

**Confirmed Minutes of the Public Audit and Assurance Committee
Held on Tuesday 17th November 2020 09:00am – 12:00am
Via MS Teams**

Chair		
John Union	JU	Independent Member – Finance
Present:		
Eileen Brandreth	EB	Independent Member – ICT
Dawn Ward	DW	Independent Member – Trade Union
In Attendance:		
Anthony Veale	AV	Audit Wales
Charles Janczewski	CJ	UHB Chair
Chris Lewis	CL	Interim Executive Director of Finance
Craig Greenstock	CG	Counter Fraud Manager
Darren Griffith	DG	Audit Wales
Ian Virgil	IV	Head of Internal Audit
Martin Driscoll	MD	Executive Director of Workforce & OD / Deputy Chief Executive Officer
Nicola Foreman	NF	Director of Corporate Governance
Stuart Walker	SW	Executive Medical Director
Secretariat		
Raj Khan	RK	Corporate Governance Officer
Apologies:		
Len Richards	LR	Chief Executive Officer

AAC 20/11/001	Welcome & Introductions The Committee Chair (CC) welcomed everyone to the public meeting. CC also welcomed Darren Griffiths and Mike Usher's replacement Anthony Veale – Engagement Director, Audit Wales.	ACTION
AAC 20/11/002	Apologies for Absence Apologies for absence were noted.	
AAC 20/11/003	Declarations of Interest There were no declarations of interest.	
AAC 20/11/004	Minutes of the Committee meeting held on 8th September 2020 Resolved that: (a) The Committee approved the minutes of the meeting held on 8 th September 2020 as a true and accurate record.	
AAC 20/11/005	Action Log following the Meeting held on 8th September 2020 The Committee reviewed the action log and the following updates were provided: AAC 20/09/007 – Was on the agenda	

	<p>AAC 20/09/008 – Clinical Coding was on the agenda, update on TTP to be provided at February 2021 meeting</p> <p>AAC 19/12/015 – Was on the agenda</p> <p>AAC 20/03/008 – Was on the agenda</p> <p>AAC 20/04/005 – The Head of Internal Audit (HIA) and Executive Medical Director (EMD) would provide an update at the March 2021 meeting</p> <p>AAC 19/12/012 – Would be on the agenda for February 2021</p> <p>AAC 20/05/005 – Was on the agenda</p> <p>Resolved that: (a) The Committee reviewed and noted the action log and the updates provided.</p>	
<p>AAC 20/11/006</p>	<p>Any Other Urgent Business</p> <p>There were no items raised.</p>	
<p>AAC 20/11/007</p>	<p>Internal Audit Progress and Tracking Reports</p> <p>The HIA highlighted section 2.1 within the report, which outlined six planned audits that had not been completed in time for the November Committee meeting and the following reasons were provided.</p> <ol style="list-style-type: none"> 1) Asbestos management – Was now finalized and agreed with Estates and Facilities with the final report being issued a week prior to the Committee meeting. 2) Specialist Clinical Board – Initial responses received from management would be finalized shortly. 3) Four remaining audits were delayed due to a combination of issues related to Covid-19, availability of managers to engage with the audits and availability of Internal Audit resources. <p>The HIA also referred to section 3 within the report and the finalisation of six audits since the last meeting.</p> <p>He highlighted that the pre-employment checks audit from the 2019/20 Internal Audit plan was received by Committee at the end of 19/20 and the Reasonable assurance report fed into the opinion for 19/20. Management responses to finalise the report were awaited.</p> <p>Five reports were finalised from the current audit plan, all had positive outcomes and Reasonable assurance. These five reports were on the agenda for noting.</p> <p>The HIA highlighted issues reported within the Surgery Clinical Board report which looked at sickness management within theatres with an overall rating of Reasonable assurance. Five out of six departments had good processes in place. One department lacked any management</p>	

process of sickness, a lack of completed required forms and lack of ongoing monitoring of long term sickness. A specific issue raised was that ebbs of long term sickness were being managed via social media which was deemed inappropriate. The HIA provided assurance that an overall Reasonable assurance was given although there were significant high priority issues within the report; these had been raised with management at the time of completion of the audit and actions put in place to address these issues.

The HIA also highlighted a report relating to work done with the RPB and how the Health Board carried out its duties around its role in relation to the RPB. This was a positive report with Reasonable assurance at the higher level. Areas where the governance arrangements could be strengthened further were highlighted and there were steps in place to look at these processes.

The Committee was reminded that it had agreed the Internal Audit plan for 2020/21 in April. Section 4.3 highlighted the proposed ten audits to be removed from the plan, these were areas considered low risk and had been agreed by the Management Executive. This was considered a sensible approach and it was confirmed that these would be added to the next annual plan and consideration given to overall risk and what needed to be prioritised at that time.

The HIA also highlighted that they were looking to include two additional audits to the 2020/21 plan; UHW Surge Facility and Post Contract Audit of DHH Costs.

The HIA confirmed that there would be enough information to give an end of year audit opinion for the health board and that this year an overall opinion would be provided rather than one for each domain. He added that there were discussions taking place with the Director of Audit Assurance to build in contingencies should they not be able to deliver on all 35 audits.

The HIA highlighted that the Health Board had introduced an Internal Audit recommendation tracker. He confirmed that validation work had been done on the 2017/18 recommendations detailed within the tracker which had been presented to the September Audit Committee. The overall position was summarised as follows:

The tracker included a total of 22 recommendations from 2017/18

- A sample of 13 of the recommendations was selected for validation;
- Evidence was obtained to confirm that the stated progress for 11 of the 13 sampled recommendations was accurate;
- Evidence for the remaining 2 recommendations was to be supplied.

Resolved that:

- a) the Internal Audit Progress Report, including the findings and conclusions from the finalised individual audit reports be considered;

	b) the proposed amendments to the Internal Audit Plan for 2020/21 be approved.	
AAC 20/11/008	<p>Audit Wales Update</p> <p>Audit Wales (AW) highlighted exhibit 3 within the report that showed work currently underway. AW aimed to bring reports relating to this work to the February meeting; two of the projects related to local pieces of work, follow-up of previous IM&T recommendations and follow-up of operating theatres. The other pieces of work were National and it was confirmed that the Orthopaedic Services follow-up would set out the local position of each Health Board.</p> <p>The final piece of work in exhibit 4 was highlighted, a follow-up of radiology services which was an additional piece of work to be taken up locally, scoping was currently taking place.</p> <p>Resolved that: (a) the Audit Wales Update be noted.</p>	
AAC 20/11/009	<p>Annual Structured Assessment Report</p> <p>AW advised that the work undertaken was in the context of the pandemic and had been reshaped and re-focused to concentrate on 3 areas in particular:</p> <ul style="list-style-type: none"> • Governance Arrangements; • Managing Financial Resources; • Operational Planning. <p>AW thanked the health board for its full cooperation and assistance.</p> <p>AW advised that in terms of Governance Arrangements, it found the revised governance arrangements were set up quickly and supported responsive decision-making and effective operational management, but public scrutiny and assurance at Board-level could have been enhanced during the pandemic. Board business was found to be conducted in an open way but there was scope for more detailed reporting in some areas.</p> <p>The Board maintained effective communication with its stakeholders during the pandemic and was stable during the period but opportunities to support and enhance development of the Board members could have been pursued in full.</p> <p>In terms of Managing Financial Resources, it found that effective financial controls, monitoring and reporting had been maintained throughout the pandemic and arrangements were put in place to track Covid-19 expenditure.</p> <p>In regards to Operational Planning, it was informed by robust data modelling and developed in a timely way and the health board responded quickly to ensure sufficient resources to deliver its planning commitments.</p>	

	<p>AW made one recommendation which was to encourage learning from the pandemic to strengthen future governance arrangements.</p> <p>It was confirmed that the report had been seen by the Independent Members and that the Executives had accepted the recommendations.</p> <p>Resolved that: (a) the Audit Wales Annual Structured Assessment Report be noted.</p>	
AAC 20/11/010	<p>Management of Clinical Coding Across Wales</p> <p>AW stated that this was a national report where local work had been undertaken in 2018/19 and its aim was to highlight the current challenges and opportunities for clinical coding, including the potential to use COVID-19 related changes to working practices to secure new and more sustainable ways of delivering coding work.</p> <p>It was agreed that this report be part of a future Board Development Session.</p> <p>AW stated that the report was well received by Welsh Government and it was actively working with them to progress the 10 opportunities and ensure consistency with the messaging and approach across the sector.</p> <p>IM-ICT felt a refresh on clinical coding would be helpful and agreed to take to a DHIC meeting to discuss.</p> <p>Resolved that: (a) the Audit Wales Management of Clinical Coding Across Wales Report be noted.</p>	<p>NF</p> <p>EB</p>
AAC 20/11/011	<p>10 Opportunities for Planned Care</p> <p>AW stated that this was based on follow up work assessing progress against its 2015 report on waiting times for elective care.</p> <p>AW advised that it reframed its findings and key messages in the context of Covid-19 to inform emerging plans for restarting planned care and wider discussions on what a post COVID-19 NHS needed to look like.</p> <p>The report contained ten key opportunities made up of five longer-term opportunities and five immediate opportunities to restart the system. This was again a national report and health bodies were encouraged to consider the report as part of their ongoing planning arrangements for recovery and restarting.</p> <p>AW suggested that this report be taken to the Strategy and Delivery Committee to ensure that the 10 Opportunities were considered as part of the Health Board's planning arrangements.</p> <p>Resolved that: (a) the Audit Wales 10 Opportunities for Planned Care Report be noted.</p>	<p>NF</p>
AAC 20/11/012	<p>The National Fraud Initiative (NFI) in Wales 2018-20</p>	

	<p>AW stated that it reported the outcomes achieved since the last report of October 2018. It highlighted the importance of maintaining robust controls to minimise the risk of fraud during the pandemic. Recommendations were provided for Welsh Government as well as local Audit Committees to consider.</p> <p>Resolved that: a) the National Fraud Initiative in Wales 2018-20 be noted.</p>	
<p>AAC 20/11/013</p>	<p>Welsh Community Care Information System</p> <p>AW stated that this was a national study that examined the latest position relating to the implementation and rollout of the Welsh Information System.</p> <p>Section 2.6 of the report set out the Health Board's position. As part of the work, it identified that the current version of the information system would not meet the Health Board's requirements and also considered that it offered less in terms of its functionality and provided a significantly more costly option compared to existing arrangements.</p> <p>The Interim Executive Director Finance (IEDF) commented that this would be a cost pressure to the Health Board if taken forward.</p> <p>IM-ICT mentioned that this had been discussed in DHIC and that she supported the view of the Director of IM&T that our existing combined system had better integration from a health perspective and better functionalities than the system being developed and rolled out. She also highlighted that the new open architectural approach that Welsh Government ratified did allow the Health Board not to take this system provided there was an alternative and she considered that a decision by the Health Board of that nature would be appropriate. The IM-ICT suggested that the report be taken to DHIC to ensure its consideration by that Committee.</p> <p>The UHB Chair commented that in terms of the decision making, it would be for the Management Executive team with input from IT and other parties to arrive at a recommendation for the Board.</p> <p>Resolved that: (a) the Welsh Community Care Information System Report be noted.</p>	<p>EB</p>
<p>AAC 20/11/014</p>	<p>Declarations of Interest and Gifts and Hospitality Tracking Report</p> <p>The DCG stated that the report provided the updated position in regards to DOIs.</p> <p>Following the last meeting, a communications plan had been developed to increase awareness resulting in 100 more declarations since the last meeting and a further 400 declarations since the 8A chaser in November. These were not yet included within the tracker but would be reflected in time for the February meeting.</p>	

	<p>The DCG also advised that the team had now expanded and was split between Risk and Regulation and Corporate Governance so there would be more time invested in maintaining all trackers.</p> <p>The CC was pleased to see very few were rated red or amber and were seen as more low risk.</p> <p>Resolved that:</p> <ol style="list-style-type: none"> a) the ongoing work being undertaken within Standards of Behaviour be noted b) the update in relation to the Declarations of Interest, Gifts, Hospitality & Sponsorship Register be noted. 	
<p>AAC 20/11/015</p>	<p>Regulatory Compliance Tracking Report</p> <p>The DCG stated that the report updated the Committee on overall inspections. She advised that a number of inspections were stalled due to Covid-19. She highlighted that 9 further inspections had been done and added to the tracker with a summary of the outcomes of those inspections.</p> <p>The CC commented that the report was useful and it was good to see outcomes as well.</p> <p>IM-TU queried the progression of the Clinical Board plan. The DCG responded that the outcomes of these inspections and assurance that recommendations are implemented and follow up work done would be brought to the Committee.</p> <p>Resolved that:</p> <ol style="list-style-type: none"> a) the inspections which have taken place since the last meeting of the Audit Committee in September 2020 and their respective outcomes be noted b) the continuing development of the Legislative and Regulatory Compliance Tracker be noted. 	
<p>AAC 20/11/016</p>	<p>Internal Audit Tracking Report</p> <p>The DCG informed the Committee that the report contained three financial years of data.</p> <p>In terms of the Internal Audit 2017/18 position, there were now only 15 recommendations outstanding, the Risk and Regulation Team were meeting those with outstanding recommendations to ensure:</p> <ul style="list-style-type: none"> • The recommendations were being completed • If not, to establish why and • To check if they were obsolete or superseded by other recommendations. <p>The HIA had provided assurance around the progress reported.</p> <p>The DCG added that at the time of the Audit Wales Structured Assessment, there were 200 recommendations outstanding but this had significantly reduced over the last few months and continuous</p>	

	<p>improvement would be seen in this area as work picked up and chasers issued.</p> <p>The UHB Chair commented that there needed to be Executive ownership of this area and that he would like to see assurance for future meetings that Executives had bought into the process and supported recommendations being dealt with in an appropriate timescale. The DCG confirmed that the report was provided to the Management Executive to reinforce its importance.</p> <p>CC was pleased to see the recommendations drop from 164 to 111 but was mindful that Internal Audit would now deliver a number of new reports and recommendations which could increase that number.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (a) the tracking report which is now in place for tracking audit recommendations made by Internal Audit be noted (b) progress would be seen over coming months in the number of recommendations completed/closed. 	
<p>AAC 20/11/017</p>	<p>Audit Wales Tracking Report</p> <p>The DCG highlighted an error in the report in that 3 recommendations added since last time were not showing on the pdf version and 1 recommendation in relation to TTP was an administrative error as the report had not yet been received. Apart from that the report provided a status update on the Audit Wales recommendations</p> <p>CC queried whether there were 28 or 22 recommendations outstanding. The DCG confirmed that 24 had been brought forward and 3 had been added since as the TTP was not a recommendation so 27 in total.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> a) the progress made in relation to the completion of Audit Wales recommendations be noted b) the continuing development of the Audit Wales Recommendation Tracker be noted. 	
<p>AAC 20/11/018</p>	<p>Review Losses and Special Payments</p> <p>The IEDF advised that under the Standing Financial Instructions, the Committee was required to approve the write offs of losses and special payments. To support it in this process, there was a Losses and Special Payments Panel that met twice a year and last met on 23rd October. He referred to the assessment area of the report that set out those items recommended for write off.</p> <p>The IEDF highlighted 2 items:</p> <ul style="list-style-type: none"> • Bad Debt Write-offs – this was particularly small for the first 6 months of the year as they had stopped referring to the debt collection agency given the hardship people were facing during the pandemic but this process was now restarting. 	

	<ul style="list-style-type: none"> • Treforest Flood – there was over £2.0M in damage. As this was above the Committee’s delegated limit, this had gone for Welsh Government specific approval which had been granted. <p>The CC queried the amounts that the Committee was asked to approve relating to criminal negligence. The IEDF confirmed that there was a bigger amount written off and a smaller amount as a cost to the Health Board as it was written off by the Welsh Risk Pool but the total losses needed to be recorded at the Committee. IEDF confirmed a mistake in the headings and would amend.</p> <p>CC queried whether clinical negligence claims was down since last year. IEDF responded that with the Welsh Risk Pool, a certain amount of money was set aside and if the total claim exceeded that, a mechanism was in place where each of the Health Boards paid a contribution. There was a set fixed figure of £2.1M that the Health board would have to contribute this year, £1.5M was set aside in the original plans and the topping up was factored into the financial forecast so the liability was covered.</p> <p>Resolved that:</p> <ol style="list-style-type: none"> a) the write-offs outlined in the Assessment Section of the report be approved. 	
<p>AAC 20/11/019</p>	<p>Proposed Changes to Governance Arrangements</p> <p>The DCG advised that she had worked closely with the UHB Chair on pulling this piece of work together. Independent Members had already seen it via the Board Governance Group.</p> <p>The recommendations section picked up the outputs from the Audit Wales Structured Assessment and Internal Audit work. She also highlighted the KPMG report which was in the private part of the meeting at the request of KPMG as it was commissioned by Welsh Government, this contained recommendations for both the Health Board and Welsh Government.</p> <p>Appendix 1 provided a summary of Governance arrangements and proposals to strengthen the Governance around the pandemic and to respond to recommendations made.</p> <p>Appendix 2 was a template report put in place to ensure the following key areas were covered off:</p> <ul style="list-style-type: none"> • Quality • Workforce • Governance • Public Health • Operations <p>The DCG added that the ToR for the Board Governance Group had been revised to include all Independent Members rather than only Independent Members required for Chair’s actions which was the case previously.</p>	

	<p>The DCG concluded that the governance structure had not changed vastly but now included the Committees which would continue should we need to stand down others but confirmed that we were not yet in that position.</p> <p>AW commented that this was a very good piece of work which picked up the different layers of assurance and recommendations and that there had been a timely response to recommendations.</p> <p>Resolved that:</p> <ol style="list-style-type: none"> a) the proposed amendments to governance arrangements (Appendix 1) be approved; b) the changes to the Board Governance Group Terms of Reference (Appendix 2) which extends the Membership to include all Independent Members be approved; c) the COVID-19 Report Template (Appendix 3) covering the key areas of Quality and Safety, Workforce, Governance, Operational Framework, Governance and Public Health be approved; d) the first 90 minutes of future Board Development sessions be in public demonstrating that the Board is meeting in public every month; e) the revised Governance Structure ensuring appropriate reporting to the Committees of the Board during the second wave (Appendix 4) be approved. 	
<p>AAC 20/11/020</p>	<p>Items for Information and Noting - Internal Audit reports for information</p> <p>The Committee received the following 6 reports:</p> <ol style="list-style-type: none"> 1. Pre-Employment Checks – Reasonable assurance 2. Surgery CB – Theatres Directorate Sickness Absence Management – Reasonable assurance 3. Regional Partnership Board – Reasonable assurance 4. Sustainability Reporting – Reasonable assurance 5. Management of Serious Incidents – Reasonable assurance 6. Governance During COVID-19 – Advisory <p>Resolved that:</p> <ol style="list-style-type: none"> (a) the Internal Audit reports be noted. 	
<p>AAC 20/11/021</p>	<p>Business of other Committees and Review of Inter-relationships</p> <p>The DCG stated that this had been a useful exercise to be able to look back at what:</p> <ul style="list-style-type: none"> • was in place • was not in place • had been done and • had not been done. <p>It also provided the Committee with assurance regarding what had been completed since 2019-2020 and where it was headed. The purpose of the review was to enable the Audit Committee to provide further assurance to the Board that the other Committees were in place and operating effectively, and in particular that:</p> <ul style="list-style-type: none"> • ToR were in place • Annual reports on ToR provided and 	

	<ul style="list-style-type: none"> Effectiveness reviews carried out. <p>The DCG highlighted that this year some of these items had slipped due to some Committees being stood down due to Covid-19, and the aim for the end of the year was to ensure that all these outstanding areas were addressed and processes in place for the next year.</p> <p>UHB Chair commented that this was a very good piece of work and suggested that it be shared with the other Committees for information so that the linkages were understood.</p> <p>Resolved that:</p> <ol style="list-style-type: none"> the outcome of this review to provide ‘independent’ assurance to the Board that the Board assurance requirements were appropriately aligned be noted the areas of development within the report to provide further assurance to the Board on the Inter relationships between the Committees particularly in the areas of Risk, Regulatory Tracking, Performance Monitoring and Audit recommendations be noted the outputs of the Committee self-assessment and the action plans in place to improve effectiveness of the Committees and that where the self-assessments were not undertaken that they will be undertaken before the end of the year be noted approval be recommended to the Board that the Health and Safety Committee administration moves to the Directorate of Corporate Governance to align end of year reporting and independence from the Health and Safety function of the Health Board. 	NF
<p>AAC 20/11/022</p>	<p>Self-Assessment of Committee Effectiveness</p> <p>The DCG advised that self-assessment was undertaken last year with most Committees and actions followed up where the response was “adequate”, “needs improvement” or “no”. The next step was for the DCG to meet with the Chairs of each Committee to follow up on the action plans and ensure completion.</p> <p>Resolved that:</p> <ol style="list-style-type: none"> the results of the Committee’s self-assessment Effectiveness Review for 2019-20 be noted the action plan for improvement to be completed by March 2021 in preparation for the next annual self-assessment which will feed into the 2020-21 Annual Governance Statement be approved. 	
<p>AAC 20/11/023</p>	<p>Job Planning Update</p> <p>The Executive Medical Director (EMD) confirmed that this was being brought back to Committee as previously it had received a Limited assurance rating. This was due to come to the February meeting but as significant progress had been made it was sensible to provide an update at this time and a further one in 6 months’ time.</p> <p>The EMD highlighted that the job planning component had 2 key work streams:</p>	SW

	<ul style="list-style-type: none"> • Job Planning Procedure – Related to the development of the relevant procedure which was not a guideline but a procedure that needed to be followed. • E-Job Planning System (Allocate) – this was currently in wide spread use across the UK and had been modified for Welsh use. The EMD stated that they were in the process of refining this system for local requirements. <p>Progress made included:</p> <ul style="list-style-type: none"> • Identification of Champions • Training • Identification of Super Users • Number of engagement events • Shifting of data into the system <p>The EMD reported that they were now at a point where they could go live with the Job Planning System and upload job plans to the centralized solution.</p> <p>A timeline was contained within the slides and provided the Committee with the key milestones. The EMD added that everything was to be centralized and all job plans uploaded by the end of the financial year.</p> <p>IM-TU commented that the EMD had a really difficult starting position but had got it right and achieved fantastic work.</p> <p>The HIA agreed that it was very positive and added that it needed to be scheduled into the Internal Audit plan for follow up in around January or February 2021 to provide assurance to the Committee. The EMD agreed to this and welcomed reassessment after March.</p> <p>The HIA and EMD agreed to have a meeting in place by April for inclusion in the 2021 Internal Audit plan.</p> <p>Resolved that:</p> <p>a) the presented action plan as follow up from the Limited assurance report be approved and supported.</p>	SW / IV
AAC 20/11/024	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 20/11/025	Review of the Meeting The CC thanked everyone for their attendance and contribution to the meeting.	
AAC 20/11/026	Date and Time of Next Meeting To note the date, time and venue of the next Committee meeting: Tuesday 9th February 2021 at 9.00am	