting was held in May 2023. Prior to this reporting was through the Strategy and Delivery Committee which was dissolved at the end of 2022/23.
- 2.12 We reviewed the People & Culture Committee meetings for the period May 2023 to March 2024 for evidence of regular reporting on the delivery of milestones and KPI's from within the People and Culture Plan. All P & C Committee meetings reviewed were quorate and were held in accordance with their ToR.
- 2.13 In September 2023 an updated Integrated Performance Reporting format was introduced for the reporting of workforce KPI's. This now has a People and Culture section reporting workforce KPI's in Section 2 under Quadruple Aim 3: People and Culture.
- 2.14 A new 'spotlight' report was also introduced in September 2023 focusing on individual Clinical Boards. This provides five or six high level workforce KPIs specific to the Clinical Board, and an update on progress in implementing the P & C Culture Plan, or elements of it.
- 2.15 During 2023 presentations were given to the People and Culture Committee by the Medicine Clinical Board, PCIC, CD & T Clinical Board and Children and Women Clinical Board. These typically provide information such as the workforce profile, workforce KPIs, their approach to People and Culture and key People and Culture Plan achievements.
- 2.16 As well as reporting to the People and Culture Committee, the Executive Director of People and Culture provides workforce metrics updates to the Board and minutes and update reports (sometimes verbal) from the People and Culture Committee meetings. Review of the meeting minutes and papers confirmed that there was regular reporting from the People and Culture Committee to the Board.

Conclusion:

- 2.17 The implementation of the People and Culture Plan is the responsibility of the Executive Director of People and Culture who reports regularly to the People and Culture Committee who in turn report to the Board. The People and Culture Plan was approved by the Board. We have provided **Substantial Assurance** for this objective.

Objective 3: Adequate assurance is provided on the delivery of the themes within the People and Culture Plan.

- 2.18 The People and Culture Plan was originally built around the seven themes set out in the Workforce Strategy for Health and Social Care. Each theme had a People and Culture lead and a named staff Trade Union representative.
- 2.19 At the end of the first year of the plan (2022) in January 2023, progress against the plan was reported to the Strategy and Delivery Committee via an end of year

progress report prepared by the Deputy Head of People Assurance and Experience and presented by the Executive Director of People and Culture.

- 2.20 Monitoring was also undertaken monthly through the provision of 'flash reports' prepared by theme leads, high level progress updates to the Strategic Portfolio Steering Group (no longer in existence) and the quarterly monitoring of workforce performance indicators.
- 2.21 Workshops were also held periodically for the theme leads to discuss what had gone well, future challenges and to ensure the themes remained aligned. Note that the plan is being monitored using calendar years (January to December). Also, no testing was undertaken on the above as testing focused on year 2 (2023) and arrangements for 2024.
- 2.22 An end of year progress report was again prepared at the end of 2023 by the Head of People Assurance and Experience and presented to the People and Culture Committee by the Executive Director of People and Culture in January 2024. This report provided a narrative progress update against each of the seven themes.
- 2.23 As stated in the end of year 2 report, the focus in 2023 was on embedding the plan in the Clinical Boards. The report also noted that during year 2 there was less need for the seven theme leads, as a key component of the Head of People and Culture role was to support the Clinical Boards in the embedding and delivery of the plan.
- 2.24 The year 2 review report also updated the People and Culture Committee on the approach to the work that would be carried out in year 3 (2024). For 2024 the seven themes have been merged into three priority objectives, each with a nominated lead and Trades Union representative:
- Objective 1: People feel valued, developed, supported and engaged.
 - Objective 2: Attract and recruit people with the right skills, abilities, values and experience to meet the health and social care needs of our population.
 - Objective 3: Ensure our services are provided by the right team: a workforce that is affordable, sustainable and integrated to meet current and future service needs and reflects our population.
- 2.25 A presentation to the Workforce Partnership Group (WPG) was made in March 2024 in respect of the implementation of the P & C Plan in 2024. This set out the deliverables for the three objectives in 2024, the governance / reporting structure, the leads and Trade Union reps for each objective and the 19 performance measures / targets for 2024/25.
- 2.26 A workplan for 2024 has also been developed detailing the deliverables and a refreshed set of KPI's. Achievement of the three objectives above will be led strategically by senior members of the People and Culture Team working in conjunction with Trade Union reps and the Deputy Director of People and Culture.

2.27 The day-to-day delivery of the Plan will be led by the Clinical Boards, closely supported by the Heads of People and Culture and the lead Clinical Board staff representatives. Progress will be reported monthly to the Executive Director of People and Culture.

Conclusion:

2.28 Assurance has been provided to the People and Culture Committee and the Board throughout 2023 on the delivery of the seven themes within the People and Culture Plan which have now been merged into three priority objectives for 2024. We have provided **Substantial Assurance** for this objective.

Objective 4: The People and Culture Plan is embedded within the Clinical Boards.

2.29 As noted previously, during 2023 there was less emphasis on the seven People and Culture Plan themes, as the Head of People and Culture worked more closely with Clinical Boards to deliver the plan. There were nominated leads within each Clinical Board, typically the Director of Operations and the Director of Nursing.

2.30 A new 'spotlight' report was also introduced in September 2023 focusing on individual Clinical Boards. This provides five or six high level workforce KPIs specific to the Clinical Board, and an update on progress in implementing the P & C Culture Plan, or elements of it.

2.31 As detailed in objective 2, presentations were given to the People and Culture Committee by some of the Clinical Boards. We understand that similar presentations from other Clinical Boards will be made to the P & C Committee throughout 2024.

2.32 Meetings were held with the People & Culture leads from the Children and Women, Surgery and Mental Health Clinical Boards as part of our audit. The meetings were held to determine the level of engagement between the Clinical Boards and the People and Culture team, to discuss the leads roles in implementing the People and Culture plan within their Clinical Boards and to assess their progress in implementing the People and Culture Plan.

2.33 Overall, there was a good level of engagement between the People & Culture Team and the Clinical Boards, and there was a general consensus of opinion that the Clinical Boards were already doing a lot of what was in the plan, and that culture should be part of everyday core business.

2.34 At the time of our audit, the Clinical Boards were focusing specifically on a number of areas for improvement. These included reducing sickness, improving retention by trying to get a better understanding of why staff leave, improving staff experience and wellbeing at work through Compassionate Response Signposting and Support (CRSS) and undertaking detailed analysis of their workforce to help inform future recruitment requirements. One Clinical Board was also part of the Diverse Cymru Cultural Competence Certification Scheme.

Conclusion:

- 2.35 There has been good engagement between the People and Culture Team and the Clinical Boards who are committed to implementing and embedding the People and Culture plan. We have provided **Substantial Assurance** for this objective.

Appendix A: Management Action Plan

Matter Arising 1: Performance Monitoring (Operation)		Impact
<p>A refreshed set of KPI's has been drawn up for 2024, many of which are similar to those used in 2023. There are 18 performance measures in total, and these have been aligned to the three new priority objectives for 2024 from the P & C plan. Although the document provided showed April 2024 performance levels against the targets, review of the reports provided to the People and Culture Committee, Board and monthly Clinical Board review meetings did not identify reporting of performance against the following seven 2024 indicators at Health Board or Clinical Board level:</p> <ul style="list-style-type: none"> • Staff completing the staff survey • Engagement score • Exit questionnaire completion • Time to Hire • Time to Shortlist • EDI data captured on ESR • Staff with Welsh language skills 2-5 <p>We have been advised by the Deputy Director of People and Culture that the new KPIs for 2024/25 are to be embedded into the next Integrated Performance Report (IPR) and will then go to the Board and People and Culture Committee.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> • Performance against targets is not effectively monitored and corrective action is not taken to address underperforming areas.
Recommendations		Priority
1.1	Management should ensure that the 2024 performance indicators are reported to the next Board and the People and Culture Committee meetings.	Low

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	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 Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.



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