

**Minutes of the Public Audit & Assurance Committee Meeting
Held On 02 July 2024 at 9:00am
Via MS Teams**

View the meeting here: <https://youtu.be/rXZpJ6DoEGQ>

Chair:		
Rhian Thomas	RT	Independent Member for Capital and Estates and Committee Chair (CC)
Present:		
David Edwards	DE	Independent Member for ICT
Mike Jones	MJ	Independent Member for Trade Union
Ceri Phillips	CP	Vice Chair of the Health Board
John Union	JU	Independent Member for Finance
In Attendance:		
Edward Hunt	EH	Programme Director – Strategic Planning
Mark Jones	MJ	Audit Manager – Audit Wales
Lucy Jugessur	WW	Interim Deputy Head of Internal Audit (IDHIA)
Gareth Lavington	GL	Lead Local Counter Fraud Specialist (LLCFS)
Helen Lawrence	HL	Assistant Director of Finance
Robert Mahoney	RM	Deputy Director of Finance
Lianne Morse	LM	Deputy Director of People & Culture
Urvisha Perez	UP	Audit Lead - Audit Wales
Matt Phillips	MP	Director of Corporate Governance (DCG)
Frankie Thomas	FT	Head of Corporate Governance
Ian Virgil	IV	Head of Internal Audit (HIA)
Observers:		
Glynis Mulford	GM	Risk & Regulation Officer
Secretariat:		
Nathan Saunders	NS	Senior Corporate Governance Officer
Apologies:		
Marie Davies	MD	Interim Executive Director of Strategic Planning
Rachel Gidman	RG	Executive Director of People and Culture
Catherine Phillips	CP	Executive Director of Finance (EDF)

Item No	Agenda Item	Action
AAC 24/07/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
AAC 24/07/002	Apologies for Absence Apologies for absence were received. The Committee resolved that: a) Apologies were noted.	

<p>AAC 24/07/003</p>	<p>Declarations of Interest</p> <p>The Committee resolved that:</p> <p>a) No Declarations of Interest were noted.</p>	
<p>AAC 24/07/004</p>	<p><u>Minutes of the Meeting Held on 20 May 2024 – click to view</u></p> <p>The Minutes of the Meeting Held on the 20 May 2024 were received.</p> <p>The Committee resolved that:</p> <p>a) The draft minutes of the meetings held on 20 May 2024, were held to be a true and accurate record of the meeting.</p>	
<p>AAC 24/07/005</p>	<p><u>Actions – Following Meeting held on 20 May 2024 – click to view</u></p> <p>The Actions were received.</p> <p>The Committee resolved that:</p> <p>a) The Actions were discussed and noted.</p>	
<p>AAC 24/07/006</p>	<p><u>Internal Audit Progress Report – click to view</u></p> <p>The Internal Audit Progress Report was received.</p> <p>The Head of Internal Audit (HIA) advised the Committee that he would take the report as read and highlight key areas which included:</p> <ul style="list-style-type: none"> • The report received was the first audit progress report to update the Committee on delivery of the 2024/25 Internal Audit Plan whilst also picking up on the remaining audits from the 2023/24 plan. • Section 2 noted that 4 audits had been scheduled to come to the Committee in July 2024 but deadlines were not met and the reasons for the delays were outlined within the report. • Section 3 noted that 7 audits had been finalised since the previous meeting of the committee with scores which included: <ul style="list-style-type: none"> - Follow-up: Management of Health Board Policies - Follow-up: Medical Records Tracking (CD&T CB) - Eyecare Digitisation Programme - PCIC CB Governance Arrangements - IMTP Development Process - Temporary Staffing Costs - Decarbonisation • Section 4 – the progress of delivery of the 2024/24 Internal Audit Plan which outlined 37 reviews of which 5 were work in progress and 10 at planning stage. 	

- Section 5 outlined changes made to the 2024/25 Internal Audit Plan since approval at the Committee meeting in May 2024.

It was noted that the planned timing of the audit of Business Continuity Planning had moved from Q1 to Q3 at the request of the service.

- It was noted that section 6 of the report outlined the assurance on recommendation tracking and confirmed that Internal Audit had looked at a number of recommendations that were recorded to the Committee as complete during 2023/24, with testing undertaken to confirm the accuracy of those.
- Section 7 outlined each of the finalised audits mentioned in section 3 and a summary of each finalised audit was provided to the Committee:

- **Decarbonisation (Limited Assurance)**

The HIA advised the Committee that Internal Audit had issued limited assurance on that area but had acknowledged that a lot of positive work had been done to promote decarbonisation within the Health Board and the team had highlighted a number of initiatives to potentially reduce the carbon emissions within the Health Board.

The Programme Director – Strategic Planning (PDSP) was asked to provide an update on what actions would be undertaken to improve the assurance rating of the audit.

The PDSP advised the Committee that there was a lack of a costed plan to meet the NHS Wales 16% carbon reduction target by 2025. He outlined the challenges and the need for organisational transformation, mentioning the "Shaping Our Future Well-being" plan as a potential vehicle for achieving carbon reduction goals.

It was noted that the Board Assurance Framework (BAF) had been re-engineered and was being presented to the Board at its Board Development session in August.

He added that there was an ongoing review of the Welsh Government's (WG) carbon reduction target and the importance of financial sustainability, productive capacity, and prevention in addressing decarbonisation and noted that there was a need for a comprehensive approach involving the entire organisation to achieve the decarbonisation targets.

The Director of Corporate Governance (DCG) added that the limited assurance provided by Internal Audit was timely because there were wider discussions happening with the Board around decarbonisation and sustainability.

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The CC noted that the 2024/25 plan would be updated to add a 12 month follow up on the limited assurance audit on decarbonisation and asked that regarding actions, where would the Health Board expect to be in those 12 months.

The DCG responded that the BAF work would be closed off by September 2024 and the PDSP noted that there was no reason a costed plan could not be drawn up by then but that it would need assistance from the whole organisation.

- **Management of Health Board policies (Reasonable Assurance)**

The Interim Deputy Head of Internal Audit (IDHIA) advised the Committee that since completion of the original audit there had been a number of changes to the staff within the Corporate Governance Department, including appointment of a new Director of Corporate Governance which had led to changes in the arrangements and processes for the management of policies.

She added that management had made good progress in introducing the new arrangements and therefore addressing the recommendations detailed in the initial Final Internal Audit Report. Of the nine recommendations made, six of them were closed and the one high recommendation had been moved down to medium.

- **Follow-up: Medical Records Tracking CD&T (Reasonable Assurance)**

The IDHIA advised the Committee that Management had made reasonable progress in addressing the recommendations, and the management actions detailed in the initial Final Internal Audit Report. Of the seven recommendations made, three of them had been closed, including two of the high priority recommendations.

It was noted that the Health Board's Records Management Policy and Procedure had both been updated and a Health Records Security & Storage action Plan had been developed.

The CC asked that the report be received by the Quality, Safety & Experience Committee in the future.

- **Eyecare Digitisation Programme (Reasonable Assurance)**

The HIA advised the committee that whilst Internal Audit had provided reasonable assurance over the review, in coming to that position Internal Audit considered the Variation Agreement that was completed during 2023, which clarified and updated several requirements from the original contract.

- **PCIC CB Governance Arrangements (Reasonable Assurance)**

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The HIA advised the Committee that matters that required management attention included:

- Terms of References (TOR) were out of date for some of the groups/ committees within the Clinical Board.
- Non-compliance with the frequency of meeting requirements set out in the TOR.
- Meetings were not always attended in line with the terms of reference.

- **IMTP Development Process (Reasonable Assurance)**

The HIA advised the Committee that Internal Audit has issued reasonable assurance and significant matters which required management attention included:

- 2 high priority matters
- 2 medium priority matters

The CC noted that one of the recommendations was around errors in labelling financial data and asked what would be done to rectify that.

The Deputy Director of Finance (DDF) responded that a huge amount of data flowed through the team and noted that it would be looked at on a continuous improvement basis.

The HIA added that the report had been cleared with the Deputy Director of Finance who had provided assurance that areas would be tightened.

- **Temporary Staffing Costs (Limited Assurance)**

The IDHIA advised the Committee that the Health Board had and continued to make significant progress with its ambition to curb reliance on agency staffing noting that since spring 2023, the Health Board had implemented additional controls and mechanisms to scrutinise the use of temporary staff and ensure that those were only engaged where necessary after alternative and more cost-effective options have been explored.

The Deputy Director of People & Culture (DDPC) was asked to provide an update on what actions would be undertaken to improve the assurance rating of the audit.

The DDPC acknowledged the limited assurance outcome as disappointing but not surprising.

She highlighted the significant progress made in curbing reliance on agency staffing, the implementation of additional controls, and the development of an escalation process for high-band staff allocation.

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	<p>The DDPC added that there was now a focus on effective rostering and adherence to procedures, with a team approach involving the corporate nursing team and finance team for rostering reviews and emphasised the ongoing efforts to improve efficiency and reduce agency, overtime, and bank usage.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports were considered b) The proposed adjustments to the 2024/25 plan were approved. 	
<p>AAC 24/07/007</p>	<p>Head of Internal Audit Opinion – click to view</p> <p>The Head of Internal Audit Opinion was received.</p> <p>The HIA reminded the Committee that the draft version had been received by the Committee at the workshop held in May 2024 and that the final version had been updated to be received by the Committee at the meeting.</p> <p>He added that the overall opinion for 2023/24 was that the Board could take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively’.</p> <p>It was noted that the report also included details of the 5 audits that had been removed or deferred from the plan during 2023/24, as reported to previous meetings of the Committee and that those audits and the reason for their removal / deferment had been considered when compiling the HIA Opinion.</p> <p>The HIA concluded that the opinion would be reflected in the Health Boards Annual Report.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) It was Recommended to the Board that it agrees and endorses the Head of Internal Audit Opinion and Annual Report for 2023/24. 	
<p>AAC 24/07/008</p>	<p>Audit Wales Update – click to view</p> <p>The Audit Wales Update was received.</p> <p>The Audit Manager – Audit Wales (AMAW) advised the Committee that items of the financial audit and the audit of the annual Accounts Performance Report Accountability Report, it was all on track for the Special meeting being held by the Committee on 11 July 2024 and then Special Board on the same day.</p>	

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	<p>He added that final checks were being performed on the financial accounts and that it was worth noting that the 2023/24 Pay award was voted back into last week as an acceptance by the unions, mainly affecting junior doctors.</p> <p>It was noted that WG was currently preparing a note for inclusion in the health bodies' annual accounts regarding that pay award.</p> <p>The Audit Lead - Audit Wales (ALAW) advised the Committee that in terms of the performance audit work, exhibit 2 received by the Committee showed Audit Wales' current and planned work which included:</p> <ul style="list-style-type: none"> • Structured assessment work for 2024/25 had started and so Committees of the Board would see Audit Wales attending those meetings. • Review of Unscheduled Care which could examine different aspects of the unscheduled care system and included analysis of national data sets to present a high-level picture of how the unscheduled care system was currently working <p>The ALAW advised the Committee that exhibit 3 provided information on other relevant examinations and studies published by the Auditor General in the last six months and highlighted the Community Pharmacy Data Matching Pilot specifically.</p> <p>The Committee resolved that:</p> <p>a) The Audit Wales Update was noted.</p>	
<p>AAC 24/07/009</p>	<p><u>Declarations of Interest, Gifts & Hospitality Report – click to view</u></p> <p>The Declarations of Interest, Gifts & Hospitality Report was received.</p> <p>The DCG advised the Committee that the report was received by the Committee periodically and last time, it noted that everything was being transferred over to the Electronic Staffing Record (ESR) which had now be completed.</p> <p>He added that Employees were required to make a single declaration and then update when things changed and all Board members needed to make an annual declaration.</p> <p>It was noted that bands 7 and above would continue to be the focus of data capture which would be achieved by targeted emails to account holders and a piece of work would be developed with Executive Director of People & Culture and Executive Medical Director to target those medics not currently recording interests on ESR.</p> <p>The Committee resolved that:</p>	

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	<p>a) The ongoing work being undertaken within Standards of Behaviour was noted.</p>	
<p>AAC 24/07/010</p>	<p>Recommendation Tracker Update – click to view</p> <p>The Recommendation Tracker Update was received.</p> <p>The DCG advised the Committee that the report had also been received at the previous meeting and so the actual trackers had not been included this time.</p> <p>He added that he had committed to 2 key areas to report back to the Committee on which included:</p> <ul style="list-style-type: none"> • Aged Internal Audit recommendations from pre-2022 of which there were 7. • The system of recording recommendations – It was noted that the Corporate Governance team had been transferring the regulatory trackers on to AMAT with 2 of the 3 areas (Internal Audit & Audit Wales) having been transferred across and it was just the regulatory trackers to conclude. <p>It was noted that another update would be received in November 2024 and that the AMAT platform would be used to present the data.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) Assurance was noted from the progress which had been made in completing the recommendations that continued to be monitored and updated made by Internal / External Audit and Regulatory Reviews. b) Assurance was noted by the progress which had been made since the previous Audit and Assurance Committee Meeting in May 2024. 	
<p>AAC 24/07/011</p>	<p>Structured Assessment Response – click to view</p> <p>The Structured Assessment Response was received.</p> <p>The Head of Corporate Governance (HCG) reminded the Committee that Audit Wales undertook a structured assessment on the Health Board on an annual basis and that they had highlighted 7 formal recommendations for the Health Board and within those recommendations, the Corporate Governance Team identified 14 actions to be undertaken which were outlined for the Committee with updates/responses to each provided.</p> <p>The ALAW thanked the HCG for the summary provided and noted that good progress had been made.</p> <p>The Committee resolved that:</p>	

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	<p>a) Assurance was noted from the actions and recommendations outlined at Appendix 2 received and the ongoing work to complete the actions and recommendation</p>	
<p>AAC 24/07/012</p>	<p>Policy Update – click to view</p> <p>The Policy Update was received.</p> <p>The DCG advised the Committee that the Policy Update received was due to the Health Boards control status moving from Limited Assurance to Reasonable Assurance, a positive improvement due to ongoing actions being resolved.</p> <p>He added that there were 2 key areas to note which included:</p> <ul style="list-style-type: none"> • The Written Control Documents – Development and Approval Procedure (UHB 242) required a review which was ongoing and would be brought back to the Committee for final Approval in September 2024. • The Management of Policies, Procedure and other Written Control Documents Policy (UHB 001) had been reviewed and no substantial alteration was required <p>The Committee was advised that the use of the Audit Management and Tracking (AMaT) system had been used to transfer all of the Health Board policies which outlined that 138 policies were in progress or completed (i.e. in date) and 261 were overdue.</p> <p>The DCG noted that the use of AMaT meant that people were automatically reminded when their policy was out of date and that work was ongoing to address those.</p> <p>He added that there had been positive work undertaken between the Corporate Governance Team, The Executive Assistant’s and the Executives to address the policy issues.</p> <p>The DCG concluded that a synchronisation exercise was underway to review of all of the Health Board systems that stored policies ensuring that they were appropriately aligned with the AMaT repository with an intended aim to ensure that AMAT, the CAVUHB website, and CAVUHB SharePoint all held the same Policies and in the same format with alignment of referencing and numbering to ensure ease of searching.</p> <p>The Committee resolved that:</p> <p>a) The update and continued course of action was noted.</p>	
<p>AAC 24/07/013</p>	<p>Procurement Compliance Report / Single Tender Actions – click to view</p>	

	<p>The Procurement Compliance Report / Single Tender Actions report was received.</p> <p>The DDF advised the Committee that the Procurement Compliance Report / Single Tender Actions was received at each meeting and that it worked through the areas of activity outside of the Health Boards procurement which were in breach of its Standing Financial Instructions (SFIs) or Single Tender Actions (STA) or Single Quotation Actions (SQA).</p> <p>He added that the paper set out all of the non-compliant activity and the actions undertaken to reduce those.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The content of the report was noted b) The content of the report was agreed. 	
<p>AAC 24/07/014</p>	<p><u>Losses and Special Payments Panel Report 2023-2024 – click to view</u></p> <p>The Losses and Special Payments Panel Report 2023-2024 was received.</p> <p>The DDF advised the Committee that the report was an anomaly due to the timing of the paper received and noted that the Committee usually would have received an update from the Losses and Special Payments Panel held on 20th November 2023 November earlier in the year.</p> <p>He added that the report received outlined and summarised the outcomes from the Losses and Special Payments Panel held on 20 November 2023 and also 22 May 2024.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The write offs for the period outlined in the Opinion and Key issues Section of that report as recommended by the Losses and Special Payments Panel held on 20th November 2023 and 22nd May 2024 were approved. 	
<p>AAC 24/07/015</p>	<p><u>Counter Fraud Progress Update – click to view</u></p> <p>The Counter Fraud Progress Update was received.</p> <p>The Lead Local Counter Fraud Specialist (LLCFS) advised the Committee that he would take the report as read.</p> <p>He added that the report received was the usual report received at each meeting and noted that it included a benchmarking table around e-learning across Wales.</p> <p>The Committee resolved that:</p> <ul style="list-style-type: none"> a) The report was noted. 	

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AAC 24/07/016	Agenda for Private Audit and Assurance Committee <i>i. Counter Fraud Progress Update (Confidential – ongoing investigations)</i> <i>ii. Health Board Salaries Overpayment Update</i>	
AAC 24/07/017	Any Other Business No Other Business was discussed.	
AAC 24/07/018	Items to be deferred to Board / Committee The CC reminded the Committee that it had been noted that the Follow-up: Medical Records Tracking (CD&T CB) audit report would be received by the Quality, Safety & Experience Committee at its meeting held in October 2024.	
	Date and time of next committee meeting Special meeting held Tuesday 11th July 2024 at 9am via MS Teams	

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