



**GIG**  
**CYMRU**  
**NHS**  
**WALES**

Bwrdd Iechyd Prifysgol  
Caerdydd a'r Fro  
Cardiff and Vale  
University Health Board

# **Annual Report of Audit and Assurance Committee**

**2021-2022**

## **1.0 INTRODUCTION**

In accordance with best practice and good governance, the Audit Committee produces an Annual Report to the Board setting out how the Committee has met its Terms of Reference during the financial year.

## **2.0 MEMBERSHIP**

The Committee membership is a minimum of three Independent Members one of whom must have financial experience and one of whom must be a member of the Quality, Safety and Experience Committee. During the financial year 2021/22 the Committee comprised four Independent Members. In addition to the Membership, the meetings are also attended by the Director of Finance (Lead Executive), Director of Corporate Governance, Head of Internal Audit, Local Counter Fraud Specialist and a Representative of External Auditor (Audit Wales). Other Executive Directors will attend as required by the Committee Chair. The Committee may also co-opt additional independent ‘external’ members from outside the organisation to provide specialist skills, knowledge and expertise.

The Chair of the Board is not a Member of the Committee but attends at least annually after agreement with the Committee Chair.

## **3.0 MEETINGS AND ATTENDANCE**

The Committee met seven times during the period 1 April 2021 to 31 March 2022. This is in line with its Terms of Reference.

At least two members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair or Vice Chair.

The Audit Committee achieved an attendance rate of 82% (80% is considered to be an acceptable attendance rate) during the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 as set out below:

	<b>06.04.21</b>	<b>13.05.21</b>	<b>10.06.21</b>	<b>06.07.21</b>	<b>07.09.21</b>	<b>09.11.21</b>	<b>08.02.22</b>	<b>Attendance</b>
John Union (CC)	✓	✓	✓	✓	✓	✓	✓	100%
David Edwards (VC)	✓	✗	✗	✓	✓	✓	✗	57.1%
Mike Jones	✓	✓	✓	✓	✓	✓	✓	100%
Ceri Phillips	✓	✓	✓	✓	✗	✓	✓	85.7%
<b>Total</b>	<b>100%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>100%</b>	<b>75%</b>	<b>86.95%</b>

## **4.0 TERMS OF REFERENCE AND WORKPLAN**

The Terms of Reference and work plan were reviewed and recommended for Board approval by the Committee on 08 February 2022. The Terms of Reference were approved by the Board on 31 March 2022.

## **5.0 WORK UNDERTAKEN**

As set out in the Terms of Reference, the purpose of the Audit and Assurance Committee is to advise and assure the Board and the Accountable Officer on whether effective arrangements are in place – through the design and operation of the Health Board's assurance framework – to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Health Board's objectives, in accordance with the standards of good governance determined for the NHS in Wales. In particular, the Committee's role includes (but is not limited to) commenting upon: -

- Compliance with relevant regulatory requirements, standards and other directions/requirements set by Welsh Government and others;
- The efficiency, effectiveness and economic use of resources;
- Adequacy of arrangements for (i) declaring, registering and handling interests, and (ii) dealing with offers of gifts or hospitality;
- The Health Board's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate);
- The Schedule of Losses and Compensation;
- The planned activity and results of internal audit, external audit and the Local Counter Fraud Specialist; and
- The adequacy of executive and management response to issues identified by audit, inspection and other assurance activity.

During the financial year 2021/22 the Audit and Assurance Committee reviewed the following key items at its meetings:

### **PRIVATE AUDIT AND ASSURANCE COMMITTEE**

#### **APRIL, MAY, JUNE, JULY, SEPTEMBER, NOVEMBER 2021 & FEBRUARY 2022**

Papers presented to the private session of the Audit and Assurance Committee were as follows:

- Counter fraud Progress Report
- Procurement Compliance Report
- Workforce and Organisational Development Compliance Report

### **PUBLIC AUDIT AND ASSURANCE COMMITTEE**

The work undertaken and considered by the Committee during the financial year 2021 to 2022 included the following: -

- **Internal Audit Progress and Tracking Report & Internal Audit Plan 2021/22**

Internal Audit Reports were submitted to each of the Audit and Assurance Committee meetings (apart from the special meeting in June 2021). The reports provided details on outcomes, key findings and conclusions from the finalised Internal Audit assignments and specific detail relating to progress against the Audit Plan and any updates that occurred within the Plan.

In April 2021 the Committee noted that there had been a delay throughout the year in progressing with delivery of the Internal Audit plan due to the ongoing effects of the COVID-19 pandemic.

The Committee received assurance that the Health Board had put in place appropriate processes, during the COVID-19 pandemic, to monitor and report on matters in compliance with the provisions of the Nurse Staffing Levels (Wales) Act 2016.

The Internal Audit report for the Lakeside Wing, which had been circulated to Committee Members in February 2021, had provided reasonable assurance.

In July 2021 the Committee received a number of completed Internal Audit reports which included: -

- a) Annual Planning process 21/22
- b) Engagement Around Service Planning
- c) Data Quality Performance Reporting (Single Cancer Pathway)
- d) Infrastructure / Network Management
- e) C&W CB – Rostering in Community Children’s Nursing
- f) Staff Recruitment
- g) Wellbeing Hub at Maelfa.

All of the audits above provided reasonable assurance, save for the Annual Planning process 21/22 report which had demonstrated substantial assurance.

At the September meeting, the Committee received three Internal Audit reports which related to (i) Regulatory, Legislative and Alerts Compliance, (ii) Healthy Eating Standards – Hospitals Restaurant and Retail Outlets) and (iii) Mental Health CB – Cancellation of Outpatient Clinics Follow-up, each of which provided reasonable assurance. The report relating to CD&T CB – Ultrasound Governance provided limited assurance.

At the November meeting, the Committee received two Internal Audit reports which related to (i) Clinical Audit and (ii) Five Steps to Safer Surgery. Both reports provided limited assurance.

At the February 2022 meeting, the Committee received four Internal Audit reports which related to (i) Core Financial Systems, (ii) Theatre Utilisation (Surgery Clinical Board), (iii) Retention of Staff and (iv) Welsh Language Standards. All of those audits received reasonable assurance, except for the Core Financial Systems audit which provided substantial assurance.

### **Internal Audit Tracking Report**

The Internal Audit Tracking Report is presented at each Committee meeting in order to provide Members with assurance on the implementation of recommendations made by Internal Audit.

In April 2021 the Committee were advised that the recommendations made by Internal Audit had reduced from 110 recommendations to 106 recommendations during the period February to April 2021.

At the Audit Committee meeting in November the Committee had noted that:

- the overall number of outstanding recommendations had reduced from 96 individual recommendations to 86 during the period September 2021 to November 2021.
- The reduction in recommendations could be attributed to the completion of 30 entries from the tracker following July's Committee meeting.
- A further 20 entries have been added to the tracker.
- Of the 86 recommendations listed 17 were recorded as completed, 62 were listed as partially complete and 7 were listed as having no action taken.

At the meeting in February 2022, the Committee was advised that the outstanding number of recommendations had reduced from 86 to 85. Since that date a further 16 entries had been added to the Tracker.

A review of the outstanding recommendations had been undertaken since the last Audit Committee meeting and each Executive Lead had been sent the recommendation which fell within their remit

### **Audit Wales Update**

At each Committee meeting, Committee Members received and considered an update from Audit Wales in relation to the current and planned Audit Wales work. Accounts and performance audit work were considered, and information was also provided on the Auditor General's wider programme of national value-for-money examinations.

In June the Committee (prior to formal Board approval) considered and ratified the Health Board's audited accounts, performance report and accountability report alongside the audit report, in readiness for the document being submitted to Welsh Government by the June 2021 deadline.

The Committee noted that work was undertaken to review the COVID-19 vaccination roll out which had included a high-level overview of the administration planning and the rollout approach of all vaccinations in Wales.

The Committee was informed that between 8 and 12 March 2021, Audit Wales had held an online week of learning, good practice and ideas linked to the COVID-19 learning project "Making Sense of a Crisis: Learning from the CVOID-19 Pandemic". The learning resources produced were available on the Audit Wales website.

At its July meeting, the Committee received a number of reports from Audit Wales which included: -

- a) Structured Assessment 2021 (Phase One) – Operational Planning Arrangements
- b) Rollout of the COVID-19 vaccination programme in Wales
- c) Procuring and Supplying PPE for the COVID-19 Pandemic
- d) Welsh Health Specialised Services Committee Governance Arrangements

In September the Audit Committee received an addendum report to the Audit of Accounts Report that Audit Wales had presented to the Committee in June 2021. The addendum report set out six recommendations (five of which were IT related), and the Committee was informed that the said recommendations had reflected well on the accounts which were audited. The addendum report also provided the Committee with

an update on the progress the Health Board had made against previous years' recommendations.

At the meeting in November the Committee received the report which related to staff well-being during the COVID 19 pandemic. The Committee noted that in relation to the Structured Assessment (i) Phase 1 had been completed, (ii) Phase 2 was being drafted and (iii) the planned date for consideration of the Phase 2 work was February 2022. The Committee had noted further that the focus of the review for Audit Wales was the clinical audit and delivery arrangements.

At the meeting in February 2022, the Committee received the Phase 2 Structured Assessment which had looked at the Corporate Governance and Financial Arrangements of the Health Board and the follow up of the Radiology Services. A National report on joint working between Emergency Services had also been published. Audit Wales were in the process of drafting the report to review the Quality Governance Arrangements

### **Audit Wales Tracking Report**

The Committee received an Audit Wales Tracking report at each meeting in order to provide Members of the Committee with assurance on the implementation of recommendations which had been made by Audit Wales.

At the meeting in February 2022, the Committee was advised of the following:

- 15 external audits were noted on the Tracker and brought forward from the last Committee meeting.
- Since the last meeting, 4 recommendations had been completed and 11 were partially complete.
- A review of all outstanding recommendations had been undertaken with Executives Leads.

### **Review of Draft Charitable Funds Annual Report and Accounts**

At the November meeting the Committee received and discussed the draft accounts which related to the activities of the Health Board's Charity during the period 1 April 2020 to 31 March 2021.

### **Procurement Compliance Report**

In November, the Committee received and discussed a report which set out some circumstances where potential procurement breaches had occurred together with the actions which had been taken/should be taken in order to mitigate against those breaches. Those actions had included the provision of procurement and governance training to key members of staff and Board members.

### **Review of WHSSC Governance Arrangements**

In September the Committee discussed and noted the proposed management responses of WHSSC and the management responses of the Welsh Government, in response to Audit Wales' recommendations. Those recommendations had been raised in the Audit Wales report which had been reported to the Committee in July.

### **Review the System of Assurance Strategy**

The Committee received an update on the system of the Health Board's draft Assurance Strategy at its September meeting. The Committee noted that the purpose of the Assurance Strategy was to help the Health Board to target those areas where further assurance was required and to avoid further duplication.

The Committee had further noted that the draft Strategy was to be signed off by the Board and that the assurance map was being developed by the Corporate Governance team. The RAG rating on the reports presented were given by the Corporate Governance Team and assurance had been given across the 3 lines of defence.

### **Report of the Auditor General on Test, Trace, and Protect (TTP) in Wales**

The report on the TTP was brought to the Audit Committee meeting in April 2021. The Committee had noted and discussed the report, including the following points:

- the service had been developed largely from scratch and at pace and it had been suggested that the service needed to continue to evolve alongside the mass vaccination programme to effectively manage virus rates,
- The report gave a high-level overview of what had been, and continued to be, a rapidly evolving programme,
- The evidence base for the report included document reviews, interviews with staff in Health Boards, Local Authorities, the NHS Wales Informatics Service (NWIS), Public Health Wales (PHW) and the WG between September and December 2020, and an analysis of key metrics that showed how well the TTP programme had been performing.

### **2021-2022 Fee Letter**

The Audit Wales Audit fee was discussed at the meeting in April 2021.

### **Declarations of Interest, Gifts, Hospitality & Sponsorship**

The Committee routinely received an update with regards to the Health Board's Declaration of Interest, Gifts, Hospitality and Sponsorship register.

The Committee had noted the proposal for staff to complete a "lifetime" Declaration of Interest via ESR.

### **Legislative and Regulatory Tracker Report**

The Legislative and Regulatory Tracker Report is presented to the Committee at each meeting. Amongst other matters, the report provided details with regards to regulatory standards the Health Board is required to meet and regulatory inspections that have been carried out and/or are due to be carried out. The Committee had noted that regulatory inspections had been carried out by:

- 1) Health Inspectorate Wales (HIW);
- 2) United Kingdom Accreditation Service (UKAS);
- 3) Cardiff and Vale of Glamorgan Food Hygiene Ratings; and
- 4) Fire and Rescue Services.

The Committee noted that the Tracker has been developed considerably during the course of the year. More latterly, an internal audit had recommended three areas for improvement and, at its November meeting, the Committee had received assurance that those recommendations had been completed.

### **Standing Orders, SFI's, Reservation and Delegation of Powers**

The Committee reviewed the proposed updates to the Health Board's Standing Orders, Reservations and Delegation of Powers, and Standing Financial Instructions in May and endorsed those proposed updates for submission to the Board for final approval.

### **Board effectiveness survey 2020-2021**

As part of the Health Board's assurance arrangements, in May the Committee was presented with (i) the findings of the Annual Board Effectiveness Survey 2020-2021, and (ii) an update on the action plan following the survey undertaken in 2019-2020.

#### **Induction Support for Committee Members - Verbal**

In April the Committee noted that there was an opportunity for new Members to receive induction training with regards to the role and responsibilities of the Audit and Assurance Committee, and to have the opportunity to familiarise themselves with the standing items on the Audit and Assurance agenda.

### **6.0 REPORTING RESPONSIBILITIES**

The Committee has reported to the Board after each of the Audit and Assurance Committee meeting by presenting a summary report of the key discussion items at the Audit Committee. As per the Committee's Terms of Reference, the report is presented by the Committee Chair in which he must:

- 1) Report formally, regularly and on a timely basis to the Board and the Accountable Officer on the Committee's activities. This includes verbal updates on activity and the submission of Committee minutes and written reports throughout the year;
- 2) Bring to the Board and the Accountable Officer's specific attention any significant matters under consideration by the Committee;
- 3) Ensure appropriate escalation arrangements are in place to alert the UHB Chair, Chief Executive (and Accountable Officer) or Chairs of other relevant committees of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

### **7.0 OPINION**

The Committee is of the opinion that the draft Audit and Assurance Committee Report 2021/22 is consistent with its role as set out within the Terms of Reference and that there are no matters that the Committee is aware of at this time that have not been disclosed appropriately.

**John Union**

**Committee Chair**