

**CONFIRMED MINUTES OF THE AUDIT COMMITTEE
HELD ON 24 APRIL 2018
IN THE CORPORATE MEETING ROOM, HEADQUARTERS, UHW**

Present:

John Antoniazzi	Independent Member – Audit Chair
John Union	Independent Member - Finance
Dawn Ward	Independent Member – Trade Union

In Attendance:

Carol Evans	Assistant Director of Patient Safety & Quality
Craig Greenstock	Counter Fraud Manager
Ian Virgil	Deputy Head of Internal Audit
James Johns	Head of Internal Audit
John Herniman	Wales Audit Office
Graham Shortland	Medical Director
Peter Welsh	Director of Corporate Governance
Robert Chadwick	Director of Finance
Tom Haslam	Wales Audit Office

Glynis Mulford	Secretariat
----------------	--------------------

Apologies:

Mark Jones	Wales Audit Office
------------	--------------------

AC: 18/001 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone present to the meeting. Tom Haslam, Wales Audit Office introduced himself to the Committee and was greeted on attending his first meeting.

AC: 18/002 APOLOGIES FOR ABSENCE

Apologies for absence were noted.

AC: 18/003 DECLARATIONS OF INTEREST

The Chair invited Members to declare any interests in the proceedings.

**AC: 18/004 UNCONFIRMED MINUTES OF THE MEETING HELD ON 27
FEBRUARY 2018**

The Committee **RECEIVED** and **APPROVED** the minutes of the meeting held on 27 February 2018.

AC: 18/005 ACTION LOG FROM MEETING OF 27 FEBRUARY 2018

The Committee **RECEIVED** the Action Log from the meeting of 27 February 2018 and **NOTED** the following:

AC 17/092 – Wales Audit Office Committee Update (District Nursing Services) - Mrs Carol Evans informed the Committee that the PCIC Clinical Board's Director of Nursing had completed a baseline assessment. The Executive Nurse Director will be taking the assessment to the Management Executive meeting. A copy had been sent to the Audit Committee Chair and a copy will be forwarded to the Director of Corporate Governance. **COMPLETE**

AC 17/073 – Wales Audit Office Review of Progress Update – Management of Follow-up Outpatients - The Chief Operating Officer presented a report to the Quality, Safety and Experience Committee (QSE). As the Committee was not fully assured a further report will be brought later on in the year. This item will continue to be monitored by QSE. **COMPLETE**

AC 17/072: Wales Audit Office GP Out of Hours Services - This item will be taken to the QSE Committee agenda setting meeting for further consideration. **COMPLETE**

15/008 – Business Continuity Planning – A follow up has been undertaken and will be brought to next Committee meeting. **COMPLETE**

AC: 18/006 INTERNAL AUDIT PROGRESS REPORT

The Chair raised concerns around setbacks with internal audit reports not being finalised in a timely manner by Clinical Boards and their departments. The Director of Corporate Governance stated that bi-monthly reports were presented to the Management Executive meeting and a timescale was agreed by the Executives and if necessary raised at operational level. The Committee was informed that at the forthcoming Board Development session, Simon Cookson would be talking to members on the importance and role of the Internal Audit service.

The Head of Internal Audit, gave an update on the Progress Report. The following was highlighted:

- In regard to assignments with delayed delivery, some reports had taken longer than anticipated to be process. This had been discussed with executives and was working with the organisation on the importance of getting reports through the system.
- Regarding outcomes from completed audit reviews, there had been six overall with positive outcomes, four were reasonable and one was limited.

- The two reasonable reports, Model Ward and IT Server Virtualisation, had a few recommendations to be followed up on.
- The Delivery of the Audit Plan 2018/19 highlighted that a few reports remained outstanding for completion. These were scheduled to come to main meeting in May. In addition, two limited reports were also expected to come forward to next meeting.
- The Internal Audits focused on areas of risk and it was recognised with 40 audits per year, it would be anticipated to have a small number of limited reports. This would not have an impact on the overall opinion, which will be reasonable. It was important for the Health Board to take action quickly on these.
- It was further explained if the outcome of a limited follow up report remained limited, this was due to actions not been followed up appropriately. Once it had been to the Audit Committee these had to be reported to Welsh Government. This was another level of escalation which could give further assurance to the Committee.
- An Annual Report and Opinion was being prepared to come to the following meeting. The different assurance domains in the Plan still allowed the Organisation a reasonable assurance.
- The Director of Corporate Governance stated that the Deloitte's Financial Governance Review had substantial assurance which followed on from WAO and the information submitted to the Public Accounts Committee (PAC). The PAC were pleased with assurance and progress made on the report.

Deprivation of Liberties Safeguarding – Limited Assurance: An initial review of compliance with DoLs report was conducted in March 2016. A follow-up assessment of the report identified that it still sat at the end of assurance rating which remained limited. It was acknowledged that there had been progress with a couple of actions. There were four management actions that needed to be completed from the original review. Two actions were completed, one partially actioned and one had not been actioned which related around DoLs outstanding assessments. The number of assessments had increased but also the time to complete assessments had grown. It was recognized that in raising DoLs awareness there were more assessments to be completed. There was one new issue identified which was in delay with sign off at executive level. There have been a number of discussions with the Medical Director and additional information had been received. A further follow-up will be conducted in the 2018/19 plan.

Dr Graham Shortland, Medical Director stated in terms of training figures, this had been brought to every Mental Health Capacity and Legislation Committee (MHCLC) where it was acknowledged that training numbers were not sufficient. They had looked at ways of raising awareness by inviting Clinical Boards to present their strategy in regard to the Mental Capacity Act, which influences heavily the ability to deliver DoLs. Members were informed that it was encouraging to see the increase in number of referrals. The Cheshire West ruling had hit Health Boards across Wales significantly and had seen signing of DoLs assessments increase from one or two per

week nearly 600 per year. Awareness has been raised in terms of DoLs process and this had presented to Board. In terms of number of requests this had also increased.

Every three months meeting had been arranged to meet with Cardiff Council and the Vale Council. Fifty per cent of assessments completed across the LHBs were between 29 days and six months and realized this was too long. It was widely recognized there was a problem in Wales with regard to DoLs assessment. There was a need to have a process by which the managing authority for DoLs is seen as the Clinical Boards and the sign off by executives. A paper had been taken to Management Executives meeting in regard to this.

It was explained that in addition to the management response, there were figures available for staff training and will take forward to MHCLC. There were regular three monthly meetings with Cardiff Council and the Vale Council where plans for training are put in place. There was the ability to convince both councils that our urgent applications were most important. In December 2017, 25% of Cardiff Council assessments had been completed, the Vale Council completed 14% and the Health Board completed 61%. This demonstrated that the HB was doing significantly better than our local authority partners.

The Committee was assured that it would continue with training and the programme of education. It was recognized this area needed a high degree of senior assurance with regard to sign off. It was being considered for each Clinical Board to act as an independent function. For example, the Medicine Clinical Board could be a managing authority and the Mental Health Clinical Board would sign and authorize the assessments.

It was discussed and noted:

In response to the expected increases for future it was stated that we know there is a risk in terms of quality for patients and recording that they are deprived of liberty so appropriate care can take place but there is also a financial risk to this organisation. There had been an increase of 20% last year and anticipated 12% growth this year, although it was suggested this would flatten off, it was anticipated there would be continued growth in the requirement for this statutory function.

From the HIW report 2016/17 it was identified that Cardiff and Vale had a high percentage of authorization and out of 100 applications, 60 had been authorized. It was recognized that the authorization process and best interest assessment takes up the resource. Work will be undertaken looking at our thresholds for authorization. It was anticipated the numbers would plateau out and with the aforementioned in place, would see some improvement.

The report would be followed up in 6 months times. It was asked that in the next discussion we reflect the 50% of assessments completed across LHBs and would appreciate a conversation on what would be considered reasonable performance to take place with the Medical Director and internal audit for presentation to the Audit Committee in the follow-up report.

The Committee:

- **CONSIDERED** and **NOTED** the Progress Report Against Plan

AC: 18/007 WALES AUDIT OFFICE INFORMATICS SYSTEMS IN NHS

Mr John Herniman, Wales Audit Office highlighted the key issues of the report which was a national study. This was to see if locally there could be learning gained and was presented at Committee for information. The recommendations were mainly directed at Welsh Government and other NHS bodies. The report will go forward to the Information and Governance sub-Committee to see if there is anything to be addressed. The report had been critical of national informatics in relation to effective and efficient patient care. The report looked at arrangements which identified weaknesses and delays on priority projects. The recommendations had been accepted and the report forwarded to the Public Accounts Committee who will have a further evidence session and the outcome from this will be a further report.

The report was commended by the Chair and stated this was vital to improve systems and reduce cost. There was wider discussion on local implementation and different ways of working.

The Committee:

- **NOTED** the report

AC: 18/008 WALES AUDIT OFFICE – AUDIT COMMITTEE AGENDA

The Committee **RECEIVED** and **NOTED** the above report from Wales Audit Office, who informed Members the report raised no significant issues on the Health Board accounts.

AC: 18/009 TRACKING REPORT ON WALES AUDIT OFFICE RECOMMENDATIONS

Mr Peter Welsh, Director of Corporate Governance presented the final update of the Management Response to the Committee. This will be changed in-year and were in discussions with the all Wales Board Secretaries as it was recognized the tool could be improved and look at best practice.

The Committee:

- **NOTED** the report

AC: 18/010 AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT

The Committee **REVIEWED** the draft response to the Wales Audit Office Enquiries and **APPROVED** its submission to the Wales Audit Office, subject to any agreed changes made by the Audit Committee and any further comments received from the Chief Executive and Chair.

AC: 18/011 INTERNAL AUDIT PLAN 2018/19

Mr James Johns, Head of Internal Audit, informed the Committee on how the work would be delivered and the strategic approach taken of the Internal Audit Plan and Charter. It was explained how the plan is developed, structured and the approach was described in relation to Public Sector Audit Standards.

In regard to improvements being made, the Head of Internal Audit stated that at times follow-up audits did fluctuate. Follow-up information was brought to the Committee and if it produced a limited assurance rating, a more detailed report would be presented. It was emphasized to the Organisation, the appropriateness of working together when issues are identified and for them to come through in a timely manner. It was stated that it should be reinforced how the organisation engages and works with Internal Audit in a timely and effective way of delivering the reports.

The Committee:

- **APPROVED** the Internal Audit Plan including the Strategy and Charter for 2018/19

AC: 18/012 HANDOVER OF CARE AT EMERGENCY DEPARTMENTS – WELSH AMBULANCE SERVICE TRUST INTERNAL AUDIT REPORT

Mr Peter Welsh, Director of Corporate Governance, presented the report and informed the Committee that all Health Boards had been asked for it to be presented for noting at each Audit Committee. This was also discussed at the all Wales Chairs meeting. There were implications for providers and there should be a collective view on management response. The report would for forward to the QSE Committee for monitoring and scrutiny.

ACTION: Report to go forward to QSE Committee

AC: 18/013 ITEMS FOR INFORMATION

Items for Information were **NOTED**.

AC: 18/014 REVIEW OF MEETING

There were no items to be reviewed.

AC: 18/015 URGENT BUSINESS

There was no urgent business.

AC: 18/016 DATE OF NEXT MEETING

The next Audit Committee and Workshop meeting is scheduled to take place at **9.00am** on **Tuesday, 22 May 2018** in the Corporate Meeting Room, Headquarters, UHW