

**CONFIRMED MINUTES OF THE AUDIT COMMITTEE
HELD ON MONDAY, 3 DECEMBER 2019
COED Y BWL ROOM, GROUND FLOOR, WOODLAND HOUSE
MAES Y COED ROAD, HEATH, CARDIFF CF14 4HH**

Present:

John Union	JU	Chair – Audit
Eileen Brandreth	EB	Independent Member - ICT
Dawn Ward	DW	Independent Member – Trade Union

In attendance:

Anne Beegan	AB	Wales Audit Office
Robert Chadwick	RC	Executive Director of Finance
Nicola Foreman	NF	Director of Corporate Governance
Craig Greenstock	CG	Counterfraud Manager
Mark Jones	MJ	Wales Audit Office
Alexandra Scott	AC	Patient Safety Quality Assurance Manager
Ian Virgil	IV	Interim Head of Internal Audit

Secretariat:

Glynis Mulford

Apologies:

Stuart Walker	SW	Executive Medical Director
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AC: 19/12/001	WELCOME AND INTRODUCTIONS	ACTION
	The Chair welcomed everyone to the meeting.	
AC: 19/12/002	APOLOGIES FOR ABSENCE	
	Apologies for absence were noted.	
AC: 19/12/003	DECLARATIONS OF INTEREST	
	The Chair invited Members to declare any interests in the proceedings. None were declared.	
AC: 19/12/004	MINUTES OF THE AUDIT COMMITTEE HELD ON 30 SEPTEMBER 2019	
	The Committee reviewed the minutes of the meeting held on 30 September 2019.	
	The Committee resolved that:	
	The Committee received and approved the minutes of the meeting held on 30 September 2019.	
AC: 19/12/005	ACTION LOG FOLLOWING THE LAST MEETING	
	The Committee reviewed the Action Log of the meeting held on 30	

September 2019, and noted that the following amendments should be made:

AC: 19/09/005 – Wales Audit Report on Medical Equipment: In regards to how other Health Boards deal with equipment less than £5k inventory. **COMPLETED**

AC: 19/009/007 – Brexit Update: To check as this item had been raised at Board.

AC: 19/09/012 – Clinical audit: change wording on action from internal audit to clinical audit.

The Committee resolved – that:

- a) the action log be amended and noted.

AC: 19/12/006 CHAIRS ACTION TAKEN SINCE LAST MEETING

No actions have been taken.

AC: 19/12/007 INTERNAL AUDIT PROGRESS AND TRACKING REPORT

Mr Ian Virgil, Acting Head of Internal Audit presented an overview of the progress report on the internal audit plan. The following comments were made:

- Members were provided with the details of delayed audits. The delay to the Tentacle IT system, which had received a limited rating, had been reviewed at a recent cancer meeting. Responses to those recommendations would be produced shortly.
- The Consultant Job Planning report was in draft due to delay in receiving responses from Management. The draft report had been received by the Management Executive meeting and the outstanding information would be pursued.
- Five other reports were delayed due to resourcing issues in the Internal Audit team. Members were advised that vacant posts had been appointed to and the outstanding reports would be completed by the end of the year.
- The remaining 11 reports gained positive outcomes with substantial or reasonable ratings.
- The Kier Construction report was a specific piece of work looking at supply chain contractors and as it centred on processes outside the Health Boards remit. Feedback could not be provided and would not feed into the annual opinion.
- The Continuing Healthcare (CHC) reports were assigned separately as the processes for child and adult CHC differed.

The Chair asked for comments and questions:

Independent Member – ICT asked how the Committee followed through on actions on the tracker. In response it was confirmed that

actions would be placed on the Internal Audit tracker and monitored until they were completed. As Clinical Boards became aware of the process the tracker would become more robust. Further assurance would be provided as the tracker would be presented at the Management Executives meeting and the leads would distribute the tracker to their team to respond. In addition, Clinical Board Directors would review the tracker at the HSMB meeting.

The vast majority of audits received a positive outcome, but two reports received limited assurance which may impact on the year end opinion.

Adjustments to the plan were explained in regard to Brexit Planning which was delayed to fit in with the availability of Management. The Board would be changing the strategy around Commercial Outlets and therefore this item had been removed from the plan. Members were happy with the described adjustments.

Timeliness of responses showed that the Health Board had achieved 79% against the KPI. This was below the target of 90% but had increased from last year when the compliance rate was 56%, this represented a big improvement.

In conclusion, the Chair confirmed that it was encouraging to see the amount of substantial and reasonable reports coming through.

The Committee Resolved that:

- a) The Committee considered the Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports;
- b) Considered and approved updates to the Internal Audit Plan; and
- c) Agreed to the adjustments to the Internal Audit Plan.

AC: 19/12/008

INTEGRATED CARE FUND REPORT – CARDIFF AND VALE REGIONAL PARTNERSHIP FUND

Anne Beegan, Wales Audit Office (WAO) informed Members that the report focused on the Integrated Care Fund and Regional Partnership Boards (RPB) across Wales and whether funds were being used effectively to deliver services. A few areas had been identified for improvement and this was consistent across Wales. Also highlighted was membership of the various levels within the RPB to ensure independence, as there was a potential conflict of interest around decisions being made concerning the Integrated Care Fund (ICF).

The Chair asked for comments and questions:

- Independent Member – Trade Union asked how would the WAO know that the recommendations would be adopted and implemented? It was confirmed that WAO called these "areas for improvement" because they were areas that were fed back to the

RBP. Where there was an area for improvement, this sat within the national report and would be monitored through Welsh Government. The WAO would not follow-up on specific actions as this would be undertaken nationally. The work was followed through the lens of the ICF but the message to WG from WAO was that the same process was being used with the Transformation Fund which was much bigger. Therefore questions were in the pack for Board members to raise and consider regarding the RPBs role. On a positive note, good practice was seen from C&VUHB.

- Reference was made to an exit strategy and the requirement for an exit fund in regards to when monies stop or need to be used for something else.
- Another area to consider was the ability to strongly evaluate projects. Feedback received during projects was that it was difficult to demonstrate that the projects being funded had an impact and therefore were justified in being mainstreamed. This was especially difficult when a project was up against service areas where funding had been cut. There was a need to be clear on what RPBs wanted to achieve with the funds made available and how projects would be mainstreamed.
- Some of the propositions made were to move healthcare into the community and how to move funding from healthcare into this area and who should be governing these decisions. Some of the money involved was small scale compared to core funding which should fit in with the strategy. It was realised that the conversations were difficult and that the committee needed to keep eye on the original objectives.
- One of the bigger concerns was the scrutiny and governance of RPBs. It was confirmed that it was within our gift to play a role in this, LA strategy, links with PSBs and wellbeing challenges. It was noted that this was a complex matter and should be included within the IMTP.

The Committee resolved that:

- a) The Integrated Care fund Report be noted

AC: 19/12/009 AUDIT COMMITTEE UPDATE

Mark Jones, Wales Audit Office provided an overview of the Audit Plan and went through several key points:

- The Substance Misuse Action Fund Grant claim had a positive outcome and WAO audited the 2018-19 Funds held on the Trust Account. This would be considered by the Trustees on 19 December 2019. Planning for 2019/20 audit had commenced.
- A review would be undertaken on Operating Theatres. Some areas highlighted for consideration were staff engagement and moral.
- There had been delays experienced with Orthopaedic Service follow-up fieldwork.
- The all Wales Counterfraud phase 2 was a national piece of

work and a deep dive would be undertaken across all public sector bodies. The deadline for the report would be tight and WAO are looking for a two page high level report.

- The mandated work would cover quality governance arrangements linked to the Cwm Taf report and would build on the work and methodology.

The Committee resolved that:

- a) the Wales Audit Office Committee Update be noted.

AC: 19/12/010 STRUCTURED ASSESSMENT

Anne Beegan, Wales Audit Office presented the report that followed up on financial work where a number of recommendations had been made. It also followed on from recommendations made in previous work. The report was positive and covered what needed to be addressed.

In regards to governance arrangements, there was scope to improve performance reporting at Board and committee level and the flows of information between the senior management teams and the Board. There was a need for traction around Strategic Planning and its delivery but it was acknowledged that the Health Board was in a positive financial position. It was noted that there were still challenges in managing workforce productivity and efficiency, including job planning compliance and a few policies that needed updating.

- Independent Member – Trade Union confirmed that she appreciated the comment made in the report regarding the workload of Independent Members.
- In regards to the National Fraud Initiative, it was explained that it ran every two years and was delivered by Shared Services. The initiative matched various things such as where people claimed benefits and procurement issues where there may be multiple credit invoices and how they marry together.

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The Committee resolved that:

- a) The Structured Assessment be noted

AC: 19/02/011 IMPLEMENTING THE WELLBEING OF THE FUTURE GENERATIONS ACT

Anne Beegan, Wales Audit Office informed members that the Auditor General for Wales was required to assess the extent to which Health Boards were implementing the Act. The work was refreshed and focused on an update of corporate arrangements and centred on a particular step and how this was being demonstrated. The Health Board put forward a step around Health and Wellbeing hubs and tested the five key ways of working. The workshops

provided a more collaborative way forward and provided learning for future steps in relation to the Act. Using the examples, Cardiff and Vale would feature in the national report.

The Committee resolved that:

- a) The Wales Audit Office Structured Assessment be noted

AC: 19/12/012 EFFECTIVENESS OF CLINICAL AUDIT REPORT

Alexandra Scott, Patient Safety Quality Assurance Manager informed Members that the Health Board facilitated a high level of national mandated audits and confirmed that there was an extensive local audit programme. There was a targeted programme of activity and the Health Board was prudent in completing the audits. There were 38 national audits mandated by Welsh Government which were planned in advance. The outcomes were reported to a local forum of the Clinical Board and the Quality, Safety and Experience sub Committee. High level reports on local and national audit plans will also be put before the QSE Committee meeting in December.

Audits were undertaken largely by clinicians who undertook quality improvement as part of their training. The three audit tiers were explained with tier 3 being undertaken for personal development. It was confirmed that the health board did not provide any resource for this.

The chair asked for questions and comments:

There was no clinical audit tracker in place as there was a more dynamic programme in operation which looked at priorities and was responsive to demand. It was explained that each year Clinical Boards forwarded their priorities and informed their teams of the number of audits to be undertaken during the year. These audits will be monitored through the QSE Committee. The National audits were different as they were planned in advance and the outcome was unknown until the results were published. Corporate oversight was provided and if an audit failed locally, it would be reported to WG and an improvement and action plan put in place to address the results.

In regard to the Audit and Assurance Committee providing oversight and assurance within its scope, it was stated that the committee would ensure there was an audit plan in place, but this would be monitored and delivered through QSE Committee.

The Committee resolved that:

- a) Arrangements in place would be considered to deliver and effective programme of clinical audit

SW

AC: 19/12/013 | **DECLARATIONS OF INTEREST AND GIFTS AND HOSPITALITY TRACKING REPORT**

The Director of Corporate Governance provided an overview of the above report. The number of declarations had increased to 1,278, which accounted for 10% of the workforce. For the majority of forms received there were no concerns with what had been declared. The current process being rolled out is designed to ensure that the procedure and policy is embedded into the Health Board and for the tracker to be converted electronically so that it can be completed and uploaded automatically to the declaration register. A communications campaign has been undertaken to raise awareness across the Health Board. The onus was on the individual to declare any interests and there is still a requirement to declare a nil return.

There was discussion around the form in regard to international standards relating to the wording on immediate family. To provide clarity the DOCG said she that she would check the wording on the form and policy and report back to the Committee.

NF

The Committee resolved that:

- a) the Declarations of Interest, Gifts, Hospitality & Sponsorship Register be noted.

AC: 19/12/014 | **REGULATORY BODIES TRACKING REPORT**

The Director of Corporate Governance provided an updated report from last month which highlighted and summarised inspection outcomes. The latest Internal Audit report received a rating of reasonable assurance. Input from Clinical Boards and Corporate Departments is becoming more robust and reports and inspections are being fed into the Audit and Assurance Committee so that it has an oversight of what was happening across the Health Board. Some of the items on the tracker had been allocated to other committees of the Board to monitor.

Members were informed that regulators had been asked to write to the CEO. This was in order to tighten up governance arrangements and for the Corporate Governance Department to be aware of when inspections took place.

The Committee resolved that:

- a) the inspections which have taken place since the last meeting of the Audit Committee in September 2019 and their respective outcomes be noted.
- b) the continuing development of the Legislative and Regulatory Compliance Tracker be noted.

AC: 19/12/015 | **INTERNAL AUDIT TRACKING REPORT**

The Director of Corporate Governance presented the Internal Audit tracking report and Members reviewed the completed actions. The tracker provided baseline information and would be updated at future meetings. The document backtracked two years and the response received was encouraging, although it was acknowledged that it would take time to catch up and embed into the system. The acting Head of Internal Audit said he would provide sample validation from Clinical Boards to test for accuracy in a future Internal Audit review.

IV

JU / NF

The Chair confirmed that he would review the trackers with the Director of Corporate Governance.

The Committee resolved that:

- a) the tracking report which is now in place for tracking audit recommendations made by Internal Audit be noted.
- b) noted that progress will be seen over coming months in the number of recommendations which are completed/closed.

AC: 19/12/016 WALES AUDIT OFFICE TRACKING REPORT

The Director of Corporate Governance presented the External Audit tracking report and informed Members that since the last meeting 60% of actions had been completed and the Health Board could demonstrate that there had been movement on actions not yet completed. Any outstanding reports would be added to the tracker.

The Committee resolved that:

- (a) The progress which has been made in relation to the completion of WAO recommendations be noted

AC: 19/12/017 REVIEW LOSSES AND SPECIAL PAYMENTS

The Executive Director of Finance presented the report and informed Members that the Losses and Special Payments Panel met twice a year to review all losses and special payments and is tasked with considering the circumstances around all such cases and to make appropriate recommendations to the Committee.

The Committee resolved that:

- a) The detailed minutes of the Panel meeting attached at Appendix 1 be noted.

AC: 19/12/018 COUNTERFRAUD AND CORRUPTION POLICY

Craig Greenstock, Counterfraud Manager, informed Members that since the last policy was written, changes had occurred under the GDPR which resulted in minor changes to wording. The updated policy now complied with all GDPR requirements.

The Committee resolved that:

- a) The Counter Fraud and Corruption Policy be received, considered and approved

AC: 19/12/019 ITEMS FOR NOTING AND INFORMATION

The Committee received the following Internal Audit reports for information:

1. Mental Health CB 3rd Sector Contracts
2. Claims Reimbursement Final Report
3. Private Overseas Patients Final Report
4. Surgery CB Medical Finance Governance Follow-up Final
5. Deprivation of Liberty Safeguards Final Report
6. Charitable Fund Final Report
7. PCIC Business Continuity Final Report
8. Maelfa: Wellbeing Hub
9. PCIC Clinical Board CHC Adults Follow-up
10. Children & Women Clinical Board: CHC Child Follow-up

The Committee resolved that:

- a) Items for information were noted

AC: 19/02/020 ITEMS TO BRING TO THE ATTENTION OF THE BOARD / COMMITTEE

There were no items to bring to the attention of the Board / Committee.

AC: 19/02/021 DATE OF THE NEXT MEETING OF THE COMMITTEE

Tuesday, 3 March 2020, 9.00am – 12.00pm Cefn Mably Room, Ground Floor, Woodland House, Heath, Cardiff CF14 4HH