

Swansea Bay University Health Board

Unconfirmed

**Minutes of the Meeting of the Audit Committee
held on Thursday, 17th November 2022 at 9.00am to 12.10pm
Microsoft Teams**

Present:

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| Nuria Zolle | Independent Member (in the Chair) |
| Patricia Price | Independent Member |
| Tom Crick | Independent Member |

In Attendance:

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| Andrew Biston | Assistant Director of Finance - Accounting and Governance |
| Hazel Lloyd | Director of Corporate Governance |
| Osian Lloyd | Head of Internal Audit |
| Matt John | Director of Digital |
| Felicity Quance | Senior Audit Manager |
| Sara Utley | Audit Wales |
| Matt John | Director of Digital |
| Georgia Pennells | Corporate Governance Officer |
| Paul Mapson | Special Advisor |
| Neil Thomas | Head of Risk & Assurance (minute 186/22) |
| Joanne Abbott-Davies | Assistant Director of Insight, Engagement & Fundraising (minute 197/22) |
| Claire Jenkins | Head of Accounting and Governance (Observing) |
| Keir Warner | Head of Procurement (minute 195/22) |
| Debbie Eyitayo | Director of Workforce and OD (minute 187/22) |
| Natalie Mills | Lead OD Facilitator (minute 187/22) |
| Christine Morrell | Director of Therapies and Health Science (minute 189/22) |
| Mark Parsons | Assistant Director of Health and Safety (minute 190/22) |
| Gareth Westlake | Assistant Director of Digital Business and Information Governance |
| (minute 191/22) | |

| Minute No. | | Action |
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| 177/22 | APOLOGIES | |
| | Apologies were noted from Darren Griffiths, Director of Finance and Performance, Gareth Howells, Executive Director of Nursing, Sian Harrop-Griffiths, Director of Strategy and Steve Spill, Vice Chair. | |

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| 178/22 | WELCOME / INTRODUCTORY REMARKS | |
| | The chair welcomed everyone to the meeting. | |
| 179/22 | DECLARATIONS OF INTEREST | |
| | There were no declarations of interest were received . | |
| 180/22 | MINUTES FROM THE PREVIOUS MEETINGS | |
| | The minutes from the meeting held on Thursday 15 th September 2022 were approved . | |
| 181/22 | CONSIDERATION OF ANY MATTERS ARISING NOT OTHERWISE ON THE AGENDA | |
| | There were no items raised under matters arising. | |
| 182/22 | ACTION LOG | |
| | The action log following the meeting held on Thursday 15 th September 2022 was received and noted . | |
| 183/22 | WORK PROGRAMME | |
| | The work programme was noted . | |
| 184/22 | BOARD ASSURANCE FRAMEWORK REVIEW | |
| | <p>The board assurance framework review was received.</p> <p>In introducing the review, Hazel Lloyd Director of Corporate Governance highlighted the following points:</p> <ul style="list-style-type: none"> - The Board Assurance Framework continued to evolve, recognising that further work was required; - Initial work has been undertaken following the internal audit report on the risk management and the board assurance framework, which was | |

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| | <p>a reasonable report as a whole but the element relating to the Board Assurance Framework was limited assurance.</p> <p>In discussing the review, the following points were made:</p> <p>Paul Mapson noted that the board assurance framework details the forms of assurance and gaps however, lacked an assessment of the organisations position in achieving its objectives.</p> <p>Patrica Price highlighted that the board assurance framework was missing a 'frank' overall assessment of the position of the organisation with its delivery of objectives and this would be a welcomed addition to the framework.</p> <p>Nuria Zolle agreed with Paul Mapson and Patricia Price, and gave an example of the clinical areas in particular primary care and mental health. The fundamental question being what were the committee looking to get assurance against as there isn't a clear objective. Nuria Zolle, also highlighted the Workforce and OD issue around the policy on European working time directive. She noted that it could be a wording. But again, noted, the board assurance framework required clarity in terms of what the committee and governance risk was.</p> <p>Nuria Zolle also reiterated that the cross cutting issues matter when it comes to the board assurance framework and the future.</p> <p>It was agreed further work would take place to help shape the BAF outside of the committee in light of members' comments.</p> | HL/LC |
| Resolved: | <p>Committee members noted the review.</p> <p>Action – Hazel Lloyd and Nuria Zolle to have a conversation outside of committee taking into consideration the view of independent members and to include in the next iteration of the BAF</p> | HL/LC/ NZ |
| 185/22 | AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS REVIEW | |
| | <p>The audit registers and status of recommendations review were received.</p> <p>In introducing the review, the Hazel Lloyd Director of Corporate Governance highlighted the following points:</p> <ul style="list-style-type: none"> - The report highlighted the overdue actions and the extended actions, there were 11 overdue actions for Audit Wales and 84 overdue actions for internal audit; - In terms of the overall trajectory, there has been a significant reduction in the number of overdue actions since January 2021. It was suggested that the overdue actions would be reported through the Management Board moving forward. | |

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| | <p>In discussing the review, the following points were made:</p> <p>Nuria Zolle recognised the level of the extensions had been a concern for the Audit Committee for some time, and members were keen to receive sufficient assurance and oversight. Nuria Zolle acknowledged that the head of compliance had produced guidance as part of the controls, and it would be helpful to tighten the guidance in terms of challenging the executive team when extensions were requested as it should be the exception and not the rule. Nuria Zolle gave thanks to Len Cozens, Head of Compliance for his work as there was no doubt that the overall picture was improving but it was important to receive clarity from the tracker in terms of the progress of the extended recommendations.</p> <p>Patrica Price raised her concern that the discharge of planning recommendation was slipping for both internal audit and Audit Wales and this was a concern given the numbers of clinically optimised patients and the acute medical service redesign. Nuria Zolle advised that the Chief Operating Officer had been invited to the committee to provide a deep dive report on this area, and quired the timings of this meeting in light of AW review of planned care.</p> <p>Sara Utley noted that the report on discharge planning had been on the tracker since 2018 and there might be an opportunity to reframe the recommendations bearing in mind the journey and issues of discharge planning over the years, which may have changed the recommendations slightly.</p> | |
| Resolved: | Committee members noted the review. | |
| 186/22 | HEALTH BOARD RISK REGISTER AND INSPECTION SCHEDULE | |
| | <p>The health board risk register and inspection schedule were received.</p> <p>In introducing the risk register Neil Thomas, Head of Risk highlighted the following points:</p> <ul style="list-style-type: none"> - The October 2022 HBRR contained 38 risks, of which 18 had risk scores at, or above, the Health Board's current appetite of 20. Four of the risks have risk scores of 25; - There were two new risks included HBR 86 Storage Area Network and HBR 88 Acute Medical Service Redesign. However, the HBR 86 would be removed in the next iteration of the risk register as Welsh Government had confirmed funding for a replacement Storage Area network; - The delivery of risk management training workshops for managers was complete for three service groups. Workshops & training | |

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| | <p>sessions had commenced in Morriston at the most senior management tier, clinical cabinet and matrons group. Further sessions were to be arranged for November to complete all service group training by the end of December;</p> <ul style="list-style-type: none"> - Work had been undertaken to develop a risk appetite statement – this had been reviewed and revised by the Executive Directors. At present with the financial challenges facing the Health Board it was proposed that a risk appetite be adopted across all risk types, requiring all strategic risks at or above a risk rating of 20 overseen by the committees of the Board as a minimum on a quarterly basis. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle sought assurances that the Midwifery Risk had been reviewed and discussed at the Quality and Safety Committee. In relation to the AMSR risk she agreed to consult with the Chair of the Performance and Finance Committee and Quality as Safety whether the risk needs to be escalated to board.</p> <p>Nuria Zolle also requested an evaluation of lessons learned in relation to the risk workshop and training programme.</p> | |
| Resolved: | <p>Committee members noted the register and schedule.</p> <p>Action - An evaluation report to be provided assuring committee members that the risk workshop and trainings was having the desired impact and staff members were able to understand how to monitor and effectively rate the risks.</p> | NT/HL |
| 187/22 | GUARDIAN SERVICE UPDATE | |
| | <p>An update on the guardian service was received.</p> <p>In introducing the update Natalie Mills, Lead OD facilitator highlighted the following points:</p> <ul style="list-style-type: none"> - The number of staff raising concerns and speaking up has significantly increased (from the former internal process – only 5 concerns raised between November 2018 and May 2019); - Number of concerns raised aligned to the 100 projected per year for the size of the organisation (96 by the end of the first 12 months); - 256 staff listened to/spoken up and or sign posted in confidence (May 2019 to October 2022); - 190 concerns resolved/closed (74% of total concerns raised to date, May 2019 to August 2022); | |

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| | <ul style="list-style-type: none"> - There have been a total of 63 promotional/communications activities (including evenings, weekends and bank holidays) between April and October 2022. <p>In discussing the update, the following points were raised:</p> <p>Nuria Zolle noted that the guardian service report was discussed in the recent Workforce and OD Committee particularly around the substantive issues for the service itself and echoed her comments that the positive impact the service has had for the health board staff. The governance challenges were around the wider actions identified in the report, which flow from the helpful lessons learnt and recommendations from the review of the service; however there was a difficulty in that the actions do not sit with the guardian service and cut across mechanisms which already existed such as behavior and values. Nuria Zolle's view was that the health board shouldn't be reporting progress against strategic and cross cutting issues through the guardian service and therefore requested Hazel Lloyd to meet with Debbie Eyitayo and Natalie Mills to clarify how the response to those recommendations can be incorporated into the health board's wider governance mechanisms.</p> | HL/DE/ NM |
| Resolved: | <p>Committee members noted the update.</p> <p>ACTION – Hazel Lloyd, Debbie Eyitayo and Natalie Mills to meet to discuss how the guardian service recommendations integrate with the health boards wider governance mechanisms.</p> | HL/DE/ NM |
| 188/22 | BOARD EFFECTIVENESS ASSURANCE PROGRAMME REVIEW AND ACTION PLAN | |
| | <p>The board Effectiveness assurance programme review and action plan were received.</p> <p>In introducing the review Hazel Lloyd, Director of Corporate Governance highlighted the following points:</p> <ul style="list-style-type: none"> - As part of the annual governance statement, the board was required to undertake an assessment of its effectiveness throughout the year in terms of governance and internal controls. For 2021/22 the process was undertaken virtually, with a matrix circulated in advance, and members asked to discuss and vote on the board's current position for each criteria; - The findings of the process were presented to the September 2022 meeting of the health board, along with a comparison of progress against the findings of the previous survey. An action plan was also presented at this meeting, which was agreed by the board; | |

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| | <ul style="list-style-type: none"> - The executive team developed the action plan with the intention to involve the sub committees of the board in overseeing the plan and its implementation. An external company would be brought in to facilitate a session to assess the board effectiveness. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle noted there were elements which were slightly off track but due to the coding not aligning with what the board was used to, it was difficult to assess and it would be useful to receive a sense of an overall position.</p> <p>Hazel Lloyd advised that she had met with Audit Wales and Internal Audit to link in with the work they would be undertaking in testing some of the areas of the programme. Sara Utey added that there was an opportunity to link in with the risk element because there was an opportunity to test how the risk arrangements were working in the health board.</p> | |
| Resolved: | Committee members noted the review and action plan. | |
| 189/22 | REGIONAL PATHOLOGY MANAGEMENT MODEL | |
| | <p>A report outlining the regional pathology model was received.</p> <p>In introducing the report Christine Morrell, Director of Therapies and Health Science highlighted the following points:</p> <ul style="list-style-type: none"> - The regional pathology programme brings together three organisations - Swansea Bay and Hywel Dda UHBs and Public Health Wales' laboratory based services under one roof. The investment would facilitate delivery of a new regionalised and co-located service model, supported by integrated management and joint health board workforce; - The proposal was specifically for immediate action to progress for Cellular Pathology, Mortuary and Immunology. Further discussions were ongoing relating to Pathology Management in its entirety, incorporating Blood Sciences/ Laboratory Medicine and possible consideration regarding Microbiology at Withybush General Hospital to enable pathology to operate as a regional network of laboratories within the management structure; - The Task & Finish Group procured support from NHS Wales Shared Services Partnership: Legal & Risk to provide an accurate and factual assessment of different models, along with informed recommendations for an organisational management model, based on the agreed principles to progress the regional service model ambition; | |

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| | <ul style="list-style-type: none"> - An options paper outlining the three management model options which were operational delivery network, managed clinical network and memorandum of understanding. The three preferred options were taken through a scoring process using the same framework, during a Task & Finish group workshop session (24th October 2022). Financial assessment was difficult at this stage, as detailed costings of the three models have not been considered. The output of the scoring activity was captured and the Operational Delivery Network emerged as the highest scored option based on the criteria set. <p>In discussing the report, the following points were raised:</p> <p>Paul Mapson noted that this was the right way forward for Wales however, highlighted the report should be for noting by the Audit Committee rather than endorsed as detailed in the report.</p> <p>Patricia Price raised her concern surrounding the governance of the project planning and delivery support and asked what qualifications the pathology transformation director had and what the team involved in the planning and delivery consisted of. Christine Morrell advised that the transformation director was appointed with a history of planning expertise who had worked in the organisation before. Christine Morrell highlighted the post was interim, because it was a post to deliver the project. Due to the complexity of the project additional resource sought from Welsh Government included a programme director, programme manager, supply chain partner, a finance advisor, project and administration support therefore there was a robust team structure in place.</p> <p>Nuria Zolle asked members to note the report and Christine Morrell to re-submit the cover report.</p> | |
| | <p>Committee Members noted the report.</p> <p>ACTION – For completion purposes, Christine Morrell agreed to re-submit the cover report for noting rather than endorsement.</p> | CM |
| 190/22 | CAPITAL POLICY AND MANUAL | |
| | <p>The capital policy and manual were received.</p> <p>In introducing the policy and manual Mark Parsons, Assistant Director of Strategy highlighted the following points:</p> <ul style="list-style-type: none"> - The proposed amendments to the Capital Project Control Manual address those areas of risk that have been identified by NHS Wales Shared Services Partnership – Audit and Assurance Services. The | |

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| | <p>changes in governance arrangements resulting from Health Board wide process changes;</p> <ul style="list-style-type: none"> - The review of the Capital Projects Control Manual was now included as a standard item on the agenda for the Capital Management Group. This will allow for better monitoring of the manual and allow more timely changes to be implemented. <p>In discussing the policy and manual, the following points were raised:</p> <p>Nuria Zolle asked internal audit to confirm their involvement and satisfaction of changes made were in line with the internal audit recommendations. Felicity Quance confirmed that Mark Parsons had discussed the changes through the various updates on the tracker through the Capital and Estates team and views had been shared whilst preparing the report for consideration.</p> <p>Nuria Zolle asked Mark Parsons how this would link in with wider aspirations for example; wellbeing for future generations and aspirations for local procurement. Mark Parsons assured committee members that it was embedded and the team were always considering the future generations act, Decarbonisation and sustainability.</p> <p>Patricia Price asked for clarity on the governance process on the discussion making of capital investment and who had the overall decision of the changing budgets. Mark Parsons advised that they collaborate together depending on the pathways the service groups take, and depending on the values. There are frameworks in place which report through management board and additionally the major capital schemes regular reviews are held with Welsh Government.</p> <p>In terms of SBUHB capital allocation where there is competing requests, Patricia Price asked what process was in place to secure the allocation and the prioritisation in line with the objectives. Mark Parsons advised the use of the risk register assists and then the risk was evaluated as to how it would fit with the clinical strategy moving forward.</p> <p>Nuria Zolle, thanked Mark and members and noted the report should be for noting, rather than approval.</p> | |
| Resolved: | <p>Committee members noted the policy and manual.</p> <p>ACTION – Mark Parsons would re-submit the report to note rather than approve.</p> | MP |
| 191/22 | DIGITAL TRANSFORMATION TO DELIVER SUSTAINABLE CLINICAL SERVICES REVIEW | |

The digital transformation to deliver sustainable clinical services review was **received**.

In introducing the review, Matt John, Director of Digital and Gareth Westlake, Assistant Director of Digital highlighted the following points:

- The risk was added to the Health Board's Risk Register (HBRR) in 2012 due to the Health Board's inability to invest in digital resources and solutions;
- There were a range of financial factors which have and continued to impact the Health Board's digital progress, including the Bridgend boundary change diseconomies of scale. Whilst a SLA for digital services provided by Swansea Bay UHB to Cwm Taf Morgannwg UHB has delayed the full effect, the SLA was expected to be ended over the next 12 to 24 months, leading to increased cost pressures for SBUHB;
- In addition to the financial factors, recruitment into digital roles was also becoming more and more of a challenge. Digital professionals, from project managers through to technical specialists, are in high demand and other industries, particularly the private sector, can attract existing staff and potential candidates with higher salaries.

In discussing the review, the following points were raised:

Nuria Zolle thanked Matt John and Gareth Westlake for the detailed and honest report into digital services', whilst appreciating there was plenty to be positive about there was also risks and concerns, in terms of patient safety and quality. Nuria Zolle highlighted that it was positive that there was flexibility and agility when making use of slippage money, however this wasn't an efficient way to manage such a strategic budget and given this was core to delivery of quality experience is there more the health board could be doing to progress the agenda at a more strategic level.

Tom Crick agreed with Nuria Zolle and added that it was incredible what had been achieved over the last few years and SBUHB has rightly received recognition nationally in terms of leading on national programmes. Tom Crick highlighted the bigger issue was around sustainability and resilience with this type of plan, due to the big aspirations in this area and there are things the health board are responsible for and can control but they also form part of a national picture around business continuity or resilience of national systems and data sharing. The challenge would be pushing back to Welsh Government and other funders regarding the challenges around finance ability. It wasn't about buying servers or expensive capital equipment, it was about long term revenue spends, salaries and extremely high value skill sets which were in demand across every economic sector, and moving forward particularly during the IMTP period what was in the

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| | <p>health boards control and what should be pushed back to NHS Wales and the Welsh Government as this wasn't an issue specifically to SBUHB but every health board and that was critical for the long term delivery of integrated digital health and social care in Wales.</p> <p>Matt John advised the health board was moving in the right direction nationally compared to where health board was a few years ago. From where NWSSP was to the re-organised DHCW and the fact they have a board in place and there was clearer accountability in place, there are digital directors on the vast majority of health boards and trusts across Wales forming a strong peer group. There are a number of actions which have been agreed and taken forward by the peer group, and the new Welsh Government digital strategy would be launched in February 2023 which should set up a good framework to move forward. An initial ten year estimate across organisations has been developed as to what it would take financially to move the digital agenda forward. The imminent national work taking place was on the HIMMS digital maturity model with health boards collaborating and working with the HIMMS organisation on establishing where each health board is on the HIMMS model.</p> <p>Gareth Westlake advised that a lot of what digital spends currently is within the capital framework, and large amounts of discretionary capital allocation. Gareth Westlake noted that the benefits work which the team is carrying out was fantastic, given the limited resources and expertise.</p> <p>Andrew Biston recognised that a digital accounting group had been set up on an all Wales basis, to work with Welsh Government under the leadership of DHCW to consider the new funding streams and provide the support to Welsh Government on how to switch to the new funding streams.</p> | |
| Resolved: | <p>Committee members noted the review.</p> <p>ACTION – Regular updates to include, the risks, and how the agenda of the digital transformation to deliver sustainable clinical services agenda was progressing to be provided to the Audit Committee.</p> | MJ |
| 192/22 | PROGRESS REPORTS | |
| | <p>The progress reports were received.</p> <p>In introducing the reports, the Head of Internal Audit highlighted the following points:</p> <ul style="list-style-type: none"> - 7 audits have been delivered to date, with one in draft where the Director of Digital was carefully considering the detail relating to information governance; | |

- There were no further changes proposed in respect of the 2022/23 Internal Audit Plan;
- The most recent review of the Capital Assurance and Estates Assurance Internal audit recommendations was undertaken following the closure of the health board's tracker. Of the total 27 recommendations detailed, internal audit would have expected 16 (59%) to have been closed by the review date. Closure was received for 5 with management proposing extensions to the remaining 11 recommendations;
- Internal audit have met with a number of executive directors to discuss areas for review in 2023/24, and will complete meetings between now and January;
- The Key Performance Indicators are green, although the delivery of reporting isn't at the desired position as internally there were staffing issues within internal audit, and executive engagement was still good.

In discussing the progress report the following points were raised:

Nuria Zolle highlighted the Committee's concern over delayed and extended recommendations. She sought for further information from Internal Audit, on their observations. Felicity Quance advised that when the original dates were issued, the dates were seen to be a realistic timeframe based on the status of the recommendations. Felicity Quance recognised that there had been capacity and resources issues within the directorates however, recognising the amount of times the recommendation deadline has moved, whether there needs to be a review in terms of the appropriateness of the planned action and the 'buy in' of the planned action to take to fruition to address that. Felicity Quance highlighted that the recommendations are of high rated and therefore the risk was within the functionality of the estates team. Where there is continual changes, is it at the right forum that it's changed on the tracker or if it should be subject to greater scrutiny by executive members.

Nuria Zolle thanked Felicity Quance for her update and advised she would invite the estates directorate to present an update to the committee.

Controlled Drugs

- A reasonable assurance rating was received;
- Instance of illegible or missing staff signatures in ward and theatre controlled drug order stationary and registers;
- Instances where hospital pharmacy team controlled drug balance checks were not recorded in the controlled drug registers;

- The controlled drug management assurance map service group action plans were not up to date and varying governance and oversight arrangements across service groups.

Nuria Zolle noted that there was a theme with the governance arrangements and the control of the governance arrangements and this would be picked up by both internal audit and Audit Wales.

Decarbonisation

- Originally envisaged that the audit of the Decarbonisation would be completed simultaneously across NHS Wales however, based on initial work it became clear that at a national level that the arrangement were still at the early stages of development. Therefore, it moved to an advisory review to provide advice relating to the Decarbonisation arrangements within the health board whilst appreciating the need to share best practice across NHS Wales to reduce carbon emissions in line with Welsh Governments objectives;
- Several national common themes have been identified and there was an action for management response, they were supplemented with four additional actions which related specifically related to the health board;
- The key matters for consideration by the health board was to ensure a detailed funding strategy in place for implementing the Decarbonisation action plan and that there was sufficient resource to carry out the Decarbonisation activity moving forward.

Nuria Zolle queried whether the findings for SBUHB was similar to other health boards in Wales. Felicity Quance confirmed that was the case and Once For Wales approach was needed.

ESR self-service

- A baseline assessment was carried out in respect of the implementation of ESR Manager, Supervisor and Employee Self Service functionalities across the health board;
- The review involved a baseline assessment of the systems and processes in place to capture employee data across all staff groups, the mechanisms in place to store, collate and analyse employee data, and arrangements to monitor and report employee data, including compliance with Welsh Government and statutory obligations;
- As this was an advisory review an assurance rating has not been provided.

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| | <p>Nuria Zolle noted the Health Board was an outlier and highlighted whether a reliance on manual and paper records could put the accuracy of accounts at risk. Andrew Biston responded that this was an issue the health board had been faced with in particular over the last two financial years due to the amount of annual leave staff untaken during pandemic. Medical staff have had to be contacted individually to obtain their annual leave records. A recent issue saw an increase in salary overpayments as the process is manual, where as if it was done through ESR self-service as soon as the staff member was terminated through ESR the termination would be actioned however, by sending the termination form as a paper copy outside of ESR delays the process.</p> <p>Paul Mapson noted that the report raised serious financial concerns, and the system should be streamlined to ensure all employees are using the system.</p> <p>Nuria Zolle asked for the advisory review of the ESR self service to be referred to the Workforce and OD Committee. She reiterated the need to understand the risks of not streamlining the system from both a financial and governance perspective.</p> | |
| Resolved: | <p>Committee members noted the reports. ACTION - Estates to provide an update against the Capital Assurance and Estates Assurance Internal audit recommendations.</p> <p>ACTION - The advisory review of the ESR Self Service would be referred to the Workforce and OD Committee to include a discussion around the financial risks.</p> <p>ACTION – Alert the executive directors of the discussions taking place regarding the ESR Self Service.</p> | <p>HL</p> <p>TC</p> <p>HL</p> |
| 193/22 | FINANCE UPDATE | |
| | <p>A verbal finance update was received.</p> <p>Andrew Biston, Assistant Director of Finance – Accounting and Governance provided the committee with the following update:</p> <ul style="list-style-type: none"> - At the end of month 7 the health board was overspent by £0.5m which takes the cumulative position to the end of October 2022 of £3.7m overspend; - At this moment health board is still forecasting a balanced position, and the only health board in Wales able to do so; - Current key areas of pressure include variable pay costs which are now above pre-covid levels and quite a challenge, continuing non- | |

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| | <p>pay pressures in clinical supplies, continuing healthcare, and issues with non-delivery of the savings targets;</p> <ul style="list-style-type: none"> - In terms of the savings targets, a target of £33.6m for this financial year, there are plans for £32.4m but around 10% of that is identified as red and plans are required to ensure the target is achieved; - A mid-year review was carried out with Welsh Government on 24th October 2022, where the plans and expectations were provided of the breakeven position; - The breakeven position is predicated on a number of key assumptions, assuming allocations of around £58.0m for covid-19 funding which includes the vaccinations and national programmes but also the covid transition response. Welsh Government weren't in a position on 24th October 2022 to confirm the £58.0m and an indication was the health board would receive notification over the next 3-4 weeks. That was also the same stance, for the £19m of funding that was assumed in the financial position for extraordinary pressures; - In terms of the local actions, the Director of Finance and Performance and the Chief Executive Officer have a clear programme of work to ensure the health board hits the breakeven position, service groups have been set clear targets for their yearend delivery, and regular meetings are held with those groups who aren't achieving their targets, a finance summit has been held with all senior leaders to confirm the action required to achieve the breakeven position. An independent financial improvement support was commenced in Morriston service group in September 2022. <p>In discussing the review, the following points were raised:</p> <p>Nuria Zolle highlighted the importance of the oversight of the Performance and Finance committee. Patricia Price confirmed that the Performance and Finance committee were receiving regular updates.</p> <p>Hazel Lloyd agreed that members would be informed once a decision had been made by Welsh Government.</p> | |
| Resolved: | <p>Committee members noted the review.</p> <p>ACTION - Hazel Lloyd agreed that members would be informed once a decision had been made by Welsh Government.</p> | |
| 194/22 | FINANCIAL CONTROL PROCEDURE REVIEW PLAN | |

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| | <ul style="list-style-type: none"> - During the 2021/22 financial year to provide additional support to the Assistant Director of Finance (Accounting & Governance), a financial governance work stream was set up under the Finance Department's Delivering and Developing an Excellent Finance Function and People Group Project. This work stream as well as assisting in the review of the Financial Control Procedure's, also looked at desk top procedures and standard operating procedures flowing from the procedures; - Focusing on these documents has delayed reviews of some of the Financial Control Procedure's, during 2021/22. As a result, there was a need to review all the FCP's during the remaining 2 Quarters of the 2022/23 financial year; - Six reviews were scheduled for Quarter 4. Of these, four would be sent for review in November 2022 and December 2022. One required further Welsh Government guidance on the requirements under IFRS 16 in order for this to be included in the Financial Control Procedure, the further guidance expected in December 2022; - The remaining Financial Control Procedure required identification of a Nursing lead and contact was to be made with the Director of Nursing to determine the most appropriate lead; - The Charitable Funds Committee financial control procedure would go to the committee in December 2022. | |
| Resolved: | The report was noted . | |
| 195/22 | NWSSP PROCUREMENT: SINGLE TENDER ACTIONS AND QUOTATIONS | |
| | <p>The NWSSP Procurement: single tender actions and quotations report were received.</p> <p>In introducing the report, the Head of Procurement raised the following points:</p> <ul style="list-style-type: none"> - During the period 13/08/2022 to the 26/10/2022 there were 13 SQAs approved, with a total value of £172,689.75 (excl. VAT) and 11 STAs, with a total value of £944,835.76 (excl. VAT). 2 Retrospective action file notes were sent to the Head of Procurement for approval; - Going into the last quarter of the financial year, there will be a high volume of STAs and SQAs the main reason being, most equipment is bought at the end of the financial year due to capital money. There | |

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| | <p>will be maintenance where there isn't any competition linked to the capital purchases;</p> <ul style="list-style-type: none"> - There was no consultancy reported; - The procurement drop in clinics continue to be a success, and further training opportunities have been identified for example, oracle training. <p>In discussing the report, the following points were raised:</p> <p>Nuria Zolle asked Hazel Lloyd to raise in the executive board meeting the importance of the need for the involvement of executive colleagues in the accountability of procurement and the key role they play in strengthening this message across the board.</p> | |
| Resolved: | <p>Committee members noted the report.</p> <p>Action - Hazel Lloyd to raise in the executive board meeting the importance of the need for the involvement of executive colleagues in the accountability of procurement and the key role they play in strengthening this message across the board.</p> | |
| 196/22 | AUDIT WALES PERFORMANCE AND PROGRESS REPORTS | |
| | <p>The performance and progress reports were received.</p> <p>In introducing the reports, Sara Utley - Audit Wales highlighted the following points:</p> <ul style="list-style-type: none"> - The orthopedic services follow up was issued and a brief on timescales was provided to the Chief Operating Officer on 17th November; - A management response was received in relation to the review of the commissioning and contracting arrangements post Bridgend boundary change which would be reported to the January 2023 committee; - Review of unscheduled care is underway; - The structured assessment report is in draft. | |
| Resolved: | Committee members noted the performance and progress reports. | |
| 197/22 | AUDIT WALES' REPORT ON EQUALITY IMPACT ASSESSMENTS AND THE HEALTH BOARD'S RESPONSE | |

In introducing the response, Assistant Director of Insights, Communications and Engagement highlighted the following points:

- In order to ensure that equality, diversity and inclusion is “owned” across the organisation it was proposed that a Strategic EDI Group be established;
- This group would be pivotal to developing an EDI Strategy for the Health Board; overseeing the development of action plans to respond to Welsh Government equality plans and monitoring progress against these; developing a fit for purpose Impact Assessment process incorporating equality considerations for policy / service change; agreeing and implementing actions relating to the Health Board’s response to other equality initiatives;
- The specific element in the audit report identified that all public bodies should review their overall approach Equality Impact Assessment considering the findings of the report and taking into consideration EHRC guidance is the directorate’s key priorities. It has been agreed to appoint a head of EDI with recruitment to take place in the next quarter which will be critical in addressing the audit recommendation. The role will give the directorate the capacity to fundamentally relook at the process and best practice in other bodies to incorporate all elements to create a streamlined approach;
- The further three recommendations involved Welsh Government to change guidance, in particular there have been problems in the partnership space due to the different approaches to the Equality Impact Assessments. With more work taking place in the partnership space it is fundamental that the different approaches are addressed. This would be feedback to Welsh Government;
- There was a clear plan in place to address the next steps, and a response would be provided to Audit Wales.

In discussing the report, the following points were raised:

Nuria Zolle welcomed the investment and focus on equality and noted the challenge was around embedding equality to ensure it is everyone’s business not just that of a department or individual. She asked whether the health board would look at embedding equalities alongside other cross cutting duties like the Wellbeing of Future Generations. Whether the health board would look into integrated impact assessments.

Sara Utlely noted she was working on a finalised management response from Welsh Government which would include the next steps to the additional three recommendations. Sara Utlely agreed to share this response with committee members.

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| Resolved: | Committee Members noted the report and response. | |
| 198/22 | VOLUNTARY SECTOR RECOMMISSIONING PROCESS UPDATE | |
| | <p>An update on the voluntary sector recommissioning process was received. In introducing the update, the Assistant Director of Insights, Communication and Engagement highlighted the following points:</p> <ul style="list-style-type: none"> - The recommissioning was initially planned in 2017 but had to be postponed due to the implications of Bridgend Boundary Change and the need to disaggregate commissioned services. The process restarted in early 2020 but again had to be paused due to the pandemic. In January 2021 the Health Board agreed to a revised timescale for the recommissioning process with it planned for completion by end March 2023; - Feedback from the sector informed the decision to proceed with a Dynamic Purchasing System (DPS). This offers a two stage process where providers initially apply to get on the framework (Phase 2) subject to passing the due diligence test, ensuring they have adequate systems and processes in place to enable them to do business with the Health Board; - External workshops have taken place where we have seen excellent stakeholder attendance from voluntary sector organisations. The workshops have provided opportunities for feedback to influence the process and have been well received by the sector who have appreciated being involved in the development of the process and the regular updates around progress; - The due diligence process commenced on 28 March 2022 and ended on 9 May 2022. A total of 96 organisations were added to the framework; - Engagement from service leads from within the Health Board continues to be a challenge and the appetite to participate in the task and finish groups originally proposed to complete the specifications is very limited; - The new commissioning arrangements will come into operation from 1st April 2024 rather than 1st April 2023 as originally proposed, but will ensure that the risks are addressed; | |

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| | <ul style="list-style-type: none"> - There are significant pressures being experienced by the voluntary sector, as with all sectors, in relation to cost of living rises. However, this is exacerbated by the long-time flat funding for services in spite many of them now having to pay the living wage in Wales which has increased their baseline costs. Therefore it is proposed that an uplift of funding for the sector in 2023-24 of 3-4% should be applied from underspends in the existing voluntary sector budget; the budget will not overspend as a result of this proposal. <p>In discussing the update, the following points were raised:</p> <p>Nuria Zolle noted it was a thorough report. However, she had further questions surrounding planning in the longer term in relation to the things the health board should be focusing on and the mechanisms for identifying these. Nuria Zolle asked Hazel Lloyd where the report goes for further debate, Hazel Lloyd confirmed it was going to the November board meeting. In terms of the committee oversight and the structure of reporting Hazel Lloyd agreed to look into this.</p> | |
| Resolved: | <p>Committee Members noted the update.</p> <p>ACTION – Hazel Lloyd would confirm the committee oversight of the voluntary sector commissioning process.</p> | HL |
| 199/22 | INFORMATION GOVERNANCE GROUP REPORT | |
| | The information governance group report was received . | |
| Resolved: | Committee Members noted the report. | |
| 200/22 | ITEMS TO REFER TO OTHER COMMITTEES | |
| Resolved: | <ul style="list-style-type: none"> - ESR would be referred to the Workforce and OD Committee. - Acute Service Medical Re-Design risk to be referred to Board. | |
| 201/22 | MEETING EFFECTIVENESS | |
| Resolved: | Nuria advised members an anonymous questionnaire regarding the audit committee effectiveness, would be sent out to members of the audit | |

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| | committee by December 2022 and would appreciate members completing the questionnaire. | |
| 202/22 | ANY OTHER BUSINESS | |
| Resolved: | There was no further business discussed. | |
| 203/22 | DATE OF NEXT AUDIT COMMITTEE MEETING | |
| | The date of the next meeting was confirmed as Thursday 19th January 2023. | |