

Swansea Bay University Health Board

Unconfirmed

**Minutes of the Meeting of the Audit Committee
held on Thursday, 19th January 2023 at 9.30am to 12.05pm
Microsoft Teams**

Present:

Nuria Zolle	Independent Member (in the Chair)
Patricia Price	Independent Member
Jackie Davies	Independent Member (minute tenders)
Keith Lloyd	Independent Member (minute account plan)

In Attendance:

Darren Griffiths	Director of Finance and Performance
Andrew Biston	Assistant Director of Finance - Accounting and Governance
Nia Morgans	Assistant Director of Finance - Accounting and Governance (Observing)
Hazel Lloyd	Director of Corporate Governance
Osian Lloyd	Head of Internal Audit
Felicity Quance	Senior Audit Manager
Sara Utley	Audit Wales
Matt John	Director of Digital
Len Cozens	Head of Compliance
Georgia Pennells	Corporate Governance Officer
Keir Warner	Head of Procurement (minute 17/23-18/23)
Matt Evans	Head of Counter Fraud (minute 18/23)
Martyn Lewis	Auditor (minute 12/23)
Des Keighan	Assistant Director of Estates (minute 13/23)

Minute No.		Action
01/23	APOLOGIES	
	Apologies were noted from Tom Crick, Independent Member.	
02/23	WELCOME / INTRODUCTORY REMARKS	
	The chair welcomed everyone to the meeting.	
03/23	DECLARATIONS OF INTEREST	
	There were no declarations of interest received .	

04/23	MINUTES FROM THE PREVIOUS MEETINGS	
	The minutes from the meeting held on Thursday 17 th November 2022 were approved .	
05/23	CONSIDERATION OF ANY MATTERS ARISING NOT OTHERWISE ON THE AGENDA	
	There were no items raised under matters arising.	
06/23	ACTION LOG	
	The action log following the meeting held on Thursday 17 th November 2022 was received and noted .	
07/23	WORK PROGRAMME	
	The work programme was noted .	
08/23	AUDIT REGISTERS AND STATUS OF RECOMMENDATIONS REVIEW	
	<p>The audit registers and status of recommendations reviews were received. In introducing the review, Len Cozens Head of Compliance highlighted the following points:</p> <ul style="list-style-type: none"> - There had been a change of emphasis of the paper, which has been made in response to comments received around extensions to deadline dates when an action becomes overdue. The format and the wording on the covering paper has been revised to ensure the focus remains on the originally agreed deadline dates as appose to the milestone dates for further updates and completion; - In terms of Audit Wales reports, there has not been any movement in the number of overdue recommendations since the November 2022 report to the Audit Committee. The majority of the entries have been updated by the relevant lead executives with several recording either the 31st December 2022 or 31st January 2023 for further updates or completion. A revised position would be reported at the March 2023 committee; - Due to staff absence there has not been an update to the discharge planning audit, the Head of Compliance has met with the Deputy 	

	<p>Head of Nursing, who has confirmed all the agreed actions across all of the reports would be reviewed against the national issued guidance, and it was expected an update would be received in March 2023.</p> <p>In discussing the review, the following points were made:</p> <p>Keith Lloyd asked on the progress of the Datix mitigations measures, in terms of the roll out of the training around the risk register and queried how it was going given the deadline was December 2022. Hazel Lloyd advised that there were a number of training sessions outstanding for the Morriston service group and it was hoped the session would be delivery by March 2023.</p> <p>Patricia Price was pleased to see the discharge planning actions were being reviewed and asked for a sense of how Len Cozen felt the high priority 30 overdue actions were being progressed and how they would be delivered moving forward. Len Cozens advised he works closely with executive colleagues on a regular basis, to ensure the processes are embedded and noted there is clear improvement across all recommendations including the high priority actions and progress was moving in the right way forward.</p> <p>Hazel Lloyd raised that the change in allowing the opportunity to explain the rationale of why the action was overdue would be helpful moving forward to gain assurance and focus on areas of concern. Hazel Lloyd added that the reason behind the overdue actions assigned to herself was due to a change from an All Wales basis shortly after writing the plan.</p> <p>Darren Griffiths advised members that he had recently taken over capital planning since the 1st January 2023 and therefore seven of the high priority actions assigned, and gave members the assurance that he would be look at the portfolio of those integrated across estates and capital, which is why the change has taken place to allow for the opportunity to solve the actions in a more holistic way and would do his best to eliminate the seven overdue actions as soon as possible given the changes.</p> <p>In terms of the layout, Nuria Zolle advised that she found the brief summary of the revised deadlines very helpful and would discuss her feedback with Len Cozens outside of the committee. Nuria Zolle was eager to ensure progressing the overdue actions was sustained moving forward. In terms of the date related to discharge planning, Nuria Zolle wanted to ensure that the executives were aware that the date reported was the date for completion rather than a date for the next update.</p>	
	Committee members noted the report.	
09/23	BOARD EFFECTIVENESS	

	<p>The board effectiveness action plan was received.</p> <p>In discussing the action plan, the following points were made:</p> <p>Patricia Price noted it was good to see progress made on the actions, noting the delay of the Duty of Candor due to the engagement of the service groups and in the assessment of the resource impact, and given there was an imminent submission due to Welsh Government on the 20th January 2023 and was concerned that the delay and the lack of engagement would effect the quality of the submission. Hazel Lloyd advised that engagement had started, and the submission had been provided to Welsh Government where the health board was in line with other organisations in terms of reporting. There has been a delay by Welsh Government with issuing the consultation documents, Welsh Government won't change the implementation date of the 1st April 2023 but recognised it is more of a start of implementation with all organisations raising that resourcing and Welsh Government were considering this.</p> <p>Nuria Zolle noted that it was pleasing to see that there was a lot of activity taking place, and asked when the actions would be fulfilled and noted that the action plan did not have a revised completion date and wondered if a date was needed to move the activity forward. Len Cozens agreed to take the same approach when requesting updates to the audit tracker, for those overdue he would request executive leads to put in place milestone dates or revised completion dates, and when received he would ensure they would be reflected in the updates to the Audit Committee. Nuria Zolle felt this would be helpful in steering discussions.</p>	
Resolved:	Committee members noted the action plan.	
10/23	BRIBERY POLICY	
	The revised bribery policy was received .	
Resolved:	Committee members noted and approved the policy.	
11/23	STANDING FINANCIAL INSTRUCTIONS	
	The updated standing financial instructions was received .	
Resolved:	Committee members noted and approved the revised changes.	

12/23	PROGRESS REPORT	
	<p>The internal audit progress report were received.</p> <p>In introducing the report Osian Lloyd, Head of Internal Audit highlighted the following points:</p> <ul style="list-style-type: none"> - A proposed changed to the changed plan was noted in relation to the deferral of the review into 'Recruitment and Retention' recognising Audit Wales are undertaking a broader piece around workforce planning arrangements; - Capital progress continues to be positive; - There were no further extensions proposed by management on the recommendations resulting in some being reported as overdue; - Discussions with executive colleagues has recently concluded for the 2023/24 internal audit plan and the long list of reviews would be discussed with executive colleagues, and independent members before completing the draft plan in March 2023 for the committee to approve. <p>In discussing the report the following points were raised:</p> <p>Nuria Zolle challenged the Workforce and OD report, in terms of the systems of control and was keen to carve out the work between internal audit and Audit Wales in terms of carrying out the work in parallel. Osian advised that discussions have taken place with the Workforce and OD team and the challenges around the Audit Wales brief includes a focus on how the health board was working to address its workforce challenges and that would be covered in the Audit Wales report which would be reflected on an all Wales position. This would allow the health board the opportunity and the time to review and respond, which would be picked up in the 2023/24 plan. Sara Utley agreed that conversations would be maintained with internal audit in terms of findings to inform their scope of work.</p> <p><u>Cyber Security</u></p> <p>In presenting the cyber security final internal audit report, Martyn raised the following points;</p> <ul style="list-style-type: none"> - A reasonable assurance was received on this area; - With an aim to providing assurance that the organisation was working to improve its cyber security position, and that appropriate reporting is in place that shows the current status; - There was matter arising which involves the use of the risk management process to manage the improvement plan results in some loss of clarity over timing of progress and detail of risk. 	

In discussing the report committee members raised the following points:

Nuria Zolle asked Matt John to ensure that the timeframes were realistic, and asked for further detail in the next steps in terms of the response to the risk management process. Matt John assured committee members that the timescales, which were set, are reasonable. Matt John noted there was improvement to be made, and advised that there was a risk management process within the digital directorate where by all risk across digital and cyber are discussed, agreed and then placed on the risk register. Matt John advised there was also a directorate wide business meeting in place, where those risks are raised to himself and recommendations discussed in ensuring the risks were placed on the health board risk register.

Information Governance

In presenting the information governance internal audit report, Martyn raised the following points:

- A limited assurance rating was received;
- With the purpose to review arrangements in place for resourcing, capacity and resilience of the Information Governance function to achieve compliance with GDPR in the future;
- The significant matters included inadequate resources with the IG team, and no full capacity and resilience assessment. There isn't a health board wide policy in handling subject access requests or an information governance risk reporting in place and there was a lack of full performance measures in place;
- It was highlighted that it was a future looking report rather than a current status report, considering the risk to the organisation in the future due to the rise in volume and complexity to the IG function.

In discussing the report committee member raised the following points:

Nuria Zolle noted there was a lot of findings in the report which raised concerns for the organisation, particularly highlighting the risk in reaching European working time directive on staff hours, not least because of the wellbeing of staff, but also the risk in being fined by the information commissioner and would be keen to see progress on this action as a high priority. Nuria Zolle asked who owns the management response to recommendation one – resources, noting that as you read the report it stated it was the head of governance to keep making the case for more resources by March 2023 but there does not seem to be a clear ownership of the commitment from finance to provide the resources required. Matt John saw the report has disappointing, and it was important to take forward the appropriate actions. Matt John provided background context by which since the implementation of GDPR in 2018, and then the pandemic a substantial

	increase of work had been seen. Including a high volume of subject access requests and the work, which goes into communicating the subject access requests. The staff members working beyond their hours have been addressed however, the workload remains. Matt John advised that it had been identified in the IMTP that a subject access request lead was required.	
Resolved:	Committee members noted the progress report and approved the change to the plan in relation to the work of recruitment and retention.	
13/23	ESTATES INTERNAL AUDIT	
	<p>The estates internal audit report was received.</p> <p>In introducing the estates internal audit, Des Keighan provided an update on the open actions, which have been detailed in the report.</p> <p>In discussing the report, the following points were raised:</p> <p>Darren Griffiths noted that the report before the committee specifically addresses findings from the report issued in June 2022 and that was what Des Keighan would focus on however, committee members would note that there are other actions such as waste management, systems and capital planning which are also assigned to estates but don't feature in the report. Darren Griffiths requested that the actions would be brought back to the committee at a future date.</p> <p>Nuria Zolle noted there was a lot of positive work had taken place and thanked the team and Felicity for her work alongside the team. Nuria Zolle questioned the reason behind the difficulty around the recruitment of the procurement officer. Des Keighan advised that when the advert was first published, the procurement department had just finished a restructure and it was felt the talent pool had been exhausted. As the job description was advertised a procurement professional in estates, it was felt the post might have been worded in a way which isolated the role to the estates directorate; therefore the job description would be revised based on discussion between the head of estates and the head of procurement.</p> <p>Nuria Zolle asked Felicity Quance to ensure she was content with the updates provided in the report; Felicity Quance was content with the detail of the report and advised a further review would be aligned with the next closure of the tracker.</p> <p>Des Keighan and Darren Griffiths gave thanks to internal audit and Len Cozens, Head of Compliance.</p>	
	Committee members noted the report.	

14/23	FINANCE UPDATE	
	<p>The finance update was received.</p> <p>In introducing the finance update Darren Griffiths, the Director of Finance and Performance highlighted the following points:</p> <ul style="list-style-type: none"> - As of December 2022, the health board overspent in month by just over £200,000 which was a reduction in the overspend rate which was broadly in line with the health boards plans; - The Morriston service group overspend position reduced from £2.3m reduced to £1.6m, it was urged for professional caution on the interpretation given there were a few competing events during December 2022 such as the launch of ASMR and strike action; - A plan was still to deliver a balanced position. 	
Resolved:	Committee members noted the update.	
15/23	ANNUAL ACCOUNTS TIMETABLE AND PLAN	
	<p>The annual accounts timetable and plan was received.</p> <p>In introducing the report, Andrew Biston – Assistant Director of Finance, Accounting and Governance highlighted the following points:</p> <ul style="list-style-type: none"> - Welsh Government issued the draft manual for accounts on 16th December 2022 which will be discussed by the All Wales Technical Accounting Group at its meeting on 25th January 2023; - Interim audit work has not yet commenced due to resource issues at Audit Wales and the Health Board has not been able to confirm with Audit Wales a timescale for the interim audit work; - It is intended that the detailed closure plan for the year end accounts will be shared with Audit Wales by 30th January 2023 as well as across the Finance Directorate and with all other departments providing information to the accounts closure process; - There were a number of risks noted which have been detailed in the report. <p>In discussing members highlight the following points:</p> <p>Nuria Zolle wondered if a confirmed date wasn't possible would Audit Wales at least inform the health board when they will have more information as to a confirmed date. Andrew Biston advised he recently met with Audit Wales,</p>	

	who assured him that as soon as a date was received, they would let him know when the interim audit would start.	
Resolved:	Committee members approved the timetable and plan.	
16/23	LOSSES AND SPECIAL PAYMENTS	
	<p>The losses and special payments report was received.</p> <p>In introducing the report, Andrew Biston - Director of Finance - accounting and governance noted the following points:</p> <ul style="list-style-type: none"> - The losses and special payments recorded during the period 1st August 2022 to 30th November 2022 totaled £2,497,061 of which £2,017,444 was recoverable from the Welsh Risk Pool, meaning that the actual loss to the Health Board in the period totaled £479,617; - Of the losses and special payments made in the period a total of £303,862 related to cases pre 31st March 2019 for locations which transferred to Cwm Taf Morgannwg Health Board on 1st April 2019 of which the actual loss after recoveries that were taken into account was £35,817; - After the recoveries from Welsh Risk Pool were taken into account, there was a net loss of £1,126,964 to the Health Board for the period 1st August 2022 to 30th November 2022 which was lower than the net loss of £1,408,710 for the comparable period 1st August to 30th November 2021. 	
Resolved:	Committee members noted the report.	
17/23	NWSSP PROCUREMENT: SINGLE TENDER ACTIONS AND QUOTATIONS	
	<p>Keir Warner, Head of Procurement provided the committee with the following update:</p> <ul style="list-style-type: none"> - During the period 27/10/2022 to the 31/12/2022 there were 6 SQAs approved, with a total value of £71,085.12 (excl. VAT) and 9 STAs, with a total value of ££1,102,038.43 (excl. VAT). 7 Retrospective action file notes were sent to the Head of Procurement for approval, with a total value of £335,635.06. <p>In discussing the report, the following points were raised:</p>	

	<p>Pat Price raised the lack of alignment between the procurement system and the financial management system and wondered if there was a single procurement system across all health boards in Wales. Keir Warner advised that the system was oracle and has been in place for around 12 years, it was tight in terms of policy and procedures but if staff are not following policies and procedures, the system won't prevail.</p> <p>Nuria Zolle asked if it was feasible to look into targeted training where trends were seen. Keir Warner advised that the areas which expenditure was being committed was across a wide range of departments, Keir Warner informed the committee members that there was a procurement savings group which meet bi-monthly and the relevant finance partner are notified through the procurement savings group.</p> <p>Nuria Zolle asked Keir Warner to discuss with Audit Wales whether they should be included on the registers.</p>	
Resolved:	<p>Committee members noted the report.</p> <p>ACTION - Nuria Zolle asked Keir Warner to discuss with Audit Wales whether they should be included on the register moving forward.</p>	KW/SU
18/22	NHS PROCURMENT SPENDING DURING THE COVID-19 PANDEMIC	
	<p>The NHS Procurement spending during covid19 pandemic report was received.</p> <p>In discussing the report members raised the following points:</p> <p>Nuria Zolle noted the work should be explored further with executive colleagues, in terms of the recommendations as to what the organisation does next and what the role was for the Audit Committee in terms of oversight. It was important to reflect on improvement moving forward.</p>	
Resolved:	The report was noted .	
19/23	AUDIT WALES PERFORMANCE AND PROGRESS REPORT	
	<p>The performance and progress report was received.</p> <p>In discussing the report, the following points were raised:</p> <p>In terms of the Primary Care Service Review, Nuria Zolle noted the review date of March 2023 and asked if this was still on track. Sara Utley advised that the work was on track, given it was a follow up review to look at the</p>	

	<p>previous report and whether or not the recommendations have been addressed across all health boards and trusts across Wales.</p> <p>Nuria Zolle reinforced the alignment with internal audit on the workforce element of the review and in the early stages to issue a timetable as to the likely scope of work.</p> <p>In relation to the Time for Wales – Poverty in Wales report, Nuria Zolle asked if there would be work undertaken to focus on health more specifically on the poverty agenda. Sara Utley agreed to provide further information to Nuria Zolle.</p>	
Resolved:	Committee members noted the report.	
20/23	COMMISSIONING AND CONTRACTING ARRANGEMENT POST BOUNDARY CHANGE	
	<p>The commissioning and contracting arrangement post boundary change was received.</p> <p>In introducing the report Sara Utley, Audit Wales highlighted the following points:</p> <ul style="list-style-type: none"> - Overall the arrangements to establish and monitor the LTAs and SLAs were working well but escalation of project risks to corporate risk registers needs improvement and more could be done to consider impact; - Until recently there wasn't a clear plan for disaggregation however, this has been addressed which is a positive movement with a clear goal to work towards; - Four recommendations would be included in the recommendations tracker, there needs to be a mechanism in place to address the regular updates of the joint management response. <p>In discussing the report committee members raised the following points:</p> <p>Patricia Price was keen to receive an initial management response in terms of how the work would be taken forward. As Sian Harrop-Griffiths, Director of Strategy was not present, it was agreed a discussion would take place when Sian Harrop-Griffiths was present.</p> <p>Nuria Zolle requested clarity of the board and committee oversight and noted that the report made reference to the issue of Neath and Port Talbot but felt it was fair to say the board was sighted on the work as part of the transformational plans and it does feature in the risk management of the</p>	

	<p>project and thought it would be helpful to receive exactly what was required and what would work moving forward. Sara Utley responded that it was in relation to the plan of disaggregation, how the health board was performing against the plan, and whether there were any risks associated with the plan that they would be included in the risk register, and there would be routine oversight in place.</p> <p>Matt John advised that the risks, which are not disaggregated yet and were more for Cwm Taff Morganwg rather than SBUHB.</p> <p>Darren Griffiths advised he was a member of the joint executive group, and thought it would be good to consider the transparency of the reporting of the minutes and actions of the group.</p>	
Resolved:	<p>Committee members noted the report.</p> <p>ACTION – Discussion to take place in relation to an initial management response in terms of how the work was developing.</p>	SHG
21/23	NATIONAL UPDATE ON THE POST-PAYMENT VERIFICATION ANNUAL REPORT	
Resolved:	Committee members noted the report.	
22/23	ITEMS TO REFER TO OTHER COMMITTEES	
Resolved:	There we no items to refer to other committees.	
23/23	MEETING EFFECTIVENESS	
Resolved:	Nuria Zolle reminded committee members to complete the meet effectiveness survey. A report on the findings would be reported to a future committee.	
24/23	ANY OTHER BUSINESS	
Resolved:	There was no further business discussed.	
25/23	DATE OF NEXT AUDIT COMMITTEE MEETING	
	The date of the next meeting was confirmed as Thursday 9th March 2023.	