

**Confirmed Minutes of the Public Audit and Assurance Committee
Held on Tuesday 8th September 2020 09:00am – 11:00am
Via Skype**

Chair		
John Union	JU	Independent Member – Finance
Present:		
Eileen Brandreth	EB	Independent Member – ICT
In Attendance:		
Bob Chadwick	BC	Executive Director of Finance
Nicola Foreman	NF	Director of Corporate Governance
Craig Greenstock	CG	Counter Fraud Manager
Darren Griffith	DG	Audit Wales
Mark Jones	MJ	Audit Wales
Chris Lewis	CL	Deputy Finance Director
Mike Usher	MU	Audit Wales
Ian Virgil	IV	Head of Internal Audit
Dawn Ward	DW	Independent Member – Trade Union
Secretariat		
Raj Khan	RK	Corporate Governance Officer
Apologies:		
Len Richards	LR	Chief Executive Officer
Martin Driscoll	MD	Executive Director of Workforce & OD / Deputy Chief Executive Officer

AAC 20/09/001	Welcome & Introductions	ACTION
	The Committee Chair (CC) welcomed everyone to the public meeting. CC also welcomed Darren Griffiths, Audit Wales who had taken over from Anne Beegan.	
AAC 20/09/002	Apologies for Absence Apologies for absence were noted.	
AAC 20/09/003	Declarations of Interest There were no declarations of interest.	
AAC 20/09/004	Minutes of the Committee meeting held on 7th July 2020 Resolved that: (a) The Committee approved the minutes of the meeting held on 7 th July 2020 as a true and accurate record.	
AAC 20/09/005	Action Log following the Meeting held on 7th July 2020	

	<p>The Committee reviewed the action log and the following updates were provided:</p> <p>AAC 19/12/015 – It was agreed that the Internal Audit tracking report would be brought back to the Committee in November; the Director of Corporate Governance (DCG) commented that Internal Audit were validating to check if work had been completed.</p> <p>AAC 20/04/010 – The Head of Risk and Regulation had met with the Director of Digital Health Intelligence and responses would be provided for a future meeting.</p> <p>AAC 20/04/015 – set up a dedicated landing page for Covid learning and link to be provided for members to have view of this.</p> <p>AAC 20/05/007 – Query raised by Independent Member – ICT in previous meeting, happy with comment provided by the Deputy Director of Finance.</p> <p>Resolved that:</p> <p>(a) The Committee reviewed and noted the action log and the updates provided.</p>	
<p>AAC 20/09/006</p>	<p>Any Other Urgent Business</p> <p>There were no items raised.</p>	
<p>AAC 20/09/007</p>	<p>Internal Audit Progress and Tracking Reports</p> <p>The Head of Internal Audit (HIA) introduced the report and stated that its main focus was to update Committee in relation to delivery of the Internal Audit Plan for 2020-2021.</p> <p>The HIA highlighted that 5 reports due for the September Committee had been delayed. The first two of these reports were in draft and the final three work in progress due to due to availability of UHB staff and supply of information in addition to Covid-19 related delays.</p> <p>The HIA then highlighted reports relating to the 2019-20 plan that had been finalised and would be presented in today’s meeting as a final report in relation to strategic planning and IMTP. The report on pre-employment checks had been delayed due to staff changes so was still in the process of being finalised therefore this final report would be brought to the next meeting.</p> <p>HIA then reported delays in relation to the Internal Audit Plan 2020-21 and advised that these reports would be brought to the November/February meetings with the caveat that another Covid spike could potentially cause further delays. The HIA confirmed that they were working with the Director of Audit Assurance (DAA) to explore what items could potentially be removed from the audit plan whilst still allow an overall audit opinion to be provided for the UHB for the year. It was</p>	<p>IV</p>

	<p>confirmed that the DAA had held conversations with the Board Secretaries Group to remove from their opinions some of the normal domains they would include, to instead provide one formal opinion across the 8 domains (All Wales approach).</p> <p>CC queried whether we were in the same place as other UHBs in terms of delays. HIA confirmed that other Heads of Internal Audit had voiced similar positions.</p> <p>HIA revealed that the Covid governance audit had taken up time and impacted on delivery of other work however it had given a better view of governance arrangements and controls over the past few months which could provide an overarching piece of work to form an opinion on. DCG welcomed what HIA mentioned in terms of looking at a plan but commented that it needed to be recognised that 6 months had been lost due to Covid and an increased amount of staff leave had hindered matters, also in respect of work that should have been completed, a plan would need to be formulated to ensure appropriate audits were completed to give that overall HIA opinion.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (a) The Committee considered the Internal Audit Progress Report; (b) The Committee approved the amendments to the timing of specific audits within the Internal Audit Plan for 2020-21. 	
<p>AAC 20/09/008</p>	<p>Audit Wales Update</p> <p>Darren Griffith (AW) firstly updated the Committee with regards to the work undertaken for the structured assessment for 2020. He explained how their approach had been adapted this year to consider governance arrangements, managing financial resources, and operational planning in the context of Covid-19. As mentioned in previous meetings, AW had been working closely with Internal Audit to coordinate work as much as possible to minimise the burden placed on the UHB and provide added value from sharing work. This had resulted in a draft report being prepared and issued for consideration and a feedback meeting would be held at the end of the month.</p> <p>AW then referred to TTP, which was a national high level piece of work which would look at the whole systems governance arrangements as well as the local Covid-19 response plans. Field work was currently underway and the Executive Director Public Health would also be interviewed as part of the process, being the regional lead for C&V. AW aimed to publish the report and its findings by October.</p> <p>AW would also be publishing an All Wales summary around clinical coding which would be brought to the next meeting. They were also aiming to publish their national follow up study on elective waiting times as well as a draft report on orthopaedic services.</p>	<p>AW</p>

	<p>AW then discussed their work in relation to Covid-19 learning and good practice exchange. A learning project had been established to share learning during the pandemic and public bodies were encouraged to share information and new ways of working via a dedicated landing page on their website in various output forms such as blogs, articles, etc.</p> <p>Resolved that:</p> <p>(a) The Committee noted the Audit Wales Update.</p>	<p>AW</p>
<p>AAC 20/09/009</p>	<p>The 2019-20 Audit of Accounts Addendum Report</p> <p>AW explained how this report is the final output that comes to Committee each year at the end of September in regards to the audit of the annual accounts. The report was shorter this year which reflected well on overall quality plans and underlying processes. This year only 3 areas were reported compared to 10 last year, indicating a positive outcome where recommendations were taken on board and implemented.</p> <p>The following areas were reported:</p> <p>Area 1 – Level of manual adjustment that sits outside financial ledger This was reported on 2 years ago where the recommendations were partially accepted at the time. The report was similar to how it was two years ago with minor changes.</p> <p>Area 2 – Information which sits outside of the Ledger AW described how some information rightly sat outside the ledger however a lot of the information was complex and inefficient to prepare and audit. The recommendation was just for the Health Board to simplify this information.</p> <p>Area 3 – Premature Party Returns AW advised that last year’s recommendations had all been implemented by management as intended which showed a positive outcome and reflected well on the UHB.</p> <p>CC was pleased to see all of last year’s recommendations agreed and implemented and with reduced recommendations this year and thanked all for the work done.</p> <p>Resolved that:</p> <p>(a) The Committee noted the Audit Wales 2019-20 Audit of Accounts Addendum Report.</p>	
<p>AAC 20/09/010</p>	<p>Effectiveness of Counter-Fraud Arrangements Report</p> <p>AW provided their review together with management response.</p> <p>The national report made 15 recommendations and built on the report from last year which provided a landscape description of arrangements in</p>	

	<p>place to tackle fraud across the Welsh public sector, and highlighted variability in arrangements and found NHS Wales ranked the highest above other public bodies with local and national counter fraud arrangements.</p> <p>This year's National report was a more in depth review of how effective these arrangements were in practice (across all Welsh Public Bodies). AW advised that Public Bodies in general could do more in the following areas:</p> <ol style="list-style-type: none"> 1. Strengthening strategic leadership, coordination and oversight for counter-fraud across the Welsh public sector; 2. Increasing counter-fraud capacity and capabilities, especially across local government, and exploring the potential for sharing resources and expertise across public bodies; 3. Getting the right balance between proactive and reactive counter-fraud activities; 4. Improving awareness-raising and staff training in counter-fraud; and 5. Better evaluation of fraud risks and sharing of fraud information, both within and across sectors. <p>AW referred specifically to the last recommendation, aimed at all committees recognising this very wide variation of existing practice across the public sector, albeit NHS Wales is in a better place than others.</p> <p>AW then discussed the local report which identified that the UHB had suitable arrangements to support the prevention and detection of fraud and was able to respond appropriately where fraud occurs. Some areas for improvement were identified which should be considered alongside the themes identified in the national report.</p> <p>The Committee were happy with the current findings, CC noted that this was to be kept under review and should any items of concern arise in regards to mandatory training or resources then it could be escalated.</p> <p>Resolved that:</p> <p>(a) The Committee noted the Audit Wales 2019-20 Effectiveness of Counter-Fraud Arrangements Report.</p>	
<p>AAC 20/09/011</p>	<p>Declarations of Interest and Gifts and Hospitality Tracking Report including Declarations of Interest and sign off in relation to Ysbyty Calon Y Ddraig</p> <p>The DCG introduced the report and advised Committee that the current number of declarations were very low compared to the last report where good numbers of DOI had been sent in throughout the year and progress made on previous years. The reason for the lower numbers were due to the fact that the end of year chasers had not been sent due to Covid-19, this was usually done at the end of April but had been deferred to October so by then the numbers should start to increase again through the reporting cycle.</p>	

	<p>Going forward, a communications plan would be put in place around DOIs. Communications would be issued around Christmas and key events to remind people to declare</p> <p>The DCG assured the Committee in terms of all the gifts and hospitality received through Covid-19, these had been reported to the Charitable Funds Committee.</p> <p>CC was pleased with the update.</p> <p>Resolved that:</p> <p>a) The Committee noted the ongoing work being undertaken within Standards of Behaviour.</p> <p>b) The Committee noted the update in relation to the Declarations of Interest, Gifts, Hospitality & Sponsorship Register.</p>	
<p>AAC 20/09/012</p>	<p>Regulatory Compliance Tracking Report including Ysbyty Calon Y Ddraig</p> <p>DCG advised that regulatory compliance tracking was paused during Covid and that this current report was now an up to date position of inspections that had taken place since the beginning of the year.</p> <p>The DCG added that this report was new to the Committee and was continually developing, there was now a dedicated Risk and Regulation team to focus on all trackers and standards of behaviour and therefore better progress was expected from October.</p> <p>CC queried regulatory inspection number8, where there was a recommendation around fire doors. He queried whether the role of the Audit Committee was to check that works had been carried out satisfactorily. The DCG clarified that the role of audit was to reassess works carried out, if works were not carried out then the DCG would flag these occurrences.</p> <p>Independent Member - TU flagged that the Teddy Bear nursery did not have a rating and number 10 in the report did not specify a location, the DCG will amend accordingly.</p> <p>Resolved that:</p> <p>a) The Committee noted the inspections which had taken place since the last meeting of the Audit Committee in September 2020 and their respective outcomes.</p> <p>b) The Committee noted the continuing development of the Legislative and Regulatory Compliance Tracker.</p>	<p>NF</p>
<p>AAC 20/09/013</p>	<p>Internal Audit Tracking Report</p>	

	<p>The DCG introduced the Internal Audit Tracker and stated how her team had started to again chase and progress these. The summary tables provided with the report showed progress being made, the recommendations from 2017/18 had reduced significantly, 2018/19 were also reducing and 2019/20 had remained stable. Due to the fact that all the internal audits for the end of the year had been added on, it might seem like nothing had progressed but the DCG assured the Committee that progress was still being made. DCG mentioned that the figures for 2020/21 would soon be received and reported on, Internal Audit would also check on completed items to confirm that they had been completed in full providing further assurance to the Committee.</p> <p>The CC highlighted that the trackers showed we were keeping a note of the recommendations, that they were also being internally audited and that excellent progress was being made.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (a) The Committee noted the tracking report now in place for tracking audit recommendations made by Internal Audit. (b) The Committee noted that progress would be seen over coming months in the number of recommendations completed/closed. 	
<p>AAC 20/09/014</p>	<p>Audit Wales Tracking Report</p> <p>The DCG confirmed that the report showed where we were with Audit Wales recommendations and that the ones from today would also be added to the tracker. The overall percentages provided showed progress made since previous meetings, this would continue to be monitored to ensure that areas were doing what they had committed to when signing up to the recommendations.</p> <p>The Independent Member - TU commented that the internal audit tracker used actual numbers but percentages in the external audits tracker and queried the reason why. The DCG responded that there was no specific reason other than there being more recommendations internally and therefore easier to use numbers but would provide numbers in both for consistency going forward.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (a) The Committee noted the progress made in relation to the completion of AW recommendations. (b) The Committee noted the continuing development of the AW Recommendation Tracker. 	<p>NF</p>
<p>AAC 20/09/015</p>	<p>Items for Information and Noting - Internal Audit reports for information</p> <p>The Committee received the following 2 reports:</p> <ul style="list-style-type: none"> • Strategic Planning / IMTP – Reasonable assurance • Annual Quality Statement – Substantial assurance 	

	Resolved that: (a) The Committee noted the Internal Audit reports.	
AAC 20/09/016	Items to bring to the attention of the Board / Committees There were no items to be brought to the attention of the Board / Committees.	
AAC 20/09/017	Review of the Meeting The CC thanked everyone for their attendance and contribution to the meeting.	
AAC 20/09/018	Date and Time of Next Meeting To note the date, time and venue of the next Committee meeting: Tuesday 17th November 2020 at 9.00am, Via Skype	